

**THE GREATER LYNCHBURG COMMUNITY
TRUST AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

***As of and for the Years Ended June 30, 2015
and 2014***

And Report of Independent Auditor

A Charitable Community Trust

**Parent Organization
Organized Under a Resolution and Declaration of Trust
dated on October 11, 1972,
as last amended on September 16, 2008**

**Subsidiary
Incorporated in Virginia on October 15, 1999**

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY

Board of Directors

Ms. MaryJane Dolan
Mr. David A. Herrick

Chairman
Vice Chairman

Mr. John R. Alford, Jr.
Ms. MaryJane Dolan
Mr. Robert L. Finch, Jr.
Mr. Ernie T. Guill
Mr. David A. Herrick
Mr. Hylan T. Hubbard, III
Ms. Ellen P. Jamerson
Mr. Wallace G. McKenna, Jr.

Ms. Ellen G. Nygaard
Dr. Augustus A. Petticolas, Jr.
Mr. James R. Richards
Mr. Marc A. Schewel
Mr. Massie G. Ware, Jr.
Mr. Charles B. White
Dr. James W. Wright

Ex-Officio Board Members

Mr. Mark Packard
Mr. Ronald H. Thelin

Mr. Luke O. Towles
Mr. David R. Wilt

Advisors to the Board

Mr. Elliot S. Schewel
Mr. Stuart J. Turille
Mr. Kenneth S. White

Trustees

Bank of America
Branch Banking and Trust Co.

SunTrust Bank
Wells Fargo Bank

President

Mr. William J. Bodine

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR..... 1

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Financial Position..... 2
Consolidated Statements of Activities..... 3-4
Consolidated Statements of Cash Flows 5
Notes to the Consolidated Financial Statements 6-17

SUPPLEMENTAL INFORMATION

Report of Independent Auditor on Supplemental Information 18
Schedules of Investments – Schedule 1 19-24
Schedules of Grants and Administration Expenses – Schedule 2 25-32

Report of Independent Auditor

The Board of Directors
The Greater Lynchburg Community Trust
Lynchburg, Virginia

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Greater Lynchburg Community Trust and subsidiary (the "Trust"), which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Lynchburg, Virginia
December 7, 2015

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ 139,447	\$ 149,877
Money market funds	<u>1,357,952</u>	<u>1,148,191</u>
Total cash and cash equivalents	1,497,399	1,298,068
Investments	34,442,972	35,141,413
Contributions and pledges receivable	136,004	147,845
Interests in charitable remainder trusts held by others	271,928	291,062
Property and equipment, net	<u>10,599</u>	<u>11,853</u>
Total Assets	<u><u>\$ 36,358,902</u></u>	<u><u>\$ 36,890,241</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants payable	\$ 580,136	\$ 482,079
Accounts payable	14,636	6,135
Accrued expenses	5,011	10,923
Charitable gift annuity payable	<u>78,367</u>	<u>81,290</u>
Total Liabilities	<u>678,150</u>	<u>580,427</u>
Net Assets:		
Unrestricted	6,927,521	7,220,415
Temporarily restricted	2,637,013	3,480,450
Permanently restricted	<u>26,116,218</u>	<u>25,608,949</u>
Total Net Assets	<u>35,680,752</u>	<u>36,309,814</u>
Total Liabilities and Net Assets	<u><u>\$ 36,358,902</u></u>	<u><u>\$ 36,890,241</u></u>

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains, and Other Support:				
Contributions	\$ 114,194	\$ 63,775	\$ 499,525	\$ 677,494
Investment income	336,232	431,762	-	767,994
Net realized and unrealized gain (loss) in value of investments	106,428	(67,197)	-	39,231
Change in value of interests in charitable remainder trusts held by others	-	(2,480)	7,744	5,264
Charitable gift annuity adjustment	-	(2,177)	-	(2,177)
Satisfaction of program restrictions	1,267,120	(1,267,120)	-	-
Total Revenues, Gains, and Other Support	<u>1,823,974</u>	<u>(843,437)</u>	<u>507,269</u>	<u>1,487,806</u>
Grants and Expenses:				
Grants	1,560,885	-	-	1,560,885
Bank fees	259,435	-	-	259,435
Administration	293,113	-	-	293,113
Depreciation	3,435	-	-	3,435
Total Grants and Expenses	<u>2,116,868</u>	<u>-</u>	<u>-</u>	<u>2,116,868</u>
Increase (decrease) in net assets	(292,894)	(843,437)	507,269	(629,062)
Net assets at beginning of year	<u>7,220,415</u>	<u>3,480,450</u>	<u>25,608,949</u>	<u>36,309,814</u>
Net assets at end of year	<u>\$ 6,927,521</u>	<u>\$ 2,637,013</u>	<u>\$ 26,116,218</u>	<u>\$ 35,680,752</u>

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains, and Other Support:				
Contributions	\$ 111,375	\$ 50,049	\$ 801,803	\$ 963,227
Investment income	163,938	592,011	-	755,949
Net realized and unrealized gain in value of investments	1,742,832	2,782,646	-	4,525,478
Change in value of interests in charitable remainder trusts held by others	-	6,721	21,897	28,618
Charitable gift annuity adjustment	-	(2,158)	-	(2,158)
Satisfaction of program restrictions	1,721,146	(1,721,146)	-	-
Total Revenues, Gains, and Other Support	<u>3,739,291</u>	<u>1,708,123</u>	<u>823,700</u>	<u>6,271,114</u>
Grants and Expenses:				
Grants	1,490,608	-	-	1,490,608
Investment and bank fees	245,856	-	-	245,856
Administration	278,001	-	-	278,001
Depreciation	2,520	-	-	2,520
Total Grants and Expenses	<u>2,016,985</u>	<u>-</u>	<u>-</u>	<u>2,016,985</u>
Increase in net assets	1,722,306	1,708,123	823,700	4,254,129
Net assets at beginning of year	5,498,109	1,772,327	24,785,249	32,055,685
Net assets at end of year	<u>\$ 7,220,415</u>	<u>\$ 3,480,450</u>	<u>\$ 25,608,949</u>	<u>\$ 36,309,814</u>

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

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (629,062)	\$ 4,254,129
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Depreciation	3,435	2,520
Net appreciation of investments	(39,231)	(4,525,478)
Permanently restricted contributions	(499,525)	(801,803)
Decrease (Increase) in interest in charitable remainder trusts held by others	19,134	(28,618)
Decrease in contributions and pledges receivable	11,841	82,314
Increase in grants payable	98,057	35,722
Increase (decrease) in accounts payable	8,501	(1,960)
Decrease in accrued expenses	(5,912)	(2,373)
Decrease in charitable gift annuity payable	(2,923)	(2,942)
Net cash used in operating activities	<u>(1,035,685)</u>	<u>(988,489)</u>
Cash flows from investing activities:		
Cash paid for purchases of property and equipment	(2,181)	(2,629)
Net sales of investments	<u>737,672</u>	<u>216,493</u>
Net cash provided by investing activities	<u>735,491</u>	<u>213,864</u>
Cash flows from financing activities:		
Permanently restricted contributions	<u>499,525</u>	<u>801,803</u>
Net increase in cash and cash equivalents	199,331	27,178
Cash and cash equivalents at beginning of year	<u>1,298,068</u>	<u>1,270,890</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,497,399</u></u>	<u><u>\$ 1,298,068</u></u>

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Organization and significant accounting policies

Organization – The Greater Lynchburg Community Trust and subsidiary (the “Trust”) is a public charitable organization formed October 11, 1972, for the purpose of receiving charitable contributions from the public, administering and investing those gift resources, and distributing the expendable portions of the resources and their earnings for the benefit of charitable recipients in the City of Lynchburg and the Counties of Amherst, Appomattox, Bedford, and Campbell. Four area banks presently serve as trustees of the funds. The Trust is managed and governed by a Board of Directors of 16 members. The directors are appointed for five-year terms by various organizations and groups within the Trust’s service area, as specified in the Trust resolution. The Trust consists of individual funds which are accounted for separately.

Basis of Consolidation – The consolidated financial statements include the accounts of The Greater Lynchburg Community Trust and The Greater Lynchburg Community Trust, Inc., its wholly-owned subsidiary. Significant intercompany transactions and account balances have been eliminated in the consolidation.

Basis of Financial Statements – The consolidated financial statements are presented on the accrual basis of accounting and in accordance with the currently adopted principles of accounting and reporting for not-for-profit organizations. Separate accounts are maintained to monitor the activity and balances in individual funds. However, funds that have similar characteristics have been combined into categories in the accompanying consolidated financial statements as follows:

- Unrestricted – These resources have no external restrictions on their use or purpose and are available for the Board of Directors to expend at their discretion after payment of trust fees and administration expenses. Expenses, revenues, gains, and losses that are not temporarily or permanently restricted by donors are included in this classification.
- Temporarily restricted – These resources consist of (1) contributions received from donors with stipulations on the availability of the funds for distribution that expire by the passage of time or that can be fulfilled by action of the Trust pursuant to those stipulations and (2) unused accumulations of restricted investment income earned primarily on permanently restricted net assets.
- Permanently restricted – These resources are subject to the restrictions of gift instruments, which normally require that the principal be invested in perpetuity and that only the income from the endowment gift be utilized. In some instances, the gift instrument may require that the income be added to principal for a specified period of time. In other instances, the investment income may also be restricted for certain purposes or for certain charitable beneficiaries.

Accounting for Investment Earnings and Gains and Losses – Interest and dividend income from the investment of permanently restricted net assets is presently all restricted for specific purposes or specific beneficiaries and is accounted for in the temporarily restricted net asset category. Interest and dividend income from the investment of temporarily restricted net assets is also restricted for the same specific purposes or specific beneficiaries and is accounted for in the temporarily restricted net asset category. Interest and dividend income from the investment of unrestricted net assets is unrestricted and is available for the Board of Directors to expend at their discretion. Unrealized and realized gains and losses of permanently restricted net assets are accounted for in the temporarily restricted net asset category because all the income from the Trust’s endowed funds has been temporarily restricted by donors for specific purposes. However, any deficiency in the fair value of assets associated with individual donor-restricted endowment funds that fall below the level of the contribution are included in unrestricted net assets. Unrealized and realized gains and losses of temporarily restricted and unrestricted net assets are accounted for and become a part of the fund to which they apply. Beginning in fiscal year 1995, the investments, which were previously segregated by each individual fund, were commingled into four investment pools at the four trustee banks. The investment earnings and the gains and losses attributable to each fund are currently determined by an allocation process using the fair value of the investments of each fund at the beginning of the quarterly allocation period.

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Organization and significant accounting policies (continued)

Cash and Cash Equivalents – For purposes of the consolidated statements of cash flows, the Trust considers all unrestricted instruments with an initial maturity of three months or less to be cash equivalents. As of June 30, 2015 and 2014, cash and cash equivalents consist of cash-on-demand deposits and money market accounts. The Trust places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. During the year, the Trust from time to time may have had amounts on deposit in excess of the insured limits; however, the Trust has not experienced losses in such accounts, and does not believe it is exposed to any significant risk.

Contributions and Pledges Receivable – Contributions, including unconditional promises to give (pledges), are recognized as unrestricted, temporarily restricted, or permanently restricted revenues, depending on the existence and/or nature of any donor restrictions, in the period received. Unconditional promises to give that are expected to be received after one year are discounted at an appropriate discount rate, which approximates the Trust's estimated borrowing rate. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, in the period received.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Property and Equipment – Property and equipment consists of furniture, computers, and computer software and is stated at cost. Depreciation is computed using the straight-line method over the asset's estimated useful life, ranging from three to fifteen years. Generally, it is the Trust's policy to capitalize property and equipment that have an acquisition cost of \$500 or more.

Accruals of Income and Expenses – Investment income and investment and custodial fees include those amounts credited or charged by the various trust agents during each year. Any amounts that may be accrued at the end of each year are not significant and are not included in the consolidated financial statements until credited or charged in the subsequent year.

Administration Charges – Certain expenses, such as investment and custodial fees, are allocated directly to and paid by the individual funds to which they apply. Other administrative expenses, such as the President's salary, office expenses, and professional fees, are paid from the unrestricted net assets and are allocated to the other funds based on a formula established by the Board of Directors.

Use of Estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Assets – Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation.

Fair Value Measurements – The Trust follows the Fair Value Measurements topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Organization and significant accounting policies (continued)

Fair Value Measurements (continued) – The guidance describes three levels of inputs that may be used to measure fair value:

- Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;
- Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and
- Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts reflected in the consolidated statements of financial position for cash and cash equivalents, grants payable, and accounts payable approximate the respective fair values due to the short maturities of those instruments and any differences being immaterial. The carrying amounts of contributions receivable, charitable remainder trusts held by others, and annuities payable approximate fair value upon application of the discount rate used on future cash flows.

The carrying value of corporate stocks and mutual funds is fair value as amounts were derived from quoted market prices in active markets and are considered Level 1 within the fair value hierarchy.

The Trust has estimated the fair value of its investments in certain common collective trusts on the basis of the net asset value ("NAV") per share of the trusts (or its equivalent), as a practical expedient, because a) the underlying investment manager's calculation of the NAV is fair value based and b) the NAV has been calculated as of the Trust's fiscal year-end date. The Trust believes that the stated values of the investments in the funds are a reasonable estimate of fair value as of June 30, 2015; however due to the absence of quoted market prices in determining the values of these investments, these funds are classified as Level 2 within the fair value hierarchy.

The fair value of government obligations or bonds is determined based on a valuation model that uses inputs that include interest rate yield curves and credit spreads similar to the obligation or bond in terms of issuer, maturity, and seniority. These investments are generally categorized in Level 2 of the valuation hierarchy.

The fair value of corporate obligations is estimated using recently executed transactions, market price quotations (where observable), or credit spreads. The spread data used is for the same maturity as the obligation. Corporate obligations are generally categorized in Level 2 of the valuation hierarchy.

The Trust is party to irrevocable charitable remainder trust agreements. The Trust's interest in these charitable remainder trusts is reported at fair value which is calculated using appropriate discount rates (2.00% and 2.20% as of June 30, 2015 and 2014, respectively) and actuarial assumptions. Due to the significance of these unobservable inputs to the calculation of the fair value of the Trust's interest in the charitable remainder trusts, these assets are classified within Level 3 of the fair value hierarchy.

Subsequent Events – Management of the Trust has evaluated subsequent events through December 7, 2015, which is the date the consolidated financial statements were available to be issued. No events requiring disclosure have occurred through this date.

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 2—Investments

The reported fair values of the investments at June 30, 2015 and 2014, were as follows:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents:		
Money market funds	\$ 1,357,952	\$ 1,148,191
Investments:		
Corporate stocks and mutual funds	25,619,720	25,560,268
Common collective trusts	432,899	506,000
Government bonds, corporate obligations, and fixed income securities	<u>8,390,353</u>	<u>9,075,145</u>
Total investments	<u>34,442,972</u>	<u>35,141,413</u>
Total	<u>\$ 35,800,924</u>	<u>\$ 36,289,604</u>

There were no investment securities which individually exceeded 5% of the Trust's total investments as of June 30, 2015 and 2014.

Note 3—Contributions and pledges receivable

Pledges and contributions receivable at June 30, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
Pledges	\$ 72,392	\$ 135,826
Contributions receivable	<u>66,995</u>	<u>20,674</u>
Total	<u>\$ 139,387</u>	<u>\$ 156,500</u>
Receivable in less than one year	\$ 123,214	\$ 84,075
Receivable in one to five years	<u>16,173</u>	<u>72,425</u>
	139,387	156,500
Less discounts to present value	<u>(3,383)</u>	<u>(8,655)</u>
Total	<u>\$ 136,004</u>	<u>\$ 147,845</u>

The Trust considers contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 4—Interests in charitable remainder trusts held by others

The Trust was party to six irrevocable charitable remainder trusts as of June 30, 2015 and 2014. Under these charitable remainder trusts, the donors established and funded trusts with specified distributions to be made to a designated beneficiary or beneficiaries over the trusts' terms. Upon termination of these trusts, the Trust will receive the remaining assets. The fair market value of the assets held in the charitable remainder trusts totaled \$454,138 and \$504,105 at June 30, 2015 and 2014, respectively. The present value of the charitable remainder trusts totaled \$271,928 and \$291,062 at June 30, 2015 and 2014, respectively.

The Trust was also party to six and five revocable charitable remainder trusts as of June 30, 2015 and 2014, respectively. The fair market value of the assets held in these trusts at June 30, 2015 and 2014, was \$3,407,340 and \$2,134,331, respectively. As the Trust's interest in the charitable remainder trusts is revocable, no amounts associated with these interests has been recorded in the consolidated financial statements.

Note 5—Fair value measurements

See "fair value measurements" in Note 1 above for discussions of the methodologies and assumptions used to determine the fair value of the Trust's financial assets.

The following table summarizes the valuation of the Trust's financial assets measured at fair value on a recurring basis as of June 30, 2015, based on the level of input utilized to measure fair value:

	As of June 30, 2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Money market funds	\$ 1,357,952	\$ -	\$ -	\$ 1,357,952
Corporate obligations	-	2,287,997	-	2,287,997
Government bonds	-	837,154	-	837,154
Mutual funds and corporate stocks:				-
Fixed income funds	5,265,202	-	-	5,265,202
Domestic equity	17,473,515	-	-	17,473,515
Index funds	1,220,638	-	-	1,220,638
International equity funds	3,141,782	-	-	3,141,782
Growth funds	2,303,040	-	-	2,303,040
Value funds	1,191,389	-	-	1,191,389
Real estate funds	127,633	-	-	127,633
Commodity return funds	161,723	-	-	161,723
Common collective trusts:				-
Fixed income fund ^(a)	-	229,326	-	229,326
International equity fund ^(b)	-	99,318	-	99,318
Real estate fund ^(c)	-	104,255	-	104,255
Interests in charitable remainder trusts held by others	-	-	271,928	271,928
Total	\$ 32,242,874	\$ 3,558,050	\$ 271,928	\$ 36,072,852

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 5—Fair value measurements (continued)

The following table summarizes the valuation of the Trust's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2014, based on the level of input utilized to measure fair value:

	As of June 30, 2014			Total Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Money market funds	\$ 1,148,191	\$ -	\$ -	\$ 1,148,191
Corporate obligations	-	2,265,178	-	2,265,178
Government bonds	-	825,658	-	825,658
Mutual funds and corporate stocks:				
Fixed income funds	5,829,820	-	-	5,829,820
Domestic equity	17,033,645	-	-	17,033,645
Index funds	765,827	-	-	765,827
International equity funds	3,871,190	-	-	3,871,190
Growth funds	1,968,096	-	-	1,968,096
Value funds	1,747,430	-	-	1,747,430
Real estate funds	177,917	-	-	177,917
Commodity return funds	150,652	-	-	150,652
Common collective trusts:				
Fixed income fund ^(a)	-	256,725	-	256,725
International equity fund ^(b)	-	100,682	-	100,682
Real estate fund ^(c)	-	148,593	-	148,593
Interests in charitable remainder trusts held by others	-	-	291,062	291,062
Total	\$ 32,692,768	\$ 3,596,836	\$ 291,062	\$ 36,580,666

For investments in entities that calculate NAV or its equivalent per share whose fair value is not readily determinable, the Trust discloses the fair value and subscription and redemption frequency as of June 30, 2015. As described in Note 1, the Trust holds units of participation in common collective trust funds which are valued as determined by their NAV. Their redemption and subscription frequencies are daily. As of June 30, 2015, the funds have no redemption notice periods or unfunded commitments. In addition, the Trust discloses the investment objectives for each category of these investments.

- a) Fixed Income Funds – These investment vehicles invest in various funds which seek to achieve current income and growth of capital with a greater emphasis on current income by investing primarily in investment grade debt securities.
- b) International Equity Funds – These investment vehicles represent investments in actively managed investments in stocks, or ownership in companies with their principal place of business or office outside the United States. Investments are normally diversified across different countries and regions of the world.
- c) Real Estate Investment Funds – These investment vehicles seek to achieve long-term total return with a secondary goal being capital appreciation by investing primarily in real estate investment trusts.

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 5—Fair value measurements (continued)

The table below sets forth a summary of changes in the fair value of the Trust's Level 3 investment assets for the year ended June 30, 2015:

	Interests in Charitable Remainder Trusts Held by Others
Beginning fair value	\$ 291,062
Distribution of interest in trust	(24,398)
Actuarial adjustments	5,264
Ending fair value	<u>\$ 271,928</u>

The table below sets forth a summary of changes in the fair value of the Trust's Level 3 investment assets for the year ended June 30, 2014:

	Interests in Charitable Remainder Trusts Held by Others
Beginning fair value	\$ 262,444
Actuarial adjustments	28,618
Ending fair value	<u>\$ 291,062</u>

Note 6—Property and equipment

Property and equipment consisted of the following at June 30, 2015 and 2014:

	2015	2014
Computers, furniture, and equipment, at cost	\$ 52,481	\$ 52,957
Less accumulated depreciation	(41,882)	(41,104)
	<u>\$ 10,599</u>	<u>\$ 11,853</u>

Depreciation expense was \$3,435 and \$2,520 for the years ended June 30, 2015 and 2014, respectively.

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 7—Tax status

The Trust is a Section 501(c)(3) organization under the Internal Revenue Code and is exempt from income taxes under Section 501(a) of the Code.

GAAP requires Trust management to evaluate tax positions taken by the Trust and recognize a tax liability (or asset) if the Trust has taken an uncertain position that more than likely would not be sustained upon examination by the Internal Revenue Service. Trust management has analyzed the tax positions taken by the Trust, and has concluded that as of June 30, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Trust is subject to audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Trust management believes it is no longer subject to income tax examinations for tax years ending prior to June 30, 2012.

Note 8—Endowment

The Trust has adopted the provisions of the Presentation of Financial Statements for Not-for-Profit Entities topic of the FASB ASC, which provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”) and also required disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Trust’s endowment consists of approximately 240 individual funds established for a variety of purposes including both donor-restricted endowment funds and a fund designated by the Trust’s Board of Directors (the “Board”) to function as an endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law— The Board of the Trust has interpreted UPMIFA 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 stipulation to the contrary. As a result of this interpretation, the Trust classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Trust in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Trust considers the following factors in making a determination to appropriate or accumulate donor-restricted endowments funds:

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

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 8—Endowment (continued)

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (272,227)	\$ 2,100,420	\$ 26,116,218	\$ 27,944,411
Board-designated endowment funds	29,839	-	-	29,839
Total endowed net assets	<u>\$ (242,388)</u>	<u>\$ 2,100,420</u>	<u>\$ 26,116,218</u>	<u>\$ 27,974,250</u>

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2014	\$ (12,967)	\$ 2,866,019	\$ 25,608,949	\$ 28,462,001
Investment return:				
Investment income	186,717	423,154	-	609,871
Net realized and unrealized gain	62,487	(71,165)	-	(8,678)
Total investment return	249,204	351,989	-	601,193
Contributions	-	19,340	499,525	518,865
Net unrealized gain, trusts	-	-	7,744	7,744
Appropriation of endowment assets for expenditure	(478,625)	(1,136,928)	-	(1,615,553)
Endowment net assets, June 30, 2015	<u>\$ (242,388)</u>	<u>\$ 2,100,420</u>	<u>\$ 26,116,218</u>	<u>\$ 27,974,250</u>

Endowment net assets consist of the following at June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (43,939)	\$ 2,866,019	\$ 25,608,949	\$ 28,431,029
Board-designated endowment funds	30,972	-	-	30,972
Total endowed net assets	<u>\$ (12,967)</u>	<u>\$ 2,866,019</u>	<u>\$ 25,608,949</u>	<u>\$ 28,462,001</u>

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 8—Endowment (continued)

Changes in endowment net assets for the year ended June 30, 2014, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2013	\$ (961,534)	\$ 1,194,280	\$ 24,785,249	\$ 25,017,995
Investment return:				
Investment income	19,278	582,888	-	602,166
Net realized and unrealized gain	979,132	2,584,627	-	3,563,759
Total investment return	998,410	3,167,515	-	4,165,925
Contributions	-	-	801,803	801,803
Net unrealized gain, trusts	-	-	21,897	21,897
Appropriation of endowment assets for expenditure	(49,843)	(1,495,776)	-	(1,545,619)
Endowment net assets, June 30, 2014	<u>\$ (12,967)</u>	<u>\$ 2,866,019</u>	<u>\$ 25,608,949</u>	<u>\$ 28,462,001</u>

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 UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$272,227 and \$43,939 as of June 30, 2015 and 2014, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets.

Return Objectives and Risk Parameters – The Trust 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. The Trust’s spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to cover the current spending requirements, while at the same time achieving in the long-term the highest total return that is consistent with this policy.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Trust relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 8—Endowment (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy— The spending policy calculates the amount of money annually distributed from the Trust's various endowment funds, for grant-making and administration. The current spending policy is to distribute an amount equal to 5.00% of the fair market value of the fund based on a trailing 12-quarter average. Accordingly, over the long term, the Trust expects the current spending policy to allow its endowment assets to grow. This is consistent with the Trust's objectives to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

Note 9—Charitable gift annuity

The Trust is party to a charitable gift annuity agreement under which a donor has contributed assets to the Trust in exchange for its commitment to make distributions to the donor or other beneficiary for a specified period of time or until the death of the beneficiary. Assets received were recorded at fair value on the date of gift and a liability equal to the present value of the future distributions was also recorded. The difference between the fair value of the assets received and the liability to the donor or other beneficiary is recognized as contribution revenue in the period the gift is made. On an annual basis, the Trust revalues the liability to make distributions to the designated beneficiary using a discount rate established at the inception of the agreement and appropriate actuarial assumptions. The net present value of the charitable gift annuity agreement was \$78,367 and \$81,290 at June 30, 2015 and 2014, respectively. A summary of the changes in the value of the charitable gift annuity for the years ended June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Beginning value	\$ 81,290	\$ 84,232
Annuity payments	(5,100)	(5,100)
Actuarial adjustments	2,177	2,158
Ending fair value	<u>\$ 78,367</u>	<u>\$ 81,290</u>

Note 10—Leases

Beginning January 1, 2008, the Trust acquired office space under a 5-year operating lease agreement. Lease payments amounted to \$12,000 for the years ended June 30, 2015 and 2014. During the fiscal year ending June 30, 2012, the lease was renewed for an additional 5-year term.

Future minimum lease payments under the non-cancelable operating lease are scheduled as follows:

<u>Year Ending June 30, 2015</u>	<u>Total</u>
2016	\$ 12,000
2017	12,000
2018	6,000
	<u>\$ 30,000</u>

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 11—Related parties

The Trust received contribution revenue from members of the Board in the amount of \$19,710 and \$6,874 for the years ended June 30, 2015 and 2014, respectively. The amount of contributions receivable due from members of the Board totaled \$10,322 and \$22,323 at June 30, 2015 and 2014, respectively.

In the ordinary course of business, the Trust has certain business relationships with companies in which members of the Board are related parties. Transactions with such companies for the years ended June 30, 2015 and 2014, were as follows:

	<u>2015</u>	<u>2014</u>
Bank and management fees	\$ 25,185	\$ 48,398
Legal fees	4,107	6,503
	<u>\$ 29,292</u>	<u>\$ 54,901</u>

Note 12—Risks and uncertainties

The Trust invests in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

SUPPLEMENTAL INFORMATION

**Report of Independent Auditor
on Supplemental Information**

The Board of Directors
The Greater Lynchburg Community Trust
Lynchburg, Virginia

We have audited the financial statements of The Greater Lynchburg Community Trust and subsidiary as of and for the years ended June 30, 2015 and 2014, and our report thereon dated December 7, 2015, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of investments and grants and administration expenses are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Cherry Bekaert LLP

Lynchburg, Virginia
December 7, 2015

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF INVESTMENTS**

JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 1

	2015			2014		
	Number of Shares or Units	Cost	Fair Value	Number of Shares or Units	Cost	Fair Value
Bank of America:						
Aggregate Bond Common Trust Fund	13,665	\$ 228,270	\$ 229,325	15,195	\$ 252,589	\$ 256,725
Columbia Mid Cap Index Fund	32,887	395,416	520,269	32,887	395,416	522,571
Columbia Short Term Bond Fund	13,734	137,000	136,658	-	-	-
Columbia Small Cap Index Fund	9,138	121,911	212,177	9,138	121,911	215,192
Credit Suisse Commodity Return Strategy Fund	20,824	155,500	122,447	12,632	96,000	97,263
International Focused Equity Common Trust Fund	8,069	75,048	99,318	8,069	77,344	100,682
MFS Research International Fund	11,338	150,000	203,968	11,338	150,000	215,419
Pimco High Yield Fund	18,202	171,254	165,454	18,202	171,254	177,831
REIT Common Trust Fund	8,941	108,194	104,255	13,023	142,637	148,593
Various Corporate Bonds	17,890	773,325	773,692	16,450	729,009	731,314
Various Corporate Stock	38,860	1,954,908	2,530,862	38,600	2,012,144	2,547,847
Totals		<u>4,270,826</u>	<u>5,098,425</u>		<u>4,148,304</u>	<u>5,013,437</u>
Branch Banking and Trust Co.:						
Altergris Macro Strategy Fund	-	-	-	1,347	12,677	10,736
AQR Managed Futures Strategy Fund	-	-	-	426	4,020	4,280
Avenue Credit Strategies Fund	-	-	-	125	1,452	1,487
Causeway International Value Fund	8,784	134,063	136,594	7,686	117,348	126,821
Doubleline Total Return Bond Fund	10,858	119,779	118,024	12,664	140,416	139,175
Driehaus Select Credit Fund	-	-	-	246	2,500	2,512
Federated MDT Small Cap Growth Fund	1,759	31,386	36,582	1,318	22,998	24,883
Goldman Sachs Growth Opportunity Fund	3,900	100,093	110,215	3,512	89,840	112,232
Harding Loevner International Equity Fund	4,920	75,439	90,895	7,044	104,513	131,929
Hotchkis & Wiley High Yield Fund	2,342	30,425	29,303	2,492	32,550	33,323
Metropolitan West Total Return Bond Fund	8,218	87,198	88,841	9,439	100,238	102,318
Morgan Stanley Institutional Fund	2,698	31,089	29,161	-	-	-
Neuberger Berman Strategic Income Fund	4,013	44,682	44,141	4,193	46,728	48,048

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF INVESTMENTS (CONTINUED)**

JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 1

	2015			2014		
	Number of Shares or Units	Cost	Fair Value	Number of Shares or Units	Cost	Fair Value
Branch Banking and Trust Co. (continued):						
Pimco Foreign Bond Fund	5,604	\$ 59,505	\$ 58,957	5,672	\$ 60,187	\$ 61,764
Pimco Total Return Fund	2,717	30,348	29,478	2,808	31,476	32,599
Sterling Capital Corporate Fund	2,907	29,487	29,533	2,781	28,167	28,810
Sterling Capital Long/Short Equity Fund	8,555	88,425	86,320	246	21,258	23,443
Sterling Capital Mid Value Fund	8,209	161,952	164,593	5,451	106,519	110,553
Sterling Capital Special Opportunities Fund	3,737	68,830	92,592	2,772	45,284	66,361
Sterling Capital Total Return Bond Fund	18,213	193,570	192,145	19,197	204,068	206,557
Touchstone Merger Arbitrage Fund	-	-	-	241	2,570	2,562
Vanguard 500 Index Fund	2,413	455,664	459,374	-	-	-
Virtus Quality Small Cap Fund	3,611	57,328	55,682	1,665	26,518	26,941
Various Corporate Stock	7,781	404,881	455,509	12,722	701,619	865,526
Totals		<u>2,204,144</u>	<u>2,307,939</u>		<u>1,902,946</u>	<u>2,162,860</u>
First Citizens Bank:						
AQR Diversified Arbitrage Fund	273	3,066	2,766	273	3,066	3,014
AQR Managed Futures Strategy Fund	314	3,229	3,330	301	3,082	3,018
Columbia Acorn Fund	174	5,966	5,653	144	5,024	5,225
Harding Loevner Frontier Emerging Markets Fund	463	3,697	3,976	458	3,650	4,470
Goldman Sachs Core Fixed Income Fund	1,005	10,427	10,515	1,005	10,427	10,616
Mainstay High Yield Corporate Bond Fund	1,137	6,500	6,551	1,137	6,500	6,983

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF INVESTMENTS (CONTINUED)**

JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 1

	2015			2014		
	Number of Shares or Units	Cost	Fair Value	Number of Shares or Units	Cost	Fair Value
First Citizens Bank (continued):						
Oppenheimer International Growth Fund	123	\$ 3,674	\$ 4,594	123	\$ 3,674	\$ 4,789
Oppenheimer Developing Markets Fund	238	6,375	8,304	234	6,235	9,325
Pimco Emerging Local Bond Fund	523	5,148	4,068	523	5,148	5,072
Pimco Total Return Institutional Fund	1,299	13,831	13,748	1,289	13,722	14,146
T Rowe Price Cap Opportunities Fund	2,656	36,704	62,746	2,666	36,235	61,681
T Rowe Price Emerging Markets Corporate Bond Fund	470	4,700	4,766	470	4,695	5,052
Vanguard Strategic Equity Fund	182	4,834	6,111	174	4,570	5,711
Totals		<u>108,151</u>	<u>137,128</u>		<u>106,028</u>	<u>139,102</u>
Flippin, Bruce & Porter:						
FBP Appreciation and Income Opportunities Fund	-	-	-	49,496	714,689	946,356
FBP Equity and Dividend Plus Fund	36,798	816,811	770,208	-	-	-
iShares Intermediate Govt Credit Bond Fund	2,415	257,002	254,785	827	92,978	91,674
Totals		<u>1,073,813</u>	<u>1,024,993</u>		<u>807,667</u>	<u>1,038,030</u>
Scott & Stringfellow:						
Invesco Charter Fund	2,303	42,479	46,306	1,674	29,953	37,937
Sterling Capital Special Opportunities Fund	1,932	34,783	41,053	1,604	28,209	33,545
Vanguard Total Bond Market Index Fund	3,630	39,294	38,905	2,718	29,354	29,441
Totals		<u>116,556</u>	<u>126,264</u>		<u>87,516</u>	<u>100,923</u>
SunTrust Bank:						
Brandes International Small Cap Equity Fund	15,356	200,000	201,167	-	-	-
DFA US Core Equity Fund	32,569	580,730	593,077	-	-	-
Doubleline Total Return Bond Fund	51,532	581,634	560,157	52,736	596,745	579,585
Eaton Vance Floating-Rate Fund	-	-	-	10,887	100,000	99,620
Johcm International Select Fund	25,990	525,000	523,440	-	-	-
Mainstay ICAP International Fund	12,906	450,000	450,696	-	-	-
Manning & Napier World Opportunities Fund	-	-	-	139,815	1,056,219	1,329,644
Neuberger Berman High Income Bond Fund	-	-	-	41,082	374,764	392,749

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF INVESTMENTS (CONTINUED)**

JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 1

	2015			2014		
	Number of Shares or Units	Cost	Fair Value	Number of Shares or Units	Cost	Fair Value
SunTrust Bank (continued):						
Oppenheimer Developing Markets Fund	6,227	\$ 172,866	\$ 217,270	19,610	\$ 620,735	\$ 780,859
Osterweis Strategic Income Fund	31,523	358,102	361,885	8,400	100,000	100,630
Perkins Small Cap Value Fund	8,390	171,570	186,855	8,390	171,570	227,296
Pimco Emerging Local Bond Fund	-	-	-	16,256	175,743	157,687
Pimco Low Duration Fund	-	-	-	29,463	306,931	305,826
Pimco PAC Investment Grade Corp Bond Fund	64,135	673,567	669,570	37,068	384,522	396,994
Ridgworth Fund - Intermediate Bond	-	-	-	48,369	484,742	476,432
T Rowe Price Diversified Small Cap Growth Fund	10,439	182,534	291,884	10,439	182,534	267,769
Vanguard Mortgage-Backed Securities Fund	15,962	340,000	337,127	3,380	70,000	71,080
Wastach Long/Short Fund	26,989	360,849	380,551	26,989	360,849	457,741
Western Assets Mortgage Backed Securities Fund	-	-	-	6,425	70,000	70,482
Various Government Bonds	900,000	809,721	816,992	800,000	809,720	816,184
Various Corporate Bonds	1,430,000	1,445,443	1,443,377	1,430,000	1,449,838	1,472,000
Various Corporate Stock	240,735	7,218,755	10,547,846	203,879	6,561,027	10,169,351
Totals		<u>14,070,771</u>	<u>17,581,894</u>		<u>13,875,939</u>	<u>18,171,929</u>
Wells Fargo Bank:						
Arbitrage Fund	3,066	39,081	40,197	3,066	39,081	39,768
ASG Global Alternatives Fund	7,209	81,246	81,386	7,209	81,246	81,314
Cohen & Steers Institutional Realty	1,633	61,730	71,531	1,634	61,730	77,101
Credit Suisse Commodity Return Strategy Fund	5,754	35,271	33,833			
Eaton Vance Floating Rate Fund	33,260	303,143	297,016	33,260	303,143	304,334
Fidelity Advisors Emerging Markets Income Fund	15,797	235,000	207,411	15,797	235,000	227,315
First Eagle Overseas Fund	8,985	207,995	212,045	10,002	232,394	252,151
FPA New Income Fund	48,139	507,871	488,134	48,139	507,871	496,317
Harbor International Fund	6,053	382,254	421,308	5,746	360,169	426,185
JP Morgan High Yield Fund	8,631	70,000	65,339	8,631	70,000	70,518

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF INVESTMENTS (CONTINUED)**

JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 1

	2015			2014		
	Number of Shares or Units	Cost	Fair Value	Number of Shares or Units	Cost	Fair Value
Wells Fargo Bank (continued):						
Pimco Commodity Real Return Strategy Fund	-	\$ -	\$ -	7,752	\$ 60,000	\$ 46,899
Principal Midcap Fund	21,243	336,229	488,374	24,349	390,922	530,317
Ridgeworth Seix High Income Fund	31,702	285,957	279,934	31,703	285,957	287,543
Robeca Boston Partners Long Short Fund	2,986	39,081	46,318	2,986	39,081	44,496
Royce Premier Fund	4,247	78,433	85,320	4,247	78,434	100,948
T. Rowe Price Equity Income Fund	19,725	485,845	631,212	18,527	445,845	638,998
T. Rowe Price Small Capitalization Stock Fund	6,614	245,000	302,144	6,475	239,000	300,819
Vanguard Short Term Bond ETF	3,572	283,823	286,439	3,572	283,823	286,974
Various Corporate Stock	31,260	1,759,120	2,431,848	33,850	1,871,738	2,526,358
Voya International Real Estate Fund	5,502	40,000	50,014	5,502	40,000	53,920
Wells Fargo Advantage International Bond Fund	11,235	125,719	111,000	11,235	125,719	128,638
Wells Fargo Advantage Emerging Markets Fund	23,984	382,943	507,020	23,931	381,074	549,459
Western Asset Short Term Bond Fund	73,176	285,387	284,653	73,176	285,387	286,852
Totals		<u>6,271,128</u>	<u>7,422,476</u>		<u>6,417,614</u>	<u>7,757,224</u>
Wells Fargo Advisors:						
AMG TimesSquare Mid Cap Growth Fund	604	7,934	11,653	623	7,836	11,796
American Century Growth Fund	870	21,437	26,257	758	17,556	26,565
Broadview Opportunity Fund	264	8,561	10,095	241	7,644	9,857
Champlain Small Company Fund	683	8,975	11,710	673	8,525	11,386
Delaware Value Fund	1,592	17,069	28,809	1,710	17,393	29,973
First Eagle Overseas Fund	408	9,146	9,597	394	8,873	9,937
Goldman Sachs Strategic Income Fund	937	9,789	9,397	881	9,225	9,304
Harbor International Fund	138	7,420	9,650	176	8,944	13,075
Invesco Global Real Estate Fund	480	4,836	6,088	519	5,124	6,729
John Hancock Classic Value Fund	1,097	18,704	29,366	1,032	15,892	26,543
Mainstay Cornerstone Growth Fund	842	22,482	27,917	872	21,683	27,783

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF INVESTMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 1

	2015			2014		
	Number of Shares or Units	Cost	Fair Value	Number of Shares or Units	Cost	Fair Value
Wells Fargo Advisors (continued):						
Mainstay Corporate Bond Fund	2,220	\$ 13,191	\$ 12,796	2,086	\$ 12,397	\$ 12,810
Metropolitan West Total Return Bond Fund	2,303	24,762	24,901	1,159	12,331	12,567
MFS Emerging Markets Debt Fund	1,087	16,438	15,789	1,273	18,925	19,516
Oppenheimer Developing Markets Fund	339	12,460	11,858	249	8,811	9,925
Oppenheimer Senior Floating Rate Fund	796	6,646	6,423	746	6,237	6,264
Pimco Commodity Real Return Strategy Fund	1,240	8,186	5,443	1,073	7,423	6,490
Pimco Diversified Income Fund	1,186	12,928	12,721	1,079	11,706	12,916
Pimco Total Return Fund	-	-	-	1,138	12,660	12,489
RS Value Fund	339	7,629	11,560	322	6,449	12,118
T. Rowe Price International Bond Fund	1,018	9,862	8,640	958	9,433	9,486
Virtus Emerging Markets Opportunities Fund	913	8,957	9,078	957	9,354	9,923
Voya Small Company Fund	925	13,165	17,108	890	12,345	16,678
Various Corporate Bonds	70,000	71,214	70,928	60,000	61,114	61,865
Various Corporate Stock	4,398	249,072	335,908	5,273	275,569	362,439
Various Government Bonds	20,000	20,351	20,161	10,000	10,000	9,474
Totals		<u>611,214</u>	<u>743,853</u>		<u>603,449</u>	<u>757,908</u>
		<u>\$ 28,726,603</u>	<u>\$ 34,442,972</u>		<u>\$ 27,949,463</u>	<u>\$ 35,141,413</u>

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF GRANTS AND ADMINISTRATION EXPENSES**

YEARS ENDED JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 2

GRANTS

	2015	2014
From unrestricted net assets:		
Academy of Fine Arts	\$ 7,000	\$ 4,600
Adult Care Center	-	4,000
Agape Center	5,500	-
Altavista/Campbell County Habitat for Humanity	-	9,734
Amazement Square	10,000	9,659
American Heart Association	4,618	-
Amherst County Habitat for Humanity	-	1,171
Amherst County Museum and Historical Society	5,204	4,800
Amherst County Public Schools Education Foundation	4,708	-
Amherst Glebe Arts Response, Inc.	3,500	-
ARC of Central Virginia	6,937	2,844
Bedford Area Education Foundation	5,000	2,939
Bedford Christian Ministries	8,926	-
Bedford Community Christmas Station	7,526	7,539
Bedford Humane Society, Inc.	4,000	-
Bedford Museum and Genealogical Library	-	5,500
Bedford Ride	-	5,687
Big Brothers Big Sisters of Central Virginia	9,000	5,093
Big Otter Mill Foundation	-	313
Blue Ridge Autism Achievement Center	1,500	-
Boys & Girls Club of Greater Lynchburg	8,153	-
Camp Kum-Ba-Yah, Inc.	7,102	-
Campbell County Historical Society	-	679
Campbell County Public Library Foundation	1,250	-
CASA of Central Virginia	2,500	2,743
Center for Advanced Engineering & Research	2,000	-
Central Virginia Academy for Nonprofit Excellence	-	2,000
Central Virginia Alliance for Community Living	4,279	-
Churches for Urban Ministry	7,848	-
Coalition for HIV Awareness and Prevention	5,000	-
CVCC Educational Foundation	-	9,000
Dance Theatre of Lynchburg	-	8,000
Drive to Work	2,400	3,000
Elizabeth's Early Learning Center	3,379	10,250
Future Focus Foundation	3,798	6,200
Girl Scouts of Virginia Skyline Council	5,000	-
Historic Virginia Chapter/American Red Cross	7,000	6,500
Humane Society for Campbell County	-	6,600
Interfaith Outreach Association	-	11,837
James Chamber Players	3,500	-
James River Council for the Arts and Humanities	3,333	1,350
James River Day School	-	1,500
Jefferson Choral Society	6,000	1,277

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF GRANTS AND ADMINISTRATION EXPENSES (CONTINUED)**

YEARS ENDED JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 2

GRANTS

	2015	2014
From unrestricted net assets (continued):		
Jubilee Family Development Center	\$ 390	\$ 6,540
Lake Christian Ministries	3,099	-
Lactation Health Resources	1,570	-
L'Arche Blue Ridge Mountains	5,000	-
Legacy Project	-	7,000
Lutheran Family Services of Virginia, Inc.	4,000	-
Lynchburg Area Center for Independent Living	3,800	-
Lynchburg Art Club	4,800	-
Lynchburg Beacon of Hope	10,155	9,141
Lynchburg Chapter of the Links	7,287	7,081
Lynchburg City Schools Education Foundation	2,825	2,471
Lynchburg College	713	8,000
Lynchburg Community Action Group	7,939	-
Lynchburg Covenant Fellowship	-	1,576
Lynchburg Humane Society	-	6,000
Lynchburg Literacy Council	6,500	5,770
Lynchburg Little League	-	1,839
Lynchburg Road Runners	-	2,500
Lynchburg Symphony Orchestra	5,020	5,500
Lynchburg Tennis Patrons Association	3,700	2,095
Mary Bethune Academy	-	10,000
Mental Health Association of Central Virginia	9,200	7,819
Miller Home of Lynchburg	9,300	9,951
Miriam's House	4,020	-
New Vistas School	12,500	10,000
Opera on the James, Inc.	8,300	5,300
Radford University Foundation	-	3,000
Randolph College	-	3,000
Reach Out and Read	2,279	1,440
Riverviews	-	7,500
Second Stage / Amherst	4,704	-
Sedalia Center	10,000	-
Smart Beginnings of Central Virginia	8,666	6,862
Smith Mountain Lake Good Neighbors, Inc.	-	5,694
TAC K9 Search and Rescue, Inc.	2,892	-
Virginia Center for the Creative Arts	3,500	4,300
Virginia Center for Inclusive Communities	4,632	5,838
Virginia Legal Aid Society	2,347	7,000
Virginia Repertory Theatre	3,500	3,600
Wintergreen Adaptive Sports	2,660	2,000
WordWorks Lynchburg	-	6,700
YMCA of Central Virginia	8,564	7,744

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF GRANTS AND ADMINISTRATION EXPENSES (CONTINUED)**

YEARS ENDED JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 2

GRANTS

	2015	2014
From unrestricted net assets (continued):		
Young Audiences of Virginia	\$ -	\$ 1,000
YWCA of Central Virginia	5,800	-
Grants that will not be paid	-	(12,392)
Total grants from unrestricted net assets	325,623	296,684
From temporarily restricted net assets:		
Academy of Fine Arts	3,107	3,340
Adult Care Center of Central Virginia	4,328	3,156
Altavista Area YMCA	10,000	10,000
Altavista/Campbell County Habitat for Humanity	-	266
Alzheimer's Association of Central and Western Virginia	308	218
Amazement Square	2,173	1,559
American Heart Association	2,569	-
Amherst County Habitat for Humanity	-	3,829
Amherst County Museum & Historical Society	296	-
Amherst County Public Schools Education Foundation	292	-
Anne Spencer House & Garden	19,721	2,296
Appomattox 1865 Foundation	-	4,000
Appomattox Literacy Intervention Program	7,250	-
ARC of Central Virginia	6,463	5,156
Avenel Foundation	3,500	5,300
Averett University	500	-
Avoca Museum	8,000	4,000
Awareness Garden Foundation, Inc.	308	218
Bard College	4,525	-
Beacon of Hope Lynchburg	5,845	10,859
Bedford Area Education Foundation	-	461
Bedford Christian Free Clinic	10,500	-
Bedford Christian Ministries Association, Inc.	1,074	-
Bedford Community Christmas Station, Inc.	474	461
Bedford Community Orchestra	-	5,000
Bedford House, Inc.	1,743	1,693
Bedford Ride	-	313
Bedford Rotary Club Foundation	-	3,613
Big Brothers Big Sisters of Central Virginia	3,085	1,428
Big Island Emergency Crew	410	391
Big Island Library	205	195
Big Island Volunteer Fire Department	410	391
Big Otter Mill Foundation, Inc.	4,000	4,187
Blue Ledge Meals on Wheels	1,300	-
Blue Ridge Area Food Bank	12,000	12,000
Blue Ridge Autism and Achievement Center	1,000	1,000

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF GRANTS AND ADMINISTRATION EXPENSES (CONTINUED)**

YEARS ENDED JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 2

GRANTS

	2015	2014
From temporarily restricted net assets (continued):		
Blue Ridge Pregnancy Center	\$ 7,857	\$ 4,720
Boonsboro Volunteer Fire & Rescue	2,200	683
Bower Center for the Arts / Wharton Memorial Foundation	5,000	5,000
Boys and Girls Club of Greater Lynchburg	5,026	3,971
Bridgewater College	1,537	-
Bryn Mawr College	2,624	-
Camp Child	891	870
Camp Kum-Ba-Yah, Inc.	12,222	15,000
Campbell County Historical Society	5,000	4,821
Cantate, the Children's and Youth Choir of Central Virginia	-	6,850
Cape Cod Community College	-	500
CASA of Central Virginia	15,500	8,657
Centra Foundation	5,988	5,752
Central Virginia Alliance for Community Living	4,321	-
Central Virginia Community College	1,000	3,932
Children's Miracle Network	5,922	5,782
Christopher Newport University	1,000	-
Churches for Urban Ministry	17,502	13,555
Citizens for Adult Literacy and Learning	-	7,774
Coalition for HIV Awareness and Prevention	-	5,000
Court Street Baptist Church	5,000	4,500
Court Street United Methodist Church	1,154	1,127
CVCC Educational Foundation	7,766	2,461
Dance Theatre of Lynchburg	-	1,000
E.C. Glass High School Athletics	5,233	2,167
E.C. Glass High School Theatre	688	595
Eastern Mennonite University	1,000	500
Economic Development Authority of Lynchburg	3,067	2,937
Elizabeth's Early Learning Center	296,731	280,250
Ellington Fellowship Playhouse	-	1,000
Emory & Henry College	1,031	-
Endstation Theatre Company	4,250	7,162
Faith Christian Academy	6,102	5,989
Ferrum College	500	-
Fort Early Corporation	5,000	-
Frannie's House	310	-
Free Clinic of Central Virginia	17,825	35,705
Friends of Lynchburg Parks and Recreation	2,800	-
Friends of the Lynchburg Public Library	7,313	7,290
Future Focus Foundation	1,314	-
George Mason University	2,000	3,508
Girl Scouts of Virginia Skyline Council	2,000	-

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF GRANTS AND ADMINISTRATION EXPENSES (CONTINUED)**

YEARS ENDED JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 2

GRANTS

	2015	2014
From temporarily restricted net assets (continued):		
Habitat for Humanity - Greater Lynchburg	\$ 12,845	\$ 13,799
Hampden Sydney College	-	2,807
Hill City Master Gardener Association	5,000	-
Historic Sandusky Foundation	3,500	8,400
Holy Cross Catholic Church	308	218
Howard University	500	-
Horizon Behavioral Health - Parent Center	-	3,000
HumanKind	14,855	18,743
Interfaith Outreach Association	19,528	14,004
James Chamber Players	5,000	-
James Madison University	812	6,424
James River Association	4,500	5,000
James River Day School	16,112	-
Jefferson Choral Society	-	6,723
John Carroll University	-	1,000
Johnson Health Center	655	640
Jones Memorial Library	11,825	4,407
Jubilee Family Development Center	22,496	14,372
Junior League of Lynchburg	807	587
Lactation Health Resources	-	530
Lake Christian Ministries	7,553	10,000
Legacy Museum	20,893	16,441
Liberty University	5,941	3,468
Linkhorne Middle School	1,000	-
Longwood University	2,000	2,216
Lynchburg Area Center for Independent Living	2,000	-
Lynchburg Area Food Bank	1,991	1,944
Lynchburg Art Club	1,000	-
Lynchburg Chapter of the Links, Inc.	713	-
Lynchburg City Schools Education Foundation	12,500	8,084
Lynchburg College	5,941	13,980
Lynchburg Community Action Group	952	-
Lynchburg Covenant Fellowship	3,500	6,916
Lynchburg Daily Bread	28,611	11,894
Lynchburg Grows	22,952	28,248
Lynchburg Historical Foundation	-	8,700
Lynchburg Humane Society	10,952	15,549
Lynchburg Literacy Council	-	731
Lynchburg Little League	-	5,661
Lynchburg Neighborhood Development	191	-
Lynchburg Public Library	1,121	1,095
Lynchburg Symphony Orchestra	8,283	5,129

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF GRANTS AND ADMINISTRATION EXPENSES (CONTINUED)**

YEARS ENDED JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 2

GRANTS

	2015	2014
From temporarily restricted net assets (continued):		
Lynchburg Tennis Patrons Association	\$ 308	\$ 2,212
Mary Bethune Academy	2,000	-
MDM Networking, Inc.	1,568	1,387
Meals on Wheels	1,050	24,834
Mental Health Association of Central Virginia	-	681
Miller Home of Lynchburg	-	12,850
Miriam's House	93,271	85,133
Mt. Carmel Church Cemetary Association	-	6,820
Museum of the Confederacy - The American Civil War Museum	4,900	-
National D-Day Memorial Foundation	11,257	10,972
New Vistas School	18,726	24,555
North Carolina A&T University	-	1,472
North Carolina State University	500	-
Old Dominion University	4,191	7,478
Opera on the James	14,599	9,357
P.E.O. Foundation	4,525	4,407
Parkview Community Mission	12,500	11,000
Patrick Henry Memorial Foundation	5,000	5,000
Planned Parenthood Health Systems, Inc.	1,278	1,255
Poplar Forest	5,500	5,500
Radford University	-	1,951
Radford University Foundation	4,000	1,000
Randolph College	5,167	1,127
Reach Out and Read Virginia	7,264	7,222
Rebuilding Together - Lynchburg	-	11,675
Region 2000 Research Business Institute	-	2,000
Rivermont Area Emergency Food Pantry	7,993	7,500
Rivermont Evangelical Presbyterian Church	624	607
Salvation Army	17,691	21,476
Second Stage / Amherst	546	-
Sedalia Center, Inc.	3,594	-
Shriners Hospital for Children	4,525	4,407
Smart Beginnings of Central Virginia	-	2,647
Smith Mountain Lake Good Neighbors Inc.	7,000	306
Society of Saint Andrew	8,500	6,732
South Central Spay and Neuter	10,952	10,659
Southern Memorial Association	5,386	5,259
St. Peter's Episcopal Church	381	308
St. Stephen's Episcopal Church	762	617
St. Thomas' Episcopal Church	762	617
Step with Links	8,266	-
Sweet Briar College	3,000	-

**THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF GRANTS AND ADMINISTRATION EXPENSES (CONTINUED)**

YEARS ENDED JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 2

GRANTS

	2015	2014
From temporarily restricted net assets (continued):		
TAC K9 Search and Rescue, Inc.	\$ 3,117	\$ -
The College of William & Mary	4,124	-
United Way of Central Virginia	17,227	16,502
University of Alabama	2,500	-
University of South Carolina	-	617
University of Virginia	10,104	4,407
Virginia Center for Creative Arts	555	524
Virginia Center for Inclusive Communities	2,368	1,162
Virginia Commonwealth University	1,080	-
Virginia Hunters Who Care, Inc.	10,450	11,100
Virginia Legal Aid Society	4,153	1,282
Virginia Tech	1,365	7,140
Virginia Tech - VLGMA Program	49,175	56,630
West Virginia University	-	1,000
Wintergreen Adaptive Skiing	1,000	1,000
WordWorks Lynchburg	8,000	3,000
YMCA of Central Virginia	2,587	2,256
YWCA of Central Virginia	9,679	16,348
Grants that will not be paid	(6,705)	(5,165)
Total grants from temporarily restricted net assets	<u>1,235,262</u>	<u>1,193,924</u>
Total grants	<u>\$ 1,560,885</u>	<u>\$ 1,490,608</u>

THE GREATER LYNCHBURG COMMUNITY TRUST AND SUBSIDIARY
SCHEDULES OF GRANTS AND ADMINISTRATION EXPENSES (CONTINUED)

YEARS ENDED JUNE 30, 2015 AND 2014

(SEE INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION)

SCHEDULE 2

ADMINISTRATION EXPENSES

	<u>2015</u>	<u>2014</u>
Development	\$ 3,968	\$ 5,172
Dues and subscriptions	4,359	4,131
Insurance	2,590	2,225
Maintenance	837	773
Merchant fees	19,901	16,481
Phone, technology, etc.	22,758	25,128
Professional fees	11,300	12,000
Rent	204,289	192,758
Salary and employment taxes	3,929	2,481
Travel, meals, conferences, etc.	13,203	11,189
Typing, printing, postage, etc.	3,140	2,815
Utilities	2,839	2,848
Total administration expenses	<u><u>\$ 293,113</u></u>	<u><u>\$ 278,001</u></u>