

2015 Financial Statements



River Region United Way



River Region United Way

FINANCIAL STATEMENTS

September 30, 2015 and 2014



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The image features a white background with two horizontal bars: a dark blue bar on the left and a lighter blue bar on the right, both spanning the width of the page. Below these bars is a large yellow rectangular area. On the left side of this yellow area, there are several overlapping, semi-transparent geometric shapes, including triangles and hexagons, in various shades of yellow and orange. The word "REPORT" is written in a bold, dark blue, sans-serif font in the lower right corner of the yellow area.

REPORT

INDEPENDENT AUDITORS' REPORT

Board of Directors
River Region United Way

We have audited the accompanying financial statements of River Region United Way (the Organization) which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statement 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.

Auditors' 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 audit 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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of River Region United Way as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Caru, Riggs & Ingram, L.L.C.

Montgomery, Alabama
December 10, 2015



FINANCIAL STATEMENTS

River Region United Way Statements Financial Position

	2015			2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Assets								
Current assets								
Cash and cash equivalents	\$ 2,655,085	\$ 363,748	\$ -	\$ 3,018,833	\$ 2,422,205	\$ 375,396	\$ 227,194	\$ 3,024,795
Pledges receivable, net	1,034,170	748,282	-	1,782,452	1,090,138	818,441	-	1,908,579
Other receivables	83,340	-	-	83,340	91,308	-	-	91,308
Prepaid expense	23,087	-	-	23,087	33,856	-	-	33,856
Total current assets	3,795,682	1,112,030	-	4,907,712	3,637,507	1,193,837	227,194	5,058,538
Other assets								
Investments, at fair value	947,828	800,504	365,124	2,113,456	942,683	763,574	125,000	1,831,257
Property and equipment, net	83,484	-	-	83,484	41,012	-	-	41,012
Cash surrender value of life insurance	7,708	-	-	7,708	6,757	-	-	6,757
Total assets	\$ 4,834,702	\$ 1,912,534	\$ 365,124	\$ 7,112,360	\$ 4,627,959	\$ 1,957,411	\$ 352,194	\$ 6,937,564
Liabilities and net assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 39,836	\$ -	\$ -	\$ 39,836	\$ 49,133	\$ -	\$ -	\$ 49,133
Allocations and designations payable	4,312,508	313,382	-	4,625,890	2,418,636	332,218	-	2,750,854
Current portion of capital lease obligation	9,478	-	-	9,478	14,988	-	-	14,988
Custodial accounts	91,883	-	-	91,883	91,830	-	-	91,830
Deferred income	-	-	-	-	2,500	-	-	2,500
Total current liabilities	4,453,705	313,382	-	4,767,087	2,577,087	332,218	-	2,909,305
Long-term liabilities								
Capital lease obligation	41,317	-	-	41,317	10,540	-	-	10,540
Total liabilities	4,495,022	313,382	-	4,808,404	2,587,627	332,218	-	2,919,845

(Continued)

The accompanying notes are an integral part of these financial statements.

River Region United Way Statements Financial Position

September 30,	2015		2014		Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted	Temporarily Restricted					
Net assets									
Undesignated	(324,276)	-	-	(324,276)	1,458,932	-	-	-	1,458,932
Board designated	663,956	-	-	663,956	581,400	-	-	-	581,400
Total unrestricted	339,680	-	-	339,680	2,040,332	-	-	-	2,040,332
Temporarily restricted	-	1,599,152	-	1,599,152	-	1,625,193	-	-	1,625,193
Permanently restricted	-	-	365,124	365,124	-	-	352,194	-	352,194
Total net assets	339,680	1,599,152	365,124	2,303,956	2,040,332	1,625,193	352,194	-	4,017,719
Total liabilities and net assets	\$ 4,834,702	\$ 1,912,534	\$ 365,124	\$ 7,112,360	\$ 4,627,959	\$ 1,957,411	\$ 352,194	\$ 6,937,564	\$ 6,937,564

The accompanying notes are an integral part of these financial statements.

River Region United Way Statement of Activities

Year ended September 30,

2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Change in net assets				
Gross campaign pledges for next allocation period	\$ -	\$ 1,105,187	\$ -	\$ 1,105,187
Less donor designations	-	(313,382)	-	(313,382)
Less provision for uncollectible pledges	-	(80,552)	-	(80,552)
Net campaign pledges for next allocation period	-	711,253	-	711,253
Gross campaign pledges for current allocation period	3,999,179	-	12,930	4,012,109
Less donor designations	(546,544)	-	-	(546,544)
Less provision for uncollectible pledges	(358,911)	-	-	(358,911)
Pledges released for current allocation period	730,580	(730,580)	-	-
Net campaign pledges for current allocation period	3,824,304	(730,580)	12,930	3,106,654
Other contributions	187,820	600	-	188,420
Other contributions released from restrictions	23,969	(23,969)	-	-
Net public support	4,036,093	(42,696)	12,930	4,006,327
Other revenues				
Investment return	14,734	16,655	-	31,389
Gain on disposal of assets	3,398	-	-	3,398
Other income	60,794	-	-	60,794
Total other revenues	78,926	16,655	-	95,581
Net public support and other revenues	4,115,019	(26,041)	12,930	4,101,908
Allocations and expenses				
Program services:				
Allocations and other programs	4,890,271	-	-	4,890,271
Supporting expenses:				
Management and general	511,989	-	-	511,989
Fundraising	413,411	-	-	413,411
Total allocations and expenses	5,815,671	-	-	5,815,671
Increase (decrease) in net assets	(1,700,652)	(26,041)	12,930	(1,713,763)
Net assets, beginning of year	2,040,332	1,625,193	352,194	4,017,719
Net assets, end of year	\$ 339,680	\$ 1,599,152	\$ 365,124	\$ 2,303,956

The accompanying notes are an integral part of these financial statements.

River Region United Way Statement of Activities

Year ended September 30,

2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Change in net assets				
Gross campaign pledges for next allocation period	\$ -	\$ 1,166,677	\$ -	\$ 1,166,677
Less donor designations	-	(332,551)	-	(332,551)
Less provision for uncollectible pledges	-	(87,383)	-	(87,383)
Net campaign pledges for next allocation period	-	746,743	-	746,743
Gross campaign pledges for current allocation period	3,419,482	-	-	3,419,482
Less donor designations	(622,007)	-	-	(622,007)
Less provision for uncollectible pledges	(288,057)	-	-	(288,057)
Pledges released for current allocation period	1,435,187	(1,435,187)	-	-
Net campaign pledges for current allocation period	3,944,605	(1,435,187)	-	2,509,418
Other contributions	127,975	500	-	128,475
Grants	-	-	-	-
Other contributions released from restrictions	21,727	(21,727)	-	-
Net public support	4,094,307	(709,671)	-	3,384,636
Other revenues				
Investment return	18,320	65,322	-	83,642
Loss on disposal of assets	(69)	-	-	(69)
Other income	35,928	-	-	35,928
Total other revenues	54,179	65,322	-	119,501
Net public support and other revenues	4,148,486	(644,349)	-	3,504,137
Allocations and expenses				
Program services:				
Allocations and other programs	3,313,963	-	-	3,313,963
Supporting expenses:				
Management and general	496,098	-	-	496,098
Fundraising	446,478	-	-	446,478
Total allocations and expenses	4,256,539	-	-	4,256,539
Decrease in net assets	(108,053)	(644,349)	-	(752,402)
Net assets, beginning of year	2,148,385	2,269,542	352,194	4,770,121
Net assets, end of year	\$ 2,040,332	\$ 1,625,193	\$ 352,194	\$ 4,017,719

The accompanying notes are an integral part of these financial statements.

River Region United Way Statements of Functional Expenses

	2015			2014				
	Program Services	Management and General	Fund-Raising	Totals	Program Services	Management and General	Fund-Raising	Totals
Gross distributions to agencies	\$ 5,278,367	\$ 100	\$ -	\$ 5,278,467	\$ 3,623,369	\$ -	\$ -	\$ 3,623,369
Less: donor designations to agencies	(856,961)	-	-	(856,961)	(793,697)	-	-	(793,697)
Net allocations to agencies	4,421,406	100	-	4,421,506	2,829,672	-	-	2,829,672
Campaign expenses	11,008	781	31,988	43,777	23,228	145	18,492	41,865
Depreciation	4,541	15,460	6,568	26,569	4,454	11,536	8,159	24,149
Directors and officers insurance	720	2,583	1,252	4,555	645	2,090	994	3,729
Dues and memberships	69,113	4,279	692	74,084	69,723	3,136	196	73,055
Employee benefits	15,675	64,268	28,742	108,685	25,753	58,302	27,176	111,231
Grants and other program expenses	177,082	-	53,918	231,000	126,289	219	82,206	208,714
Interest expense	464	1,663	860	2,987	103	338	207	648
Investment and bank fees	26,514	10,764	1,499	38,777	52,278	10,756	1,333	64,367
Meetings	1,653	4,068	695	6,416	1,310	6,003	2,549	9,862
Occupancy and equipment	25,935	36,624	30,453	93,012	28,200	36,052	41,323	105,575
Outsourcing fees	3,854	14,879	6,808	25,541	2,825	8,716	14,359	25,900
Payroll taxes	9,481	22,768	17,356	49,605	11,431	19,120	19,793	50,344
Postage and shipping	490	986	5,824	7,300	353	1,199	5,279	6,831
Printing	1,540	3,398	7,570	12,508	3,070	4,784	9,264	17,118
Professional and legal fees	9,845	30,816	948	41,609	1,051	75,996	1,222	78,269
Promotional materials	264	2,080	3,313	5,657	-	2,927	6,284	9,211
Publications and subscriptions	600	90	-	690	1,200	110	41	1,351
Salaries	108,481	281,960	209,076	599,517	127,264	240,725	202,823	570,812
Supplies	1,518	4,806	2,877	9,201	2,358	8,185	3,362	13,905
Travel and conferences	87	9,616	2,972	12,675	2,756	5,759	1,416	9,931
	\$ 4,890,271	\$ 511,989	\$ 413,411	\$ 5,815,671	\$ 3,313,963	\$ 496,098	\$ 446,478	\$ 4,256,539

The accompanying notes are an integral part of these financial statements.

River Region United Way Statements of Cash Flows

<i>Years ended September 30,</i>	2015	2014
Operating activities		
Decrease in net assets	\$ (1,713,763)	\$ (752,402)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	26,569	24,149
Provision for uncollectible pledges	439,463	375,440
(Gain) loss on disposal of assets	(3,398)	69
Realized and unrealized gains on investments	15,023	(48,511)
(Increase) decrease in current assets:		
Pledges receivable	(313,336)	338,267
Other receivables	7,968	10,625
Prepaid expense	10,769	(24,391)
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	(9,297)	(14,858)
Allocations and designations payable	1,875,036	55,603
Custodial accounts	53	7,841
Deferred income	(2,500)	2,500
Net cash provided by (used in) operating activities	332,587	(25,668)
Investing activities		
Purchase of investments	(847,394)	(371,284)
Proceeds from sales and maturities of investments	550,171	642,309
Purchase of property and equipment	(77,597)	(10,819)
Change in cash surrender value of life insurance	(951)	(793)
Net cash provided by (used in) investing activities	(375,771)	259,413
Financing activities		
Proceeds from capital lease obligation	45,637	9,313
Principal payments on capital leases	(8,415)	(14,913)
Net cash provided by (used in) financing activities	37,222	(5,600)
Net increase (decrease) in cash and cash equivalents	(5,962)	228,145
Cash and cash equivalents, beginning of year	3,024,795	2,796,650
Cash and cash equivalents, end of year	\$ 3,018,833	\$ 3,024,795
Supplemental information:		
Interest paid in cash during the year	\$ 2,987	\$ 648

The accompanying notes are an integral part of these financial statements.



River Region United Way Notes to Financial Statements

NOTE 1: NATURE OF OPERATIONS

The River Region United Way (the Organization), is a non-profit voluntary health and welfare organization made up of public and private health and welfare agencies, community organizations, and representatives of the general public, providing administrative and other central services for carrying out its charitable and educational purposes in the river region. The majority of revenue consists of contributions from the general public in Montgomery, Autauga, Elmore, Macon, and Lowndes counties.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting, under which revenues are recognized in the period they are earned or unconditionally promised rather than when they are received and expenses are recognized in the period incurred rather than when paid.

The accompanying financial statements include the accounts of the Organization, exclusive of associated agencies. Each associated agency has its own independent board of directors and conducts independent service programs.

Financial Statement Presentation

Accounting standards require the Organization to report information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted - Net assets that are not subject to donor-imposed limitations

Temporarily restricted - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization (e.g., performing program services) and/or the passage of time

Permanently restricted - Net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization

Use of Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include the provision for uncollectible pledges.



River Region United Way Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

In presenting the statements of cash flows, the Organization considers cash and cash equivalents to be all short-term, highly liquid investments that are readily convertible to known amounts of cash, and so near their maturities that they present insignificant risk of changes in value due to interest rate fluctuations.

The Organization invests in repurchase agreements. A repurchase agreement is an arrangement whereby a financial institution purchases funds from an investor and agrees to return the funds after a specified period. These transactions are collateralized by securities owned by the financial institution. A repurchase agreement is considered an investment and is not covered by federal deposit insurance.

Pledges Receivable and Other Receivables

Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. The Organization uses the allowance method to recognize uncollectible pledges and other receivables. Accordingly, the Organization estimates uncollectible accounts based on historical actual bad debts and records a provision for uncollectible pledges and other receivables based on this estimate.

Investments

Investments in marketable securities are carried at fair value in the statements of financial position. Donated investments are recorded at the fair market value of the asset on the date it was donated. Unrealized and realized gains and losses are included in investment return. Other investments not considered marketable investments are carried at historical cost in accordance with the cost method of accounting for investments.

Property and Equipment

Property and equipment purchased by the Organization are carried at historical cost. Donated assets are recorded at their estimated fair market values at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets. Estimated useful lives are three to ten years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.



River Region United Way Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges and Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions received in the year prior to the year in which they are to be allocated are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the same reporting period in which the support was received. Support that is restricted by the donor for a specific program or time period is reported as an increase in temporarily restricted net assets if the restriction expires in a later reporting period. Amounts are reclassified or released upon satisfaction of the donor restrictions.

Pledges received that are designated for a specific agency are recorded as designations due to agencies. The Organization receives and disburses these funds to the designated agency. The Organization honors these designations by contributors and has no variance power related to the underlying pledge.

Donated Services

Volunteers provide essential services that the Organization might otherwise be unable to afford. These services include campaigning for annual pledges, distributing promotional materials and serving on committees which budget and allocate the funds.

Functional Expenditures

Expenditures that can be directly identified with a function are so classified. Payroll, occupancy, and related expenditures are distributed on a percentage basis determined from estimates of time developed in preceding years that are adjusted for significant changes affecting a particular function.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Internal Revenue Code. Additionally, the Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization follows the provisions of FASB ASC (Accounting Standards Codification) No. 740, Accounting for Uncertainty in Income Taxes. As a result, the Organization has not recognized any respective liability for unrecognized tax benefits as it has no known tax positions that would subject the Organization to any material income tax exposure. The tax years that remain subject to examination are the periods beginning on October 1, 2011 for all major tax jurisdictions.



River Region United Way Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Evaluation of Subsequent Events

The Organization has evaluated its financial statements for subsequent events through December 10, 2015, which is the date the financial statements were available to be issued. The Organization is not aware of any such events which would require recognition or disclosure in the financial statements.

Funding Year and Allocations to Member Agencies

During the year ended September 30, 2015, the Organization changed its Funding Year from April 1 through March 31 to October 1 through September 30. The change resulted in a one-time additional accrual of allocations payable for the additional six month commitment period of April 1, 2016 to September 30, 2016. This one-time amount represents an accrued (not paid) commitment to member agencies and did not affect the Organization's current year cash flows.

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform with the 2015 presentation with no effect on previously reported net assets or income.

**River Region United Way
Notes to Financial Statements**

NOTE 3: PLEDGES RECEIVABLE

Pledges receivable, as shown in the accompanying statements of financial position, reflects pledges received during the current year for the current allocation period and pledges received in advance for the next allocation period.

The following is an analysis of pledges receivable:

<i>September 30,</i>	2015		
	Amount Pledged To Be Collected	Allowance for Uncollectible Amounts	Net
Fiscal year 2014-15 campaign	\$ 1,446,633	\$ 412,463	\$ 1,034,170
Fiscal year 2015-16 campaign	828,834	80,552	748,282
	\$ 2,275,467	\$ 493,015	\$ 1,782,452

<i>September 30,</i>	2014		
	Amount Pledged To Be Collected	Allowance for Uncollectible Amounts	Net
Fiscal year 2013-14 campaign	\$ 1,499,794	\$ 409,656	\$ 1,090,138
Fiscal year 2014-15 campaign	905,824	87,383	818,441
	\$ 2,405,618	\$ 497,039	\$ 1,908,579

**River Region United Way
Notes to Financial Statements**

NOTE 4: INVESTMENTS

Investments consist of the following:

<i>September 30,</i>	Cost	2015 Unrealized Gains (Losses)	Fair Value
Central Alabama Community Foundation pooled accounts	\$ 210,982	\$ -	\$ 210,982
Mutual funds - fixed income	344,250	461	344,711
Mutual funds - equities	420,608	(40,217)	380,391
	975,840	(39,756)	936,084
Certificates of deposit	982,968	-	982,968
Interest in limited partnership	194,404	-	194,404
	\$ 2,153,212	\$ (39,756)	\$ 2,113,456

<i>September 30,</i>	Cost	2014 Unrealized Gains (Losses)	Fair Value
Central Alabama Community Foundation pooled accounts	\$ 224,465	\$ -	\$ 224,465
Mutual funds - fixed income	156,542	1,147	157,689
Mutual funds - equities	255,764	33,314	289,078
	636,771	34,461	671,232
Certificates of deposit	977,665	-	977,665
Interest in limited partnership	182,360	-	182,360
	\$ 1,796,796	\$ 34,461	\$ 1,831,257

**River Region United Way
Notes to Financial Statements**

NOTE 4: INVESTMENTS (CONTINUED)

Investment return consists of the following:

<i>Year ended September 30,</i>	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	\$ 14,734	\$ 14,870	\$ -	\$ 29,604
Realized gains	-	76,002	-	76,002
Unrealized gains	-	(74,217)	-	(74,217)
	\$ 14,734	\$ 16,655	\$ -	\$ 31,389

<i>Year ended September 30,</i>	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	\$ 18,320	\$ 16,811	\$ -	\$ 35,131
Realized gains	-	44,925	-	44,925
Unrealized gains	-	3,586	-	3,586
	\$ 18,320	\$ 65,322	\$ -	\$ 83,642

NOTE 5: FAIR VALUE MEASUREMENTS

The Organization follows the provisions of *FASB ASC No. 820, Fair Value*, for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). ASC No. 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The standard also establishes a fair value hierarchy which requires an Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC No. 820 describes three levels of inputs that may be used to measure fair value:

Level 1	Quoted market prices in active markets for identical assets or liabilities.
Level 2	Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3	Unobservable inputs that are not corroborated by market data.

**River Region United Way
Notes to Financial Statements**

NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

Where available, securities are valued based on quoted market prices. When securities are traded in secondary markets and quoted market prices are not available, the Organization generally relies on prices obtained from independent vendors. Vendors compile prices from various sources and often apply matrix pricing for similar securities when no price is observable. Securities measured with these valuation techniques are generally classified within Level 2 of the valuation hierarchy and often involve using quoted market prices for similar securities, pricing models or discounted cash flow analyses using inputs observable in the market where available. There have been no changes in the methodologies used at September 30, 2015 and 2014.

In accordance with ASC No. 820, the Organization's investments in marketable securities were carried at fair value in the statements of financial position as follows:

Assets measured at Fair Value on a Recurring Basis

	Based on:		
	Level 1 inputs	Level 2 inputs	Level 3 inputs
<i>September 30, 2015</i>			
Central Alabama Community Foundation pooled accounts	\$ -	\$ 210,982	\$ -
Mutual funds - fixed income	344,711	-	-
Mutual funds - equities	380,391	-	-
	\$ 725,102	\$ 210,982	\$ -

	Based on:		
	Level 1 inputs	Level 2 inputs	Level 3 inputs
<i>September 30, 2014</i>			
Central Alabama Community Foundation pooled accounts	\$ -	\$ 224,465	\$ -
Mutual funds - fixed income	157,689	-	-
Mutual funds - equities	289,078	-	-
	\$ 446,767	\$ 224,465	\$ -

River Region United Way
Notes to Financial Statements

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment at consist of the following:

<i>September 30,</i>	2015	2014
Furniture and equipment	\$ 181,155	\$ 167,783
Less: accumulated depreciation	97,671	126,771
	\$ 83,484	\$ 41,012

Depreciation expense was \$26,569 and \$24,149 for the years ended September 30, 2015 and 2014, respectively.

NOTE 7: LINE OF CREDIT

The Organization has a line of credit with a local bank. The line of credit allows the Organization to draw up to \$250,000. All draws bear a variable interest rate of 1% over prime as of yearend. The amount outstanding on the line of credit at September 30, 2015 and 2014 was \$-0-. There were no draws or payments associated with the line of credit for the years ended September 30, 2015 and 2014.

River Region United Way
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NOTE 8: CAPITAL LEASE OBLIGATION

The Organization has acquired equipment under the provisions of various long-term leases. For financial reporting purposes, minimum lease payments relating to the equipment have been capitalized. The property under capital lease as of September 30, 2015 and 2014 had a cost of \$54,950 and \$71,148, respectively, and a net book value of \$48,081 and \$22,860, respectively. The following is a schedule of future payments under lease:

<i>Years ended September 30,</i>		
2016	\$	11,856
2017		11,856
2018		13,361
2019		9,180
2020		11,123
Total future minimum lease payments		57,376
Amount representing interest		(6,581)
Present value of future minimum capital lease payments		50,795
Current obligation		9,478
Long term portion of capital lease obligation		\$ 41,317

NOTE 9: PENSION PLAN

The Organization began a defined contribution plan on October 1, 1999 in which all employees who have reached the age of 21 and have completed one year of service are eligible to participate in the plan. Employer contributions to the plan are equal to ten percent of eligible employees' salaries. Contributions to the plan for the years ended September 30, 2015 and 2014 were \$52,992 and \$45,501, respectively.

NOTE 10: CONCENTRATION OF CASH AND CREDIT RISK

The Organization maintains its cash balances at financial institutions in Montgomery, Alabama. The Federal Depository Insurance Corporation (FDIC) insures these balances to \$250,000 at each institution. Uninsured balances at September 30, 2015 and 2014 were \$2,113,697 and \$2,095,067, respectively.

A majority of contribution pledges received by the Organization comes from the counties of Montgomery, Elmore, Autauga, Macon and Lowndes within Alabama.

River Region United Way Notes to Financial Statements

NOTE 11: RELATED PARTY

The Organization shares office space with the Combined Federal Campaign (CFC). CFC reimburses the Organization for salaries, benefits and overhead expenses incurred by their personnel. For the years ended September 30, 2015 and 2014, CFC reimbursed \$132,147 and \$143,278, respectively for these costs to the Organization. The Organization had a receivable of \$83,340 and \$91,308 from CFC related to these costs as of September 30, 2015 and 2014, respectively.

NOTE 12: DESIGNATED NET ASSETS

Certain unrestricted net assets have been designated by the Board for the following purposes:

<i>September 30,</i>	2015	2014
General Fund Emergency Fund	\$ 611,845	\$ 546,242
Community Grants Fund	52,111	35,158
Total	\$ 663,956	\$ 581,400

NOTE 13: TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Amounts included in Next Allocation Period are temporarily restricted net assets related to the 2015-2016 campaign. They include cash, pledges receivable (net of allowance for uncollectible pledges), and designations payable. The amounts are restricted by donors for the for next year's allocation period. The Organization considers this a time restriction.

Interpretation of Relevant Law

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds (or permanently restricted contributions) absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization 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 Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

River Region United Way Notes to Financial Statements

NOTE 13: TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

- a) The duration and preservation of the fund
- b) The purposes of the Organization and the donor-restricted endowment fund
- c) General economic conditions
- d) The possible effect of inflation and deflation
- e) The expected total return from income and the appreciation of investments
- f) Other resources of the Organization
- g) The investment policies of the Organization

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 UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of September 30, 2015 and 2014.

Investment Policy

The objectives of the Organization call for a program to guide the investment of funds in a manner that will ultimately enable the Organization to fund its central services functions entirely through endowments and investments. The procedures to attain the objectives include consideration for the safety of capital, liquidity to meet short-range needs and maximization of the yield on investments. The Investment Committee of the Organization is responsible for the annual review of the assets and investment performance of the investment managers.

Expenditures Policy

The Organization's expenditures from these funds are restricted by donor request at the time the funds are received and are adhered to as follows:

The CACF Fund consists of two separate funds that are in the custody of the Central Alabama Community Foundation, Inc. (CACF). The funds consist of The River Region United Way Fund (RRUW Fund, formerly the Montgomery Area United Way (MAUW) Fund) and the Alex Sanders Fund (Sanders Fund). In the current year, the former MAUW Fund and the RRUW Fund merged into one account per the direction of the investment committee. The current RRUW Fund is composed of funds set up to provide investment income for the general operations of the Organization and expenditures are limited to satisfy this purpose. The Sanders Fund is a fund set up to provide investment income for the support of all youth programs sponsored or conducted by the Organization.

River Region United Way Notes to Financial Statements

NOTE 13: TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

Expenditures Policy (continued)

The Annual Giving Trust was established by gift to the Organization in 2001 with the purpose of encouraging other bequests to the endowment. The conditions under the trust agreement are as follows: income earned on the investments is restricted from use for the first 10 years after the date of the gift, and the principal of the investment is restricted from use for 50 years after the date of the gift. The trust is held at Regions Bank. The trust allows for the payment of investment management fees annually.

In December, 2002, the Organization was given a gift to establish the Allendale Fund. Initially, the gift consisted of an assigned interest in a limited partnership, which had a fair market value of \$143,400 on the date of the gift. Use of the funds from the fund is to be determined by the Organization's board at the time that income from the partnership and/or the partnership interest is distributed to the Organization.

The DeTocqueville Fund was established in 1998 in order to encourage contributors to join the DeTocqueville Society. The DeTocqueville Society is comprised of contributors who give \$10,000 or more to the United Way campaign each year. For contributors who wish to join the DeTocqueville Society, the Fund provides for certain matching of contributions in the first two years. Specifically, the Fund matches a contributor's gift in the first year at \$5,000, in the second year, the Fund provides a match of \$2,500 for the contributor's gift of \$7,500. In the third year, contributors give the full \$10,000.

The purpose of the fund is to encourage major gift giving and to grow the fund to cover overhead expenses such that 100% of other donors' pledges go directly to the community.

The Myron J. Rothschild Fund for Emergency Relief was established during the fiscal year ended September 30, 1983. Initial contributions to the Fund are to be held as an endowment for the purpose of assisting families and individuals in need as a result of situations of hardship and suffering not covered by organized relief agencies. The Fund is under the management and control of a three-person committee that makes all determinations concerning the investment of the principal and the disbursement of the income. The assets of the Fund were moved to a financial institution trust fund in September 2014.

River Region United Way Notes to Financial Statements

NOTE 13: TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

The assets, net assets, revenue and expenses for these restricted funds are as follows:

<i>September 30,</i>	2015							
	Next Allocation Period	CACF Fund	Annual Giving Trust	DeTocqueville Fund	Rothschild Fund	Allendale Fund	Total	
Assets:								
Cash and cash equivalents	\$ 276,303	\$ -	\$ 14,837	\$ 46,907	\$ 25,701	\$ -	\$ 363,748	
Investments, at fair value	-	210,982	446,556	-	278,546	229,544	1,165,628	
Pledges receivable, net	748,282	-	-	-	-	-	748,282	
Designations payable	(313,382)	-	-	-	-	-	(313,382)	
Total assets	\$ 711,203	\$ 210,982	\$ 461,393	\$ 46,907	\$ 304,247	\$ 229,544	\$ 1,964,276	
Net assets:								
Temporarily restricted	\$ 711,203	\$ 85,982	\$ 461,393	\$ 46,907	\$ 64,123	\$ 229,544	\$ 1,599,152	
Permanently restricted	-	125,000	-	-	240,124	-	365,124	
Total net assets	\$ 711,203	\$ 210,982	\$ 461,393	\$ 46,907	\$ 304,247	\$ 229,544	\$ 1,964,276	
Support and revenue:								
Gross pledges	\$ 1,105,187	\$ -	\$ -	\$ -	\$ 13,530	\$ -	\$ 1,118,717	
Less donor designations	(313,382)	-	-	-	-	-	(313,382)	
Less provision for uncollectibles	(80,552)	-	-	-	-	-	(80,552)	
Investment return	-	(8,025)	9,277	117	3,085	12,202	16,656	
Total support and revenue	711,253	(8,025)	9,277	117	16,615	12,202	741,439	
Released from restrictions	(730,580)	(5,458)	(9,928)	-	(8,583)	-	(754,549)	
Increase (decrease) in net assets	\$ (19,327)	\$ (13,483)	\$ (651)	\$ 117	\$ 8,032	\$ 12,202	\$ (13,110)	

River Region United Way Notes to Financial Statements

NOTE 13: TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

<i>September 30,</i>	2014						
	Next	CACF	Annual	DeTocqueville	Rothschild	Allendale	
	Allocation	Fund	Giving Trust	Fund	Fund	Fund	Total
	Period						
Assets:							
Cash and cash equivalents	\$ 244,308	\$ -	\$ 15,277	\$ 46,790	\$ 296,215	\$ -	\$ 602,590
Investments, at fair value	-	224,465	446,767	-	-	217,342	888,574
Pledges receivable, net	818,441	-	-	-	-	-	818,441
Designations payable	(332,218)	-	-	-	-	-	(332,218)
Total assets	\$ 730,531	\$ 224,465	\$ 462,044	\$ 46,790	\$ 296,215	\$ 217,342	\$ 1,977,387
Net assets:							
Temporarily restricted	\$ 730,531	\$ 99,465	\$ 462,044	\$ 46,790	\$ 69,021	\$ 217,342	\$ 1,625,193
Permanently restricted	-	125,000	-	-	227,194	-	352,194
Total net assets	\$ 730,531	\$ 224,465	\$ 462,044	\$ 46,790	\$ 296,215	\$ 217,342	\$ 1,977,387
Support and revenue:							
Gross pledges	\$ 1,166,677	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ 1,167,177
Less donor designations	(332,551)	-	-	-	-	-	(332,551)
Less provision for uncollectibles	(87,383)	-	-	-	-	-	(87,383)
Investment return	-	17,920	34,778	110	3,737	8,777	65,322
Total support and revenue	746,743	17,920	34,778	110	4,237	8,777	812,565
Released from restrictions	(1,435,187)	(4,835)	(9,579)	(5,513)	(1,800)	-	(1,456,914)
Increase (decrease) in net assets	\$ (688,444)	\$ 13,085	\$ 25,199	\$ (5,403)	\$ 2,437	\$ 8,777	\$ (644,349)