



ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Financial Statements

June 30, 2016 and 2015

(With Independent Auditors' Report Thereon)

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

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KPMG LLP
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Independent Auditors' Report

The Board of Managers
Alumni Association of the University of Virginia:

Report on the Financial Statements

We have audited the accompanying financial statements of the Alumni Association of the University of Virginia (the Association), which comprise the statements of financial position as of June 30, 2016 and 2015 and the related statements of activities 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 U.S. generally accepted accounting principles; 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 auditors' 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 the Alumni Association of the University of Virginia as of June 30, 2016 and 2015, and the



changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule 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.

KPMG LLP

October 6, 2016

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Statements of Financial Position

June 30, 2016 and 2015

Assets	2016	2015
Cash and cash equivalents (note 4)	\$ 20,705,850	16,720,888
Prepaid expenses and other assets	168,900	163,710
Contributions and other receivables, net (note 3)	8,902,949	8,482,649
Beneficial interest in trusts (note 4)	10,277,850	11,268,186
Investments (note 4)	273,002,161	283,094,509
Property, net (note 6)	4,017,654	3,638,912
	<hr/>	<hr/>
Total assets	\$ 317,075,364	323,368,854
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,498,238	967,836
Due to University of Virginia Commerce School (note 7)	38,670,931	42,883,144
Due to University of Virginia other related organizations (note 7)	52,220,094	53,655,785
Due to University of Virginia and related foundations (note 8)	1,054,325	—
Annuity and life income obligations (note 4)	2,009,048	2,193,551
Other liabilities	651,265	600,576
	<hr/>	<hr/>
Total liabilities	96,103,901	100,300,892
	<hr/>	<hr/>
Net assets:		
Unrestricted (note 12)	66,464,454	69,869,291
Temporarily restricted (notes 10 and 12)	93,043,842	94,692,777
Permanently restricted (notes 11 and 12)	61,463,167	58,505,894
	<hr/>	<hr/>
Total net assets	220,971,463	223,067,962
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Total liabilities and net assets	\$ 317,075,364	323,368,854
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See accompanying notes to financial statements.

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Statement of Activities

Year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Public support and revenues:				
Public support – contributions (notes 3 and 12)	\$ 809,204	38,265,768	3,644,564	42,719,536
Revenues:				
Interest and dividend income (notes 5 and 12)	71,784	(223,004)	—	(151,220)
Net unrealized gains (losses) (notes 4 and 12)	(1,073,319)	(2,984,360)	—	(4,057,679)
Net realized gains (losses) (notes 4 and 12)	(1,120)	8,008	—	6,888
Annual dues	123,740	—	—	123,740
Life memberships	285,741	962,880	—	1,248,621
University of Virginia:				
Expense reimbursements	2,868,392	—	—	2,868,392
Appropriations	58,000	—	—	58,000
Administrative service fees (note 7)	1,258,566	—	—	1,258,566
Special events	2,145,149	37,883	—	2,183,032
Change in fair value of beneficial interest in trusts (notes 4 and 12)	134,245	485,272	(692,079)	(72,562)
Change in value of trusts and annuities (notes 4 and 12)	—	(46,247)	4,788	(41,459)
Net assets released from restrictions (notes 10 and 12)	38,155,135	(38,155,135)	—	—
Total revenues	<u>44,026,313</u>	<u>(39,914,703)</u>	<u>(687,291)</u>	<u>3,424,319</u>
Total public support and revenues	<u>44,835,517</u>	<u>(1,648,935)</u>	<u>2,957,273</u>	<u>46,143,855</u>
Expenses:				
Program activities (notes 7, 9, and 12):				
Grants and scholarships	38,061,678	—	—	38,061,678
Alumni relations	6,132,517	—	—	6,132,517
UVA Fund	1,727,945	—	—	1,727,945
Total program activities expenses	<u>45,922,140</u>	<u>—</u>	<u>—</u>	<u>45,922,140</u>
Supporting services (notes 7, 9, and 12):				
Membership development	522,381	—	—	522,381
Management and general	1,299,670	—	—	1,299,670
Fundraising	496,163	—	—	496,163
Total supporting services expenses	<u>2,318,214</u>	<u>—</u>	<u>—</u>	<u>2,318,214</u>
Total expenses	<u>48,240,354</u>	<u>—</u>	<u>—</u>	<u>48,240,354</u>
Change in net assets	(3,404,837)	(1,648,935)	2,957,273	(2,096,499)
Net assets:				
Beginning of year	69,869,291	94,692,777	58,505,894	223,067,962
End of year	\$ <u>66,464,454</u>	<u>93,043,842</u>	<u>61,463,167</u>	<u>220,971,463</u>

See accompanying notes to financial statements.

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Statement of Activities

Year ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Public support and revenues:				
Public support – contributions (notes 3 and 12)	\$ 970,576	30,123,207	9,265,248	40,359,031
Revenues:				
Interest and dividend income (notes 5 and 12)	397,556	266,196	—	663,752
Net unrealized gains (losses) (notes 4 and 12)	4,631,901	13,531,200	—	18,163,101
Net realized gains (losses) (notes 4 and 12)	574,794	72,892	—	647,686
Annual dues	144,020	—	—	144,020
Life memberships	260,800	839,302	—	1,100,102
University of Virginia:				
Expense reimbursements	2,340,022	—	—	2,340,022
Appropriations	58,000	—	—	58,000
Administrative service fees (note 7)	1,228,033	—	—	1,228,033
Special events	2,172,726	28,994	—	2,201,720
Change in fair value of beneficial interest in trusts (notes 4 and 12)	(625,791)	(991,367)	616,359	(1,000,799)
Change in value of trusts and annuities (notes 4 and 12)	—	(147,905)	(247,592)	(395,497)
Net assets released from restrictions (notes 10 and 12)	39,366,698	(39,366,698)	—	—
Total revenues	<u>50,548,759</u>	<u>(25,767,386)</u>	<u>368,767</u>	<u>25,150,140</u>
Total public support and revenues	<u>51,519,335</u>	<u>4,355,821</u>	<u>9,634,015</u>	<u>65,509,171</u>
Expenses:				
Program activities (notes 7, 9, and 12):				
Grants and scholarships	39,089,237	—	—	39,089,237
Alumni relations	6,019,126	—	—	6,019,126
UVA Fund	1,225,895	—	—	1,225,895
Total program activities expenses	<u>46,334,258</u>	<u>—</u>	<u>—</u>	<u>46,334,258</u>
Supporting services (notes 7, 9, and 12):				
Membership development	487,828	—	—	487,828
Management and general	1,301,858	—	—	1,301,858
Fundraising	471,403	—	—	471,403
Total supporting services expenses	<u>2,261,089</u>	<u>—</u>	<u>—</u>	<u>2,261,089</u>
Total expenses	<u>48,595,347</u>	<u>—</u>	<u>—</u>	<u>48,595,347</u>
Change in net assets	2,923,988	4,355,821	9,634,015	16,913,824
Net assets:				
Beginning of year	66,945,303	90,336,956	48,871,879	206,154,138
End of year	\$ <u>69,869,291</u>	<u>94,692,777</u>	<u>58,505,894</u>	<u>223,067,962</u>

See accompanying notes to financial statements.

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Statements of Cash Flows

Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ (2,096,499)	16,913,824
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	251,897	250,356
Net unrealized (gains) losses	4,057,679	(18,163,101)
Net realized (gains) losses	(6,888)	(647,686)
Contribution of fine arts	—	(3,875)
Contributions restricted for endowment	(4,206,324)	(8,828,542)
Distributions of beneficial interest in trusts	917,774	—
Change in fair value of beneficial interest in trusts	72,562	1,000,799
Change in value of trusts and annuities	41,459	395,497
Change in assets and liabilities:		
Contributions and other receivables, net	(420,300)	(1,050,660)
Prepaid expenses and other assets	(5,190)	(67,005)
Accounts payable and accrued expenses	530,402	(704,091)
Due to University of Virginia Commerce School	(4,212,213)	211,426
Due to University of Virginia related organizations	(1,435,691)	1,118,446
Due to University of Virginia and related foundations	1,054,325	—
Annuity and life income obligations	18,980	51,920
Other liabilities	50,689	58,593
Net cash provided by (used in) in operating activities	<u>(5,387,338)</u>	<u>(9,464,099)</u>
Cash flows from investing activities:		
Capital expenditures	(630,639)	(238,071)
Proceeds from sale of real estate held as investment	—	878,400
Proceeds from sales of investments	14,788,092	17,381,913
Purchases of investments	(8,746,535)	(16,081,750)
Net cash provided by (used in) investing activities	<u>5,410,918</u>	<u>1,940,492</u>
Cash flows from financing activities:		
Contributions restricted for investment in endowment	4,206,324	8,828,542
Payments of annuity obligations	(244,942)	(696,319)
Net cash provided by (used in) financing activities	<u>3,961,382</u>	<u>8,132,223</u>
Increase in cash and cash equivalents	3,984,962	608,616
Cash and cash equivalents at beginning of year	<u>16,720,888</u>	<u>16,112,272</u>
Cash and cash equivalents at end of year	<u>\$ 20,705,850</u>	<u>16,720,888</u>

See accompanying notes to financial statements.

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

(1) Organization and Programs

The Alumni Association of the University of Virginia (the Association) is a not for profit corporation originally formed as the Society of Alumni in 1838. The purpose of the Association is to provide services to all alumni of the University of Virginia (the University), thereby assisting the University and its students, faculty and administration in attaining the University's highest priority of achieving eminence as a center of higher learning. The Association was incorporated as a nonstock corporation in the Commonwealth of Virginia on March 7, 1903. The Association operates under the University of Virginia's Policy on University Related Foundations and is subject to an annual certification of compliance to the University's Board of Visitors.

The Association partners with the University to create a strong and collaborative institution-wide alumni engagement program that has enhanced the University's ability to build and maintain ties with an increasingly diverse community of alumni. Alumni Hall is seen as the hub of alumni-relations activities on Grounds. The University provides some funding to the Association to undertake a number of alumni-relations programs that benefit the University. Through a series of events held throughout the year, the Association welcomes thousands of alumni back to the University in meaningful, often educational ways, to strengthen the bond between alumni and their alma mater. The Association serves as a center of communications, both outgoing and incoming, between the University and its alumni. The award-winning *University of Virginia Magazine* is published quarterly and distributed to all alumni and students. This publication is supplemented by websites, social media, electronic newsletters and videos. In addition, the Association provides a wide variety of alumni programs that are targeted to build a strong bond between the University and its alumni. These activities are reported as Alumni Relations in the accompanying statements of activities.

The UVA Fund, (the fundraising and stewardship operation of the Association) was first organized at the request of the University in 1928 as a way for friends and alumni to support the University. The UVA Fund continues that rich tradition of service today by supporting the annual fundraising efforts of various University organizations and providing financial and endowment management and banking services that are not otherwise available within the University community. The delivery of service is tailored to the unique needs of the clients and is designed to provide a full suite of financial tools to support the client throughout the business cycle, from receipt of gift to use of funds. The UVA Fund administers numerous student scholarship, emergency loan funds and annual grants to projects that enhance the University as a preeminent global institution of higher learning; and it serves approximately 600 student organizations, 200 alumni clubs, 13 related foundations, and hundreds of endowments and restricted accounts for organizations and units across the University. The Association manages the assets for the UVA Fund, which are pooled for investment purposes with other Association funds. These amounts are reported as liabilities to the related University organizations in the accompanying statements of financial position. UVA Fund services are reported as the UVA Fund in the accompanying statements of activities.

The Jefferson Trust is a charitable foundation, the total income from which is used exclusively for charitable and educational purposes. The Trust was formed as a limited liability company on October 25, 2006. The Association is the sole member of the Trust. The Trust manages a grant program that provides funding to various University constituencies to enhance the University's margin of excellence consistent with the founder's vision and its national and international reputation. Since inception, the Jefferson Trust has grown to more than \$24 million in total assets and has awarded more than \$5.5 million in grants. During the 2015-16

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

academic year, the Trust distributed grants exceeding \$700,000 for new initiatives spanning a broad range of schools, departments, student groups and academic centers at the University. The activities of the Trust are reported as Grants and scholarships and Fundraising in the accompanying statements of activities.

The Association's endowments consist of approximately 3,400 individual funds established for a variety of purposes in furtherance of the Association's mission, including both donor-restricted endowment funds, term endowments, and funds designated by the Association's Board of Managers (the "Board") to function as endowments. The endowments support specific programs, grants and scholarships, student activities, and University-related organizations. These disbursements are reported as Grants and scholarships in the accompanying statements of activities.

(2) Summary of Significant Accounting Policies

(a) *Basis of Accounting*

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with U.S. generally accepted accounting principles. Certain prior year amounts have been reclassified to conform to current year presentation.

(b) *Net Assets*

The Association classifies net assets and changes therein into three categories: unrestricted, temporarily restricted, and permanently restricted. These categories are described below:

- *Unrestricted net assets* include funds with no donor restrictions placed on the Association as to their use or purpose. Such funds are expended for operating purposes and for other purposes deemed appropriate by the Board.
- *Temporarily restricted net assets* include funds resulting from contributions limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by the actions of the organization. In general, these stipulations include support of specific programs, student activities, and the benefit of University-related organizations.
- *Permanently restricted net assets* have been restricted by donors to be maintained by the Association in perpetuity. The income from these funds is used according to the terms stipulated by the donor. Generally, income from permanently restricted net assets is used for the payment of scholarships, for the benefit of University-related organizations, or for the payment of annuity and life income obligations to the donor. Regardless of whether the income is restricted by purpose or time, the investment income is reported as temporarily restricted net investment income until appropriated and expended consistent with Virginia law.

(c) *Use of Estimates*

The preparation of financial statements in conformity with U.S. 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.

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

(d) Revenue Recognition

The Association reports contributions as support when they are received or unconditionally pledged by the donor. The Association reports restricted contributions as temporarily restricted support if they are restricted for use in a subsequent year or for a specific purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are released from restriction and reclassified to unrestricted net assets.

Contributions of long-lived assets with no donor-imposed time or purpose restrictions are reported as unrestricted support. Contributions of cash and other assets restricted to the acquisition of long-lived assets are reported as restricted support that increases temporarily restricted net assets, and those restrictions expire at the later of the expenditure for the asset or when the long-lived assets are placed into service.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their expected future cash flows. The discounts on those amounts are computed using risk-free interest rates adjusted for credit risk determined in the year in which the promises are received. Amortization of the discounts is included in contribution revenue.

Investment income is reported as changes in the appropriate net asset class based on donor stipulations as to the use of such income or in the case of endowment funds, in temporarily restricted until amounts have been appropriated by the Board and the time period for expenditure has been reached.

(e) Cash Equivalents

For purposes of reporting cash flows, cash equivalents include all demand instruments with an initial maturity of three months or less at date of purchase. Cash and cash equivalents include funds related to endowments held temporarily until suitable long-term investment opportunities are identified and gifts received through gift processing services on behalf of the University and related foundations that are included in cash and cash equivalents on the accompanying statements of financial position.

(f) Property

Buildings, building improvements, and furniture, fixtures, and equipment are reported by the Association at purchase price or construction cost or, if donated to the Association, at fair value at the time of gift, less accumulated depreciation. Land is reported by the Association at purchase price or, if donated to the Association, at fair value at the time of gift. Realized gains or losses from the sale of property, buildings, and equipment are recorded as proceeds received less the book value on the date of the sale. Realized gains of \$673,840 are included within net realized gains on the Statement of Activities for the year ended June 30, 2015. There were no such realized gains or losses for the year ended June 30, 2016.

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

The Association computes depreciation using the straight-line method over the estimated useful lives of capitalized property, as follows:

	<u>Year</u>
Buildings	30
Buildings improvements	15
Furniture, fixtures, and equipment	4–7

(g) *Income Taxes*

The Association is exempt from federal income taxes as defined by Section 501(c)(3) of the Internal Revenue Code (the Code) and classified as a public charity under 509(a)(1) of the Code.

The Association is required to recognize a tax position taken or expected to be taken on a tax return based on a ‘more likely than not’ threshold. This applies to positions taken or expected to be taken on a tax return. The Association does not believe its financial statements include any uncertain tax positions.

(h) *Fair Value Measurements*

Please refer to Footnote 4 for discussion of accounting policies surrounding fair value measurements, including investment holdings.

(i) *New Accounting Pronouncements*

The Association adopted ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, for the year ended June 30, 2016, and has applied the amendments retrospectively to all periods presented herein. As a result, those investments whose fair value is measured at net asset value (NAV) (or its equivalent) using the practical expedient are not categorized within the fair value hierarchy.

(3) *Contributions and Other Receivables*

Contributions receivable include receivables for the Association including life memberships, the Parents Program, the Jefferson Trust, and the Walter N. Ridley Scholarship Program. All amounts recorded in the accompanying financial statements represent donors’ unconditional promises to make financial contributions to the Association.

Other trade receivables include accounts, loans and notes receivable from departments of the University of Virginia; persons and organizations affiliated with the University; and student loans receivable issued by the General Fund loan funds. These accounts, loans, and notes receivable bear interest at various rates from 0% to 8.0%.

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

The following shows the expected collection periods of these receivables and the related allowance for uncollectible amounts at June 30, 2016 and 2015:

	2016			
	Collection expected in			
	Less than 1 year	1–5 years	Greater than 5 years	Total
Membership and other	\$ 1,135,029	5,697,927	1,062,450	7,895,406
Parents Program	62,962	—	—	62,962
Ridley Program	32,380	10,915	—	43,295
Jefferson Trust	533,540	771,153	30,000	1,334,693
Memorials and scholarships	78,255	301,053	—	379,308
Other trade	390,987	—	—	390,987
Total receivables	\$ 2,233,153	6,781,048	1,092,450	10,106,651
Less:				
Allowance for uncollectible receivables				(934,028)
Discount to present value (rates form 0.5% to 5.0%)				(269,674)
Contributions and other receivables, net			\$	<u>8,902,949</u>

	2015			
	Collection expected in			
	Less than 1 year	1–5 years	Greater than 5 years	Total
Membership and other	\$ 851,007	5,162,475	1,189,650	7,203,132
Parents Program	37,344	400	—	37,744
Ridley Program	210,053	57,144	47,100	314,297
Jefferson Trust	657,190	876,990	47,400	1,581,580
Memorials and scholarships	77,836	304,328	208	382,372
Other trade	286,664	—	—	286,664
Total receivables	\$ 2,120,094	6,401,337	1,284,358	9,805,789
Less:				
Allowance for uncollectible receivables				(1,026,805)
Discount to present value (rates form 0.5% to 5.0%)				(296,335)
Contributions and other receivables, net			\$	<u>8,482,649</u>

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

(4) Fair Value Measurements

Assets and liabilities are classified under a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability.

Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available.

The levels of the hierarchy are defined as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date.

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 markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

The Association's valuation methodologies are described below:

(a) Investments

The Association reports investments at estimated fair value based on quoted market prices if available, or for hedge funds and fund of funds, the Association's percentage ownership of the net asset values of the funds. The net asset value is utilized as a practical expedient estimate of fair value. The Association recognizes unrealized and realized gains and losses as components of investment income.

The Association's investment portfolio consists of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
UVIMCO	\$ 241,386,683	250,563,553
Hedge fund	30,399	28,421
Charitable trusts and gift annuities	2,720,055	3,061,457
Short term investments in certificates of deposit and public debt and equities	<u>28,865,024</u>	<u>29,441,078</u>
Investments	<u>\$ 273,002,161</u>	<u>283,094,509</u>

At June 30, 2016 and 2015, the Association has invested its long term portfolio principally in the University of Virginia Investment Management Company (UVIMCO). UVIMCO is a not-for-profit

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

corporation organized to invest funds on behalf of the Rector and Visitors of the University of Virginia and University-related foundations.

Assets held in the UVIMCO investment pool are commingled with other long-term funds of the Rector and Visitors of the University of Virginia and University-related foundations in a unitized investment vehicle. Each month, the Association may subscribe to or dispose of units on the basis of the net asset value per share as calculated on the last calendar day of the month in which a deposit or redemption request is received by UVIMCO. Transactions are subject to the notification requirements and caps set forth in the deposit and management agreement between the Association and UVIMCO. The Association is currently subject to an annual withdrawal cap of an amount equal to 10% of its investment in UVIMCO at the previous fiscal year end plus 10% of deposits made during the current fiscal year. Additionally, the Association is subject to a monthly cap of the greater of 3% of its investment in UVIMCO of the previous month end or \$15,000,000. The Association records its portion of the net asset value and investment income of UVIMCO's investment pool in the accompanying financial statements.

UVIMCO values direct investments in publicly traded debt and equity securities at quoted market prices where readily available. Exchange traded securities are stated at the last reported sales price on the day of valuation. Securities traded in the over-the-counter market are valued using the mean of the last quoted bid and ask prices. Independent third-party sources are used to value all publicly traded securities. Due to variations in trading volumes and the lack of quoted market prices for fixed maturities, the fair value of fixed income securities is derived from recent reported trades for identical or similar securities, matrix pricing or model process, where future cash flow expectations are developed based upon collateral performance and discounted at an estimated market rate or dealer quotes. Quoted prices are not adjusted.

UVIMCO has investments in limited partnership hedge funds, private equity, and venture capital investment vehicles. These investments do not actively trade through established exchanges, and are valued at estimated fair value, based on UVIMCO's interest in the investee as determined and reported by the external manager of the investment. Because of the inherent uncertainty of such valuations, these estimated values may differ from the values that would have been used had a ready market for the investments existed, and the differences could be material.

The Association's other investments include a certain hedge fund, fixed maturity securities such as certificates of deposit and government and corporate bonds, and similar investment vehicles. The hedge fund is valued at estimated fair value, based upon the Association's percentage of the fund. The Association values direct investments in publicly traded debt and equity securities at quoted market prices where readily available. Independent third-party sources are used to value all publicly traded securities.

While the Association believes the above valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies, assumptions, changes in the economic environment, financial markets and any other parameters used to determine the fair value of certain estimated values may differ significantly from the values that would have been used had a readily available market for such investment existed, or had such investments been liquidated, and

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

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these differences could be material to the financial statements. Investments are exposed to several risks, such as interest rate, currency, market and credit risks.

(b) Charitable Trusts, Gift Annuities and Beneficial Interest in Trusts

The Association is the trustee of several charitable gift annuity trusts. Under the trust agreements, the grantor contributes assets to the Association. For the remainder of the grantor's life, the Association pays an annuity to the grantor. The payout is a fixed amount based on a percentage of the original gift, as defined by the trusts.

The Association is also the trustee of several charitable remainder unitrust agreements. Under trust agreements, unitrusts generally pay annual benefits to the trust grantors throughout their lives based on a percentage of the fair value of the trust's assets each year, as defined by the trusts.

The Association is also the trustee under several charitable remainder annuity trust agreements. The terms of these trusts are similar to those of the unitrusts except that the annual payout to the donors is a fixed amount.

The fair value of the assets received under these trust agreements is included in cash and cash equivalents and investments in the accompanying statements of financial position. Contribution revenue is recognized to the extent that the fair value of the trust's assets exceeds the present value of the estimated future payments to the trust grantors. At June 30, 2016, the total fair value of assets held under the trust agreements included cash and cash equivalents of approximately \$237,000 and investments of approximately \$2,720,000. At June 30, 2015, the total fair value of the assets held under trust agreements included cash and cash equivalents of approximately \$122,000 and investments of approximately \$3,061,000. The present value of the future payouts to the donors at June 30, 2016 and 2015, which approximates fair value, is recorded in the accompanying statements of financial position as annuity and life income obligations in the amount of \$2,009,048 and \$2,193,551, respectively. At June 30, 2016 and 2015, the present value of the future payments is based on the following actuarial assumptions:

Item	Assumption
Estimated life of trust	The 2012 Individual Annuity Reserving Tables in accordance with Treasury Reg. Sec. 1.72-9, as amended
Discount rate	Range from 3.67% to 8.23%

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The Association has an irrevocable beneficial interest in split interest agreements such as perpetual trusts and charitable remainder trusts for which third party entities are the trustees. The Association has no control over these assets and only realizes the interest upon a termination event as defined by the agreement. These interests are initially recorded as contribution revenue at their fair value with subsequent changes in the fair value recorded as change in fair value of beneficial interest in trusts on the statement of activities. Fair value is calculated as the Association's share of the fair value of the underlying assets in trusts as of the reporting date. For the years ended June 30, 2016 and 2015, the Association did not receive any new split interest agreements held by third party trustees.

(c) Other Financial Instruments

The carrying amounts of cash and cash equivalents, prepaid expenses and other assets, accounts payable and accrued expenses, due to University of Virginia related organizations, and other liabilities approximate fair value because of the short maturity of these instruments. Management has estimated the net realizable value of contributions and other receivables, evaluated collection history and has concluded the carrying amounts approximate the fair values.

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2016 and 2015, by level within the fair value hierarchy:

	2016				
	Level 1	Level 2	Level 3	NAV ¹	Total
Assets:					
Cash equivalents	\$ 7,106,629	—	—	—	7,106,629
Investment in UVIMCO	—	—	—	241,386,683	241,386,683
Investment in hedge fund	—	—	—	30,399	30,399
Beneficial interest in trusts	—	—	10,277,850	—	10,277,850
Investment in trusts held – debt securities	155,409	513,614	—	—	669,023
Investment in trusts held – U.S. equity securities	2,051,033	—	—	—	2,051,033
Investment in mutual funds fixed income	1,145,946	—	—	—	1,145,946
Investment in mutual funds equity	473,862	—	—	—	473,862
Fixed maturity securities – certificates of deposit	6,681,608	—	—	—	6,681,608
Fixed maturity securities – government bonds	6,540,637	4,935,068	—	—	11,475,705
Fixed maturity securities – corporate bonds – investment grade	—	9,087,902	—	—	9,087,902
Total	\$ <u>24,155,124</u>	<u>14,536,584</u>	<u>10,277,850</u>	<u>241,417,082</u>	<u>290,386,640</u>

¹ See note 2i. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Financial Position.

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Cash and cash equivalents of \$20,705,850 from the Statement of Financial Position is a combination of cash equivalents above of \$7,106,629 and cash of \$13,599,221, as of June 30, 2016.

	2015				Total
	Level 1	Level 2	Level 3	NAV ¹	
Assets:					
Cash equivalents	\$ 8,656,028	—	—	—	8,656,028
Investment in UVIMCO	—	—	—	250,563,553	250,563,553
Investment in hedge fund	—	—	—	28,421	28,421
Beneficial interest in trusts	—	—	11,268,186	—	11,268,186
Investment in trusts held – debt securities	147,395	579,005	—	—	726,400
Investment in trusts held – U.S. equity securities	2,335,057	—	—	—	2,335,057
Investment in mutual funds fixed income	458,865	—	—	—	458,865
Investment in mutual funds equity	335,969	—	—	—	335,969
Fixed maturity securities – certificates of deposit	7,234,352	—	—	—	7,234,352
Fixed maturity securities – government bonds	2,503,669	5,972,433	—	—	8,476,102
Fixed maturity securities – corporate bonds – investment grade	—	12,935,790	—	—	12,935,790
Total	\$ 21,671,335	19,487,228	11,268,186	250,591,974	303,018,723

¹ See note 2i. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Financial Position.

Cash and cash equivalents of \$16,720,888 from the Statement of Financial Position is a combination of cash equivalents above of \$8,656,028 and cash of \$8,064,860, as of June 30, 2015.

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The following table summarizes changes in Level 3 assets measured at fair value on a recurring basis:

	Beneficial interest in trusts
	<u> </u>
Level 3 assets:	
Ending balance as of June 30, 2014	\$ 12,268,985
Total net appreciation (depreciation) included in:	
Change in net assets	(1,000,799)
Purchases	—
Sales	<u>—</u>
Ending balance as of June 30, 2015	11,268,186
Total net appreciation (depreciation) included in:	
Change in net assets	(72,562)
Purchases	—
Sales	<u>(917,774)</u>
Ending balance as of June 30, 2016	\$ <u><u>10,277,850</u></u>
Net unrealized gains (losses) included in change in net assets for the period relating to assets held at June 30, 2016	\$ (72,562)

The Association did not have any assets or liabilities measured at fair value on a nonrecurring basis during the years ended June 30, 2016 and 2015. During the years ended June 30, 2016 and 2015, there were no transfers into (out of) Levels 1, 2 or 3 except due to the adoption of ASU 2015-07.

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Notes to Financial Statements

June 30, 2016 and 2015

The composition of investments at June 30, 2016 and 2015 is as follows:

	2016		
	UVIMCO	Directly held investments	Total investments
Public equity	\$ 59,440,285	2,476,425	61,916,710
Long/short equity	52,397,468	78,869	52,476,337
Buyout	17,339,064	—	17,339,064
Growth equity	13,245,802	—	13,245,802
Venture capital	10,685,831	—	10,685,831
Real estate	15,967,301	—	15,967,301
Credit marketable alternatives and credit	33,740,813	1,145,946	34,886,759
Resources – oil, energy and natural resources	10,891,627	—	10,891,627
Bonds	23,349,749	21,232,629	44,582,378
Certificates of deposit	—	6,681,608	6,681,608
Cash and accruals	4,328,744	—	4,328,744
Investments	\$ <u>241,386,684</u>	<u>31,615,477</u>	<u>273,002,161</u>
			2015
	UVIMCO	Directly held investments	Total investments
Public equity	\$ 57,024,359	2,521,888	59,546,247
Long/short equity	59,698,482	177,559	59,876,041
Buyout	19,093,743	—	19,093,743
Growth equity	15,700,722	—	15,700,722
Venture capital	11,539,635	—	11,539,635
Real estate	16,509,526	—	16,509,526
Credit – marketable alternatives and credit	24,872,208	458,866	25,331,074
Resources – oil, energy and natural resources	9,245,385	—	9,245,385
Bonds	22,590,091	22,138,291	44,728,382
Certificates of deposit	—	7,234,352	7,234,352
Cash and accruals	14,143,567	—	14,143,567
Portfolio overlays – financial derivatives	145,835	—	145,835
Investments	\$ <u>250,563,553</u>	<u>32,530,956</u>	<u>283,094,509</u>

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Notes to Financial Statements

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(5) Net Investment Income

Investment income consists of the following for the years ended June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 584,956	1,181,698
Net realized gains (losses)	6,888	647,686
Net unrealized gains	(4,057,679)	18,163,101
Investment expenses	<u>(736,176)</u>	<u>(517,946)</u>
Net investment income	\$ <u>(4,202,011)</u>	<u>19,474,539</u>

Investment expenses for the years ended June 30, 2016 and 2015 related to UVIMCO were \$689,600 and \$446,533, respectively. UVIMCO's fees are incurred retrospectively and consist of incentive fees, management fees, management fee rebates, and reimbursements for any long term pool expenses allocated on a per share basis. The Association received management fee rebates from UVIMCO of approximately \$0 and \$202,000 in fiscal years ended June 30, 2016 and 2015, respectively.

(6) Property

Property consists at June 30, 2016 and 2015 of the following:

	<u>2016</u>	<u>2015</u>
Alumni Hall land, building, and improvements	\$ 7,058,252	6,587,670
Furniture, fixtures, and equipment	1,859,173	1,699,403
Environmental sciences land and residence	<u>675,620</u>	<u>675,620</u>
	9,593,045	8,962,693
Less accumulated depreciation	<u>(5,575,391)</u>	<u>(5,323,781)</u>
Property, net	\$ <u>4,017,654</u>	<u>3,638,912</u>

(7) Due to University of Virginia Related Organizations

The Association serves the University in a number of ways, including through its management of the UVA Fund. The UVA Fund supports the annual fundraising efforts of various University organizations, providing a service not otherwise available within the University community. Assets managed by the Association for the UVA Fund are pooled for investment purposes with other Association funds. These amounts are reported as liabilities to the related University organizations in the statements of financial position. Fees earned by the Association for these services are included in administrative service fees in the accompanying statements of activities. No single University organization represented more than 20% of the liability balance at June 30, 2016 or 2015.

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Notes to Financial Statements

June 30, 2016 and 2015

(8) Due to University of Virginia and Related Foundations

In 2016 the Association began providing centralized gift processing services for the University and its related foundations. The assets received on behalf of the University and related foundations are segregated in a separate bank account and reported as cash and liabilities to the University and related foundations in the statements of financial position. The amounts due to each organization are paid via electronic funds transfer. Expenses are reimbursed by the users of the service. Reimbursements are included in University of Virginia Expense reimbursements in the accompanying statements of activities. Due to the timing of year-end solicitations, approximately 57% of the liability at June 30, 2016 was due to the UVA Darden School Foundation. Other than the UVA Darden School Foundation, no single organization represented more than 15% of the liability balance as of June 30, 2016.

(9) Retirement Plan

The Association provides for a defined contribution retirement plan, which covers substantially all employees once the eligibility requirements of the plan are met. Contributions by the Association to the plan totaled approximately \$465,000 and \$459,000 during the years ended June 30, 2016 and 2015, respectively.

(10) Temporarily Restricted Net Assets

As of June 30, 2016 and 2015, temporarily restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
University-related organizations	\$ 50,748,067	53,185,165
Loan Fund, Parent Fund and other	27,066,147	26,643,310
Membership and Programs	<u>15,229,628</u>	<u>14,864,302</u>
Total temporarily restricted net assets	<u>\$ 93,043,842</u>	<u>94,692,777</u>

Net assets were released from donor restrictions by the passage of time or by incurring expenses or making distributions satisfying the restricted purposes as follows:

	<u>2016</u>	<u>2015</u>
Distributions to University-related organizations	\$ 36,876,961	37,513,608
Other program expenses	<u>1,278,174</u>	<u>1,853,090</u>
Total net assets released from restrictions	<u>\$ 38,155,135</u>	<u>39,366,698</u>

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

(11) Permanently Restricted Net Assets

As of June 30, 2016 and 2015, permanently restricted net assets consist of amounts whose income will support the following purposes:

	2016	2015
University-related organizations	\$ 43,724,190	41,023,705
Loan Fund, Parent Fund and other	17,738,977	17,482,189
Total permanently restricted net assets	\$ 61,463,167	58,505,894

(12) Endowment

The Association’s endowments include both donor-restricted endowment funds, term endowments, and funds designated by the Board to function as endowments. The portion of a term endowment that must be maintained for a specified term is classified as temporarily restricted net assets. All unrestricted net assets have been designated and earmarked by the Board to be invested to provide income for a long, but unspecified period. The assets of the endowment funds are pooled for investment purposes at UVIMCO (note 4a). Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Interpretation of Relevant Law

The Board has interpreted the Virginia Uniform Prudent Management of Institutional Funds Act of 2007 (the Act) as allowing the Association to appropriate for expenditure or accumulate so much of an endowment fund as the Association determines is prudent for the uses, purposes, and durations for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

Unless stated otherwise in the gift agreement, the assets in an endowment fund should be donor restricted assets until appropriated for expenditure by the Board.

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 Association in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Association and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

5. The expected total return from income and the appreciation of investments
6. Other resources of the Association
7. The investment policies of the Association

Endowment net assets consist of the following at June 30, 2016 and 2015:

		2016			
		<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$	103,210	93,043,842	61,463,167	154,610,219
Board-designated endowment funds		<u>66,361,244</u>	<u>—</u>	<u>—</u>	<u>66,361,244</u>
Total endowed net assets	\$	<u><u>66,464,454</u></u>	<u><u>93,043,842</u></u>	<u><u>61,463,167</u></u>	<u><u>220,971,463</u></u>

		2015			
		<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$	—	94,692,777	58,505,894	153,198,671
Board-designated endowment funds		<u>69,869,291</u>	<u>—</u>	<u>—</u>	<u>69,869,291</u>
Total endowed net assets	\$	<u><u>69,869,291</u></u>	<u><u>94,692,777</u></u>	<u><u>58,505,894</u></u>	<u><u>223,067,962</u></u>

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June 30, 2016 and 2015

Changes in endowment net assets for the years ended June 30, 2016 and 2015 are as follows:

	2016			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, July 1, 2015	\$ 69,869,291	94,692,777	58,505,894	223,067,962
Investment return:				
Investment income (loss)	71,784	(223,004)	—	(151,220)
Net appreciation (depreciation)	<u>(1,074,439)</u>	<u>(2,976,352)</u>	<u>—</u>	<u>(4,050,791)</u>
Total investment return	(1,002,655)	(3,199,356)	—	(4,202,011)
Contributions	809,204	38,265,768	3,644,564	42,719,536
Change in beneficial interest in trusts	134,245	485,272	(692,079)	(72,562)
Change in value of trusts and annuities	—	(46,247)	4,788	(41,459)
Appropriation of endowment assets for expenditure	(10,085,219)	(38,155,135)	—	(48,240,354)
Other program revenue	<u>6,739,588</u>	<u>1,000,763</u>	<u>—</u>	<u>7,740,351</u>
Endowment net assets, June 30, 2016	\$ <u>66,464,454</u>	<u>93,043,842</u>	<u>61,463,167</u>	<u>220,971,463</u>

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Notes to Financial Statements

June 30, 2016 and 2015

	2015			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, July 1, 2014	\$ 66,945,303	90,336,956	48,871,879	206,154,138
Investment return:				
Investment income	397,556	266,196	—	663,752
Net appreciation	5,206,695	13,604,092	—	18,810,787
Total investment return	5,604,251	13,870,288	—	19,474,539
Contributions	970,576	30,123,207	9,265,248	40,359,031
Change in beneficial interest in trusts	(625,791)	(991,367)	616,359	(1,000,799)
Change in value of trusts and annuities	—	(147,905)	(247,592)	(395,497)
Appropriation of endowment assets for expenditure	(9,228,649)	(39,366,698)	—	(48,595,347)
Other program revenue	6,203,601	868,296	—	7,071,897
Endowment net assets, July 1, 2015	\$ <u>69,869,291</u>	<u>94,692,777</u>	<u>58,505,894</u>	<u>223,067,962</u>

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Association to retain as a fund of duration. Deficiencies of this nature that are reported in unrestricted net assets were \$103,210 as of June 30, 2016. These deficiencies resulted from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs deemed prudent by the Board. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as an increase in unrestricted net assets. There were no such deficiencies as of June 30, 2015.

(c) Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the organizations must hold in perpetuity or for a donor-specified period as well as board-designated funds. The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. To achieve this objective, the Board has adopted the investment objectives and strategy of UVIMCO. UVIMCO attempts to manage the Pool to provide long-term real returns that compare favorably with the returns of endowments of other outstanding schools in its peer group which consists of the Colleges & Universities Over \$1 billion Universe, as reported by Cambridge Associates. The Board has determined that UVIMCO's risk tolerance is appropriate given the Association's tolerance for volatility in spending.

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June 30, 2016 and 2015

(d) *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Association relies on UVIMCO's traditional policy portfolio benchmark comprised of public market indices. At present, this policy benchmark is 60% equity, 10% real estate, and 30% fixed income. The strategic asset allocation is prudently diversified across asset classes and lies near the efficient frontier of portfolios that provide the highest expected return per unit of risk and the lowest risk per unit of expected return. The Board relies on the risk controls employed by UVIMCO based on the Pool's tolerance for volatility, but also to ensure adequate liquidity.

(e) *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Association has adopted a policy discipline consistent with University policy. In all cases, donor restrictions accepted by the Association shall be honored unless the donor consents or when a change is permitted by the gift instrument or applicable law. To provide flexibility as may be needed, the Board approved a distribution range of 4% to 6% of the market value of the endowment fund. In establishing this policy, the Association considered the expected return on its endowment. Accordingly, the Association expects the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate equal to planned payouts. Additional real growth will be provided through new gifts and any excess investment return.

(13) Subsequent Events

The Association has evaluated the effects of events that have occurred subsequent to period end June 30, 2016, through October 6, 2016, which is the date the financial statements were available for issue. During this period, there have been no material events that would require recognition in the financial statements or disclosure in the notes thereto.

ALUMNI ASSOCIATION OF THE UNIVERSITY OF VIRGINIA

Schedule of Selected Alumni Association Activities

Year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2016 Total</u>
Public support and revenues:				
Public support – contributions	\$ 803,545	7,583	—	811,128
Revenues:				
Interest and dividend income	235,961	(9,714)	—	226,247
Net unrealized gains (losses)	(1,099,231)	(60,413)	—	(1,159,644)
Net realized gains (losses)	(228)	(7)	—	(235)
Annual dues	123,740	—	—	123,740
Life memberships	285,740	962,881	—	1,248,621
University of Virginia:				
Expense reimbursements	2,868,392	—	—	2,868,392
Appropriations	58,000	—	—	58,000
Administrative service fees	1,269,633	—	—	1,269,633
Special events	2,145,149	29,314	—	2,174,463
Change in fair value of beneficial interest in trusts	134,245	—	—	134,245
Net assets released from restrictions	564,318	(564,318)	—	—
Total revenues	<u>6,585,719</u>	<u>357,743</u>	<u>—</u>	<u>6,943,462</u>
Total public support and revenues	<u>7,389,264</u>	<u>365,326</u>	<u>—</u>	<u>7,754,590</u>
Expenses:				
Program activities:				
Grants and scholarships	285,700	—	—	285,700
Alumni relations	6,132,517	—	—	6,132,517
UVA Fund	1,727,945	—	—	1,727,945
Total program activities expenses	<u>8,146,162</u>	<u>—</u>	<u>—</u>	<u>8,146,162</u>
Supporting services:				
Membership development	522,381	—	—	522,381
Management and general	1,299,670	—	—	1,299,670
Fundraising	496,163	—	—	496,163
Total supporting services expenses	<u>2,318,214</u>	<u>—</u>	<u>—</u>	<u>2,318,214</u>
Total expenses	<u>10,464,376</u>	<u>—</u>	<u>—</u>	<u>10,464,376</u>
Change in net assets	(3,075,112)	365,326	—	(2,709,786)
Net assets:				
Beginning of year	67,459,787	14,864,302	524,912	82,849,001
End of year	<u>\$ 64,384,675</u>	<u>15,229,628</u>	<u>524,912</u>	<u>80,139,215</u>

See accompanying notes to financial statements.

Note to Supplemental Schedule:

The supplementary information in this schedule presents the statement of activities of the Alumni Association of the University of Virginia exclusive of the operations of the Jefferson Trust and other University related organizations. See note 1 to the financial statements.