



UNITED WAY OF THE VIRGINIA PENINSULA
FINANCIAL REPORT
JUNE 30, 2019



ASSURANCE, TAX & ADVISORY SERVICES

UNITED WAY OF THE VIRGINIA PENINSULA

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INDEPENDENT AUDITOR'S REPORT

To the Officers and Directors of
United Way of the Virginia Peninsula

Report on the Financial Statements

We have audited the accompanying financial statements of United Way of the Virginia Peninsula, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of the Virginia Peninsula as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the June 30, 2018 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying supplementary Schedule of Volunteer Hours (Unaudited) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The schedule is not in accordance with accounting principles generally accepted in the United States of America. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

PBMares, LLP

Norfolk, Virginia
January 13, 2020

FINANCIAL STATEMENTS

UNITED WAY OF THE VIRGINIA PENINSULA

STATEMENT OF FINANCIAL POSITION

June 30, 2019

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 577,811
Pledges receivable	1,406,765
Less allowance for uncollectible pledges	(130,055)
Other current assets	<u>41,514</u>
Total current assets	<u>1,896,035</u>
Other Assets	
Investments	4,294,936
Beneficial interest in charitable trust	245,000
Property and equipment, net of accumulated depreciation	<u>121,436</u>
Total other assets	<u>4,661,372</u>
Total assets	<u><u>\$ 6,557,407</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Allocations and designations payable	\$ 2,960,853
Operating payables	32,500
Other liabilities	<u>45,904</u>
Total current liabilities	<u>3,039,257</u>
Net Assets	
Without donor restrictions:	
Undesignated	1,460,450
Board designated	1,800,000
With donor restrictions	<u>257,700</u>
Total net assets	<u>3,518,150</u>
Total liabilities and net assets	<u><u>\$ 6,557,407</u></u>

UNITED WAY OF THE VIRGINIA PENINSULA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign Results			
Campaign contributions	\$ 4,166,495	\$ 12,700	\$ 4,179,195
Grants raised on behalf of others	147,229	-	147,229
Less amounts due to others:			
Less donor designations	(1,072,874)	-	(1,072,874)
Designations - grants	(147,229)	-	(147,229)
Gross campaign results	3,093,621	12,700	3,106,321
Less provision for uncollectibles	(147,231)	-	(147,231)
Net campaign results	\$ 2,946,390	\$ 12,700	\$ 2,959,090
Public Support and Revenue			
Net campaign results	\$ 2,946,390	\$ 12,700	\$ 2,959,090
Other contributions	104,169	245,000	349,169
Special event income	106,755	-	106,755
Investment income	102,670	-	102,670
Unrealized loss on investments	(47,259)	-	(47,259)
Realized gain on investments	113,817	-	113,817
Miscellaneous income	43,594	-	43,594
Total public support and revenue	3,370,136	257,700	3,627,836
Expenses			
Program services:			
Gross funds awarded/distributed	3,635,419	-	3,635,419
Less donor designations	(1,072,874)	-	(1,072,874)
Net funds awarded/distributed	2,562,545	-	2,562,545
United Way of America dues	31,113	-	31,113
Other program services	1,101,783	-	1,101,783
Total program services	3,695,441	-	3,695,441
Supporting services:			
Organizational administration	236,059	-	236,059
Fundraising	342,954	-	342,954
United Way of America dues	17,579	-	17,579
Total supporting services	596,592	-	596,592
Total expenses	4,292,033	-	4,292,033
Change in net assets	(921,897)	257,700	(664,197)
Net Assets			
Beginning of year, restated	4,182,347	-	4,182,347
End of year	\$ 3,260,450	\$ 257,700	\$ 3,518,150

UNITED WAY OF THE VIRGINIA PENINSULA

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

	Program Services	SUPPORTING SERVICES			TOTAL
		Organizational Administration	Fundraising	Total Supporting Expenses	
Expenses					
Salaries	\$ 653,132	\$ 118,958	\$ 250,049	\$ 369,007	\$ 1,022,139
Payroll taxes	44,720	8,145	17,121	25,266	69,986
Employee benefits	90,437	16,472	34,623	51,095	141,532
	788,289	143,575	301,793	445,368	1,233,657
Advertising	11,248	-	5,666	5,666	16,914
Community relations and events	71,717	3,265	9,791	13,056	84,773
Dues and subscriptions	2,079	-	-	-	2,079
Equipment rental	10,637	9,150	3,088	12,238	22,875
Equipment repairs and maintenance	1,160	1,018	-	1,018	2,178
Insurance	7,513	6,595	-	6,595	14,108
Miscellaneous	16,433	382	4,956	5,338	21,771
Occupancy	79,997	4,444	4,444	8,888	88,885
Postage and shipping	1,662	92	92	184	1,846
Printing and copying	9,288	516	516	1,032	10,320
Professional fees	-	39,814	-	39,814	39,814
Supplies	7,691	427	427	854	8,545
Telephone and networks	33,583	1,866	1,866	3,732	37,315
Training and travel	13,317	4,486	2,206	6,692	20,009
Self-insured unemployment	1,008	184	386	570	1,578
Utilities	5,120	284	284	568	5,688
	1,060,742	216,098	335,515	551,613	1,612,355
Depreciation expense	41,041	19,961	7,439	27,400	68,441
	1,101,783	236,059	342,954	579,013	1,680,796
United Way of America dues	31,113	5,667	11,912	17,579	48,692
Allocations/Awards	3,635,419	-	-	-	3,635,419
Less donor designations	(1,072,874)	-	-	-	(1,072,874)
Total expenses	\$ 3,695,441	\$ 241,726	\$ 354,866	\$ 596,592	\$ 4,292,033

UNITED WAY OF THE VIRGINIA PENINSULA

STATEMENT OF CASH FLOWS

Year Ended June 30, 2019

Cash Flows from Operating Activities	
Change in net assets	\$ (664,197)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	68,441
Net realized and unrealized gains on investments	(66,558)
Provision for uncollectibles	147,231
Noncash contribution of beneficial interest in charitable trust	(245,000)
Changes in assets and liabilities:	
Pledges receivable	(106,799)
Other current assets	(34,442)
Operating payables	(26,060)
Other liabilities	45,904
Allocations and designations payable	(129,910)
Net cash used in operating activities	(1,011,390)
Cash Flows from Investing Activities	
Proceeds from the sale of investments	2,900,704
Purchases of investments	(2,425,910)
Payments for the purchase of property and equipment	(4,017)
Net cash provided by investing activities	470,777
Net decrease in cash and cash equivalents	(540,613)
Cash and Cash Equivalents	
Beginning	1,118,424
Ending	\$ 577,811

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of organization: The United Way of the Virginia Peninsula (UWVP) is a nonprofit corporation chartered under the laws of the Commonwealth of Virginia. UWVP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is an organization that is not a private foundation under Section 170(b)(1)(A)(vi). The UWVP conducts fundraising campaigns, acts as an administrative agent and distributes funds to human service agencies in Hampton Roads according to donor designations and Community Investment Team recommendations.

UWVP's primary role is to fund, convene and advocate to address the root causes of poverty and working poor. UWVP's efforts to provide critical resources, engage and convene around a shared agenda, and advocate for those who need them the most are vital to the success of the community's collective impact and achievement of its goal.

In November of 2016, UWVP hired a consultant to assist staff in conducting a needs assessment. A comprehensive study of UWVP's service area gathered demographic, income, diversity, and economic realities data. Over 4,000 individuals were polled and focus groups, facilitated by staff, with leaders of key sectors in the community were conducted. Poverty, especially the working poor, emerged as the most pressing issue. The assessment led to UWVP's "Pathways Out of Poverty," a community-led collective impact agenda focused on "Ten Community Aspirations" representing the interrelated building blocks of a better life.

Through collective impact UWVP intends to help 10% of households who are currently in poverty or part of the working poor, approximately 8,875 households, and 23,000 individuals, out of poverty by the year 2023. As the community appointed backbone organization, UWVP is bringing representatives of government, business, and non-profit organizations to the table to create and bring innovative solutions to poverty.

Basis of presentation: The accompanying financial statements do not include the accounts of United Way agencies, each of which have an independent board of directors and conduct an independent services program.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under ASC Topic 958, UWVP is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. UWVP had \$257,700 of net assets with donor restrictions at June 30, 2019.

Without Donor Restrictions

Includes general-purpose contributions, grants and other revenues. UWVP's Board of Directors has approved a fixed Board designated reserve of \$1,800,000. Board designated funds represent a reserve on the investments in the event of a significant campaign reduction.

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

With Donor Restrictions

Includes contributions that are restricted by donors or grantors for special projects or other uses, including program funds subject to long-term restrictions. When a donor time restriction expires or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Cash and cash equivalents: For purposes of reporting cash flows, UWVP considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Pledges receivable: Pledges are recognized when the donor makes a promise to give to UWVP that is, in substance, unconditional. UWVP provides an allowance for uncollectible pledges based upon prior collection experience and management's assessment of the collectability of existing specific accounts.

Property and equipment: All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or if donated, at approximate fair market value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the respective classes of property and ranges from 3 years to 7 years. Gains and losses arising from retirements or dispositions are recognized in the statement of activities.

Investments: FASB ASC Topic 958, *Not-for-profit Entities*, and ASC Topic 820, *Fair Value Measurements*, require investments in marketable securities with readily determinable fair values and all investments in debt securities to be reported at their fair market values in the statement of financial position. Unrealized gains and losses are recorded in the statement of activities. UWVP reports investment income net of investment expenses of \$33,993 for the year ended June 30, 2019. UWVP has determined that there are no donor-imposed restrictions on investment income.

Advertising: Advertising costs are expensed as incurred.

Donated items: Donated property, materials and equipment are reflected as contributions at their estimated fair market values at the date received. No amounts are reflected in the 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 UWVP's program services and in its fund-raising campaigns.

Fundraising campaigns: UWVP conducts the following fundraising campaign:

United Way of the Virginia Peninsula Annual Campaign

The annual campaign is run by UWVP for support of the organization and also includes donor-designated contributions. It is the practice of UWVP to include donor-designated contributions received in general fundraising campaigns in the net assets without donor restrictions unless specifically restricted by the donor. These designated contributions will be paid separately to the respective agencies, proportionately and based on collections by participating company, organization or individual.

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Functional expense allocations: The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. UWVP has allocated these expenses on the basis of estimates of time and effort.

Use of estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

Income taxes: FASB ASC Topic 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. UWVP's management has evaluated the impact of the standard to its financial statements. UWVP's income tax returns are subject to examination by taxing authorities, generally for a period of three years from the date they were filed.

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

Subsequent events: UWVP has evaluated all events subsequent to June 30, 2019 through January 13, 2020, which is the date these financial statements were available to be issued. UWVP has determined that there are no subsequent events that require disclosure pursuant to the FASB ASC.

Adopted accounting pronouncement: During the year ended June 30, 2019, UWVP adopted Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which is intended to improve financial reporting for a not-for-profit entity. The ASU reduced the previous three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the statement of activities. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments.

New accounting pronouncements: In June 2018, FASB issued ASU 2018-08 Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions (often conditional contributions) than under current GAAP. This ASU is effective for years beginning after December 31, 2018.

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. To allow entities additional time to implement systems, gather data and resolve implementation questions, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers – Deferral of the Effective Date*, in August 2015, to defer the effective date of ASU No. 2014-09 for one year. The updated standard will be effective for UWVP's year ending June 30, 2020 (year beginning after December 15, 2018). UWVP is currently evaluating the effect that the updated standard will have on the financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. In ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. This ASU requires a modified retrospective transition approach, which includes a number of optional practical expedients, described in ASU 2016-02, which may be applied. The ASU is effective for fiscal years beginning after December 15, 2020. The impact of the new standard has not been determined, however it is expected that there will be a material increase in UWVP's assets and liabilities.

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following:

	<u>Amount</u>
Cash and cash equivalents	\$ 577,811
Pledges receivable, net	1,276,710
Investments	<u>4,294,936</u>
	6,149,457
Less:	
Board designated funds	(1,800,000)
Donor restricted amounts	<u>(12,700)</u>
	<u><u>\$ 4,336,757</u></u>

Investments of \$4,294,936 are subject to an annual spending rate of 4.5 percent. Although UWVP does not intend to spend from these investments, they are available, with the exception of \$1,800,000 reserved by the Board of Directors, to support the United Way and/or meet its obligations to Collective Impact Partner Agencies. Board designated funds will be used if there is a significant loss in campaign revenue or a natural disaster. Pledge receivables, as a direct result of the resource development plan including annual campaign, fluctuate during the year based upon pledge payments.

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 3. Concentrations

UWVP maintains a portion of its cash in bank deposit accounts with a local branch of a national bank, which at times, were in excess of the \$250,000 limit insured by the Federal Deposit Insurance Corporation during the year ended June 30, 2019.

UWVP maintains its investments with a local office of a national broker. At times, the balances were in excess of the \$500,000 limit insured by the Securities Investor Protection Corporation during the year ended June 30, 2019.

In addition, UWVP is potentially subject to concentrations of credit risk with regard to pledges receivable as most of the receivables are due from donors located in the same geographic area. Pledges receivable are not collateralized; however credit risk is limited due to the large number of donors and the collection history of UWVP. Included in UWVP's pledges receivable balance are gifts from two donor organizations that represent 38% of total receivables at June 30, 2019. These gifts represent 55% of total public support and revenue for the year ended June 30, 2019.

Note 4. Annual Campaign and Pledges Receivable

Total pledges for the Annual Campaign are included in this report as follows:

Annual campaign	\$ 4,179,195
Less allowances for uncollectible pledges	<u>130,055</u>
Net annual campaign	4,049,140
Less cash received during the year	<u>2,772,430</u>
Pledges receivable, net	<u><u>\$ 1,276,710</u></u>

All pledges are due within one year.

Note 5. Investments

Investments consist of the following at June 30, 2019:

	Cost	Fair Value	Unrealized Gain
Common stocks	\$ 40,667	\$ 41,828	\$ 1,161
Exchange-traded and closed end funds	1,088,335	1,242,259	153,924
Mutual funds - equities	1,868,469	2,002,294	133,825
Mutual funds - fixed income	1,003,182	1,008,555	5,373
	<u><u>\$ 4,000,653</u></u>	<u><u>\$ 4,294,936</u></u>	<u><u>\$ 294,283</u></u>

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value of Financial Instruments

UWVP has adopted the provisions of FASB ASC 820, *Fair Value Measurement*, 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.

ASC 820-55 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. Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

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.

UWVP endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Following is a description of the methodologies used by UWVP to determine fair value of its investments. There have been no changes in the methodologies used at June 30, 2019.

Common stocks, exchange-traded and closed end funds, and mutual funds: Valued at quoted market prices. (Level 1).

UWVP does not hold any financial instruments measured using Level 2 inputs.

Beneficial interest in charitable trust: Valued using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. (Level 3).

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

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value of Financial Instruments (Continued)

The following table summarizes, by level within the fair value hierarchy, the assets measured at fair value on a recurring basis as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 41,828	\$ -	\$ -	\$ 41,828
Exchange-traded and closed end funds	1,242,259	-	-	1,242,259
Mutual funds - equities	2,002,294	-	-	2,002,294
Mutual funds - fixed income	1,008,555	-	-	1,008,555
Beneficial interest in charitable trust	-	-	245,000	245,000
	<u>\$ 4,294,936</u>	<u>\$ -</u>	<u>\$ 245,000</u>	<u>\$ 4,539,936</u>

The following table is a roll forward of the changes in the beneficial interest in charitable trust classified by UWVP within Level 3 of the valuation hierarchy defined above:

Fair value, beginning of year	\$ -
Contribution	245,000
Other changes	-
	<u>-</u>
Fair value, end of year	<u>\$ 245,000</u>

Note 7. Beneficial Interest in Charitable Trust

During the year ended June 30, 2019, UWVP was named as an irrevocable beneficiary of a charitable trust held and administered by an outside trustee designated by the donor. Therefore, UWVP has neither possession nor control over the assets of the trust. At the date UWVP received notice of the beneficial interest, an other contribution with donor restrictions of \$245,000 was recorded, and a beneficial interest in charitable trust was recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, the beneficial interest in the trust will be reported at fair value in the statement of financial position, with changes in fair value recognized in the statement of activities. Upon receipt of trust distributions, net assets with donor restrictions will be released to net assets without donor restrictions.

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 8. Property and Equipment

Property and equipment consist of the following at June 30, 2019:

Furniture and equipment	\$ 133,638
Software	247,519
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	381,157
Less accumulated depreciation	259,721
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	\$ 121,436
	<hr/> <hr/>

Note 9. Retirement Plan

UWVP has a 401(k) plan covering substantially all employees who are over the age of 21. Employer contributions to the 401(k) plan are 6% of plan participants' eligible wages. UWVP's matching contribution expense amounted to \$50,325 for the year ended June 30, 2019.

Note 10. Operating Leases and Other Commitments

UWVP leases office space under an operating lease that expires in September 2021. The base rent was \$5,423 per month and increases 2.5% annually.

UWVP also leases office space under an operating lease. Base rent was \$1,230 per month and increases gradually up to \$1,419 by the lease's expiration in December 2023.

UWVP leases various equipment under operating leases set to expire at various dates through 2021.

Rental expense was \$98,006 for the year ended June 30, 2019.

Minimum future annual rentals are as follows:

Year	Amount
	<hr/>
2020	\$ 109,285
2021	111,027
2022	57,384
2023	35,695
2024	8,513
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	\$ 321,904
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UWVP is committed to providing monthly payments of \$7,500 to a local hospital system whose president and chief executive officer is a board member of UWVP. The payments are made to support the provision of information and referral and emergency shelter referral services from July 1, 2019 to June 30, 2020.

UNITED WAY OF THE VIRGINIA PENINSULA

NOTES TO FINANCIAL STATEMENTS

Note 11. Restatement

The 2018 financial statements have been restated to correct errors relating to agency allocations, donor designations, and certain accrued expenses. The errors relate to overstatements of the prior year agency allocations and designations expenses, allocations and designations payable, various accrued expenses and other liabilities. As a result, the restatement increased undesignated net assets without donor restrictions by \$448,349, decreased allocations and designations payable by \$310,793, and decreased other liabilities by \$137,556 as of June 30, 2018.

SUPPLEMENTARY INFORMATION

UNITED WAY OF THE VIRGINIA PENINSULA

SCHEDULE OF VOLUNTEER HOURS (UNAUDITED)

Year Ended June 30, 2019

Project	Volunteers	Value
Day of Caring - 70 Projects	1,417 volunteers x 4 hours x \$26.75	\$ 151,619
Stone Soup - Women United	90 volunteers x 4 hours x \$26.75	9,630
Queens Lake Kindness Project	1,500 volunteers x 0.5 hours x \$26.75	20,062
Other Projects - Various	312 volunteers, 1,238 hours x \$26.75	33,116
Campaign Cabinet Volunteers	24 volunteers x 12 hours x \$26.75	7,704
Company Coordinators	320 volunteers x 4 hours x \$26.75	34,240
Total	3,663 volunteers, 9,584 hours	<u><u>\$ 256,371</u></u>