



**FAMILY SERVICE – UPPER OHIO VALLEY, INC.**  
**Regular Audit**  
**For the Years Ended December 31, 2019 and 2018**

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FAMILY SERVICE – UPPER OHIO VALLEY, INC.

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## INDEPENDENT AUDITOR'S REPORT

April 15, 2020

Family Service – Upper Ohio Valley, Inc.  
2200 Main Street  
Wheeling, WV 26003

To the Board of Directors:

### Report on the Financial Statements

We have audited the accompanying financial statements of **Family Service – Upper Ohio Valley, Inc** (a non-profit organization) (the Agency) which comprises the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Agency'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 Agency'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.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Service – Upper Ohio Valley, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years 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, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Agency. We did not modify our opinion regarding this matter.

**Other Matters**

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of State Awards and Expenditures 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, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2020, on our consideration of the Agency’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency’s internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**FAMILY SERVICE - UPPER OHIO VALLEY, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND DECEMBER 31, 2018**

**ASSETS**

<b>CURRENT ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 667,096	\$ 477,873
Accounts receivable - grants and contracts	107,850	118,279
Prepaid expense	13,800	12,611
Investments	1,077,662	927,622
<b>Total current assets</b>	<u>1,866,408</u>	<u>1,536,385</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Building and building improvements	671,845	651,886
Equipment and major moveable equipments	463,730	467,910
Accumulated depreciation	(367,027)	(300,350)
<b>Net property and equipment</b>	<u>768,548</u>	<u>819,446</u>
 <b>TOTAL ASSETS</b>	<u>\$ 2,634,956</u>	<u>\$ 2,355,831</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 15,699	\$ 16,327
Accrued wages, benefits, and taxes	58,578	72,522
Client funds held in trust	339,367	220,825
<b>Total current liabilities</b>	<u>413,644</u>	<u>309,674</u>
 <b>LONG TERM LIABILITIES</b>		
Line of credit	291,849	390,742
<b>Total long term liabilities</b>	<u>291,849</u>	<u>390,742</u>
 <b>TOTAL LIABILITIES</b>	<u>705,493</u>	<u>700,416</u>
 <b>NET ASSETS - WITHOUT DONOR RESTRICTIONS</b>	1,928,470	1,651,842
<b>NET ASSETS - WITH DONOR RESTRICTIONS</b>	<u>993</u>	<u>3,573</u>
 <b>TOTAL NET ASSETS</b>	<u>1,929,463</u>	<u>1,655,415</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,634,956</u>	<u>\$ 2,355,831</u>

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

**FAMILY SERVICE - UPPER OHIO VALLEY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	Without Donor Restriction	With Donor Restriction	Total 2019	Without Donor Restriction	With Donor Restriction	Total 2018
<b>REVENUES AND OTHER SUPPORT</b>						
Grants and contracts	\$ 1,099,697	\$ -	\$ 1,099,697	\$ 1,061,590	\$ -	\$ 1,061,590
Program income & other client fees	184,030	-	184,030	166,462	-	166,462
United Way and other contributions	48,090	146,490	194,580	107,185	61,130	168,315
Investment income	20,648	-	20,648	19,383	-	19,383
Special events income	12,949	-	12,949	20,527	-	20,527
Miscellaneous income & reimbursements	2,167	-	2,167	13,398	-	13,398
Released from Restrictions	149,070	(149,070)	-	62,870	(62,870)	-
<b>Total revenues and other support</b>	<u>1,516,651</u>	<u>(2,580)</u>	<u>1,514,071</u>	<u>1,451,415</u>	<u>(1,740)</u>	<u>1,449,675</u>
<b>EXPENSES</b>						
Conservator	147,033	-	147,033	72,837	-	72,837
Fair	30,761	-	30,761	35,621	-	35,621
Headstart	98,118	-	98,118	138,470	-	138,470
Life	227,736	-	227,736	74,844	-	74,844
Lighthouse	78,716	-	78,716	123,111	-	123,111
Medicaid	-	-	-	3,248	-	3,248
Title IIIB	56,842	-	56,842	80,764	-	80,764
Title IIIC	398,644	-	398,644	357,542	-	357,542
Title IIID&E	21,178	-	21,178	59,291	-	59,291
Veteran's	10,756	-	10,756	21,640	-	21,640
Total program services	<u>1,069,784</u>	<u>-</u>	<u>1,069,784</u>	<u>967,368</u>	<u>-</u>	<u>967,368</u>
Administration	168,786	-	168,786	220,265	-	220,265
Fundraising	16,737	-	16,737	33,715	-	33,715
5310 Grant	88,211	-	88,211	58,203	-	58,203
Other grants	33,536	-	33,536	38,838	-	38,838
<b>Total expenses</b>	<u>1,377,054</u>	<u>-</u>	<u>1,377,054</u>	<u>1,318,389</u>	<u>-</u>	<u>1,318,389</u>
<b>OTHER REVENUES AND EXPENSES</b>						
Net gains (losses) from sales of investments	32,168	-	32,168	54,797	-	54,797
Unrealized gains (losses)	102,382	-	102,382	(106,854)	-	(106,854)
Gain (loss) on sale of capital assets	2,481	-	2,481	(4,800)	-	(4,800)
<b>Net other revenues and expenses</b>	<u>137,031</u>	<u>-</u>	<u>137,031</u>	<u>(56,857)</u>	<u>-</u>	<u>(56,857)</u>
<b>CHANGE IN NET ASSETS</b>	276,628	(2,580)	274,048	76,169	(1,740)	74,429
NET ASSETS, BEGINNING OF YEAR (Restated, See Note 11)	<u>1,651,842</u>	<u>3,573</u>	<u>1,655,415</u>	<u>1,575,673</u>	<u>5,313</u>	<u>1,580,986</u>
NET ASSETS, END OF YEAR	<u>\$ 1,928,470</u>	<u>\$ 993</u>	<u>\$ 1,929,463</u>	<u>\$ 1,651,842</u>	<u>\$ 3,573</u>	<u>\$ 1,655,415</u>

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

**FAMILY SERVICE - UPPER OHIO VALLEY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	PROGRAM SERVICES									ADMINISTRATION					TOTAL
	CONSERVATOR	FAIR	HEADSTART	LIFE	LIGHTHOUSE	TITLE IIIB	TITLE IIIC	TITLE IIID&E	VETERANS	AND GENERAL	FUNDRAISING	5310 GRANT	OTHER GRANTS		
Wages, Accrued Wages, Accrued PDO	\$ 91,679	\$ 17,985	\$ 12,751	\$ 162,854	\$ 55,402	\$ 16,475	\$ 133,906	\$ 5,347	\$ 5,824	\$ 4,562	\$ 2,665	\$ 62,273	\$ 23,461	\$ 595,184	
Payroll Taxes and Employee Benefits	30,733	5,319	4,670	33,534	10,927	9,341	24,641	1,436	2,580	1,132	161	8,299	3,554	136,327	
Utilities and Telephone	3,131	2,237	6,374	2,237	2,237	2,557	8,657	4,474	2,237	1,947	1,947	2,267	-	40,302	
Insurance	2,530	498	481	7,352	3,342	1,140	3,455	864	114	2,011	-	1,590	1,028	24,405	
Repairs & Maintenance	-	-	3,152	-	-	14,383	9,044	-	-	10,916	-	9,669	-	47,164	
Event Expense	-	-	-	-	-	-	-	-	-	-	6,907	-	-	6,907	
Supplies and Equipment	564	7	296	-	224	5,361	1,535	-	-	19,883	326	-	-	28,196	
Food & Nutrition Supplies	-	-	58,667	-	-	-	194,363	-	-	-	-	-	-	253,030	
Postage & Printing	3,279	18	-	-	63	514	545	1	-	854	11	15	-	5,300	
Travel/Training	82	577	156	606	1,628	312	644	70	1	156	-	-	22	4,254	
Professional Fees/Purchased Service	9,375	77	50	14,700	-	2,075	6,140	900	-	20,233	200	-	1,320	55,070	
Rent	5,660	4,043	11,521	4,043	4,043	4,621	15,647	8,086	-	6,246	3,519	4,098	4,043	75,570	
Misc.	-	-	-	2,410	850	63	67	-	-	26,009	1,001	-	108	30,508	
Depreciation and amortization	-	-	-	-	-	-	-	-	-	74,837	-	-	-	74,837	
<b>Total Expenses</b>	<b>\$ 147,033</b>	<b>\$ 30,761</b>	<b>\$ 98,118</b>	<b>\$ 227,736</b>	<b>\$ 78,716</b>	<b>\$ 56,842</b>	<b>\$ 398,644</b>	<b>\$ 21,178</b>	<b>\$ 10,756</b>	<b>\$ 168,786</b>	<b>\$ 16,737</b>	<b>\$ 88,211</b>	<b>\$ 33,536</b>	<b>\$ 1,377,054</b>	

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

**FAMILY SERVICE - UPPER OHIO VALLEY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR YEAR ENDED DECEMBER 31, 2018**

	PROGRAM SERVICES											ADMINISTRATION				TOTAL
	CONSERVATOR	FAIR	HEADSTART	LIFE	LIGHTHOUSE	MEDICAID	TITLE IIIB	TITLE IIIC	TITLE IIID	TITLE IIIE	VETERANS	AND GENERAL	FUNDRAISING	5310 GRANT	OTHER GRANTS	
Wages, Accrued Wages, Accrued PDO	\$ 49,070	\$ 24,796	\$ 42,139	\$ 41,797	\$ 94,011	\$ -	\$ 37,725	\$ 122,081	\$ 19,174	\$ 22,166	\$ 13,843	\$ 70,672	\$ 9,145	\$ 34,741	\$ 33,253	\$ 614,613
Payroll Taxes and Employee Benefits	6,798	4,969	13,478	2,186	14,588	-	7,923	24,425	4,459	1,775	2,645	27,645	1,730	6,149	3,065	121,835
Utilities and Telephone	3,008	2,149	6,124	2,149	2,149	-	2,456	8,316	2,149	2,149	2,149	1,870	1,870	2,178	-	38,716
Insurance	1,975	197	419	9,362	3,246	250	417	2,999	-	555	-	3,165	-	1,553	1,390	25,528
Repairs & Maintenance	-	-	10,102	-	-	-	26,108	15,587	-	-	-	6,277	-	10,550	-	68,624
Event Expense	-	-	-	-	-	-	-	-	-	-	-	-	12,104	-	-	12,104
Supplies and Equipment	540	29	9,237	-	637	-	286	10,897	-	-	-	10,339	1,174	-	-	33,139
Food & Nutrition Supplies	-	-	48,331	-	-	-	-	155,256	-	-	-	266	-	-	-	203,853
Postage & Printing	3,640	2	-	225	153	-	422	348	-	8	-	885	218	-	-	5,901
Travel/Training	18	418	-	1,414	4,098	-	306	4	484	35	12	683	-	-	590	8,062
Professional Fees/Purchased Service	3,600	70	112	14,700	427	-	1,271	5,779	340	-	-	19,450	3,985	-	540	50,274
Rent	4,188	2,991	8,525	2,991	2,991	-	3,420	11,578	2,991	2,991	2,991	2,604	2,604	3,032	-	53,897
Misc.	-	-	3	20	811	2,998	430	272	15	-	-	20,080	885	-	-	25,514
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	56,329	-	-	-	56,329
<b>Total Expenses</b>	<b>\$ 72,837</b>	<b>\$ 35,621</b>	<b>\$ 138,470</b>	<b>\$ 74,844</b>	<b>\$ 123,111</b>	<b>\$ 3,248</b>	<b>\$ 80,764</b>	<b>\$ 357,542</b>	<b>\$ 29,612</b>	<b>\$ 29,679</b>	<b>\$ 21,640</b>	<b>\$ 220,265</b>	<b>\$ 33,715</b>	<b>\$ 58,203</b>	<b>\$ 38,838</b>	<b>\$ 1,318,389</b>

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



**FAMILY SERVICE - UPPER OHIO VALLEY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 274,048	\$ 74,429
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	74,837	56,329
(Gain)/Loss on sale of capital assets	(2,481)	4,800
Investment Income	(150,040)	37,901
Changes in assets and liabilities:		
Accounts receivable - grants, contracts, and other	10,429	(21,334)
Prepaid expenses	(1,189)	(2,847)
Client funds held in trust	118,542	(6,044)
Other current liabilities	-	(188)
Accounts payable and other accrued expenses	(628)	(34,630)
Accrued wages, benefits and taxes	(13,944)	(15,032)
Net cash (used in)/provided by operating activities	309,574	93,384
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of securities	(421,676)	(105,313)
Distribution of investments	44,708	54,495
Proceeds from sale/maturity of securities	376,967	50,818
Purchase of fixed assets	(47,827)	(657,884)
Sale of fixed assets	26,370	2,200
Net cash (used in)/provided by investing activities	(21,458)	(655,684)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term liabilities	(98,893)	390,742
Net cash (used in)/provided by financing activities	(98,893)	390,742
Increase/Decrease in cash and cash equivalents	189,223	(171,558)
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	477,873	649,431
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 667,096	\$ 477,873

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

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 1 - Nature of Organization and Summary of Significant Accounting Policies**

Nature of Organization - Family Service – Upper Ohio Valley, Inc. (the “Agency”) is a non-profit organization who receives most of its funding through federal, state, and other grants, contracts and fee-for-service arrangements. The Agency provides a variety of social and health related services primarily to residents of Ohio and Marshall Counties, West Virginia and the surrounding area. The Agency also operates a conservator/representative payee program.

The Agency has an extensive Senior Service Division which provides nutrition services, social support services, in-home care, health screening, recreation, transportation, and adult day care. The purpose of these programs is mostly to meet the needs of Older Americans.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation – The financial statements are presented following the recommendations of the Financial Accounting Standards Board in its Statement of Accounting Standards Codification (FASB ASC) No. 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Under ASU 2016-14, the Agency is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. All net assets, other than those subject to donor-imposed restrictions, including Board-designated or appropriated amounts, are legally part of the without donor restriction net asset class. The Agency had \$993 and \$3,573 in donor restricted net assets as of December 31, 2019 and 2018, respectively. In addition, the Agency is required to present a statement of cash flows.

Investments – The Agency carries investments at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income is reported as increases in net assets without donor restriction.

Account Receivables – Accounts receivable consists primarily of grant and contract amounts due for reimbursement of program services provided and program expenses incurred by year end.

Property and Equipment – All acquisitions of property and equipment generally in excess of \$5,000 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives or assets are capitalized. Acquisitions of property less than \$5,000 may occur as management will look at the nature of the asset purchased and will choose to capitalize or expense these items. Property and equipment are carried at cost or, if donated, at their approximate fair value at the date of donation.

Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets, which mostly range from 3 to 20 years. Depreciation expense for the years ended December 31, 2019 and 2018 were \$74,837 and \$56,329.

Other Items – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Those funds restricted by the donor are recorded under Restricted Contributions based on donor stipulations. The agency received \$146,490 and \$61,130 in restricted donations in 2019 and 2018. These donations were spent in each year received.

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

Income Taxes - The Agency is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Agency and recognize a tax liability (or asset) if the Agency 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 Agency, and has concluded that as of December 31, 2019, 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 Agency is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Agency's Federal Return of Organization Exempt from Income Tax (federal Form 990) for 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

Concentrations- The Agency receives a substantial amount of its support from federal and state governments which also includes State of West Virginia Medicaid Funds. A significant reduction in the level of this support, if this were to occur, may have an effect on the Agency's activities.

Additionally, under the terms of federal and state contracts and grants, periodic audits are required and certain costs may be questioned as inappropriate expenditure. Such audits could lead to reimbursement to the grantor agency. Management believes disallowances, if any would be immaterial.

Financial instruments that potentially subject the Agency to significant concentration of credit risk consist principally of cash. The Agency maintains cash with financial institutions which, at times, may exceed federally insured limits. The Agency believes it is not exposed to any significant credit risk on cash.

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 amounts could differ from those estimates.

Expense Allocation – The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of FSUOV are reported as expenses of those functional areas. A portion of General and Administrative costs that benefit multiple functional areas have been allocated across Programs Services based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents.

Revenues - Revenues are recognized in the accompanying financial statement as follows:

**Grants and Reimbursements:**

The funds due from various funding sources under grants and contracts are recognized as revenue in the accounting period when the expenditures are incurred and the grant funds are earned.

**Program Revenue:**

The amount due from various sources is recognized as revenue in the accounting period when the administrative and /or contract services are provided.

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 2 - Cash and Cash Equivalents**

Family Service - Upper Ohio Valley, Inc. maintains checking and savings accounts at various local financial institutions. At December 31, 2019 and 2018, there was \$731,625 and \$614,852 on deposit. The Agency had a carrying amount of \$667,096 and \$477,873, respectively for 2019 and 2018. For the purpose of cash flows statements, the Agency includes cash in banks and on hand and certificates of deposit with original maturities of 90 days or less, as cash and cash equivalents. The Agency paid \$18,084 in interest in year 2019 and paid \$8,770 in interest in year 2018.

**Note 3 - Retirement Plans**

The Agency has a policy of contributing to each qualified employee's individual retirement contract. No separate plan is maintained by the Agency. The Agency will contribute to each employee's individual contract up to 6 percent of the employee's gross salary, if the employee contributed 3 percent of their gross salary. Plan costs for the period ended December 31, 2019 and 2018 were \$21,304 and \$23,862.

**Note 4 – Accounts Receivable**

Grants and contracts receivable balances are mainly comprised of amounts due from funding sources in reimbursement-type arrangements. Amounts due at December 31, 2019 and 2018, represent funds due for expenses incurred or services provided as of December 31, 2019 and 2018. The amounts detailed below have been classified as grants and contracts receivables for reporting purposes.

<b>2019</b>	
Title III B	\$ 8,715
Title III D	200
Title III C Nutrition	40,786
Title III E	675
Head Start	15,452
Lighthouse/Fair	3,382
LIFE	26,023
5310	9,360
Veteran's	340
United Way	2,917
Total	<u><u>\$ 107,850</u></u>

<b>2018</b>	
Title III B	\$ 3,880
Title III D	177
Title III C Nutrition	28,235
Title III E	6,587
Head Start	14,650
Lighthouse/Fair	8,757
LIFE	49,736
5310	4,780
Fresh Start	200
Veteran's	1,277
Total	<u><u>\$ 118,279</u></u>

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 5 - Investments**

Cost and estimated fair value of investments at December 31, 2018 and 2017 are as follows:

<b>2019</b>		
	Estimated Fair Value	Cost
Cash and cash equivalents		
held for long term investments	\$ 1,637	\$ 1,637
Equities	767,905	695,798
Fixed income	267,607	253,129
Alternatives	40,509	37,388
Other assets	4	4
Total investments	\$ 1,077,662	\$987,956
<b>2018</b>		
	Estimated Fair Value	Cost
Cash and cash equivalents		
held for long term investments	\$ 49,046	\$ 49,046
Equities	441,101	463,699
Fixed income	410,208	400,239
Alternatives	27,262	27,613
Other assets	5	4
Total investments	\$ 927,622	\$940,601

**Note 6 - Fair Value Measurements**

The Agency follows the provisions of Fair Value Measurements ASC820, which applies to all financial instruments that are being measured and reported on a fair value basis. Under ASC820, fair value is defined 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 sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

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. The type of investments included in Level 1 includes listed equities and derivatives. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 6 - Fair Value Measurements (Continued)**

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; fair value is determined through the use of models or other valuation methodologies. Investments generally included in this category are corporate bonds and loans, less liquid and restricted equity securities, and over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is limited market activity for the asset or liability. The inputs for determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies and general limited interests in private investment funds, real estate funds, debt funds and distressed debt.

The following table presents assets reported on the financial statements at their fair value as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Assets:				
Equity and equity mutual funds	\$ 767,905	\$ -	\$ -	\$ 767,905
Fixed income securities	267,608	-	-	267,608
Alternatives	40,509	-	-	40,509
Other assets	4	-	-	4
Total	<u>\$ 1,076,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,076,026</u>

The following table presents assets reported on the financial statements at their fair value as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Assets:				
Equity and equity mutual funds	\$ 441,101	\$ -	\$ -	\$ 441,101
Fixed income securities	410,208	-	-	410,208
Alternatives	27,262	-	-	27,262
Other assets	4	-	-	4
Total	<u>\$ 878,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 878,575</u>

**Note 7 - Payroll Expense**

The Agency conducted a restructuring in which when individuals left, positions were reevaluated for function and purposes for cost savings measures, resulting in a reduction of payroll related expenses of approximately \$4,935 in 2019 and \$66,597 in 2018.

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 8 - Special Events Income & Expense**

Agency operates a bingo and conducts raffles and several events in the local area. During 2019, bingo was held 6 times. Gross revenue from these events is \$12,949 with gross expenses at \$6,906, resulting in net revenue of \$6,043.

	<u>Revenue</u>	<u>Expenses</u>	<u>Net Revenue</u>
Bingo and Raffle	\$ 1,875	\$ 728	\$ 1,147
Senior Services Events	11,074	6,178	4,896
Total	<u>\$ 12,949</u>	<u>\$ 6,906</u>	<u>\$ 6,043</u>

During 2018, gross revenue for these events was \$20,527 with gross expenses at \$12,104, resulting in a net revenue of \$8,423.

	<u>Revenue</u>	<u>Expenses</u>	<u>Net Revenue</u>
Bingo and Raffle	\$ 1,183	\$ 1,510	\$ (327)
Senior Services Events	19,344	10,594	8,750
Total	<u>\$ 20,527</u>	<u>\$ 12,104</u>	<u>\$ 8,423</u>

**Note 9 – 5310 Grant**

The Agency received \$73,840 in 2019 and \$45,340 in 2018 through the Division of Public Transit of the Department of Transportation Section 5310 Grant to provide transportation services to seniors and individuals with disabilities.

**Note 10- Operating Lease**

The Agency entered into an 8+ year building lease agreement in 2019 with Justus, Inc. in the amount of \$910 per month during the first 18 months, and \$1,010 per month during months 19-99. The Agency paid \$75,570 in lease payments in 2019.

**Note 11 – Liquidity**

Financial assets, at year end:	
Cash and cash equivalents	\$ 667,096
Accounts receivable - grants and contracts	107,850
Investments	<u>1,077,662</u>
Total financial assets, at year end	<u>1,852,608</u>
Less those unavailable for general expenditures within one year, due to:	
Donor restricted for time or purpose	(993)
Investments held as collateral	(291,849)
Representative payee cash account	<u>(339,367)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 1,220,399</u>

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**Note 11 – Liquidity (Continued)**

The line of credit is used solely for renovation purposes. Payables are kept current and cash balance is maintained at a level that insures expenses will be covered for at least 90 days in case there are delays in funding source reimbursements.

**Note 12 – Line of Credit**

The Agency took out a line of credit with Wesbanco Bank in 2018 for renovations of a new location. Total drawdowns during 2019 were \$1,077. Payments of \$18,084 and \$99,971 were made for interest and principal, respectively.

**Note 13 – Net Assets With Donor Restrictions**

Net assets with donor restrictions are composed of the following:

2019 Hess Art Grant:	\$ 993
Total Net Assets with Donor Restrictions	<u>\$ 993</u>

**Note 14 - Subsequent Events**

Family Service - Upper Ohio Valley, Inc. assessed events occurring subsequent to December 31, 2019 and 2018, through April 15, 2020, for potential recognition and disclosure in the financial statements. The United States and the State of West Virginia declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent period of the Agency. The Agency's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Agency's future operating costs, revenues, and any recovery from emergency funding, ether federal or state, cannot be estimated.



**FAMILY SERVICE - UPPER OHIO VALLEY, INC.  
SCHEDULE OF STATE AWARDS AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>State Awards and Other Assistance State Grantor/Pass-through</b>	<b>Award/ Grant No.</b>	<b>State Receipts</b>	<b>State Expenditures</b>
<b>WEST VIRGINIA BUREAU OF SENIOR SERVICES</b>			
State Discretionary Grant-Lighthouse	IH1909	\$ 36,331	\$ 36,331
State Discretionary Grant-Lighthouse	IH2009	24,809	24,809
State Discretionary Grant-Lighthouse-Data Entry	IH2009	5,000	5,000
		<u>66,140</u>	<u>66,140</u>
State Alzheimer's Respite/FAIR	IH1909	10,447	10,447
State Alzheimer's Respite/FAIR	IH2009	1,724	1,724
		<u>12,171</u>	<u>12,171</u>
<b>WEST VIRGINIA BUREAU OF SENIOR SERVICES</b>			
Passed through the Bel-O-Mar Regional Council			
Special Programs for the Aging-Title III, B-State	21935	35,706	35,706
Special Programs for the Aging-Title III, B-State	22035	20,567	20,567
		<u>56,273</u>	<u>56,273</u>
Special Programs for the Aging-Title III, C-1 State	21935	7,242	7,242
Special Programs for the Aging-Title III, C-2 State	22035	49,229	49,229
		<u>56,471</u>	<u>56,471</u>
State Legislative Initiatives for the Elderly (L.I.F.E.)	21902	85,225	85,225
State Legislative Initiatives for the Elderly (L.I.F.E.)	22002	144,338	144,338
		<u>229,563</u>	<u>229,563</u>
<b>TOTAL STATE AWARDS AND EXPENDITURES</b>		<u>\$ 420,618</u>	<u>\$ 420,618</u>
 <b><u>OTHER ASSISTANCE</u></b>			
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed through West Virginia Division of Public Transit of the Department of Transportation:			
Section 5310 Grant	n/a	\$ 73,840	\$ 73,840
<b>TOTAL OTHER ASSISTANCE</b>		<u>\$ 73,840</u>	<u>\$ 73,840</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

April 15, 2020

Family Service – Upper Ohio Valley, Inc.  
2200 Main Street  
Wheeling, WV 26003

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Family Service – Upper Ohio Valley, Inc.** (a non-profit organization) (the Agency), which comprise the statement of financial position as of December 31, 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, and have issued our report thereon dated April 15, 2020, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Agency.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Agency's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Agency's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

**Compliance and Other Matters**

As part of reasonably assuring whether the Agency's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

**Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio