



**UNITED WAY ALLIANCE
OF THE MID-OHIO VALLEY, INC.
Regular Audit
For the Fiscal Year Ended June 30, 2018**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

www.perrycpas.com

UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.

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313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St., Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

INDEPENDENT AUDITOR'S REPORT

October 24, 2018

United Way Alliance of the Mid-Ohio Valley, Inc.
935 Market Street
Parkersburg, WV 26101

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the **United Way Alliance of the Mid-Ohio Valley, Inc.** (a not-for-profit organization) (the Alliance), which comprise the statement of financial position as of June 30, 2018, 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 Alliance'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 Alliance'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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way Alliance of the Mid-Ohio Valley, Inc. as of June 30, 2018 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 14 to the financial statements, on December 31, 2017 the Alliance completed its acquisition of the United Way of Washington County. We did not modify our opinion regarding this matter.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2018**

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 266,985
Investments	14,670
Promises to Give, Net of Allowance	317,344
Prepaid Expenses	5,061
Total Current Assets	<u>604,060</u>
Restricted Assets:	
Investments	<u>465,306</u>
Total Restricted Assets	<u>465,306</u>
Non-Current Assets:	
Capital Assets:	
Furniture and Equipment	43,173
Less: Accumulated Depreciation	<u>(41,185)</u>
Total Capital Assets, Net of Depreciation	1,988
Burial Plots	<u>17,050</u>
Total Non-Current Assets	<u>19,038</u>
TOTAL ASSETS	<u>\$ 1,088,404</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 5,236
Designations Payable	59,445
Payroll Taxes Payable	5,552
Accrued Vacation Payable	7,690
Total Current Liabilities	<u>77,923</u>
Total Liabilities	<u>77,923</u>
Net Assets:	
Permanently Restricted	50,075
Temporarily Restricted	804,238
Unrestricted	<u>156,168</u>
Total Net Assets	<u>1,010,481</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,088,404</u>

See accompanying notes to the financial statements.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES:				
Support:				
Campaign Income	\$ -	\$ 708,210	\$ -	\$ 708,210
Less: Donor Designations	-	(43,350)	-	(43,350)
Program Income	-	91,109	-	91,109
Non-Cash Contributions	7,200	-	-	7,200
Other Grants and Contributions	-	7,183	-	7,183
Total Support	<u>7,200</u>	<u>763,152</u>	<u>-</u>	<u>770,352</u>
Revenues:				
Interest	221	11,757	-	11,978
Realized Gains on Marketable Securities - Endowment	512	21,260	-	21,772
Unrealized Gains (Losses) on Marketable Securities - Endowment	(400)	7,047	-	6,647
Bad Debt Recovery	8,065	-	-	8,065
Miscellaneous	7,500	-	-	7,500
Total Revenues	<u>15,898</u>	<u>40,064</u>	<u>-</u>	<u>55,962</u>
NET ASSETS RELEASED FROM RESTRICTIONS:				
Satisfaction of Program Restrictions	793,264	(793,264)	-	-
TOTAL SUPPORT AND REVENUES	<u>816,362</u>	<u>9,952</u>	<u>-</u>	<u>826,314</u>
EXPENSES:				
Allocation Services	553,065	-	-	553,065
All Other Programs	135,733	-	-	135,733
Organizational Administration	116,315	-	-	116,315
Fundraising	80,922	-	-	80,922
United Way of America Dues	9,622	-	-	9,622
TOTAL EXPENSES	<u>895,657</u>	<u>-</u>	<u>-</u>	<u>895,657</u>
CHANGE IN NET ASSETS	<u>(79,295)</u>	<u>9,952</u>	<u>-</u>	<u>(69,343)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>130,977</u>	<u>686,467</u>	<u>50,075</u>	<u>867,519</u>
ADDITION OF UNITED WAY OF WASHINGTON COUNTY (SEE NOTE 14)	<u>81,146</u>	<u>107,819</u>	<u>-</u>	<u>188,965</u>
PRIOR PERIOD RESTATEMENT (SEE NOTE 15)	<u>23,340</u>	<u>-</u>	<u>-</u>	<u>23,340</u>
NET ASSETS AT END OF YEAR	<u>\$ 156,168</u>	<u>\$ 804,238</u>	<u>\$ 50,075</u>	<u>\$ 1,010,481</u>

See accompanying notes to the financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services			Supporting Services			Total Supporting Services	Total
	Allocation Services	All Other Programs	Total Program Services	Organizational Administration	Fundraising	United Way of America Dues		
Agency Awards	\$ 515,528	\$ -	\$ 515,528	\$ -	\$ -	\$ -	\$ -	\$ 515,528
Salaries	-	39,446	39,446	74,665	26,766	-	101,431	140,877
Employee Benefits	-	535	535	1,013	364	-	1,377	1,912
Payroll Taxes	-	3,008	3,008	5,693	2,041	-	7,734	10,742
Office Expenses	-	-	-	11,953	-	-	11,953	11,953
Occupancy	-	20,875	20,875	6,958	-	-	6,958	27,833
Communications	-	7,132	7,132	2,377	-	-	2,377	9,509
Repairs and Maintenance	-	1,193	1,193	397	-	-	397	1,590
Travel	-	1,088	1,088	2,059	738	-	2,797	3,885
Insurance	-	2,288	2,288	762	-	-	762	3,050
Professional Fees	-	1,694	1,694	3,207	1,149	-	4,356	6,050
Endowment Fees	-	1,394	1,394	2,639	946	-	3,585	4,979
Program Expenses	-	54,513	54,513	-	-	-	-	54,513
Dues and Subscriptions	-	574	574	1,086	389	-	1,475	2,049
Printing and Campaign Materials	-	-	-	-	47,293	-	47,293	47,293
Miscellaneous	-	1,419	1,419	2,686	963	-	3,649	5,068
United Way of America Dues	-	-	-	-	-	9,622	9,622	9,622
Conferences	-	382	382	723	259	-	982	1,364
Awards and Recognition	-	21	21	40	14	-	54	75
Depreciation	-	171	171	57	-	-	57	228
Uncollectible Accounts	37,537	-	37,537	-	-	-	-	37,537
Total Expenses	\$ 553,065	\$ 135,733	\$ 688,798	\$ 116,315	\$ 80,922	\$ 9,622	\$ 206,859	\$ 895,657

See accompanying notes to the financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

Cash Flows from Operating Activities:

Change in Net Assets	\$	(69,343)
Adjustments to Reconcile Change in Net Assets to		
Cash Provided (Used) by Operating Activities:		
Depreciation		228
Reinvested investment earnings		(12,985)
Realized gain on investments		(21,772)
Unrealized gain on investments		(6,647)
(Increase) decrease in operating assets:		
(Increase) Decrease in Promises to Give, Net		(68,361)
Non-Cash Increase in Promises to Give, Net (See Note 14)		63,308
(Increase) Decrease in Prepaid Expenses		(457)
Increase (decrease) in operating liabilities:		
Increase (Decrease) in Accounts Payable		1,514
Increase (Decrease) in Designations Payable		811
Increase (Decrease) in Payroll Taxes Payable		2,757
Increase (Decrease) in Accrued Vacation Payable		3,672
Net Cash Used in Operating Activities		<u>(107,275)</u>
Cash Flows from Investing Activities:		
Investment Distributions		21,470
Adjustment for Washington County (See Note 14)		110,841
Net Cash Provided by Investing Activities		<u>132,311</u>
Net Increase in Cash and Cash Equivalents		25,036
Cash and Cash Equivalents at Beginning of Year		<u>218,609</u>
Prior Period Adjustment - Designations Payable (See Note 15)		<u>23,340</u>
Cash and Cash Equivalents at End of Year	\$	<u><u>266,985</u></u>
Cash Paid for Interest	\$	<u><u>-</u></u>
Cash Paid for Taxes	\$	<u><u>-</u></u>

See accompanying notes to the financial statements.

**UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1. NATURE OF OPERATIONS

The mission of the United Way Alliance of the Mid-Ohio Valley, Inc. (a not-for-profit organization) (the Alliance) is to unite communities, contributors, and human service agencies in a common goal to improve the quality of life in the greater Mid-Ohio Valley area.

Annual campaigns are conducted in the fall of each year. Campaign contributions are used to support local health and human service programs of member and nonmember agencies and to pay the Alliance's operating expenses. Donors may designate their pledges to a member agency, a nonmember agency that provides human services within the local area or another United Way Organization.

Annual fall campaigns are reduced by pledges that are collected on behalf of others or are pledged to a specific organization, and by a provision for uncollectible pledges. The resulting net pledges are reflected as temporarily restricted until released from restriction and expended. Amounts collected which are designated to a member agency, nonmember agency or other United Way have been recorded as designations payable in the statement of financial position and the net effect of those designations have not been recorded as revenue or expense in the statement of activities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Alliance accounts for its revenues and related expenses on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Revenues are reported in the year earned. Costs and expenses are charged against revenues in the year to which the cost is applicable.

Financial Statement Presentation

The Alliance has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) No. 958-210, *Presentation of Financial Statements*. Under ASC 958-210, the Alliance is required to report 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.

Income Tax Status

The Alliance is exempt from Federal income taxes as described under Internal Revenue Code (IRC) 501(c)(3) and 509(a)(1). Therefore, no provision for income tax has been recorded in the accompanying financial statements.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Alliance and recognize a tax liability (or asset) if the Alliance has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Alliance, and has concluded that as of June 30, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Alliance is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Alliance's Federal Return of Organization Exempt from Income Tax (federal Form 990) for 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

**UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

In preparing financial statements in conformity with GAAP, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Alliance considers all highly liquid instruments purchased with maturity of three months or less to be cash equivalents.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Capital Assets

All acquisitions of property and equipment, and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful life of a capital asset, with a useful life of greater than 5 years are capitalized. Capital assets are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over five to twenty years for all depreciated assets.

Expenditures for maintenance and repairs, which do not extend the originally estimated useful lives of the assets, are charged to expense.

Fair Value Measurements

As defined in FASB ASC No. 825-10 fair value is based on 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. In order to increase consistency and comparability in fair value measurements, FASB ASC No. 825-10 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 11 to the financial statements.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair market values at the date of the donation.

Contributed Services

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation. The Alliance reports such contributions at their estimated fair value when received.

UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

The Alliance reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

Contributions of services shall be recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation

NOTE 3. CONCENTRATION OF RISK

Financial instruments that potentially subject the Alliance to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of June 30, 2018.

The carrying amount of the Alliance's cash and cash equivalents was \$266,985 at June 30, 2018. The bank balance at June 30, 2018 was \$265,413 which was fully insured by the FDIC.

The Alliance receives contributions primarily from businesses and individuals in the Parkersburg and surrounding Mid-Ohio Valley area. Contributors' ability to donate depends upon the area's economy.

NOTE 4. PROMISES TO GIVE AND ALLOWANCE FOR UNCOLLECTIBLE PLEDGES

Legally enforceable pledges are recorded as unconditional promises to give in the year made. Unconditional promises to give for support of current operations are recorded as campaign income while pledges for support of future campaigns are recorded as temporarily restricted net assets until the time restriction is satisfied.

**UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 4. PROMISES TO GIVE AND ALLOWANCE FOR UNCOLLECTIBLE PLEDGES
(CONTINUED)**

As of June 30, 2018, unconditional promises to give were comprised of the following:

Promises to Give	\$	341,344
Less: Allowance for Uncollectible Pledges		<u>(24,000)</u>
Promises to Give, Net of Allowance	\$	<u>317,344</u>

All unconditional promises to give outstanding at year end were substantially collectible within one year. Provision for uncollectible is determined based on historical write-offs of uncollectible pledges and is determined by management.

NOTE 5. INVESTMENTS

The Alliance has investments with the Parkersburg Area Community Foundation. The principal and net income from the fund may be distributed to or for the benefit of the Alliance for its charitable purposes upon the written request of 75% of the Alliance's Board of Directors accompanied by a certification by the Board's Secretary.

In addition, the Alliance received permanently restricted gifts to establish an endowment fund in the name of one of its former Presidents.

The following is the activity of the endowment funds maintained by the Parkersburg Area Community Foundation for the year ended June 30, 2018:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning Balance	\$ 395,701	\$ 50,075	\$ 445,776
Interfund Gifts	1,119	-	1,119
Interest	11,750	-	11,750
Realized Gain (Loss)	21,260	-	21,260
Unrealized Gain (Loss)	7,047	-	7,047
Other Income	7	-	7
Approved Distributions	(16,700)	-	(16,700)
Management Fees	(4,946)	-	(4,946)
Other Fees	<u>(7)</u>	<u>-</u>	<u>(7)</u>
Ending Balance	<u>\$ 415,231</u>	<u>\$ 50,075</u>	<u>\$ 465,306</u>

The Alliance also has an investment at the Marietta Community Foundation in an investment pool managed by the Foundation. The Foundation is not registered with the SEC as an investment company and is recognized as an external investment pool by the Alliance. The Alliance measures their investment in the Foundation at the net asset value (NAV) per share provided by the foundation. The NAV per share is calculated on an amortized basis that provides a NAV per share approximates fair value.

**UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5. INVESTMENTS (CONTINUED)

The following is the activity of the investments for the year ended June 30, 2018:

	<u>Unrestricted</u>
Beginning Balance (From United Way of Washington County)	\$ 14,474
Interest	110
Realized Gain (Loss)	512
Unrealized Gain (Loss)	(400)
Management Fees	(26)
Ending Balance	\$ 14,670

NOTE 6. BURIAL PLOTS

In prior fiscal years, the Alliance received in-kind donations of 20 burial plots and 2 vaults located in local cemeteries. These plots will be used to provide burial space for the homeless and for families that have lost a child that cannot otherwise afford to purchase a plot. The fair market value of the remaining burial plots totaled \$17,050.

NOTE 7. TRANSFER OF ASSETS

Contributions received which have been designated for specific United Way Alliance agencies are passed on to that agency on an estimated basis with any difference being adjusted by final distribution.

The Alliance has no variance power and is obligated to transfer the contributions received. The identities of these agencies are as follows: American Red Cross – Mid-Ohio Valley Chapter, Belpre Area Ministries, Belpre Elementary – Jumpstart Kindergarten, Belpre Recreation, Belpre Safetytown, Belpre Senior Center, Betsey Mills Club-After School Program and Clothing Closet, Big Brothers/Big Sisters, Boy Scouts of Allohak Council, Boys & Girls Club of Parkersburg, Caring Connections, Catholic Charities of WV, Children’s Home Society of West Virginia, Circles Campaign of the MOV, Community Action Senior Nutrition Program, Consumer Credit Counseling Services, Dora B. Woodyard Memorial Library, Ely Chapman Education Foundation, Eve, Inc., Firefly-A Spark of Hope, Family Crisis Intervention Center, Foster Grandparent Program, Gabriel Project of West Virginia, Literacy Volunteers – Mid-Ohio Valley, Marietta YMCA, Mid-Ohio Valley Autism, Mid-Ohio Valley Fellowship Home, Mid-Ohio Valley Health Department, O’Neill Senior Center, Parents and Friends of the Hearing Impaired, Parkersburg Area Coalition for the Homeless, Parkersburg Day Nursery, Parkersburg/Wood County Public Library, Retired & Senior Volunteer Program, Roane County 4-H Leaders Association, Senior Companion Program, SW Resources, The Arc of the Mid-Ohio Valley, The Children’s Listening Place, The Right Path for Washington County, The Salvation Army, Vienna Public Library, Vienna Recreation & Improvement Association, Washington County Free Clinic, Washington County Harvest of Hope, Williamstown Community Association, Williamstown Public Library, Wood County 4-H Leaders Association, Wood County Society, YMCA of Parkersburg and the United Way Alliance of the Mid-Ohio Valley Emergency Response Fund.

**UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2018:

Investments in Parkersburg Area Community Foundation	\$ 415,231
Campaign Revenue Receivable For Future Periods	341,344
Campaign Revenue Received For Future Periods	<u>47,663</u>
 Total Temporarily Restricted Net Assets	 <u><u>\$ 804,238</u></u>
 Asset:	
Pledges Receivable	\$ 341,344
Pledges Received 2018-2019	47,663
Investments	<u>415,231</u>
 Total Temporarily Restricted Net Assets	 <u><u>\$ 804,238</u></u>

During the year ended June 30, 2018, time and use restrictions on temporarily restricted net assets totaling \$793,264, were satisfied. The satisfaction of these restrictions is reflected in the statement of activities as a transfer from temporarily restricted to unrestricted net assets.

Permanently restricted net assets totaling \$50,075 consist of gifts to an endowment fund created in memory of a former Alliance President. Income from this endowment is to be utilized to support operations in future periods.

NOTE 9. RETIREMENT

The Alliance maintains a Simple IRA Plan for all of its eligible employees. Any employee that has earned \$5,000 in either of the previous two years, or is expected to earn \$5,000 or more in the current year are eligible. At the discretion of the Board of Directors, the Alliance will match 100% of the first 3% of gross compensation that is contributed for its eligible employees. Contribution to the Simple IRA Plan during year ended June 30, 2018 was \$1,112.

NOTE 10. OPERATING LEASE

Beginning April 1, 2018, the Alliance entered into a non-cancelable lease for its administrative office space expiring March 31, 2021. Monthly rent expense for the fiscal year ended June 30, 2018 was \$1,475.

Future minimum lease obligations under this lease are as follows:

2019	\$	17,700
2020		17,700
2021		<u>4,425</u>
Total	\$	<u><u>39,825</u></u>

**UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10. OPERATING LEASE (CONTINUED)

Because the fair market value of the leased office space is higher than the actual lease payment, the Alliance recognizes an in-kind contribution of rent expense. For 2018 the in-kind contribution from the lessor totaled \$7,200.

NOTE 11. FAIR VALUE MEASUREMENTS

The fair value hierarchy defines three levels of input, as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

In determining the fair value, the Alliance utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Financial assets and liabilities are carried at fair value at June 30, 2018, and are classified as Level 1, Level 2 and Level 3 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Endowment Funds	\$ 479,976	\$ -	\$ -
Burial Plots	-	17,050	-
Total Assets at Fair Value	<u>\$ 479,976</u>	<u>\$ 17,050</u>	<u>\$ -</u>

NOTE 12. RELATED PARTY TRANSACTIONS

The Alliance pays quarterly installments for membership in the United Way Worldwide. Total membership fees for the year ended June 30, 2018, were \$9,622.

NOTE 13. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the financial statements through October 24, 2018. No events have occurred subsequent to the date of the financial statements through October 24, 2018 that would require adjustment or disclosure in the financial statements.

**UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 14. ACQUISITION OF OPERATIONS

On December 31, 2017, the Alliance completed its acquisition of the United Way of Washington County. Both United Way's share the mission to unite communities, contributors, and human service agencies in a common goal to improve the quality of life in the greater Mid-Ohio Valley area. Through the acquisition, The Alliance will seek to further this common mission. As of December 31, 2017, the major class of assets, liabilities, and net assets of United Way Washington County follow:

	<u>United Way of Washington County</u>
Current Assets:	
Cash and Cash Equivalents	\$ 111,792
Investments	14,474
Promises to Give, Net of Allowance	63,308
Prepaid Expenses	342
Other Current Assets	8
Total Current Assets	189,924
Non-Current Assets:	
Capital Assets:	
Furniture and Equipment	3,627
Less: Accumulated Depreciation	(3,627)
Total Capital Assets, Net of Depreciation	-
Total Non-Current Assets	-
 TOTAL ASSETS	 \$ 189,924
 LIABILITIES AND NET ASSETS	
Current Liabilities:	
Accounts Payable	\$ 182
Total Current Liabilities	182
Total Liabilities	182
Net Assets:	
Temporarily Restricted	107,819
Unrestricted	81,923
Total Net Assets	189,742
 TOTAL LIABILITIES AND NET ASSETS	 \$ 189,924

**UNITED WAY ALLIANCE OF THE MID-OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 14. ACQUISITION OF OPERATIONS (CONTINUED)

United Way Alliance accepted the Agency Allocations of United Way Washington County to be paid out in Calendar Year 2018 from donations provided by the Washington County United Way 2016-2017 Campaign. The payouts to these agencies from January 2018 to June 2018 totaled \$72,000 resulting in an expense to United Way Alliance.

United Way Alliance did not transfer over Petty Cash of \$1,101, Other Current Assets of \$8, and Accounts Payable of \$182. Also, an outstanding check of \$150 from the prior year was voided. The resulting effect of these differences on Unrestricted Net Assets is as follows:

		United Way of Washington County
Unrestricted Net Assets	\$	81,923
Less Petty Cash		(1,101)
Less Other Current Assets		(8)
Add Accounts Payable		182
Add Voided Check		150
Unrestricted Net Assets, Adjusted	\$	81,146

NOTE 15. RESTATEMENT OF BEGINNING FUND BALANCE

In the prior fiscal year, certain program revenues and expenses were included in the balance of designations payable. These amounts should have been recognized as revenues and expenses in the prior year. The following adjustments were made to restate July 1, 2017 fund balances:

	Unrestricted
July 1, 2017 Fund Balance	\$130,977
Adjustment	23,340
July 1, 2017 Fund Balance, Restated	\$154,317