UNITED WAY OF CENTRAL VIRGINIA, INC.
Lynchburg, Virginia

Financial Statements
for years ended
June 30, 2016 and 2015

A Not-for-Profit Corporation
501(c)3

Incorporated in Virginia in March 1922

UNITED WAY OF CENTRAL VIRGINIA, INC.

UNITED WAY OF CENTRAL VIRGINIA, INC.

Contents

DDH DAVIDSON, DOYLE & HILTON
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

The Board of Directors
United Way of Central Virginia, Inc.
Lynchburg, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of Central Virginia, Inc. (the "Corporation"), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Central Virginia, Inc. as of June 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Davidson Doyle + Hilton, LLP

Lynchburg, Virginia
November 7, 2016

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UNITED WAY OF CENTRAL VIRGINIA, INC.
Statements of Financial Position
June 30, 2016 and 2015

	2016	2015
Assets		
Current assets		
Cash	$ 538,565	$ 621,592
Investments	1,066,707	1,049,647
Pledges receivable, net of allowance for uncollectible pledges of $106,781 for 2016 and $91,296 for 2015	909,656	1,062,056
Other receivables	112,038	64,658
Prepaid expenses	9,497	7,246
Total current assets	2,636,463	2,805,199
Property and equipment		
Land, building, and equipment at cost, less accumulated depreciation of $670,618 for 2016 and $662,284 for 2015	66,579	69,554
Other assets		
Endowment – beneficial interest in assets	337,665	355,014
Perpetual trusts	376,924	406,939
Beneficial interest in annuity	6,771	4,649
Total other assets	721,360	766,602
Total assets	$ 3,424,402	$ 3,641,355
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 6,388	$ 3,235
Accrued expenses	26,307	18,249
Deferred revenue	73,285	96,941
Designations payable	526,489	666,636
Allocations payable	1,174,029	1,238,640
Total current liabilities	1,806,498	2,023,701
Net assets		
Unrestricted	244,903	202,071
Temporarily restricted	710,358	752,940
Permanently restricted	662,643	662,643
Total net assets	1,617,904	1,617,654
Total liabilities and net assets	$ 3,424,402	$ 3,641,355

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statement of Activities
Year ended June 30, 2016

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Campaign and other revenue				
Campaign revenue				
Campaign revenue for next allocation period	$ -	$ 2,670,903	$ -	$ 2,670,903
Less donor designations processed by United Way of Central Virginia, Inc	-	(652,669)	-	(652,669)
Uncollectible pledge expense	-	(141,803)	-	(141,803)
Net campaign for next allocation period	-	1,876,431	-	1,876,431
Campaign revenue applicable to current period				
Net campaign revenue recognized in prior periods released from restrictions	1,922,320	(1,922,320)	-	-
Total campaign revenue	1,922,320	(45,889)	-	1,876,431
Other revenue				
Interest	728	-	-	728
Rent	543	-	-	543
Grant income, non-governmental	-	40,931	-	40,931
Grant income, governmental	-	463,750	-	463,750
Investment earnings	17,060	-	-	17,060
Net earnings of endowments	-	(420)	-	(420)
Net earnings of perpetual trusts	(20,582)	-	-	(20,582)
Beneficial interest earnings	-	2,122	-	2,122
Grow One income	4,087	-	-	4,087
Special events	99,871	-	-	99,871
In-kind donations	90,655	-	-	90,655
Miscellaneous	10,614	-	-	10,614
Net assets released from restrictions	503,076	(503,076)	-	-
Total other revenue	706,052	3,307	-	709,359
Total campaign revenue and other revenue	2,628,372	(42,582)	-	2,585,790
Expenses				
Allocations to members agencies, affiliates, and others	1,098,992	-	-	1,098,992
Community Impact allocation	214,733	-	-	214,733
Functional expenses:		-	-	
Supporting services	146,391	-	-	146,391
Fundraising	427,473	-	-	427,473
Program services	697,951	-	-	697,951
Total allocations and expenses	2,585,540	-	-	2,585,540
Increase in net assets	42,832	(42,582)	-	250
Net assets at beginning of year	202,071	752,940	662,643	1,617,654
Net assets at end of year	$ 244,903	$ 710,358	$ 662,643	$ 1,617,904

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statement of Activities
Year ended June 30, 2015

	2015 Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Campaign and other revenue				
Campaign revenue				
Campaign revenue for next allocation period	$ -	$ 2,815,008	$ -	$ 2,815,008
Less donor designations processed by United Way of Central Virginia, Inc	-	(754,693)	-	(754,693)
Uncollectible pledge expense	-	(91,919)	-	(91,919)
Net campaign for next allocation period	-	1,968,396	-	1,968,396
Campaign revenue applicable to current period				
Net campaign revenue recognized in prior periods released from restrictions	1,890,307	(1,890,307)	-	-
Total campaign revenue	1,890,307	78,089	-	1,968,396
Other revenue				
Interest	1,096	-	-	1,096
Rent	687	-	-	687
Grant income, non-governmental	-	11,780	-	11,780
Grant income, governmental	-	387,678	-	387,678
Investment earnings	23,239	-	-	23,239
Net earnings of endowments	-	5,370	-	5,370
Net earnings of perpetual trusts	(7,100)	-	-	(7,100)
Beneficial interest earnings	-	(580)	-	(580)
Grow One income	2,473	-	-	2,473
Special events	74,892	-	-	74,892
In-kind donations	102,072	-	-	102,072
Miscellaneous	3,432	-	-	3,432
Net assets released from restrictions	386,293	(386,293)	-	-
Total other revenue	587,084	17,955	-	605,039
Total campaign revenue and other revenue	2,477,391	96,044	-	2,573,435
Expenses				
Allocations to members agencies, affiliates, and others	1,120,814	-	-	1,120,814
Community Impact allocation	26,395	-	-	26,395
Functional expenses:		-	-	
Supporting services	220,312	-	-	220,312
Fundraising	381,922	-	-	381,922
Program services	670,894	-	-	670,894
Total allocations and expenses	2,420,337	-	-	2,420,337
Increase in net assets	57,054	96,044	-	153,098
Net assets at beginning of year	145,017	656,896	662,643	1,464,556
Net assets at end of year	$ 202,071	$ 752,940	$ 662,643	$ 1,617,654

See notes to financial statements.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Statement of Functional Expenses
Year ended June 30, 2016

	2016								
	Supporting Services					Program Services			
	Management and General	Land, Building, and Equipment	Marketing	Total	Fund Raising	Allocations and Community Initiatives	Community Services	Total	Total All Funds
Auto allowance and travel expense	$ 5,917	$ -	$ 284	$ 6,201	$ 1,496	$ 834	$ 1,736	$ 2,570	$ 10,267
Conferences and conventions	340	-	250	590	2,000	1,580	-	1,580	4,170
Consulting	-	-	-	-	-	-	45,500	45,500	45,500
Depreciation	8,334	-	-	8,334	-	-	-	-	8,334
Expenditures of grant awards	-	-	-	-	-	1,630	195,468	197,098	197,098
Fringe benefits	4,978	-	4,543	9,521	34,596	15,087	50,029	65,116	109,233
Insurance	10,199	-	-	10,199	-	-	2,233	2,233	12,432
Janitor service and building maintenance	11,590	-	3,410	15,000	11,120	5,296	16,558	21,854	47,974
Marketing	112	-	4,584	4,696	84,540	1,138	182	1,320	90,556
Meals	1,440	-	84	1,524	1,367	3,470	423	3,893	6,784
Membership dues	3,715	-	1,290	5,005	10,626	3,648	9,387	13,035	28,666
Miscellaneous	6,102	45	15	6,162	2,171	53	7	60	8,393
Payroll taxes	628	-	969	1,597	14,722	8,392	15,465	23,857	40,176
Pension administration	7,148	-	-	7,148	-	-	-	-	7,148
Postage	147	-	-	147	8,269	206	637	843	9,259
Printing	50	-	633	683	21,416	-	124	124	22,223
Professional fees	10,600	-	-	10,600	-	-	-	-	10,600
Promotional functions and materials	-	-		-	3,520	55	4,087	4,142	7,662
Publications	68	-	-	68	-	-	230	230	298
Recognition and training	3,258	-	25	3,283	258	96	1,643	1,739	5,280
Salaries and wages	21,983	-	12,004	33,987	179,005	108,626	192,417	301,043	514,035
Special event expenses	-	-	-	-	51,056	-	-	-	51,056
Supplies and maintenance	(184)	89	263	168	1,311	2,748	3,264	6,012	7,491
Telephone	8,144	-	-	8,144	-	-	5,702	5,702	13,846
Utilities	-	13,334	-	13,334	-	-	-	-	13,334
Total expenses	$ 104,569	$ 13,468	$ 28,354	$ 146,391	$ 427,473	$ 152,859	$ 545,092	$ 697,951	$ 1,271,815

See notes to financial statements.

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UNITED WAY OF CENTRAL VIRGINIA, INC.
Statement of Functional Expenses
Year ended June 30, 2015

	2015								
	Supporting Services					Program Services			
	Management and General	Land, Building, and Equipment	Marketing	Total	Fund Raising	Allocations and Community Initiatives	Community Services	Total	Total All Funds
Auto allowance and travel expense	$ 5,295	$ 4	$ 101	$ 5,400	$ 706	$ 56	$ 1,259	$ 1,315	$ 7,421
Conferences and conventions	1,059	-	458	1,517	131	618	1,199	1,817	3,465
Consulting	-	-	-	-	-	-	42,000	42,000	42,000
Depreciation	8,283	-	-	8,283	-	-	-	-	8,283
Expenditures of grant awards	-	-	-	-	-	-	131,114	131,114	131,114
Fringe benefits	7,163	-	3,129	10,292	41,296	22,348	52,429	74,777	126,365
Insurance	9,726	-	-	9,726	-	-	2,186	2,186	11,912
Janitor service and building maintenance	7,617	(4,120)	4,515	8,012	15,440	7,150	14,586	21,736	45,188
Marketing	376	-	101,556	101,932	7,750	860	5,179	6,039	115,721
Meals	651	-	59	710	1,256	1,736	962	2,698	4,664
Membership dues	3,419	-	1,324	4,743	10,917	3,654	9,631	13,285	28,945
Miscellaneous	4,581	-	-	4,581	271	44	-	44	4,896
Payroll taxes	2,183	-	918	3,101	17,441	9,556	15,876	25,432	45,974
Pension administration	6,934	-	-	6,934	-	-	-	-	6,934
Postage	602	84	24	710	16,531	399	713	1,112	18,353
Printing	-	-	1,000	1,000	13,804	-	120	120	14,924
Professional fees	8,100	-	-	8,100	-	-	-	-	8,100
Promotional functions and materials	-	-	61	61	3,902	-	1,817	1,817	5,780
Publications	138	-	-	138	-	-	263	263	401
Recognition and training	2,050	-	261	2,311	462	-	305	305	3,078
Salaries and wages	6,587	-	10,984	17,571	219,040	133,187	204,026	337,213	573,824
Special projects	-	-	-	-	31,580	-	-	-	31,580
Supplies and maintenance	(115)	1,368	165	1,418	1,395	980	1,119	2,099	4,912
Telephone	8,241	-	-	8,241	-	-	5,522	5,522	13,763
Utilities	-	15,531	-	15,531	-	-	-	-	15,531
Total expenses	$ 82,890	$ 12,867	$ 124,555	$ 220,312	$ 381,922	$ 180,588	$ 490,306	$ 670,894	$ 1,273,128

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UNITED WAY OF CENTRAL VIRGINIA, INC.
Statements of Cash Flows
Years ended June 30, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Increase in net assets	$ 250	$ 153,098
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	8,334	8,283
(Increase) decrease in:		
Pledge receivable, net	152,400	70,666
Other receivables	(47,380)	(96)
Prepaid expenses	(2,251)	(132)
Increase (decrease) in:		
Accounts payable	3,153	972
Accrued expenses	8,058	(22,025)
Deferred revenue	(23,656)	(26,452)
Designations payable	(140,147)	93,173
Allocations payable	(64,611)	(425,673)
Net cash used in operating activities	(105,850)	(148,186)
Cash flows from investing activities		
Change in net value of endowments	17,349	10,704
Change in net value of perpetual trusts	30,015	24,439
Change in investment	(17,060)	(23,239)
Change in beneficial interest annuity	(2,122)	580
Additions to land, building, and equipment	(5,359)	(7,161)
Net cash provided by investing activities	22,823	5,232
Net decrease in cash	(83,027)	(142,863)
Cash at beginning of year	621,592	764,455
Cash at end of year	$ 538,565	$ 621,592

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 1 – Nature of the organization and summary of significant accounting policies

Nature of the organization

The United Way of Central Virginia, Inc. (the "Corporation") is a not-for-profit corporation whose mission is "to mobilize the compassionate power of our community to improve the quality of lives in Central Virginia." The Corporation seeks to make lasting impact on the community's most pressing needs through stakeholder engagement, public awareness, and resource allocation. Annual campaigns are conducted to raise support for allocations to participating programs in the Central Virginia area. Final approval of allocations to participating programs is made by local volunteers who serve on the Board of the Directors.

Basis of financial statement presentation

The Corporation's financial statements follow the provisions of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, FASB ASC 958, *Non-Profit Entities*. The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

> Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Board designated restrictions are disclosed separately.
>
> Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by action of the Corporation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restraints.
>
> Permanently restricted net assets – Net assets subject to donor-imposed restrictions that the assets be maintained permanently by the Corporation. Generally, the donors of these assets permit the Corporation to use all or part of the income earned on any related net assets for general purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, money markets, and other short-term liquid investments. Money markets used for operations and not donor restricted are also included in cash and cash equivalents.

Campaign and other revenue

In accordance with FASB ASC 958, *Non-Profit Entities,* contributions are recognized when the donor makes an unconditional promise to give and are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor-imposed restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period are reported as temporarily restricted contributions. For other donor-imposed restrictions, when the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If the Board specifies a purpose where none has been stated by the original donor, such assets are classified as Board designated within unrestricted net assets.

Contributions of long-lived assets and cash to acquire long-lived assets that are received without stipulations as to how long the long-lived asset must be used are reported as unrestricted when the assets are placed in service with no time restriction implied.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 1 – Nature of the organization and summary of significant accounting policies (continued)

Pledges and allocations

Pledges to the Corporation, net of estimated uncollectible amounts, are recognized as revenue in the period the unconditional pledges are received. Estimated allowances are determined by management based on a three-year average. Any differences between the allowance and the actual pledge losses are reflected in the subsequent year's income. The ability to collect pledges resulting from fund raising efforts is affected by the general economic conditions in the Central Virginia area. Allocations to agencies approved prior to the allocation year are deducted from annual campaign support designated for future periods and are reported as liabilities until paid.

Investments

Investments are comprised of mutual funds and cash accounts stated at their fair values based on quoted market prices. Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amount reported in the financial statements.

Property and depreciation

Building and equipment is stated in the financial statements at cost. Depreciation is computed by the straight-line method over estimated useful lives as follows:

Classification	Estimated Useful Life
Building	10 – 25 years
Furniture and equipment	3 – 10 years
Transportation	5 years

Expenses for maintenance and repairs are charged against revenues in the year the cost is incurred. Expenditures for additions and major improvements are capitalized and depreciated. Cost and accumulated depreciation are removed from the accounts for property sold or retired, and any resulting gain or loss is included in the statement of activities.

Donated services and materials

Amounts have been reflected in the statements for donated services that can be quantified. A substantial number of volunteers donate significant amounts of their time in the Corporation's fund raising campaigns and program services for which no objective basis is available to measure the value of such services Donated materials or equipment, when received, are reflected as contributions at their estimated fair value at the date of receipt.

Functional expenses

The costs of providing the Corporation's various programs and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The functional expenses of the various programs and supporting services included those costs directly attributable to the specific programs as well as an allocation of supporting service expenditures, which, in the estimation of management, are indirectly attributable to the programs.

Advertising

Advertising costs are expensed during the year in which the costs are incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 1 – Nature of the organization and summary of significant accounting policies (continued)

Concentration of credit risk

The Corporation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect Corporation account balances and the amounts reported in the statement of net assets available for benefits.

The Corporation has pledges receivable resulting from its' annual campaign. Pledges receivable are exposed to risks of collectability. Due to the level of risk associated with pledges, it is at least reasonably possible that changes in the amounts collected will occur in the near term and that such changes could materially affect Corporation account balances and the amounts reported in the statement of net assets available for benefits.

Note 2 – Cash balances

The Corporation maintains cash accounts at several local financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. From time to time, the balances maintained at the institutions may exceed the maximum amount insured by the FDIC. Management of the Corporation believes the risk of loss resulting from uninsured balances is immaterial.

Note 3 – Pledges receivable

Annual campaigns are conducted to raise support for allocations to participating agencies in the subsequent year. The campaign to raise support for allocations to participating agencies begins in the spring of each year.

Pledges receivable at June 30, 2016 and 2015 consisted of the following:

	2016	2015
Pledges receivable expected to be collected within one year	$ 1,016,437	$ 1,153,352
Allowance for uncollectible pledges	(106,781)	(91,296)
Pledges receivable, net	$ 909,656	$ 1,062,056

Note 4 – Endowment investments

Investments in the Greater Lynchburg Community Trust management account (endowment accounts) at fair value were $337,665 and $355,014 at June 30, 2016 and 2015, respectively. The investments are in pooled investment assets and are reported as beneficial interest in assets.

Note 5 – Perpetual trusts

The Corporation is an income beneficiary of perpetual trusts established under the wills of two individual donors. The following tabulation summarizes the types of investments included in perpetual trusts at fair values as of June 30, 2016 and 2015:

	Fair Value	
	2016	2015
Cash equivalents	$ 10,199	$ 11,038
Bond mutual funds	261,890	277,989
Equity mutual funds	104,835	117,911
	$ 376,924	$ 406,939

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 6 – Fair Value of Assets and Liabilities

FASB ASC 820 defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a hierarchy for disclosing assets and liabilities measured at fair value based on the inputs used to value them. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are based on market pricing data obtained from sources independent of the Corporation. Unobservable inputs reflect management's judgment about the assumptions market participants would use in pricing the asset or liability.

The fair value hierarchy includes three levels based on the objectivity of the inputs as follows:

- Level 1 inputs are quoted prices in active markets as of the measurement date for identical assets and liabilities that the Corporation has the ability to access. This category includes exchange-traded mutual funds and equity securities.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates or yield curves, that are observable at commonly quoted intervals. This category includes mortgage-backed securities, asset-backed securities, corporate debt securities, certificates of deposit, commercial paper, U.S. agency and municipal debt securities, U.S. Treasury securities and derivative contracts.
- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The measurements are highly subjective.

Following is a description of the valuation methodologies used for assets measured at fair value:

Cash & certificates of deposit – Valued at fair market value.

Mutual funds and corporate bonds – Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Pooled investments – Valued using net asset value of underlying funds.

	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total at Fair Value
June 30, 2016				
Cash, deposit account	$ 27,449	$ -	$ -	$ 27,449
Certificates of deposit	535,454	-	-	535,454
Mutual funds	630,577	-	-	630,577
Corporate bonds	250,151	-	-	250,151
Pooled investments	-	337,665	-	337,665
Total	$ 1,443,631	$ 337,665	$ -	$ 1,781,296
June 30, 2015				
Cash, deposit account	$ 21,245	$ -	$ -	$ 21,245
Certificates of deposit	451,450	-	-	451,450
Mutual funds	634,134	-	-	634,134
Corporate bonds	349,757	-	-	349,757
Pooled investments	-	355,014	-	355,014
Total	$ 1,456,586	$ 355,014	$ -	$ 1,811,600

Note 7 – Endowments

The Corporation's endowment consists of individual funds established for a variety of purposes. Its endowment includes two donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Corporation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard prudence prescribed by SPMIFA. In accordance with SPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund
2) The purposes of the Corporation and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Corporation
7) The investment policies of the Corporation

Spending Policy

The responsibility for investment of all institutional funds is solely the responsibility of the Board of Trustees. The spending policy and how the investment objectives relate to the spending policy, which is applicable to the endowments herewith presented, are stated as follows:

The Corporation's spending formula is calculated using a percentage of the value of the 12-quarter rolling average of the market value of the Endowment Funds on each December 31, such percentage to be between four percent and six percent as approved by the majority of the Board of Trustees.

Return Objectives and Risk Parameters

The responsibility for investment of all endowment funds of the Corporation is solely the responsibility of the Board of Directors. The return objectives and risk parameters applicable to the endowments herewith presented are as follows:

The Corporation has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding for operating and capital expenditures while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 7 – Endowments (continued)

Strategies Employed for Achieving Objectives

The responsibility for investment of all endowment funds is solely the responsibility of the Board of Trustees. The strategies employed for achieving objectives applicable to the endowments herewith presented are as follows:

To satisfy its long-term objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporation targets a diverse asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficiencies

From time to time the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMPFIA/SPMIFA requires the Corporation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $-0- and $-0- as of June 30, 2016 and 2015, respectively.

Endowment net assets composition by type of fund and changes in endowment net assets for the year ended June 30, 2016 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2016				
Donor-restricted endowment funds	$ -	$ 1,186	$ 336,479	$ 337,665
Board-designated endowment funds	-	-	-	-
Total funds	$ -	$ 1,186	$ 336,479	$ 337,665

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2016				
Endowment net asset, beginning of year	$ -	$ 18,535	$ 336,479	$ 355,014
Investment return:				
Investment income	-	6,059	-	6,059
Net depreciation (realized and unrealized), net of fees	-	(6,478)	-	(6,478)
Total investment return	-	(419)	-	(419)
Contributions	-	-	-	-
Appropriations	-	(16,930)	-	(16,930)
Other changes:				
Transfers for recovery of restricted funds	-	-	-	-
Endowment net asset, end of year	$ -	$ 1,186	$ 336,479	$ 337,665

Note 7 – Endowments (continued)

Endowment net assets composition by type of fund and changes in endowment net assets for the year ended June 30, 2015 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2015				
Donor-restricted endowment funds	$ -	$ 18,535	$ 336,479	$ 355,014
Board-designated endowment funds	-	-	-	-
Total funds	$ -	$ 18,535	$ 336,479	$ 355,014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2015				
Endowment net asset, beginning of year	$ -	$ 29,239	$ 336,479	$ 365,718
Investment return:				
Investment income	-	7,889	-	7,889
Net depreciation (realized and unrealized), net of fees	-	(2,520)	-	(2,520)
Total investment return	-	5,369	-	5,369
Contributions	-	-	-	-
Appropriations	-	(16,073)	-	(16,073)
Other changes:				
Transfers for recovery of restricted funds	-	-	-	-
Endowment net asset, end of year	$ -	$ 18,535	$ 336,479	$ 355,014

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 7 – Endowments (continued)

Description of Amounts Classified as Permanently Restricted Net Assets
and Temporarily Restricted Net Assets (Endowment Only)

	2016	2015
Permanently Restricted Net Assets		
(1) The portion of perpetual endowment funds that is required to be retained Permanently either by explicit donor stipulation of by UPMIFA	$ 336,479	$ 336,479
Total endowment funds classified as permanently restricted net assets	$ 336,479	$ 336,479
Temporarily Restricted Net Assets		
(1) Term endowment funds	$ -	$ -
(2) The portion of perpetual endowment funds subject to a time restriction Under UPMIFA		
Without purpose restrictions	1,186	18,535
With purpose restrictions	-	-
Total endowment funds classified as temporarily restricted net assets	$ 1,186	$ 18,535

Note 8 – Beneficial interest in annuity trust

The Corporation is the beneficiary of an annuity donated to United Way Worldwide for the benefit of the Corporation. The annuity is a joint and survivor annuity which will make payments to the donors until death. Upon satisfaction of the annuity payments, the residual of the gift will revert to the Corporation. As of June 30, 2016 and 2015, the fair value of the annuity was $6,771 and $4,649, respectively.

Note 9 – Rental income

The Corporation received rental income of $543 and $687 from other agencies under short-term leasing arrangements for space in the Corporation's building for the years ended June 30, 2016 and 2015, respectively.

Note 10 - Land, building, and equipment

Land, building, equipment, and accumulated depreciation at June 30, 2016 and 2015, and depreciation expense for the years ended June 30, 2016 and 2015, were as follows:

	2016			2015		
	Cost	Accumulated Depreciation	Depreciation Expense	Cost	Accumulated Depreciation	Depreciation Expense
Land	$ 33,000	$ -	$ -	$ 33,000	$ -	$ -
Building	539,597	519,847	4,685	539,597	515,202	3,878
Furniture and equipment	142,894	129,065	3,689	137,535	125,376	4,405
Transportation	21,706	21,706	-	21,706	21,706	-
	$ 737,197	$ 670,618	$ 8,334	$ 731,838	$ 662,284	$ 8,283

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 11 – Awards and grants

The Corporation received the following grants during the year ended June 30, 2016 and 2015:

	2016	2015
Government grants		
State grants	$ 298,917	$ 386,586
Other grants	164,833	1,092
Total government grants	463,750	387,678
Other non-governmental grants		
Virginia Early Childhood Foundation	731	4,821
Greater Lynchburg Community Trust	-	5,897
Other non-governmental grants	40,200	1,062
Total other non-governmental grants	40,931	11,780
Total grants	$ 504,681	$ 399,458

Note 12 – In-kind donations

As stated in Note 1, the Corporation records donations of advertising, printing and other items and the related expensé at their estimated fair value. For the year ended June 30, 2016 and 2015, donated advertising and other items amounted to $90,655 and $102,072, respectively, and are presented as in-kind donations in the accompanying statement of activities. The related advertising and other expenses are presented in the accompanying statement of functional expenses.

Note 13 – Retirement plan

The Corporation's retirement plan is a multi-employer defined contribution Section 403(b) plan covering substantially all employees who are 18 years of age. Under the plan, the Corporation makes a contribution equal to 6% of each participant's compensation plus a matching contribution of 100% of each participant's contributions up to 3% of his or her compensation once eligibility requirements are met (18 years of age and 1 year of service). Participants can defer a portion of their compensation to the plan effective upon hire. The amounts contributed by the Corporation to the plan for the years ended June 30, 2016 and 2015 were $34,813 and $44,962, respectively.

Note 14 – Income taxes

The Corporation is exempt from income tax under Section 501(a) of the Internal Revenue Code (the "Code") and has been determined to be a charitable organization under Section 501(c)(3) of the Code, which qualifies contributions, bequests, and legacies as deductions by the donor for income, estate, and gift tax purposes. An annual information return is filed with the Internal Revenue Service. In addition, the Corporation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Financial Accounting Standards Board has issued ASC 740-10 which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Corporation adopted ASC 740-10. The Corporation has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Corporation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Corporation's financial condition, results of operations or cash flows. Accordingly, the Corporation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2016 and 2015. Fiscal years ending on or after June 30, 2013 remain subject to examination by federal and state tax authorities.

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 15 – Net assets

Permanently and temporarily restricted net assets as of June 30, 2016 and 2015 consisted of the following:

		2016		2015
Unrestricted				
Campaign revenue	$	219,903	$	167,071
Board designated		25,000		35,000
Total Unrestricted Net Assets	$	244,903	$	202,071
Temporarily Restricted				
Campaign revenue	$	702,402	$	729,726
Beneficial interest in annuity		6,771		4,649
Endowment earnings		1,186		18,565
Total Temporarily Restricted Net Assets	$	710,359	$	752,940
Permanently Restricted				
Endowments	$	336,479	$	336,479
Perpetual trusts		326,146		326,146
Total Permanently Restricted Net Assets	$	662,643	$	662,643

Note 16 – Operating Lease Obligations

The Corporation leases equipment under operating leases. Rental expense relating to these leases totaled $7,713 and $6,990 for the years ended June 30, 2016 and 2015, respectively. Future minimum lease payments under noncancelable leases are as follows:

Year Ending		Amount
2017	$	2,383
2018		2,383
Thereafter		794
	$	5,560

UNITED WAY OF CENTRAL VIRGINIA, INC.
Notes to Financial Statements
June 30, 2016 and 2015

Note 17 – Schedule of fund distribution

Agency allocations accrued for the years ended June 30, 2016 and 2015 were as follows:

	2016	2015
Adult Care Center of Central Virginia	$ 30,000	$ 30,000
Altavista Habitat for Humanity	7,500	6,000
American Red Cross – Historic Virginia Chapter	62,000	67,000
Arc of Central Virginia	88,197	78,197
Bedford Christian Ministries	12,000	12,000
Big Brothers and Sisters	45,127	47,000
Boy Scouts of America – Blue Ridge Mtns. Council	6,500	6,500
CASA of Central Virginia	35,000	33,000
Central Virginia Alliance for Community Living	80,250	78,000
Community Impact	75,000	75,000
Free Clinic of Central Virginia	59,517	59,517
Girl Scouts	1,800	2,000
HumanKind	105,040	125,040
Jubilee Family Development Center	19,737	19,737
Lake Christian Ministries	10,000	10,000
Lynchburg Community Action Group	91,500	92,000
Mary Bethune Academy	109,079	109,079
Mental Health Association – Lynchburg Area	12,000	42,000
Other	5,000	19,528
Piedmont Community Impact	-	3,000
Salvation Army	69,000	69,000
Virginia Legal Aid Society, Inc.	42,000	42,930
Young Men's Christian Association, Bedford	33,480	35,550
Young Men's Christian Association of Central Virginia	37,740	40,000
Young Women's Christian Association	136,562	136,562
	$ 1,174,029	$ 1,238,640

Note 18 – Overhead ratio

Total overhead ratio for the Corporation is calculated by taking the total supporting services and fund raising as a percentage of the total campaign revenue net of uncollectible pledges. The total overhead ratio for the years ended June 30, 2016 and 2015 was 15.0% and 16.0%, respectively.

Note 19 – Increases and Decreases in Net Assets

United Way of Central Virginia is committed to providing funds for local programs that support education, income and health. The Corporation has, at times, used net asset additions from prior years to supplement current allocations. In such cases, allocations exceed current year funds available and may result in a decrease in net assets. During the years ended June 30, 2016 and 2015, respectively, prior year net asset additions of $153,096 and $15,764 were used to fund allocations.

In addition, because cash flows are not affected, the Corporation does not recognize net changes in its endowment and perpetual trust funds for the purpose of determining program allocations. Therefore, increases and decreases in net assets may result from net gains and losses in these funds. For the years ended June 30, 2016 and 2015, changes in endowment and perpetual trust funds resulted in net losses of $21,002 and net losses of $1,730, respectively.

Certain other increases and decreases in net assets may result from the use of modified cash basis for budgetary purposes, differences in accounting for pledge loss and the matching of campaigns to operations. Variances from GAAP are temporary in nature and usually insignificant over time.

Note 20 - Subsequent Events

The Corporation has evaluated subsequent events through November 7, 2016, the date the financial statements were available to be issued. No events requiring disclosure were noted.