

**UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)**

**Financial Statements
and Independent Auditors' Report**

June 30, 2016

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of the Greater Lehigh Valley
Allentown, PA

We have audited the accompanying financial statements of United Way of the Greater Lehigh Valley (a Not-for-Profit Corporation), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 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 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 the Greater Lehigh Valley as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the United Way of the Greater Lehigh Valley's June 30, 2015 financial statements, and our report dated December 23, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of community investments on pages 29-30 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Congbell, Rappold & Yucasita LLP

Certified Public Accountants
Allentown, PA

November 18, 2016

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
June 30, 2016
With Summarized Totals for June 30, 2015

	June 30, 2016			Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted	June 30, 2016	2015
ASSETS					
Cash and Cash Equivalents	\$ 680,757	\$ -	\$ -	\$ 680,757	\$ 552,058
Grants Receivable (Note 3)	407,957	-	-	407,957	613,396
Accounts Receivable and Accrued Income	48,254	-	-	48,254	30,248
Prepaid Expenses	11,414	29,245	-	40,659	43,429
Pledges Receivable, Net (Note 3)	105,352	4,264,453	-	4,369,805	4,216,877
Leasehold Improvements and Equipment (Note 4)	90,894	-	-	90,894	84,241
Life Insurance Cash Value	265,654	-	-	265,654	253,199
Interfund Balances	(5,570,832)	5,570,832	-	-	-
Long-Term Investments:					
Split Interest Agreements and Perpetual Trusts (Note 5)	-	81,622	1,891,282	1,972,904	2,124,454
Other (Note 5)	3,533,990	253,789	51,975	3,839,754	4,125,682
Total Assets	\$ (426,560)	\$ 10,199,941	\$ 1,943,257	\$ 11,716,638	\$ 12,043,584
LIABILITIES AND NET ASSETS					
<i>Liabilities:</i>					
Accounts Payable and Accrued Expense	\$ 406,752	\$ -	\$ -	\$ 406,752	\$ 412,321
Custodial Funds	22,063	-	-	22,063	19,969
Liability to Donors Under Split- Interest Trusts (Note 10)	-	24,411	-	24,411	26,851
Liability to Organizations Under Split-Interest Trusts (Note 10)	-	-	-	-	-
Campaign Support Designated to Organizations and Other United Ways	432,699	2,070,836	-	2,503,535	2,079,109
Total Liabilities	861,514	2,095,247	-	2,956,761	2,538,250
<i>Net Assets:</i>					
Unrestricted (Note 8):					
Unrestricted Investment Reserves	1,452,222	-	-	1,452,222	1,490,650
Opportunity Investment Fund	1,326,494	-	-	1,326,494	1,326,989
Other Unrestricted (Note 2)	(4,066,790)	-	-	(4,066,790)	(3,621,326)
Temporarily Restricted:					
Split Interest and Annuity Trusts (Note 10)	-	57,209	-	57,209	58,010
Support for Future Periods (Note 9)	-	8,047,485	-	8,047,485	8,159,443
Permanently Restricted (Note 11)	-	-	1,943,257	1,943,257	2,091,568
Total Net Assets	(1,288,074)	8,104,694	1,943,257	8,759,877	9,505,334
Total Liabilities and Net Assets	\$ (426,560)	\$ 10,199,941	\$ 1,943,257	\$ 11,716,638	\$ 12,043,584

See notes to financial statements.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
STATEMENTS OF UNRESTRICTED REVENUES, EXPENSES
AND OTHER CHANGES IN UNRESTRICTED NET ASSETS
For the Year Ended June 30, 2016
With Summarized Totals for the Year Ended June 30, 2015

	2016	2015
<i><u>Memo About Campaign Support:</u></i>		
Gross Campaign	\$ 10,771,106	\$ 10,670,511
Donor Designations to Organizations	(3,634,776)	(3,485,465)
Undesignated Campaign	7,136,330	7,185,046
Unspent Purpose Restricted Campaign	(87,163)	(167,816)
Estimated Uncollectibles	(306,515)	(210,228)
Total 2014 and 2013 Campaign	\$ 6,742,652	\$ 6,807,002
<i><u>Revenues and Other Support:</u></i>		
<i><u>Annual Campaign Support (Net):</u></i>		
2014 and 2013 Campaign for 2016 and 2015 Support		
Raised in 2014 and 2013 (Released from Restrictions)	\$ 6,782,128	\$ 6,847,334
Raised Fiscal Years 2016 and 2015 (Net of Additional Loss Provisions and Designations)	(39,476)	(40,332)
Subtotal	6,742,652	6,807,002
Future Campaign Support Released from Restrictions	150,000	50,000
Prior Campaign Support Released from Purpose Restriction	167,816	157,340
Prior Campaign Support Raised in 2016 and 2015 (Net of Additional Loss Provisions)	-	68
Total Campaign Support	7,060,468	7,014,410
Other Support	90,242	83,475
Designations from other United Ways	199,167	199,430
In Kind Services	652,615	453,671
Investment Income	54,201	66,750
Endowment Income	114,676	117,114
Donor Choice Fees	14,024	9,330
Other Income	25,351	14,732
Grant and Bequest Revenue	850,475	1,036,986
Net Assets Released From Restrictions:		
Donor Choice Fees	75,504	64,159
Sponsorships	17,500	-
Bequests and Memorials	200,000	263,930
Grant Revenue	94,888	65,946
Total Revenue and Other Support	9,449,111	9,389,933
<i><u>Community Investments and Program Services:</u></i>		
Community Investment Awards	5,446,846	5,810,448
Community Impact Services Provided by United Way (Note 16)	1,931,980	1,342,926
	7,378,826	7,153,374
<i><u>United Way Support Services:</u></i>		
Fund Raising Costs	1,542,494	1,633,861
Administration	946,088	1,131,799
	2,488,582	2,765,660
Total Community Investment Distributions and Expenses	9,867,408	9,919,034
Change in Unrestricted Net Assets from Operations	(418,297)	(529,101)
<i><u>Other Changes:</u></i>		
Realized and Unrealized Investment Gains (Losses)	(66,090)	(7,563)
Change in Unrestricted Net Assets	\$ (484,387)	\$ (536,664)

See notes to financial statements.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2016
With Summarized Totals for the Year Ended June 30, 2015

	2016	2015
<u>Changes in Unrestricted Net Assets:</u>		
<i>Revenues, Gains and Other Support:</i>		
Unrestricted	\$ 1,961,275	\$ 1,941,224
Net Assets Released from Restriction	7,487,836	7,448,709
Total Revenue, Gains and Other Support	9,449,111	9,389,933
Unrestricted Expenses	9,867,408	9,919,034
Decrease in Unrestricted Net Assets from Operations	(418,297)	(529,101)
Non-Operating Gains (Losses)	(66,090)	(7,563)
Decrease in Unrestricted Net Assets	(484,387)	(536,664)
<u>Changes in Temporarily Restricted Net Assets:</u>		
Campaign Revenue	7,148,378	7,010,695
Other Support	227,500	95,789
Change in Value of Split Interest Agreements	(801)	1,732
Net Assets Released from Time Restriction	(7,487,836)	(7,448,709)
Decrease in Temporarily Restricted Net Assets	(112,759)	(340,493)
<u>Changes in Permanently Restricted Net Assets:</u>		
Total Investment Return	(56,547)	(2,689)
Investment Income Distributions	(91,764)	(87,263)
Decrease in Permanently Restricted Net Assets	(148,311)	(89,952)
Decrease in Net Assets	(745,457)	(967,109)
Net Assets at Beginning of Year	9,505,334	10,472,443
Net Assets at End of Year	\$ 8,759,877	\$ 9,505,334

See notes to financial statements.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016
With Summarized Totals for the Year Ended June 30, 2015

	2016			2016 Expenses	2015 Expenses
	Program Funding and Other Programs	Other Functional Expense			
		Fund Raising Costs	Administration		
Community Investment Awards	\$ 5,446,846	\$ -	\$ -	\$ 5,446,846	\$ 5,810,448
Donor Designations	3,634,776	-	-	3,634,776	3,485,465
Subtotal	9,081,622	-	-	9,081,622	9,295,913
Less Donor Designations	(3,634,776)	-	-	(3,634,776)	(3,485,465)
Community Investments	5,446,846	-	-	5,446,846	5,810,448
Salaries and Temporary Help	839,947	754,492	417,115	2,011,554	1,990,279
Employee Benefit and Taxes (Notes 13,14, and 17)	236,007	212,029	119,507	567,543	545,318
Employee Recruitment	380	121	1,205	1,706	4,154
Total Compensation	1,076,334	966,642	537,827	2,580,803	2,539,751
Professional Services	149,063	23,982	39,835	212,880	172,728
General Supplies	5,637	4,902	2,278	12,817	15,548
Communications	17,688	15,732	8,081	41,501	41,208
Occupancy Costs	61,664	55,691	29,010	146,365	144,240
Equipment Costs	48,288	43,612	22,717	114,617	126,989
Direct Program Costs	137,497	185,433	48,534	371,464	309,257
Staff Development, Travel and Meetings	34,415	30,729	4,585	69,729	90,709
Dues, Insurance and Other	5,077	5,340	40,504	50,921	64,316
Fair Share Support	20,084	76	114,917	135,077	125,462
Total Expenses Before Donated Services and Depreciation	1,555,747	1,332,139	848,288	3,736,174	3,630,208
Donated Services and Materials	362,847	198,265	91,503	652,615	453,671
Depreciation	13,386	12,090	6,297	31,773	24,707
Total Expenses	1,931,980	1,542,494	946,088	4,420,562	4,108,586
Community Distributions and Expenses	\$ 7,378,826	\$ 1,542,494	\$ 946,088	\$ 9,867,408	\$ 9,919,034

See notes to financial statements.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2016
With Summarized Totals for the Year Ended June 30, 2015

	<u>2016</u>	<u>2015</u>
<u><i>Cash Flows from Operating Activities:</i></u>		
Change in Net Assets	\$ (745,457)	\$ (967,109)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation Expense	31,773	24,707
Increase (Decrease) in Liability to Donors Under Split-Interest Trusts	(2,440)	(2,446)
(Increase) Decrease in Grants / Accounts Receivable and Accrued Income	187,433	(454,375)
(Increase) Decrease in CSV of Life Insurance	(12,455)	(12,113)
(Increase) Decrease in Prepaid Expenses	2,770	21,181
(Increase) Decrease in Pledges Receivable	(152,928)	(182,445)
(Decrease) Increase in Accounts Payable and Accrued Expenses	(5,569)	265,107
(Decrease) Increase in Custodial Funds	2,094	(13,997)
Increase (Decrease) in Designations Payable	424,426	171,412
Net Unrealized and Realized (Gains) Losses on Long-Term Investment	<u>84,717</u>	<u>(141,245)</u>
Net Cash Used by Operating Activities	<u>(185,636)</u>	<u>(1,291,323)</u>
<u><i>Cash Flows from Investing Activities:</i></u>		
Acquisitions of Equipment	(38,426)	(56,887)
Proceeds from Sale of Investments	433,173	1,098,602
Purchase of Investments	<u>(80,412)</u>	<u>(1,581)</u>
Net Cash Provided by Investing Activities	<u>314,335</u>	<u>1,040,134</u>
<u><i>Cash Flows from Financing Activities:</i></u>		
Net Borrowing (Repayment) on Line of Credit	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	128,699	(251,189)
Cash and Cash Equivalents at Beginning of Year	<u>552,058</u>	<u>803,247</u>
Cash and Cash Equivalents at End of Year	<u>\$ 680,757</u>	<u>\$ 552,058</u>
<u><i>Supplementary Information:</i></u>		
In-Kind Contributions	<u>\$ 652,615</u>	<u>\$ 453,671</u>

See notes to financial statements.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

1. Nature of Activities

United Way of the Greater Lehigh Valley is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of improving lives and community conditions in the Greater Lehigh Valley. The Organization is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

The statements do not include the wholly owned subsidiary United Way Services, Inc.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Organization are set forth below.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with general accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets

Unrestricted net assets include funds not subject to donor-imposed stipulations. In general, the revenues received and expenses incurred in conducting the Organization's charitable mission are included in this category. The Organization has elected an allowable policy of reporting contributions whose restrictions are met in the same reporting period as unrestricted revenues.

Temporarily Restricted Net Assets

Temporarily restricted net assets include gifts, grants and pledges whose use by the Organization has been limited by donors to later periods of time or after specified dates, or to specified purpose. The annual campaign held April 1 through March 31 of each year, intended to support activities for the subsequent year starting July 1 (time restriction) are carried in this category until the subsequent year when the support is reclassified to the unrestricted category. Temporarily restricted net assets also include activity and balances under split interest agreements or temporary trusts. Generally, on termination of the agreements or trusts, the net assets would be reclassified as unrestricted.

Permanently Restricted Net Assets

Permanently restricted net assets include gifts, trusts and pledges which are required by donor-imposed restrictions to be invested in perpetuity and only income be made available for operations in accordance with donor restrictions. Outside perpetual trusts with independent trustees including the Warren York Trust are included in this category.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Beginning with the six-months ended June 30, 2009 the Organization changed its fiscal year end to June 30th.

Unrestricted Net Assets presented on the Statement of Financial Position includes the amount of (\$3,578,605) which is representative of the loss sustained in the six-month period ended June 30, 2009. This loss resulted from the continued payment of community investment awards without corresponding campaign revenue in the six-month period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions received, including unconditional promises, are recognized as support in the period received and are measured at their fair values. Depending on the form of the benefits received, contributions are either recorded by the Organization as revenues or assets, or as decreases in liabilities or expenses. Contributions with donor-imposed restrictions are recorded as restricted support, while contributions without donor-imposed restrictions are recorded as unrestricted support. The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Conditional promises are recorded when donor stipulations are substantially met. The Organization has elected an allowable policy of reporting contributions whose restrictions are met in the same reporting period as unrestricted revenues.

Contributed services are recorded if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed materials are recorded at the fair market value of items received. For the year ended June 30, 2016 and June 30, 2015 donated services and materials, including advertising and marketing services totaling \$652,615 and \$453,671, respectively, were recorded as "In Kind Services" in the financial statements. The values were determined by fair market valuation. A significant amount of time has been donated by volunteers and board members of the Organization; however, such services are typically not recorded.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in checking, and funds held in a money market mutual fund. Cash and cash equivalents exclude cash received with donor-imposed stipulations restricting its use to long-term purposes.

Grants and Accounts Receivable

Grants and accounts receivables represent amounts due from various grantors and governmental agencies. Management has determined that the receivables are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2016 and 2015.

Investments

Investments are presented in the financial statements in the aggregate at fair market value. See Notes 5 and 6 for details. The Organization reports investment income and gains and losses on investments as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restricts their use.

Leasehold Improvements and Equipment

Leasehold improvements and equipment, other than contributed property and equipment, is stated at cost less depreciation. Contributed assets are recorded at fair value at the time of the gift. Depreciation is computed using the straight-line method based on estimated useful lives of the related assets. Additions and betterments of \$500 or more are capitalized while maintenance and repairs that do not improve or extend the original useful lives of the respective assets are expensed as incurred.

Such assets and lives are generally as follows:

	<u>Years</u>
Leasehold Improvements	5
Furniture and Equipment	3 - 10

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (Continued)

Post Retirement Benefits Other than Pension

The Organization accrues the projected future cost of providing postretirement benefits during the period that employees render the services necessary to be eligible for such benefits. While the adoption of this standard does have an impact on the Organization's reported expenses, it does not impact on the Organization's cash flow because it intends to continue its current practice of paying the cost of postretirement benefits as incurred. The accrued postretirement benefits of \$18,078 and \$19,917 for 2016 and 2015, respectively, is included in accounts payable and accrued expense on the statement of financial position.

Allocation of Expenses by Function

As reported in the Statement of Functional Expenses, expenses of the Organization have been allocated to the following functional reporting classifications:

Community Investment Services Provided by United Way
Fund Raising
Administration

The Organization's method for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting service are based on estimates made for time spent by key personnel between functions, space occupied by function, consumption of supplies and postage by function, and other objective bases.

Community Investment Awards to Agencies

In spring of each year, the United Way issues a letter of "intent to give" (non recordable until paid) for its annual community investment awards for the following July – June fiscal year. These annual community investment awards are expensed when paid in order to match the recognition of the campaign support in the Statement of Unrestricted Revenues, Expenses, and other changes in Unrestricted Net Assets and to maintain the integrity of the campaign years.

Certain special initiatives which are made outside the regular community investment award cycle are expensed when approved by the Board of Directors and all the conditions for receiving the initiative have been met.

Operating Measure

The Organization includes all changes in Unrestricted Net Assets in its "operating income" on the Statement of Unrestricted Revenues, Expenses and Other Changes in Unrestricted Net Assets and on the Statement of Activities except:

Realized and Unrealized Investment Gains
Bequests and Memorial Gifts received (Unrestricted)
which have been designated by the board for Long-Term Investment

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk

The Organization maintains accounts at various banks. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization had uninsured amounts of approximately \$560,000 at June 30, 2016. While the Organization maintains cash balances which may exceed federally insured limits, it historically has not experienced any credit related losses.

Income Taxes

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2016 and 2015.

The Organization files its Form 990, *Return of Organization Exempt from Tax*, with the United States Internal Revenue Service and with the Bureau of Charitable Organizations in Pennsylvania.

Advertising Costs

Advertising costs are expensed as incurred and were \$157,693 and \$126,004 including in-kind services of \$142,785 and \$119,627 in 2016 and 2015, respectively.

Reclassification

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Reclassification of Net Assets

A reclassification of \$25,000 occurred between net asset classes. Unrestricted Net Assets were reduced and Temporarily Restricted Net Assets were increased effective July 1, 2014. There is no impact on the statement of activities for this change.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

3. Grants and Pledges Receivable

Grants receivable consist of amounts due from the following:

	<u>2016</u>	<u>2015</u>
Northampton County	\$ 400,000	\$ 605,000
Lehigh County	<u>7,957</u>	<u>8,396</u>
	<u>\$ 407,957</u>	<u>\$ 613,396</u>

Pledges receivable are recorded net of an allowance for estimated uncollectible amounts as follows:

	<u>2016</u>	<u>2015</u>
Balance of 2013 Campaign Pledges	\$ -	\$ 288,152
Balance of 2014 Campaign Pledges	493,224	3,981,369
Balance of 2015 Campaign Pledges	4,279,405	-
Balance of Future Campaign Pledges (Net)	<u>336,458</u>	<u>499,580</u>
	5,109,087	4,769,101
Allowance for Uncollectible Pledges	<u>739,282</u>	<u>552,224</u>
	<u>\$ 4,369,805</u>	<u>\$ 4,216,877</u>

The balance of any collectible amounts from the 2016 and 2015 campaign would be expected to be received over twelve months from the balance sheet date.

Changes in the allowance for estimated uncollectibles are as follows:

	<u>2016</u>	<u>2015</u>
Balance, Beginning of Year	\$ 552,224	\$ 641,661
Addition from Campaigns	525,888	317,887
Charge off of Known Uncollectible Pledges	<u>(338,830)</u>	<u>(407,324)</u>
Balance, End of Year	<u>\$ 739,282</u>	<u>\$ 552,224</u>

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

4. Leasehold Improvements and Equipment

Leasehold improvements and equipment consist of the following:

	<u>2016</u>	<u>2015</u>
Computer Hardware and Software	\$ 280,984	\$ 255,368
Furniture, Equipment and Leasehold Improvements	<u>51,984</u>	<u>39,173</u>
	332,968	294,541
Less: Accumulated Depreciation	<u>(242,074)</u>	<u>(210,300)</u>
	<u><u>\$ 90,894</u></u>	<u><u>\$ 84,241</u></u>

Depreciation and amortization charged to expense was \$31,773 and \$24,707 for the years ended June 30, 2016 and 2015, respectively.

5. Long-Term Investments

Investments consist of the following:

	<u>June 30, 2016</u> <u>Market Value</u>	<u>June 30, 2015</u> <u>Market Value</u>
Money Market Instruments	\$ 108,532	\$ 54,986
Alternatives/Real Assets	97,357	93,821
Common Stock	1,357,105	1,553,822
Fixed Income	1,369,497	1,489,745
Mutual Funds	830,681	851,554
Pooled Investments	<u>76,582</u>	<u>81,754</u>
	<u><u>\$ 3,839,754</u></u>	<u><u>\$ 4,125,682</u></u>

The investments are reflected in the various net assets as follows:

	<u>June 30, 2016</u> <u>Market Value</u>	<u>June 30, 2015</u> <u>Market Value</u>
Unrestricted	\$ 3,533,990	\$ 3,823,359
Temporarily Restricted	253,789	250,348
Permanently Restricted	<u>51,975</u>	<u>51,975</u>
	<u><u>\$ 3,839,754</u></u>	<u><u>\$ 4,125,682</u></u>

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5. Long-Term Investments (Continued)

The Organization is an income beneficiary of seven outside perpetual trusts and four split interest agreements.

The amounts recorded represent the prorata share of net assets that provide for distribution of income to the Organization as beneficiary. Distributions are made annually to the Organization in accordance with the respective spending policies of the trusts.

The trusts are as follows:

Trust	% Trust	2016 Share of Net Assets	2015 Share of Net Assets
Thun Fund	100%	\$ 222,793	\$ 237,840
Albert T. Rex Estate	35%	62,098	68,042
Adora Gross Estate	100%	78,327	82,712
Samuel A. Kleppinger Estate	100%	856,002	947,711
The Warren W. York Fund	100%	529,725	548,929
David Rabaut Fund for Neighborhoods	100%	19,796	21,145
Stanley R. Liebman Estate	34%	122,541	133,214
Outside Perpetual Trusts		<u>1,891,282</u>	<u>2,039,593</u>
Annuity Trust A		50,221	52,682
Covert Unitrust		25,695	25,695
Cressman Charitable Gift Annuity		4,196	4,961
Mills Gift Annuity		1,510	1,523
Split Interest Agreements		<u>81,622</u>	<u>84,861</u>
		<u>\$ 1,972,904</u>	<u>\$ 2,124,454</u>

6. Fair Value Measurements

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820-10, *Fair Value Measurements and Disclosures*, defines fair value, establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

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6. Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

Money markets, instruments, fixed income securities, stocks, and mutual funds: Valued at the net asset value ("NAV") of shares held by the organization at year end.

Split-interest agreements, annuity trusts, and perpetual trusts: Measured based on quoted market prices of the underlying securities and other relevant information generated by market transactions, which approximates the expected future cash flows from the trust or agreement, divided by the Organization's share based on its pro-rata share of distributable income of the Trusts.

Pooled investments: Valued at the net asset value ("NAV") of shares held by the funds at month end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There were no transfers among Level 1, Level 2, and Level 3 investments in 2016 and 2015. Transfers between fair value levels are recognized at the end of the reporting period.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2016

6. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2016 and 2015:

	Assets at Fair Value as of June 30, 2016			Total
	Level 1	Level 2	Level 3	
Money Market Instruments	\$ 108,532	\$ -	\$ -	\$ 108,532
Alternatives/Real Assets	97,357	-	-	97,357
Common Stock:				
Consumer Discretion	140,011	-	-	140,011
Consumer Staples	124,268	-	-	124,268
Energy	24,732	-	-	24,732
Financials	140,624	-	-	140,624
Health Care	131,532	-	-	131,532
Industrials	132,003	-	-	132,003
Info Technology	179,712	-	-	179,712
International	256,308	-	-	256,308
Materials	33,797	-	-	33,797
Small Cap Equity Mutual Funds	55,564	-	-	55,564
Speciality Mutual Funds	134,275	-	-	134,275
Utilities	4,279	-	-	4,279
Fixed Income	1,369,497	-	-	1,369,497
Mutual Funds:				
Large Cap	544,830	-	-	544,830
Small/Mid Cap	82,169	-	-	82,169
Developed International	16,518	-	-	16,518
Emerging International	62,043	-	-	62,043
Other International	125,121	-	-	125,121
Pooled Investments	-	76,582	-	76,582
Split-Interest Agreements and Annuity Trusts	-	-	81,622	81,622
Perpetual Trusts	-	-	1,891,282	1,891,282
Total Assets at Fair Value	\$ 3,763,172	\$ 76,582	\$ 1,972,904	\$5,812,658

UNITED WAY OF THE GREATER LEHIGH VALLEY
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6. Fair Value Measurements (Continued)

	Assets at Fair Value as of June 30, 2015			
	Level 1	Level 2	Level 3	Total
Money Market Instruments	\$ 54,986	\$ -	\$ -	\$ 54,986
Alternatives/Real Assets	93,821	-	-	93,821
Common Stock:				
Consumer Discretion	162,531	-	-	162,531
Consumer Staples	115,944	-	-	115,944
Energy	38,613	-	-	38,613
Financials	158,309	-	-	158,309
Health Care	144,115	-	-	144,115
Industrials	130,925	-	-	130,925
Info Technology	212,331	-	-	212,331
International	324,205	-	-	324,205
Materials	43,327	-	-	43,327
Small Cap Equity Mutual Funds	70,964	-	-	70,964
Speciality Mutual Funds	152,558	-	-	152,558
Fixed Income	1,489,745	-	-	1,489,745
Mutual Funds:				
Large Cap	529,455	-	-	529,455
Small/Mid Cap	103,971	-	-	103,971
Developed International	67,399	-	-	67,399
Emerging International	68,165	-	-	68,165
Other International	82,564	-	-	82,564
Pooled Investments	-	81,754	-	81,754
Split-Interest Agreements and Annuity Trusts	-	-	84,861	84,861
Perpetual Trusts	-	-	2,039,593	2,039,593
Total Assets at Fair Value	\$ 4,043,928	\$ 81,754	\$ 2,124,454	\$6,250,136

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6. Fair Value Measurements (Continued)

The table sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended June 30, 2016 and 2015.

	Level 3 Assets		
	Year Ending June 30, 2016		
	Split-Interest Agreements & Annuity Trusts	Perpetual Trusts	Total
Balance, Beginning of Period	\$ 84,861	\$ 2,039,593	\$ 2,124,454
Contributions	-	-	-
Distributions	(2,249)	(91,764)	(94,013)
Realized/Unrealized Gains/(Losses)	(990)	(56,547)	(57,537)
Total Assets at Fair Value	<u>\$ 81,622</u>	<u>\$ 1,891,282</u>	<u>\$ 1,972,904</u>

	Level 3 Assets		
	Year Ending June 30, 2015		
	Split-Interest Agreements & Annuity Trusts	Perpetual Trusts	Total
Balance, Beginning of Period	\$ 85,575	\$ 2,129,545	\$ 2,215,120
Contributions	-	-	-
Distributions	(2,249)	(87,263)	(89,512)
Realized/Unrealized Gains/(Losses)	1,535	(2,689)	(1,154)
Total Assets at Fair Value	<u>\$ 84,861</u>	<u>\$ 2,039,593</u>	<u>\$ 2,124,454</u>

The realized/unrealized gains/(losses) are included in revenues, gains and other support in the statement of activities and are related to assets still held at the statement of financial position date.

7. Line of Credit

The Organization has a \$600,000 revolving line of credit bearing interest equal to the Index plus 0.40% with a floor of 3.90%. Due on demand. There was no outstanding balance at June 30, 2016 or 2015.

Interest paid on the line of credit was \$10,298 and \$13,847 in 2016 and 2015, respectively.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2016

8. Unrestricted Net Assets

Unrestricted Net Assets have been designated by the Board of Directors for the following:

	<u>2016</u>	<u>2015</u>
Unrestricted Investment Reserves		
Community Fund	\$ 557,131	\$ 557,131
Property and Equipment		
Set Aside for Future Expansion	381,425	419,853
Undesignated Investment Reserves	513,666	513,666
Opportunity Investment Fund	1,326,494	1,326,989
Property and Equipment		
Expended for Equipment	90,896	84,241
Undesignated	<u>(4,157,686)</u>	<u>(3,705,567)</u>
Total Unrestricted Net Assets	<u>\$ (1,288,074)</u>	<u>\$ (803,687)</u>

9. Temporarily Restricted Support for Future Periods

Temporarily restricted support for future periods consists of:

	<u>2016</u>	<u>2015</u>
Campaign Support		
Time Restricted Net Campaign for 2015 & 2014	\$ 7,197,553	\$ 7,089,796
Unspent Purpose Restricted Campaign		
Funds From Prior Years	87,163	167,816
Future Campaign Support	353,661	407,835
Other Purpose and Time Restricted Support	<u>409,108</u>	<u>493,996</u>
	<u>\$ 8,047,485</u>	<u>\$ 8,159,443</u>

UNITED WAY OF THE GREATER LEHIGH VALLEY
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June 30, 2016

10. Temporarily Restricted Net Assets

Split-interest agreements and annuity trusts consist of the following:

	<u>Liability to Donors Under Split-Interest Agreements and Annuity Trusts</u>	<u>Liability to Organizations Under Split-Interest Agreements</u>	<u>Net Assets</u>
A Unitrust Created in 1993 Requiring 8% Annual Distributions to Donors for Their Lifetime	\$ -	\$ -	\$ 25,695
1993 Anonymous Charitable Remainder Annuity Trust Requiring 6.1% Annual Distribution to Donors for Their Lifetime	20,816	-	29,404
Charitable Gift Annuity Created in 2004 Requiring Annual Distributions to Donors for Their Lifetime	-	-	600
Cressman Charitable Gift Annuity Requiring 6.9% Annual Distribution to Donors for Their Lifetime	<u>3,595</u>	<u>-</u>	<u>1,510</u>
Total	<u>\$ 24,411</u>	<u>\$ -</u>	<u>\$ 57,209</u>

The relevant donors' ages and a discount rate of 6.24% were used to determine the present value of obligations to donors.

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11. Permanently Restricted Net Assets

Permanently restricted net assets are composed of the following:

	2016 Net Assets	2015 Net Assets
	<u>Assets</u>	<u>Assets</u>
<u>Perpetual Trusts:</u>		
Thun Fund	\$ 222,793	\$ 237,840
Albert T. Rex Estate	62,098	68,042
Adora Gross Estate	78,327	82,712
Samuel A. Kleppinger Estate	856,002	947,711
The Warren W. York Fund	529,725	548,929
David Rabaut Fund for Neighborhoods	19,796	21,145
Stanley R. Liebman Estate	122,541	133,214
<u>Endowment Funds:</u>		
J. Bogert Endowment Fund	26,975	26,975
Other Donor Restricted Fund	<u>25,000</u>	<u>25,000</u>
 Total	 <u><u>\$ 1,943,257</u></u>	 <u><u>\$ 2,091,568</u></u>

Investment income distributed from the perpetual trusts totaled \$91,764 and \$87,263 in 2016 and 2015, respectively.

The David Rabaut Fund for Neighborhoods is a permanent agency endowment fund of the Lehigh Valley Community Foundation. The Foundation will make distributions to United Way of the Greater Lehigh Valley in accordance with the Spending Policy and Distribution Schedule adopted by the Foundation's Board of Governors.

The Foundation has been granted variance power in that in the event that it becomes unnecessary, undesirable, impractical, or impossible to utilize the Fund for such purposes or if the United Way of the Greater Lehigh Valley ceases to exist or be recognized as a tax exempt charitable organization, the Foundation shall have the right to utilize the Fund for such charitable purposes as it deems appropriate in accordance with the Foundation's governing instruments. \$19,796 and \$21,145 has been reported in the Statement of Financial Position as Permanently Restricted other long-term investments in 2016 and 2015, respectively.

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12. Endowment Net Assets

The Organization’s endowment consists of funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the laws of the Commonwealth of Pennsylvania 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 Organization classifies as permanently restricted net assets (a) the original value of gift 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 expenditures by the Organization in a manner consistent with the standard of prudence prescribed by the laws of the Commonwealth of Pennsylvania. In accordance with the laws of the Commonwealth of Pennsylvania, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of 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 Organization, and (7) the Organization’s investment policies.

Investment Return Objectives, Risk Parameters, and Strategies: The Organization has adopted an investment policy, approved by the Board of Directors, for donor-restricted funds and board-designated endowments. The primary long-term management objective is to preserve the real purchasing power of all invested funds, while producing a stable, real income stream for support of the United Way programs. The primary investment objective is to earn an average annual real total return (net of fees) at least equal to that of the appropriate market indices, as measured over a rolling 5-year period, adjusted for inflation as measured by the Consumer Price Index.

The purpose of establishing an investment policy asset mix is to construct a target or “normal” set of investments, well diversified among suitable asset classes that will generate, on average, the level of expected return necessary to meet endowment objectives at the lowest volatility consistent with achieving that return.

The investment asset allocations mix, including target levels and ranges approved by the Investment Committee is as follows:

	<u>Target</u>	<u>Range</u>
Equities	60%	50-70%
Fixed Income	40%	30-50%
Alternatives		0-10%
Cash and Equivalents		0-20%

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12. Endowment Net Assets (Continued)

Endowment net asset composition by type of fund as of June 30, 2016 and 2015 are as follows:

	June 30, 2016			Total Net Endowment Assets
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 51,975	\$ 51,975
Opportunity Investment Fund	1,326,494	-	-	1,326,494
Total Funds	\$ 1,326,494	\$ -	\$ 51,975	\$1,378,469

	June 30, 2015			Total Net Endowment Assets
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 51,975	\$ 51,975
Opportunity Investment Fund	1,326,989	-	-	1,326,989
Total Funds	\$ 1,326,989	\$ -	\$ 51,975	\$1,378,964

Changes in endowment net assets as of June 30, 2016 and 2015 are as follows:

	June 30, 2016			Total Net Endowment Assets
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ 1,326,989	\$ -	\$ 51,975	\$1,378,964
Contributions	-	-	-	-
Investment Income	29,242	-	-	29,242
Net Appreciation (Depreciation)	(21,395)	-	-	(21,395)
Net Appropriated for Expenditure	(8,342)	-	-	(8,342)
Endowment Net Assets, End of Year	\$ 1,326,494	\$ -	\$ 51,975	\$1,378,469

	June 30, 2015			Total Net Endowment Assets
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ 1,530,219	\$ -	\$ 51,975	\$1,582,194
Contributions	-	-	-	-
Investment Income	48,133	-	-	48,133
Net Appreciation (Depreciation)	(21,363)	-	-	(21,363)
Net Appropriated for Expenditure	(230,000)	-	-	(230,000)
Endowment Net Assets, End of Year	\$ 1,326,989	\$ -	\$ 51,975	\$1,378,964

UNITED WAY OF THE GREATER LEHIGH VALLEY
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NOTES TO FINANCIAL STATEMENTS
June 30, 2016

13. Retirement Plans

The Organization sponsors a defined contribution 401(k) plan. Participation is available to substantially all full time employees. Organization contributions to the plan were based on 5% of compensation. Employer contributions to the plan were \$90,606 and \$71,547 in 2016 and 2015, respectively.

14. Postretirement Health Benefits

Employees of the United Way of Lehigh County as of January 1, 1993 who also retire with the United Way of the Greater Lehigh Valley are eligible for a \$100 per month contribution toward their health insurance coverage beginning with their retirement and throughout their life. New employees hired since that date and employees of the former United Way of Northampton and Warren Counties are not eligible for the benefit at retirement.

Costs incurred under this benefit were \$4,320 and \$4,220 for 2016 and 2015, respectively.

15. Leases

The Organization leases its office space in Allentown under a lease agreement which was set to expire December 31, 2016. Rent charged to expense was \$146,088 and \$144,125 in 2016 and 2015, respectively.

In August 2016, the lease agreement was amended. The terms of the lease were extended for a period of seven years, commencing January 1, 2017 and expiring December 31, 2023.

The Organization entered into 63-month lease agreements for equipment which expire through June 2021. Rental expense is \$865 per month under these agreements.

Minimum lease payments under these leases are as follows:

Years ending June 30,		
	2017	\$ 206,846
	2018	260,436
	2019	269,805
	2020	284,207
	2021	293,807
	Thereafter	747,235

UNITED WAY OF THE GREATER LEHIGH VALLEY
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16. Community Impact Services

Community impact services provided by the United Way are as follows:

	2016	2015
Labor/Community Services	\$ 59,279	\$ 40,925
Community Initiatives/Coalition Building and Funds Distribution	1,872,701	1,302,001
	\$ 1,931,980	\$ 1,342,926

17. Unemployment Insurance Self Funding

The Organization uses the Unemployment Services Trust. Payments for this insurance totaled \$8,126 and \$13,350 in 2016 and 2015, respectively.

18. Supporting Cost Ratio

In accordance with overhead reporting guidelines issued by the United Way Worldwide, United Way of the Greater Lehigh Valley calculates its Supporting Cost (Overhead) Ratio using their Form 990. The supporting cost ratio and its calculation are as follows:

2014 Form 990 For Year Ended June 30, 2015:

Supporting Cost (Overhead) Ratio:		
Supporting Services Functional Expenses:		
Management and General, Part IX, Line 25 Col C	\$ 1,051,279	
Fundraising, Part IX, Line 25 Col D	1,464,965	
		\$ 2,516,244
Total Campaign and All Other Revenue Sources, Part VIII, Line 12, Col A		\$ 11,797,999
Supporting Services Divided by Total Campaign and All Other Revenue		21.33%

Fiscal Year Ending June 30, 2016 Supporting Cost Ratio
will be Calculated and Disclosed with Preparation of the 2015 Form 990

19. Summarized Totals For Year Ended June 30, 2015

The financial statements include certain prior year summarized comparative information in total, but not by net asset class or function. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2015, from which the information was derived.

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June 30, 2016

20. Subsequent Events

Management has evaluated subsequent events through November 18, 2016, the date the financial statements were available to be issued.

United Way of the Greater Lehigh Valley merged with United Way of Carbon County effective July 1, 2016. The name of the Organization remains United Way of the Greater Lehigh Valley and will serve Lehigh, Northampton, and Carbon Counties. Notice of the intent to merge was approved by the Pennsylvania State Attorney General's office. The subsequent Statement of Merger was filed with Pennsylvania Department of State, Bureau of Corporations and Charitable Organizations as applicable by law.

Investments are exposed to various risks, such as interest rate, market risk and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investment will occur in the near term. Users of these financial statements should be aware that the financial markets' volatility in 2016 may significantly impact the subsequent valuation of the Organization's investments. Accordingly, the valuation of the investments at June 30, 2016 may not necessarily be indicative of the amounts that could be realized in a current market exchange.

SUPPLEMENTARY INFORMATION

UNITED WAY OF THE GREATER LEHIGH VALLEY
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SCHEDULE OF COMMUNITY INVESTMENTS
June 30, 2016

Education

Bethlehem Partnership for a Healthy Community	Donegan Community School "Youth Succeeding in School"	\$ 70,680
Big Brothers Big Sisters of the Lehigh Valley	School-Based Mentoring – Elementary School Level	54,000
Big Brothers Big Sisters of the Lehigh Valley	School-Based Mentoring – Middle School Level	36,000
Boys & Girls Club of Allentown, Inc.	Istation	60,000
Boys & Girls Club of Allentown, Inc.	Literacy 4 R Youth 4–8	20,000
Boys & Girls Club of Allentown, Inc.	Literacy 4 R Youth K–Third Grade	80,000
Boys & Girls Club of Allentown, Inc.	Make Your M.A.R.K. Fourth-Eighth Grade	20,000
Boys & Girls Club of Allentown, Inc.	Make Your M.A.R.K. K–Third Grade	200,000
Boys & Girls Club of Allentown, Inc.	United Way Community School at Central	60,000
Boys & Girls Club of Allentown, Inc.	United Way Community School at Cleveland	40,000
Boys & Girls Club of Allentown, Inc.	United Way Community School at McKinley	35,000
Boys & Girls Club of Allentown, Inc.	United Way Community School at Roosevelt	60,000
Boys & Girls Club of Bethlehem, Inc.	Project Learn 4–8	23,825
Boys & Girls Club of Bethlehem, Inc.	Project Learn K–3	80,000
Boys & Girls Club of Easton	Project Learn K–3 with Imagination Station	28,050
Boys & Girls Club of Easton	Summer Kindergarten Readiness	25,000
Center for Humanistic Change, Inc.	Crossroads & Project Success Mentoring Program 4–8	50,000
Center for Humanistic Change, Inc.	Crossroads Mentoring Program K–3	100,000
Child Care Information Services, Inc.	Unconditional Child Care – Case-Based Services	70,000
Child Care Information Services, Inc.	Unconditional Child Care – Social Skills Training	31,200
Communities In Schools of the Lehigh Valley	United Way Community School at Cheston	50,000
Communities In Schools of the Lehigh Valley	United Way Community School at Lincoln	60,000
Communities In Schools of the Lehigh Valley	United Way Community School at South Montain	50,000
Communities In Schools of the Lehigh Valley	Supportive Case Management	50,000
Community Bike Works	Earn a Bike: School Year	20,000
Community Bike Works	Junior Earn a Bike: School Year	30,000
Community Services for Children, Inc.	Expanding Early Learning in the Lehigh Valley	50,000
Diakon LSM	Girls on the Run of Lehigh Valley	20,000
Easton Area Community Center	SAINTS Clubhouse 4–8	23,826
Easton Area Community Center	SAINTS Clubhouse K–3	50,000
EITC	Childcare Scholarships	65,288
EITC	After-School Programs	6,600
Family Connection of Easton, Inc.	United Way Community School at Paxinosa	50,000
Family Connection of Easton, Inc.	After-School Learning Clubs	58,450
Family Connection of Easton, Inc.	Family Support and Case Management	32,000
Family Connection of Easton, Inc.	Kindergarten Connection	42,900
Family Connection of Easton, Inc.	Parent Child Home Program	52,000
Hispanic Center Lehigh Valley	Community Empowerment Program (CEP) Donegan /Broughal	28,000
Lehigh University	United Way Community School at Broughal	50,000
Lehigh University	United Way Community School at Donegan	35,000
Lehigh Valley Association of Independent Colleges	Collective Impact Research	10,000
Lehigh Valley Children's Centers, Inc.	FIRST STEPS TO READINESS	91,520
Lehigh Valley Children's Centers, Inc.	LVCC at Allen Teen Parent Program	39,000
Moravian College	United Way Community School at William Penn	35,000
Northampton Community College	United Way Community School at Bangor	40,000
Northampton Community College	United Way Community School at Fountain Hill	60,000
Northeast Ministry	Northeast Ministry After School Homework Club Program	25,000
Pinebrook Family Answers	SHAPE	42,000
Pinebrook Family Answers	Making the Grade K–3	67,000
Pinebrook Family Answers	Making the Grade 4-8	80,000
Pinebrook Family Answers	Middle School Integrated Behavioral Health	30,400
Pinebrook Family Answers	SHAPE - Middle	70,000
ProJeCt of Easton, Inc.	SIZZLE! Summer Literacy Day Camp	20,000
Promise Neighborhoods of the Lehigh Valley	Neighborhood-based coordination for cradle to career success	200,000
Slater Family Network	Case Management–Stabilize Families with Students 4–8	25,000
Spring Garden Children's Center, Inc.	Successful Preschoolers: Ready, Inspired, Nurtured & Growing	20,000
St. Luke's University Health Network	United Way Community School at Raub	10,000
TeenWorks	Youth Run Community Projects	71,133
The Children's Center, Volunteers of America	Active Learning: Fours and Fives	55,144
The Children's Center, Volunteers of America	Starting Strong: Early Learning for the First Three Years	55,000
The Literacy Center of the Lehigh Valley	The Literacy Center's Family Reading, Literacy and Support Program	50,591
Third Street Alliance for Women & Children	Learning Center Scholarship Fund ages 4–5	30,000
Third Street Alliance for Women & Children	Learning Center Scholarship Fund ages 0–3	50,000
United Way Community Schools	Valley-Wide Supports	50,776

See auditors' report on supplementary information.

UNITED WAY OF THE GREATER LEHIGH VALLEY
(A Not-for-Profit Corporation)
SCHEDULE OF COMMUNITY INVESTMENTS (CONTINUED)
June 30, 2016

Education

Valley Youth House	Student Assistance Program	33,000
Valley Youth House	Truancy Intervention Program K-3	85,000
Via of the Lehigh Valley, Inc.	Reading at Home Together	22,000
Visiting Nurse Association of St. Luke's	Nurse-Family Partnership (NFP)	66,000
Visiting Nurse Association of St. Luke's	Parent Advocate in the Home (PATH)	50,000
Wildlands Conservancy	Wild About Learning	42,844
Women's Leadership Council	After-school Programs	119,838
YMCA of Bethlehem	Quality Learning Experiences for Children ages 0-5	20,000
		3,634,065

Healthy Aging

Allentown YMCA & YWCA	"GO" (Golden Opportunities) Active Older Adults	30,000
Bethlehem Partnership for a Healthy Community	St. Luke's SElect Program for Seniors	50,036
Benefits Data Trust	Benefits Acquisition Services	40,000
Catholic Charities, Diocese of Allentown	Benefits Acquisition Services	10,000
Catholic Charities, Diocese of Allentown	Gatekeepers	61,000
Center for Vision Loss	Escorted Transportation	26,000
County Area Agencies on Aging	Gatekeepers Initiative, to identify dependents seniors without support	10,000
Hispanic Center Lehigh Valley	Hispanic Center Senior Center Program	30,000
Jewish Family Service of the Lehigh Valley	Benefits Acquisition Services	15,000
Meals on Wheels of Lehigh County, Inc.	Market on Wheels-Grocery Shopping Service	20,000
Meals on Wheels of Northampton County, Inc.	Grocery Shopping Service	26,196
Meals on Wheels of Northampton County, Inc.	Better Fresh Program	20,000
Pinebrook Family Answers	Family Answers HOMECARE	60,000
Pinebrook Family Answers	Family Answers Homecare - Fall Education and Prevention	42,211
ShareCare Faith in Action	Sharecare Grocery Shopping Program	20,000
ShareCare Faith in Action	ShareCare Transportation Program	25,000
United Way Alliance on Aging	Healthy Aging Public Policy	4,000
		489,443

Food Access

Community Action Committee of the Lehigh Valley	Lehigh Valley Food Policy Council Leadership	50,000
Community Action Committee of the Lehigh Valley	Second Harvest Food Bank of the LV and NE PA's Share Our Strength's Cooking	50,000
Hispanic Center Lehigh Valley	Hispanic Center Food Pantry	20,000
Meals on Wheels of Lehigh County, Inc.	Meals Delivery	40,000
Meals on Wheels of Northampton County, Inc.	Meal Subsidy Program - Home Delivered Meals	40,000
New Bethany Ministries	Food Pantry - Mollard Hospitality Center	20,000
Nurture Nature Center	Buy Fresh Buy Local's Double SNAP Lehigh Valley	20,000
ProJeCt of Easton, Inc.	ProJeCt of Easton Interfaith Food Pantry	20,000
Slater Family Network	SFN Emergency Food Pantry and Back Packs	20,000
The Salvation Army of the Lehigh Valley	Emergency Assistance at Four Pantries	82,875
		362,875

Emergency Services

American Red Cross of the Greater Lehigh Valley	Disaster Response	65,000
American Red Cross of the Greater Lehigh Valley	Disaster Response: Prevention & Preparedness Training	20,463
DaVinci Science Center	Disaster Response: Prevention & Preparedness Training	50,000
Catholic Charities, Diocese of Allentown	Catholic Charities, Diocese of Allentown Ecumenical Soup Kitchen	20,000
Crime Victims Council of the Lehigh Valley, Inc.	Sexual Violence Program	50,000
Lehigh County Conference of Churches	LCCC Ecumenical Soup Kitchen	20,000
New Bethany Ministries	Meal Center - Mollard Hospitality Center	20,000
North Penn Legal Services, Inc.	NPLS HELP Project (Help for Emergency Legal Problems)	30,000
ProJeCt of Easton, Inc.	ASSIST Emergency Shelter	40,000
The Salvation Army of the Lehigh Valley	Hospitality House	50,000
Third Street Alliance for Women & Children	Shelter Program	45,000
Turning Point of Lehigh Valley, Inc.	Turning Point of Lehigh Valley, Inc.	115,000
United Way of Lancaster County	2-1-1 Services for Lehigh and Northampton Counties	50,000
Valley Youth House	Lehigh Valley Youth Shelter	50,000
Victory House of Lehigh Valley	Shelter Services	40,000
		665,463

Other

Family Centers	Passthrough Grants	245,000
Volunteer Center of the LV	Volunteer Management	50,000
		295,000

TOTAL COMMUNITY INVESTMENTS

\$ 5,446,846

See auditors' report on supplementary information.