



**UNITED WAY OF SOUTH HAMPTON ROADS  
AND AFFILIATES**

**CONSOLIDATED FINANCIAL REPORT**

**JUNE 30, 2018**

**(With Summarized Comparative Information for 2017)**



ASSURANCE, TAX & ADVISORY SERVICES

# UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
United Way of South Hampton Roads  
Norfolk, Virginia

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of United Way of South Hampton Roads and Affiliates (Company), which comprise the consolidated statement of financial position as of June 30, 2018, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of 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 financial statements based on our audit. We conducted our audit in accordance with U.S. GAAP. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of South Hampton Roads and Affiliates as of June 30, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. GAAP.

## **Report on Summarized Comparative Information**

We have previously audited United Way of South Hampton Roads and Affiliates' 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 17, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Emphasis of Matter**

As discussed in Note 15 to the financial statements, the 2017 financial statements have been restated to correct a misstatement in the classification of net assets. Our opinion is not modified with respect to this matter.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents 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 U.S. GAAP. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*PBMares, LLP*

Norfolk, Virginia  
January 22, 2019

## **CONSOLIDATED FINANCIAL STATEMENTS**

**UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**Year Ended June 30, 2018 with Comparative Totals for 2017**

	2018	As Restated 2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,932,332	\$ 3,548,461
Investments	15,963,830	15,628,883
Funds held in trust by others - net	1,185,371	1,123,172
Split interest agreements	13,447	27,699
Pledges receivable - net	6,688,293	5,419,188
Prepaid campaign expenses	19,595	8,242
Prepaid expenses and other receivables	93,829	139,223
Property and equipment - net	812,276	802,034
Cash surrender value of life insurance	125,587	101,752
<b>Total assets</b>	<b>\$ 26,834,560</b>	<b>\$ 26,798,654</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 405,847	\$ 492,461
Allocations payable	2,562,924	2,417,968
Capital lease obligation	30,475	13,558
Deferred revenue	-	32,330
Due to other UW's, federated agencies and other organizations	4,617,122	6,223,082
<b>Total liabilities</b>	<b>7,616,368</b>	<b>9,179,399</b>
Net Assets		
Unrestricted:		
Designated by board	1,124,621	66,806
Undesignated	6,363,527	7,607,751
Temporarily Restricted	1,979,364	2,613,106
Permanently Restricted	9,750,680	7,331,592
<b>Total net assets</b>	<b>19,218,192</b>	<b>17,619,255</b>
<b>Total liabilities and net assets</b>	<b>\$ 26,834,560</b>	<b>\$ 26,798,654</b>

# UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

## CONSOLIDATED STATEMENT OF ACTIVITIES Year Ended June 30, 2018 with Comparative Totals for 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	2018	As Restated 2017
<b>Public support and revenues</b>					
Public Support:					
Contributions:					
United Way of SHR annual campaign	\$ 3,745,187	\$ 7,843,334	\$ 464,778	\$ 12,053,299	\$ 15,135,314
United for the Future	-	-	1,892,111	1,892,111	-
Combined Federal Campaign of South Hampton Roads	8,711	107,909	-	116,620	2,682,626
South Hampton Roads Commonwealth of Virginia Campaign	8,547	23,693	-	32,240	62,713
United Way and Combined Charities					
Prior year campaigns:	245,855	908,240	-	1,154,095	1,194,088
Other	850,357	-	-	850,357	1,477,699
	<b>4,858,657</b>	<b>8,883,176</b>	<b>2,356,889</b>	<b>16,098,722</b>	<b>20,552,440</b>
Less: Amounts designated by donors for specific organizations	(323,357)	(4,202,626)	-	(4,525,983)	(8,560,086)
<b>Total public support</b>	<b>4,535,300</b>	<b>4,680,550</b>	<b>2,356,889</b>	<b>11,572,739</b>	<b>11,992,354</b>
Revenues:					
Program administration fees	753,982	-	-	753,982	725,732
Interest income	24,208	-	-	24,208	26,266
Net realized and unrealized gains	571,411	-	62,199	633,610	965,409
Gains on cash surrender value on life insurance policies	23,835	-	-	23,835	(4,295)
Change in value of split interest agreements	748	-	-	748	73
Contract fees	385	-	-	385	71,292
Other	22,584	-	-	22,584	18,402
100 Women Campaign	532,443	-	-	532,443	1,714,075
Administrative fees retained on amounts designated by donors for specific organizations	-	-	-	-	316,342
Net assets released from restrictions	5,314,292	(5,314,292)	-	-	-
<b>Total revenues</b>	<b>7,243,888</b>	<b>(5,314,292)</b>	<b>62,199</b>	<b>1,991,795</b>	<b>3,833,296</b>
<b>Total public support and revenues</b>	<b>11,779,188</b>	<b>(633,742)</b>	<b>2,419,088</b>	<b>13,564,534</b>	<b>15,825,650</b>

# UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

## CONSOLIDATED STATEMENT OF ACTIVITIES (Continued) Year Ended June 30, 2018 with Comparative Totals for 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	2018	As Restated 2017
<b>Allocations and expenses</b>					
Allocations:					
Certified agencies	\$ 4,248,699	\$ -	\$ -	\$ 4,248,699	\$ 4,783,734
Designation payments to agencies	6,359,074	-	-	6,359,074	11,938,955
Less - allocations funded through donor designations	(4,192,350)	-	-	(4,192,350)	(8,243,744)
<b>Total allocations</b>	<b>6,415,423</b>	<b>-</b>	<b>-</b>	<b>6,415,423</b>	<b>8,478,945</b>
Prior year campaigns:					
Payments to state and national organizations	147,384	-	-	147,384	153,185
Interest	1,449	-	-	1,449	2,005
Functional expenses:					
Fundraising	1,592,842	-	-	1,592,842	1,841,820
Program services	2,794,824	-	-	2,794,824	2,446,827
Supporting services	1,013,675	-	-	1,013,675	804,556
<b>Total expenses</b>	<b>5,550,174</b>	<b>-</b>	<b>-</b>	<b>5,550,174</b>	<b>5,248,393</b>
<b>Total allocations and expenses</b>	<b>11,965,597</b>	<b>-</b>	<b>-</b>	<b>11,965,597</b>	<b>13,727,338</b>
<b>Change in net assets</b>	<b>(186,409)</b>	<b>(633,742)</b>	<b>2,419,088</b>	<b>1,598,937</b>	<b>2,098,312</b>
<b>Net Assets</b>					
Beginning of year, as previously reported for 2017	13,882,977	2,613,106	1,123,172	17,619,255	17,619,255
Adjustments to reclassify unrestricted funds to permanently restricted funds	(6,208,420)	-	6,208,420	-	-
Beginning of year, as restated for 2017	7,674,557	2,613,106	7,331,592	17,619,255	17,619,255
Net assets - end of the year	\$ 7,488,148	\$ 1,979,364	\$ 9,750,680	\$ 19,218,192	\$ 17,619,255



## UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2018 with Comparative Totals for 2017

	Fundraising	Program Services		Supporting Services	2018	As Restated 2017
	Fundraising Annual Campaigns	CPP, LLC	Allocations and Community Agencies	Management and General	Total	Total
Salaries	\$ 875,749	\$ 28,546	\$ 819,844	\$ 429,916	\$ 2,154,055	\$ 2,193,382
Employee benefits and payroll taxes	223,345	8,538	249,237	142,314	623,434	563,936
<b>Total salaries and related expenses</b>	<b>1,099,094</b>	<b>37,084</b>	<b>1,069,081</b>	<b>572,230</b>	<b>2,777,489</b>	<b>2,757,318</b>
Professional fees	46,643	216	35,077	189,674	271,610	138,545
Prior year campaigns:	12,588	10	3,253	5,831	21,682	33,288
Telephone	7,942	677	1,630	3,007	13,256	15,729
Postage	9,832	1,225	109	7,015	18,181	15,301
Occupancy	13,533	3,552	22,962	25,035	65,082	55,683
Rental and maintenance of equipment	78,041	60	38,416	111,047	227,564	162,398
Printing and publications	33,530	416	2,777	3,315	40,038	65,268
Promotion	81,604	-	-	-	81,604	69,165
Travel	11,583	-	1,219	4,854	17,656	19,529
Conferences, conventions and training	103,045	-	5,375	6,700	115,120	186,408
Personnel recruitment	7,655	-	-	430	8,085	4,575
Membership dues	530	-	-	3,303	3,833	4,653
Miscellaneous	2,734	3,843	18	42,963	49,558	73,519
Community Impact program expense	-	-	1,556,343	-	1,556,343	1,250,526
Combined Federal Campaign of SHR	-	-	-	-	-	94,231
United Way Combined Charities Campaign	56,865	-	-	-	56,865	59,294
<b>Total expenses before depreciation and amortization</b>	<b>1,565,219</b>	<b>47,083</b>	<b>2,736,260</b>	<b>975,404</b>	<b>5,323,966</b>	<b>5,005,430</b>
Depreciation and amortization	27,623	-	11,481	38,271	77,375	87,773
<b>Total functional expenses</b>	<b>\$ 1,592,842</b>	<b>\$ 47,083</b>	<b>\$ 2,747,741</b>	<b>\$ 1,013,675</b>	<b>\$ 5,401,341</b>	<b>\$ 5,093,203</b>

**UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2018 with Comparative Totals for 2017**

	<b>2018</b>	As Restated <b>2017</b>
<b>Cash Flow From Operating Activities</b>		
Change in net assets	\$ 1,598,937	\$ 2,098,312
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	77,375	87,773
Provision for uncollectible pledges	156,659	31,706
Realized and unrealized losses	(633,610)	(965,409)
Changes in assets and liabilities:		
Pledges receivable	(1,425,764)	239,951
Prepaid campaign expenses	(11,353)	31,927
Prepaid expenses and other receivables	45,394	(49,144)
Accounts payables and accrued expenses	(86,614)	283,374
Allocations payable	144,956	(222,657)
Deferred revenue	(32,330)	28,677
Due to other United Ways, federated agencies and other organizations	(1,605,960)	289,258
<b>Net cash (used in) provided by operating activities</b>	<b>(1,772,310)</b>	<b>1,853,768</b>
<b>Cash Flow From Investing Activities</b>		
Payments for the purchase of property and equipment	(62,618)	(7,600)
Decrease (increase) in cash surrender value of life insurance	(23,835)	4,294
Net change in investments	250,716	(1,891,496)
<b>Net cash provided by (used in) investing activities</b>	<b>164,263</b>	<b>(1,894,802)</b>
<b>Cash Flow From Financing Activities</b>		
Principal payments on capital leases	(8,082)	(7,021)
<b>Net cash used in financing activities</b>	<b>(8,082)</b>	<b>(7,021)</b>

**UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES**

**CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**  
**Year Ended June 30, 2018 with Comparative Totals for 2017**

	<b>2018</b>	As Restated <b>2017</b>
<b>Net decrease in cash and cash equivalents</b>	<b>\$ (1,616,129)</b>	<b>\$ (48,055)</b>
Cash and Cash Equivalents Beginning	<u><b>3,548,461</b></u>	<u>3,596,516</u>
Ending	<u><b>\$ 1,932,332</b></u>	<u>\$ 3,548,461</u>
Supplemental Cash Flow Information		
Cash paid for interest	<b>\$ 1,449</b>	<b>\$ 2,005</b>
Supplemental Disclosures of Noncash Activities		
Purchase of property and equipment financed with capital lease	<b>\$ 30,000</b>	<b>\$ -</b>

# UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### Note 1. Organization and Nature of Activities

*United Way of South Hampton Roads* (UWSHR) is a nonprofit corporation chartered under the laws of the Commonwealth of Virginia in 1923. UWSHR is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

UWSHR conducts fundraising campaigns, acts as an administrative agent and distributes funds to participating area organizations according to donor designations and fund distribution committee recommendations. UWSHR's mission is to bring people and organizations together to create solutions to problems too big for any of us to solve alone.

*United Way of South Hampton Roads Foundation* (Foundation) is a nonprofit corporation chartered under the laws of the Commonwealth of Virginia in 1998. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The purpose of the Foundation is to benefit and carry out the purposes of the United Way of South Hampton Roads by providing a long-term base of financial support for the United Way, its certified agencies and its charitable, social, educational and human service programs, activities and purposes.

*Charitable Pledge Processing, LLC* (CPP, LLC) is a single member limited liability company owned by UWSHR and chartered under the laws of the Commonwealth of Virginia in 2003. CPP, LLC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The purpose of CPP, LLC is to provide accurate, cost-effective, timely pledge processing and distribution services to firms and organizations. It is run by an independent board of directors. CPP, LLC does not raise funds or perform resource allocations. All of CPP, LLC's work takes place in Norfolk, Virginia. CPP, LLC has an operating agreement and asset management agreement with UWSHR to conduct business. CPP, LLC uses its own trademarks.

### Note 2. Summary of Significant Accounting Policies

**Principles of Consolidation:** The consolidated financial statements include the accounts of UWSHR; CPP, LLC; and the Foundation (collectively, the Organization). All significant intercompany balances and transactions have been eliminated in consolidation.

**Basis of Presentation:** The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets; and maintains three groups of funds: operating fund, endowment fund and the Foundation. The management of the Organization believes that this framework ensures the observance of limitations and restrictions placed on the use of available resources. Public support and revenues temporarily restricted when originally received due to donor-imposed stipulations that either expire by the passage of time or use are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions when the restriction expires or is otherwise satisfied.

The accompanying consolidated financial statements do not include the accounts of the United Way agencies, each of which have an independent Board of Directors and conduct independent services programs.

# UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### Note 2. Summary of Significant Accounting Policies (Continued)

**Cash and Cash Equivalents:** For purposes of reporting cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The restricted cash balance was \$125,249 as of June 30, 2018.

**Investments:** Investments in equity securities with readily determinable fair values and all debt securities are measured at fair value in the consolidated statements of financial position. Investment income, including gains and losses on investments have been recognized in the consolidated statements of activities as increases or decreases in permanently restricted, temporarily restricted and unrestricted net assets as appropriate. Investment related expenses netted against investment revenues totaled \$38,379 for 2018.

**Property and Equipment – Net:** Purchased items are stated at cost and donated items at fair market value at the date of the gift and depreciated by the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	33 1/3 years
Office furniture and equipment	5 years
Data processing equipment	5 years
Leasehold improvements	5-10 years
Computer software	5 years
Transportation equipment	5 years

Maintenance and repairs are charged to operations when incurred. Betterments and renewals greater than \$500 are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

**Advertising:** The Organization follows the policy of charging the costs of advertising to expense as incurred and totaled \$144,743 for 2018.

**Estimates:** The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could vary from those estimates and assumptions.

**Allowance for Uncollectible Pledges:** The Organization provides an allowance for uncollectible pledges based upon prior experience and management's assessment of the collectability of existing specific accounts.

**Contract Revenue:** Revenue is recognized at the time services are provided. Revenue collected on contracts in advance is deferred and taken into income as services are provided.

**Functional Allocation of Expenses:** The costs of providing various program services and supporting activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses that can be identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated by various statistical bases.

## UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 2. Summary of Significant Accounting Policies (Continued)

***Split Interest Agreements:*** Split interest agreement assets are recorded at fair value on the date of receipt and are adjusted to fair value on a recurring basis.

#### ***Fundraising Campaigns***

United Way of South Hampton Roads conducts or participates in the following fundraising campaigns:

##### United Way of South Hampton Roads Workplace Campaign:

This is an annual campaign conducted in the work places of our corporate partners to raise funding for United Way, our programs and our certified agencies. Pledges are reported in the consolidated statements of financial position and allowances are provided for amounts estimated to be uncollectible. All contributions are considered available for unrestricted use unless specifically restricted by the donor. When a donor restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

##### Combined Federal Campaign of South Hampton Roads (CFC):

This is an annual fundraising campaign for soliciting contributions from federal employees and members of the uniformed services of the United States by approved participating federated agencies. United Way of South Hampton Roads is one of the federated agencies and the fiscal agent for the campaign. All pledges received are recorded in separate accounts until distributed to the participating agencies.

##### South Hampton Roads Commonwealth of Virginia Campaign (CVC):

This is an annual fundraising campaign for soliciting contributions from Virginia State Employees. United Way of South Hampton Roads is one of the federated agencies and the fiscal agent for the campaign. All pledges received are recorded in separate accounts until distributed to the participating agencies.

##### United Way and Combined Charities Campaign (UW/CCC):

This is an annual fundraising campaign for soliciting contributions from city and school employees from the cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach. United Way of South Hampton Roads is the fiscal agent for the campaign. All pledges received are recorded in separate accounts until distributed to the participating agencies.

Pledges receivable are reported at estimated net realizable value in the accompanying consolidated statements of financial position.

***Donated Items:*** Donated property, materials and equipment are reflected as contributions at their estimated fair market values at date of receipt. No amounts are reflected in the consolidated financial statements for donated services since no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising campaigns.

## UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 2. Summary of Significant Accounting Policies (Continued)

##### *Endowment Campaigns*

United Way of South Hampton Roads conducts has the following Endowment campaigns:

##### United For the Future Campaign Endowment (UFF):

During the year ended June 30, 2018, the Organization initiated the United For the Future Endowment Campaign. The Endowment is a campaign to raise \$35 million to change the odds for children, families and veterans in Hampton Roads into perpetuity. Funds raised through this campaign will bolster our day-to-day services through direct investment in program expansion and also fund an endowment to ensure our sustainability far into the future.

##### Women United Endowment (WU):

Women United is a diverse, passionate membership dedicated to eliminating barriers women and children face in their journey to escape poverty and achieve permanent self-sufficiency. Since 2002, Women United have been leading the charge in our community and implementing breakthrough initiatives for lasting change. The corpus of this fund is invested into perpetuity.

##### African American Leadership Society Endowment (AALS):

United Way's African American Leadership Society (AALS) members are leading the way to a brighter future for South Hampton Roads. AALS donors share affinities for philanthropy, leadership and service, and are striving to positively impact our community by increasing the number of African American philanthropists making good things happen in South Hampton Roads. The corpus of this fund is invested into perpetuity.

**Income Taxes:** Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization's management has evaluated the impact of this guidance on its consolidated financial statements. The Organization is not aware of any material uncertain tax positions and has not accrued the effect of any uncertain tax provisions as of June 30, 2018. The Organization's income tax returns are subject to examination by taxing authorities, generally for a period of three years from the date the returns are filed.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

**UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 3. Pledges Receivable**

Pledges receivable in the Operating Fund consist of the following at June 30, 2018:

	<b>Total Receivable</b>	<b>Allowances for Uncollectible</b>	<b>Net</b>
Current year campaigns:			
United Way of South Hampton Roads	\$ 4,587,948	\$ (633,420)	\$ 3,954,528
United for the Future Campaign of South Hampton Roads	2,127,000	(270,139)	1,856,861
Combined Federal Campaign of South Hampton Roads	7,969	(916)	7,053
South Hampton Roads Commonwealth of Virginia Campaign	31,758	(1,060)	30,698
United Way and Combined Charities Campaign	408,737	(56,486)	352,251
Prior year campaigns:			
United Way of South Hampton Roads	522,147	(35,245)	486,902
	<u>\$ 7,685,559</u>	<u>\$ (997,266)</u>	<u>\$ 6,688,293</u>

The current campaigns pledges receivable are expected to be collected by December 31, 2019. The prior campaigns' pledges receivable are expected to be collected by December 31, 2018. Also included in pledges receivable are long-term pledges due in future years as follows:

Due in less than one year	\$ 1,016,935
Due in one to five years	<u>1,231,642</u>
	<u>\$ 2,248,577</u>



## UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 4. Fair Value Measurements

Funds held in trust by others are composed of the following at fair market value as of June 30, 2018:

Community Foundation Fund Irrevocable Trust	\$ 753,239
	<u>432,132</u>
Total funds held in trust by others	<u>\$ 1,185,371</u>

At June 30, 2018, investments in the Operating Fund and Foundation were composed of the following:

Cash and cash equivalents	\$ 760,788
Long-term certificates of deposit	530,913
Government and corporate bond obligations	4,599,445
Bonds	500
Wells Fargo complementary strategies	537,707
Marketable equity securities	<u>9,534,477</u>
	<u>\$ 15,963,830</u>

The Foundation acts as an investment manager for affiliated agencies who choose to place their money with the Foundation. As such, the Foundation reports no income with respect to affiliated funds; interest, dividends, gains and losses are reported on each affiliates' financial statements.

The Organization follows the provisions of FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value.

FASB ASC Topic 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

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

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

## UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 4. Fair Value Measurements (Continued)

The following table presents the financial instruments carried at fair value as of June 30, 2018 by the FASB ASC Topic 820 valuation hierarchy defined above:

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Fair Value</b>
Investments in certificates of deposits	\$ -	\$ 530,911	\$ -	\$ 530,911
Securities, bonds and money market funds	14,894,712	-	-	14,894,712
Complementary strategies	537,707	-	-	537,707
Funds held in trust by others	432,132	-	753,239	1,185,371
Split interest agreements	-	-	13,447	13,447
State of Israel Bonds	-	500	-	500
	<u>\$ 15,864,551</u>	<u>\$ 531,411</u>	<u>\$ 766,686</u>	<u>\$ 17,162,648</u>

Following is a description of the Organization's valuation methodologies for assets and liabilities measured at fair value:

Fair value for Level 1 is based upon quoted market prices.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers.

Fair value for Level 3 primarily consists of funds invested in the United Way of South Hampton Roads Endowment Fund managed by the Hampton Roads Community Foundation, the Endowment TEI Fund LP (SF) managed by Wells Fargo as well as the fair value of split interest agreements. These pooled funds consist of equities and other securities that have active markets as well as alternative investments that do not have readily determinable fair values, real assets and private equity investments. Collectively, however, UWSHR's investment in the Community Foundation cannot be traded on active markets. The fair values of the alternative investments that do not have readily determinable fair values are determined by the investment managers and are based on audited financial statements provided to the investment managers or are based on historical cost, appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the investment manager taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Changes in Level 3 instruments during the year are shown on the following page.

## UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 4. Fair Value Measurements (Continued)

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

The following table summarizes the changes to Level 3 instruments for the year ending June 30, 2018:

	<b>Investment Components</b>		
	<b>Funds in the Hampton Roads Community Foundation</b>	<b>Split Interest Agreements</b>	<b>Total</b>
Fair value, beginning of the year	\$ 690,416	\$ 27,699	\$ 718,115
Distributions	-	(15,000)	(15,000)
Net sales	-	-	-
Net expenses	(4,860)	-	(4,860)
Change in value	-	748	748
Net realized and unrealized gains and losses included on the Consolidated Statement of Activities	67,683	-	67,683
Fair value, end of the year	<u>\$ 753,239</u>	<u>\$ 13,447</u>	<u>\$ 766,686</u>

#### Note 5. Property and Equipment – Net

Property and equipment at June 30, 2018 is summarized as follows:

Land	\$ 186,000
Buildings	1,223,844
Building improvements	283,810
Office furniture and equipment	261,903
Data processing equipment	230,212
Computer Software	435,242
Construction in progress	30,000
Transportation equipment	<u>58,315</u>
Less - accumulated depreciation and amortization	<u>(1,897,050)</u>
	<u>\$ 812,276</u>

## UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 6. Capital Leases

The Organization is the lessee of certain equipment under two capital leases. Amortization is included in depreciation and amortization expense. The cost of equipment and related accumulated amortization recorded under capital leases at June 30, 2018, was \$10,130.

Minimum future lease payments as of June 30, 2018 are as follows:

2019	\$ 9,111
2020	9,111
2021	6,773
2022	5,993
2023	<u>5,233</u>
Total future minimum lease payments	36,221
Less amount representing interest	<u>5,746</u>
Present value of net future minimum lease payments	<u><u>\$ 30,475</u></u>

#### Note 7. Board Designated Funds

The funds designated by the governing Board as of June 30, 2018 consists of the following:

Income from permanently endowed funds	\$ 1,057,815
Equipment and facilities fund	<u>66,806</u>
	<u><u>\$ 1,124,621</u></u>

#### Note 8. Retirement Plan

The Organization sponsors a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. The plan allows employees to contribute compensation up to the IRS maximum allowed amount (\$18,500 for 2018 plus an additional \$6,000 for individuals over 50 years of age) on a pre-tax basis. Contributions in excess of the maximum are allowed by the plan on an after-tax basis. The Organization currently makes a matching contribution of 50% of each employee's contribution up to an 8% employee contribution. The Organization also contributes 7% of compensation (9% of compensation if eligible, age 40 and completed 10 years of service on August 1, 1993) for employees after completing a year of service. Total 2017 employer contributions expense was \$182,629.

## UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### Note 9. Operating Lease

The United Way of South Hampton Roads leases office equipment pursuant to an operating lease. Total rent expense for this equipment in 2018 was \$1,752.

Future obligations for future minimum payments under this lease is as follows:

2019	\$	1,752
2020		584
		<hr/>
	\$	2,336
		<hr/> <hr/>

#### Note 10. Concentrations

At June 30, 2018, and at various times during those years, UWSHR had cash and cash equivalents at a financial institution in excess of insured limits.

In addition, the UWSHR also had balances greater than \$500,000 with local offices of national brokers, in money market and investment funds, including various debt and equity instruments of public corporations, the United States government, and the State of Israel, which is in excess of the limit insured by Securities Investor Protection Corporation (SIPC) as of June 30, 2018.

Credit risks with respect to pledges receivable is subject to the inherent nature of such receivables, but is limited due to the large number of donors comprising the Organization's donor base. The donors are concentrated to the Hampton Roads geographic area.

#### Note 11. Funds Held in Trust by Others – Net

Funds held in trust by others consist of various irrevocable trusts and an endowment fund held by a local community foundation. UWSHR and the Foundation have been named beneficiaries of these funds.

The irrevocable trusts' provide that the greater of the trusts' annual income or 5% of the total fair market value of the assets of the trust (based on a three year market value average) be paid to the Organization annually. The Organization is a shared beneficiary of the trusts. SunTrust Bank serves as the trustee and directs the investment of the trusts' assets. Trust assets in excess of the amounts distributable are permanently restricted.

The Organization is also designated as the sole beneficiary of a permanent endowment fund held by a local community foundation as a component trust. Pursuant to the agreement related to this fund, the Organization receives an annual distribution of 5% of the value of the assets in the endowment fund. The local community foundation directs the investment of the endowment fund's assets. Assets in this endowment fund in excess of the amounts distributable are permanently restricted.

# UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### Note 11. Funds Held in Trust by Others – Net (Continued)

Spending policies related to the above funds are determined by the related agreements as described above. Investment policies related to these funds are determined by the trustee of the trusts and by the local community foundation for the endowment fund it holds. Funds held in trust by others are reported at fair market value in the accompanying consolidated statements of financial position. Realized and unrealized gains and losses and other earnings are reported as permanently restricted in the accompanying consolidated statements of activities to the extent they exceed the annual amounts distributable as described above. Amounts received as annual income distributions from these funds are unrestricted and reported in net realized and unrealized gains in the accompanying consolidated statements of activities.

### Note 12. Split Interest Agreements

#### *Charitable Lead Trust*

The UWSHR is named as a beneficiary of a charitable lead trust. Under the terms of the trust agreement, the UWSHR receives current annual benefits over the term of the trust with the remaining trust assets being distributed to a third party upon termination of the trust. The UWSHR is not the trustee of the trust, and thus, the assets of the trust are classified as temporarily restricted and carried at fair market value in the consolidated statements of financial position based on the present value of amounts expected to be received over the term of the agreement. The lead trust asset is valued using a discount rate of 2% at June 30, 2018, and has a remaining term of three years. Changes in the value of this gift are included in the consolidated statements of activities.

### Note 13. Net Assets

Temporarily restricted net assets represent amounts restricted by donors for future periods.

Permanently restricted net assets consist of funds held in trust by others as described in Note 11 and donations made to endowed campaigns described in Note 2 and Note 14. Changes in endowment net assets for the year ended June 30, 2018 is as follows:

For the year ended June 30, 2018:

Endowment net assets, beginning of year	\$ 7,331,592
Realized and unrealized gains (losses)	62,199
Additions	2,356,889
Distributions	-
Expenses, valuation allowance	-
	<hr/>
Endowment net assets, end of year	<u><u>\$ 9,750,680</u></u>

# UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### Note 14. Endowment Funds

At June 30, 2018, the Organization maintained permanently endowed funds in the United Way of South Hampton Roads Foundation. These endowed funds consist of, donor-restricted endowment contributions in those funds and have not been appropriated for expenditure. The donor restricted endowment funds fall under the provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the state of Virginia with an effective date of July 2008. This policy defines the Endowment's interpretation of the provisions of this law as they relate to the prudent management of its endowment fund.

The Organization 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 stipulations to the contrary. As a result, the Endowment classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment (the Principal). The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as board restricted net assets until those amounts are appropriated for expenditure by the Endowment in a manner consistent with the standard of prudence prescribed by UPMIFA.

#### Endowment Investments:

As of June 30, 2018, endowment funds were invested in accordance with the Organization's investment policy guidelines which are approved by the Board of Trustees.

Management is in the process of revising its current spending policy. The revised policy is expected to be enforce by fiscal year end June 30, 2019.

### Note 15. Restatement

The 2017 financial statements have been restated to correct the recognition and presentation of net asset classifications. This correction effects the accounting treatment and presentation of endowed and board restricted funds. As a result, the following amounts have been restated for 2017:

	Balances as Previously Presented	Restatement Adjustment	Balances as Restated
Unrestricted operating fund	\$ 13,228,753	\$ (7,164,872)	\$ 6,063,881
Temporarily restricted operating fund	2,613,106	-	2,613,106
Unrestricted CPP, LLC	(7,642)	-	(7,642)
Unrestricted foundation fund	661,866	956,452	1,618,318
Permanently restricted endowment fund	1,123,172	6,208,420	7,331,592
Total restated net assets	<u>\$ 17,619,255</u>	<u>\$ -</u>	<u>\$ 17,619,255</u>

### Note 16. Subsequent Events

The Organization has evaluated all events subsequent to June 30, 2018 through January 22, 2019, which is the date these consolidated financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**



**UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION – DETAIL BY ENTITY**  
**Year Ended June 30, 2018**

	<b>Operating Fund</b>	<b>CPP, LLC</b>	<b>UWSHR Foundation</b>	<b>Endowment Fund</b>	<b>Total All Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,917,333	\$ 14,999	\$ -	\$ -	\$ 1,932,332
Investments	5,299,631	-	3,955,751	6,708,448	15,963,830
Funds held in trust by others - net	-	-	-	1,185,371	1,185,371
Split interest agreements	13,447	-	-	-	13,447
Prior year campaigns:	4,831,432	-	-	1,856,861	6,688,293
Prepaid campaign expenses	19,595	-	-	-	19,595
Prepaid expenses and other receivables	439,183	(68,948)	(276,406)	-	93,829
Property and equipment - net	812,276	-	-	-	812,276
Cash surrender value of life insurance	-	-	125,587	-	125,587
<b>Total assets</b>	<b>\$ 13,332,897</b>	<b>\$ (53,949)</b>	<b>\$ 3,804,932</b>	<b>\$ 9,750,680</b>	<b>\$ 26,834,560</b>

UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – DETAIL BY ENTITY (Continued)  
Year Ended June 30, 2018

	Operating Fund	CPP, LLC	UWSHR Foundation	Endowment Fund	Total All Funds
<b>LIABILITIES AND NET ASSETS</b>					
Liabilities					
Accounts payable and accrued expenses	\$ 405,456	\$ 391	\$ -	\$ -	\$ 405,847
Allocations payable	2,562,924	-	-	-	2,562,924
Capital lease obligation	30,475	-	-	-	30,475
Deferred revenue	-	-	-	-	-
Prior year campaigns: Due to other UW's, federated agencies and other organizations	2,606,722	-	2,010,400	-	4,617,122
<b>Total liabilities</b>	<b>5,605,577</b>	<b>391</b>	<b>2,010,400</b>	<b>-</b>	<b>7,616,368</b>
Net Assets					
Unrestricted:					
Designated by board	66,806	-	1,057,815	-	1,124,621
Undesignated	5,681,150	(54,340)	736,717	-	6,363,527
Temporarily Restricted	1,979,364	-	-	-	1,979,364
Permanently Restricted	-	-	-	9,750,680	9,750,680
<b>Total net assets</b>	<b>7,727,320</b>	<b>(54,340)</b>	<b>1,794,532</b>	<b>9,750,680</b>	<b>19,218,192</b>
<b>Total liabilities and net assets</b>	<b>\$ 13,332,897</b>	<b>\$ (53,949)</b>	<b>\$ 3,804,932</b>	<b>\$ 9,750,680</b>	<b>\$ 26,834,560</b>

**UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES**

**CONSOLIDATED STATEMENT OF ACTIVITIES – DETAIL BY ENTITY**

**Year Ended June 30, 2018**

	<b>Unrestricted</b>	<b>Temporarily</b>	<b>Unrestricted</b>	<b>Unrestricted</b>	<b>Permanently</b>	<b>Total All</b>
	<b>Operating</b>	<b>Restricted</b>	<b>CPP,</b>	<b>UWSHR</b>	<b>Restricted</b>	<b>Funds</b>
	<b>Fund</b>	<b>Operating</b>	<b>LLC</b>	<b>Foundation</b>	<b>Endowment</b>	
		<b>Fund</b>			<b>Fund</b>	
<b>Public support and revenues</b>						
Public Support:						
Contributions:						
United Way of SHR annual campaign	\$ 3,745,187	\$ 7,843,334	\$ -	\$ -	\$ 464,778	\$ 12,053,299
United for the Future	-	-	-	-	1,892,111	1,892,111
Combined Federal Campaign of South Hampton Roads	8,711	107,909	-	-	-	116,620
South Hampton Roads Commonwealth Prior year campaigns:	8,547	23,693	-	-	-	32,240
United Way and Combined Charities Campaign	245,855	908,240	-	-	-	1,154,095
Other	850,357	-	-	-	-	850,357
	<u>4,858,657</u>	<u>8,883,176</u>	<u>-</u>	<u>-</u>	<u>2,356,889</u>	<u>16,098,722</u>
Less: Amounts designated by donors for specific organizations	(323,357)	(4,202,626)	-	-	-	(4,525,983)
<b>Total public support</b>	<u>4,535,300</u>	<u>4,680,550</u>	<u>-</u>	<u>-</u>	<u>2,356,889</u>	<u>11,572,739</u>
Revenues:						
Program administration fees	753,982	-	-	-	-	753,982
Interest income	10,530	-	-	13,678	-	24,208
Net realized and unrealized gains	431,171	-	-	140,240	62,199	633,610
Gains on cash surrender value on life insurance policies	-	-	-	23,835	-	23,835
Change in value of split interest agreements	748	-	-	-	-	748
Contract fees	-	-	385	-	-	385
Other	22,584	-	-	-	-	22,584
100 Women Campaign	532,443	-	-	-	-	532,443
Administrative fees retained on amounts designated by donors for specific organizations	-	-	-	-	-	-
Net assets released from restrictions	5,314,292	(5,314,292)	-	-	-	-
<b>Total revenues</b>	<u>7,065,750</u>	<u>(5,314,292)</u>	<u>385</u>	<u>177,753</u>	<u>62,199</u>	<u>1,991,795</u>
<b>Total public support and revenues</b>	<u>11,601,050</u>	<u>(633,742)</u>	<u>385</u>	<u>177,753</u>	<u>2,419,088</u>	<u>13,564,534</u>

UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES – DETAIL BY ENTITY (Continued)

Year Ended June 30, 2018

	Unrestricted Operating Fund	Temporarily Restricted Operating Fund	Unrestricted CPP, LLC	Unrestricted UWSHR Foundation	Permanently Restricted Endowment Fund	Total All Funds
<b>Allocations and expenses</b>						
Allocations:						
Certified agency allocations	\$ 4,247,160	\$ -	\$ -	\$ 1,539	\$ -	\$ 4,248,699
Designation payments to agencies	6,359,074	-	-	-	-	6,359,074
Less - allocations funded through donor designations	(4,192,350)	-	-	-	-	(4,192,350)
<b>Prior year campaigns:</b>	6,413,884	-	-	1,539	-	6,415,423
Expenses:						
Payments to state and national organizations	147,384	-	-	-	-	147,384
Interest	1,449	-	-	-	-	1,449
Functional expenses:						
Fundraising	1,592,842	-	-	-	-	1,592,842
Program services	2,747,741	-	47,083	-	-	2,794,824
Supporting services	1,013,675	-	-	-	-	1,013,675
<b>Total expenses</b>	5,503,091	-	47,083	-	-	5,550,174
<b>Total allocations and expenses</b>	11,916,975	-	47,083	1,539	-	11,965,597
<b>Change in net assets</b>	(315,925)	(633,742)	(46,698)	176,214	2,419,088	1,598,937
Beginning of year, as previously reported for 2017	13,228,753	2,613,106	(7,642)	661,866	1,123,172	17,619,255
Adjustments to reclassify unrestricted funds to permanently restricted funds	(7,164,872)	-	-	956,452	6,208,420	-
Beginning of year, as restated for 2017	6,063,881	2,613,106	(7,642)	1,618,318	7,331,592	17,619,255
Net assets - end of the year	\$ 5,747,956	\$ 1,979,364	\$ (54,340)	\$ 1,794,532	\$ 9,750,680	\$ 19,218,192

**UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES**

**CONSOLIDATED STATEMENT OF CASH FLOWS – DETAIL BY ENTITY**

**Year Ended June 30, 2018**

	<b>Operating Fund</b>	<b>CPP LLC</b>	<b>UWSHR Foundation</b>	<b>Endowment Fund</b>	<b>Total All Funds</b>
<b>Cash Flow From Operating Activities</b>					
Cash Flow From Operating Activities					
Change in net assets	\$ (949,667)	\$ (46,698)	\$ 176,214	\$ 2,419,088	\$ 1,598,937
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Depreciation and amortization	77,375	-	-	-	77,375
Provision for uncollectible pledges	(113,480)	-	-	270,139	156,659
Realized and unrealized losses	(431,171)	-	(140,240)	(62,199)	(633,610)
Changes in assets and liabilities:					
Pledges receivable	701,236	-	-	(2,127,000)	(1,425,764)
Prepaid campaign expenses	(11,353)	-	-	-	(11,353)
Prepaid expenses and other receivables	(110,943)	16,298	140,039	-	45,394
Accounts payable and accrued expenses	(86,644)	30	-	-	(86,614)
Allocations payable	144,956	-	-	-	144,956
Deferred revenue	(32,330)	-	-	-	(32,330)
Due to other United Ways, federated agencies and other organizations	(1,123,243)	-	(482,717)	-	(1,605,960)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,935,264)</b>	<b>(30,370)</b>	<b>(306,704)</b>	<b>500,028</b>	<b>(1,772,310)</b>
<b>Cash Flow From Investing Activities</b>					
Cash Flow From Investing Activities					
Payments for the purchase of property and equipment	(62,618)	-	-	-	(62,618)
Decrease in cash surrender value of life insurance	-	-	(23,835)	-	(23,835)
Net change in investments	876,629	-	(625,913)	-	250,716
<b>Net cash provided by (used in) investing activities</b>	<b>814,011</b>	<b>-</b>	<b>(649,748)</b>	<b>-</b>	<b>164,263</b>

**UNITED WAY OF SOUTH HAMPTON ROADS AND AFFILIATES**

**CONSOLIDATED STATEMENT OF CASH FLOWS – DETAIL BY ENTITY (Continued)**

**Year Ended June 30, 2018**

	<b>Operating Fund</b>	<b>CPP LLC</b>	<b>UWSHR Foundation</b>	<b>Endowment Fund</b>	<b>Total All Funds</b>
Cash Flow From Financing Activities					
Principal payments on capital lease	\$ (8,082)	\$ -	\$ -	\$ -	\$ (8,082)
<b>Net cash used in financing activities</b>	<b>(8,082)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,082)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,129,335)</b>	<b>(30,370)</b>	<b>(956,452)</b>	<b>500,028</b>	<b>(1,616,129)</b>
Cash and cash Equivalents					
Beginning	3,503,092	45,369	-	-	3,548,461
Ending	\$ 2,373,757	\$ 14,999	\$ (956,452)	\$ 500,028	\$ 1,932,332
Supplemental Cash Flow Information					
Fixed Assets acquired via capital lease	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
Cash paid for interest	\$ 1,449	\$ -	\$ -	\$ -	\$ 1,449