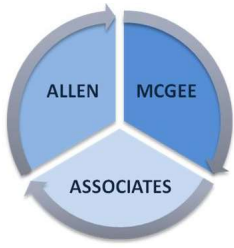


**ROANE COUNTY UNITED WAY, INC
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017**

ROANE COUNTY UNITED WAY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2017

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Allen, McGee and Associates

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

April 27, 2018

To the Board of Directors of
Roane County United Way, Inc.

We have audited the accompanying statement of financial position of Roane County United Way, Inc. (a nonprofit organization), which comprises the statement of financial position as of December 31, 2017, and the related statements of activities, cash flows for the year then ended, and the related notes to the financial statements.

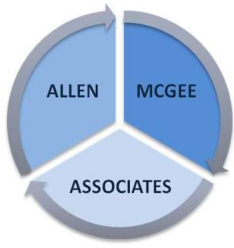
Management's Responsibility for the Financial Statements

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 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 auditors' 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.



Allen, McGee and Associates

Certified Public Accountants

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 Roane County United Way, Inc. as of December 31, 2017, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses-Unaudited on page 18 and the Listing of Officials-Unaudited on page 19 is presented for the purposes of additional analysis and is not a required part of the financial statements. 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 them.

Allen, McGee and Associates

Certified Public Accountants

Tullahoma, TN

ROANE COUNTY UNITED WAY, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 471,365
Investments at Fair Value	5,744
Promises to Give - Net	<u>261,089</u>
Total Current Assets	<u>738,198</u>
Non-Current Assets:	
Land	10,560
Building	95,040
Office Equipment	6,254
Leasehold Improvements	1,650
Accumulated Depreciation	<u>(11,559)</u>
	101,945
Other Non-Current Assets	100
Total Non-Current Assets	<u>102,045</u>
TOTAL ASSETS	<u><u>\$ 840,243</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 1,745
Designations Payable	1,103
Allocations Payable	45,807
Compensated Absences	1,825
Payroll Liabilities	<u>1,755</u>
Total Current Liabilities	<u>52,235</u>
TOTAL LIABILITIES	<u>52,235</u>
Net Assets:	
Unrestricted Net Assets	526,919
Temporarily Restricted Net Assets	<u>261,089</u>
TOTAL NET ASSETS	<u>788,008</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 840,243</u></u>

The accompanying notes are an integral part of this statement.

ROANE COUNTY UNITED WAY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Campaign Revenues	\$ 139,643	\$ 261,089	\$ 400,732
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	231,472	(231,472)	-
PUBLIC SUPPORT AND REVENUE			
Unrealized Gains on Investments	949	-	949
Dividend & Interest	794	-	794
EFS	563	-	563
Event Sponsorship	5,108	-	5,108
In-Kind Revenue	50,462	-	50,462
Grants	7,700	-	7,700
Miscellaneous	1,412	-	1,412
TOTAL PUBLIC SUPPORT AND REVENUE	\$ 438,103	\$ 29,617	\$ 467,720
COSTS AND EXPENSES			
Fundraising Services	\$ 14,784	\$ -	\$ 14,784
Program Services	296,992	-	296,992
Supporting Services	56,378	-	56,378
TOTAL COSTS AND EXPENSES	\$ 368,154	\$ -	\$ 368,154
CHANGE IN NET ASSETS	\$ 69,949	\$ 29,617	\$ 99,566
NET ASSETS, BEGINNING OF YEAR	456,969	231,472	688,441
NET ASSETS, END OF YEAR	\$ 526,918	\$ 261,089	\$ 788,007

The accompanying notes are an integral part of this statement.

ROANE COUNTY UNITED WAY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 99,566
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Adjustments to Reconcile Change in Net Assets to

Net Cash Used in Operating Activities

Depreciation	2,437
(Increase) Decrease in Contributions Receivable	(29,617)
(Increase) Decrease in Other Assets	1,438
Increase (Decrease) in Accounts Payable	194
Increase (Decrease) in Allocations Payable (as restated)	45,807
Increase (Decrease) in Designations Payable	(3,675)
Increase (Decrease) in Compensated Absences	277
Increase (Decrease) in Payroll Liabilities	(600)

Total Adjustments	16,261
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NET CASH USED BY OPERATING ACTIVITIES	115,827
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CASH FLOWS FROM INVESTING ACTIVITIES

Unrealized Gains on Investments	(948)
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NET CASH USED BY INVESTING ACTIVITIES	(948)
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NET INCREASE IN CASH AND

CASH EQUIVALENTS	114,879
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CASH AND CASH EQUIVALENTS,

BEGINNING OF YEAR	356,486
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 471,365
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ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING
POLICIES**

Nature of Activities

Roane County United Way, Inc. (the "Organization"), is a private, non-profit corporation located in Harriman, Tennessee serving nonprofit causes in Roane County and is a member of the United Way of America. The mission of the corporation is to raise and allocate funds for the support of community-accepted health, welfare, and recreation agencies, including, local, state, and national service organizations in a unified appeal to create more general interest in the service of such agencies and in the unified appeal thereby reducing the cost of such fund-raising using the consolidated approach. The Roane County United Way, Inc. was founded November 1996 and is governed by a volunteer board of directors.

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of the Organization on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as unrestricted, temporarily restricted or permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenses are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restriction that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations.

ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING
POLICIES (CONT.)**

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments consist of money market, equity securities, fixed income mutual funds and a commodity fund and are carried at the quoted fair market value on the last business day of the reporting period. The changes in unrealized gains and losses are recognized currently in the statement of activities.

The Organization classifies its investments based on a hierarchy consisting of level 1 (securities valued using quoted prices from active markets for identical assets), level 2 (securities not traded on an active market but for which observable market inputs are readily available), and level 3 (securities valued based on significant unobservable inputs).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for asset measured at fair value on a recurring basis:

Investments – Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for investments in US Treasury securities, debt obligations and mortgage-backed securities are based primarily on other observable values, such as interest rates and yield curves.

No changes in the valuation methodologies have been made since the prior year.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values.

**ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING
POLICIES (CONT.)**

Investments (continued)

Furthermore, while the Organization believes its valuation methodologies are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

FAIR VALUE MEASUREMENTS

The following table sets forth the Organization's major categories of assets measured at fair value on a recurring basis, by level with the fair value hierarchy as of December 31:

Investments:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity Securities	\$5,744	\$ 0	\$ 0
Fixed Income	0	0	0
Cash and Money Market	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 5,744</u>	<u>\$ 0</u>	<u>\$ 0</u>

The reported fair value amounts above have not been comprehensively revalued since the presentation dates and, estimates of fair values after the statement of financial position dates may differ significantly from the amounts presented herein.

The fair value of these investments at April 20, 2017 was \$6,309.

The fair values and related costs of investments are summarized as follows at December 31, 2017:

	<u>Fair Value</u>
Regions Financial Corp	\$5,744

ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Investments (continued)

Return (loss) on investments is reported in the statements of activities as follows for the year ended December 31, 2017

Return on Investments:	
Interest and Dividend Income	\$ 97
Investment Fees	
Gain (Loss) on Investments:	
Realized Gain on Sale of Investments	
Increase (Decrease) in Accumulated Unrealized Gain	
Total Return (Loss)	<u>\$ 97</u>

Accrual Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with generally accepted accounting principles, and accordingly reflect all significant receivables, payables and other liabilities.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Property and Equipment

Property and equipment is stated at cost, or if donated, at the approximate fair market value at the date of donation. Major additions are capitalized while maintenance and repairs, including the cost of minor items of property, are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is included as an expense in the Schedule of Functional Expenses. The Organization owns property that has been donated over a period of years. Only amounts previously reflected for these donations and the amounts were a building and land reported last year, all others were not considered material. Accordingly, no value for this property and equipment has been included in the value of property and equipment in the financial statements. All future donations and purchases will be recorded as received or purchased.

Contributions

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

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Compensated Absences

Employees can carry over up to 144 hours of vacation leave per year. As of December 31, 2017, \$1,825 of vacation time was accrued.

Advertising

The Organization's policy is to expense advertising costs as incurred. For the year ended December 31, 2017, there was \$267 in advertising costs included in campaign expense.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services.

Program grants made to direct service providers are recognized as program service expenses in the period approved by the Board of Directors, and correspond to the period of the release of time restrictions for related campaign pledges.

Donated Services

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. A number of volunteers donated significant amounts of their time in the Organization's program and supporting services.

NOTE B - CASH AND CASH EQUIVALENTS

At December 31, 2017, the bank balances of the Organization was \$471,317. Total deposits were either fully insured or collateralized, except for \$587 which is uninsured, held in a checking account. The total carrying value was \$474,781 at December 31, 2017.

ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE C - CONTRIBUTIONS AND DESIGNATIONS RECEIVABLE

Unconditional promises to give, recorded as contributions or designations receivable, at December 31, 2017 are as follows:

	Contributions Receivable
Campaign Pledges	\$ 269,411
Less Allowance for uncollectable	8,322
Amounts due in less than one year	<u>\$ 261,089</u>

NOTE D - PROPERTY AND EQUIPMENT

A summary of property and equipment follows:

	Balance 1/1/17	Additions	Deductions	Balance 12/31/17
<u>Capital Assets not being Depreciated</u>				
Land	\$ 10,560	\$ -	\$ -	\$ 10,560
Total Capital Assets not being Depreciated	<u>10,560</u>	<u>-</u>	<u>-</u>	<u>10,560</u>
<u>Capital Assets being Depreciated</u>				
Office Equipment	6,254	-	-	6,254
Building	95,040	-	-	95,040
Leasehold Improvements	1,650	-	-	1,650
Total Capital Assets Being Depreciated	<u>102,944</u>	<u>-</u>	<u>-</u>	<u>102,944</u>
<u>Accumulated Depreciation</u>				
Office Equipment	6,254	-	-	6,254
Building	1,218	2,437	-	3,655
Leasehold Improvements	1,650	-	-	1,650
Total Accumulated Depreciation	<u>9,122</u>	<u>2,437</u>	<u>-</u>	<u>11,559</u>
Net Capital Assets being Depreciated	<u>93,822</u>	<u>(2,437)</u>	<u>-</u>	<u>91,385</u>
Net Capital Assets	<u>\$ 104,382</u>	<u>\$ (2,437)</u>	<u>\$ -</u>	<u>\$ 101,945</u>

Depreciation expensed during the year was \$2,437.

ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE E - ECONOMIC DEPENDENCY

The Organization is economically dependent on the support it receives from its contributors and local citizens. If a major reduction of funding provided by the fundraising campaign should occur, it could have a significant effect on the future operation of the Organization's programs and activities. The largest percentage of the Organization's revenue and receivables is derived from Pro2Serve, and UTBATTLE employees' pledges. As a result, reductions in these pledges could have a material effect on the Organization's operations.

NOTE F - DONATED GOODS AND SERVICES

The Organization received immaterial donated goods for fund-raising during the year. Volunteers also donated their time for various committees throughout the year and the estimated fair market value of those services was \$50,462.

These amounts that are recognized as donated goods and services in the Statement of Activities and the Schedule of Functional Expenses.

	<u>2017</u>
Office Space	\$ -
Supplies	-
Volunteers	50,462
Total	<hr/> \$ 50,462 <hr/>

NOTE G - EVALUATION OF SUBSEQUENT EVENTS

Events that occur after the financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial position date require disclosure in the accompanying notes.

ROANE COUNTY UNITED WAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE G - EVALUATION OF SUBSEQUENT EVENTS, (CONT.)

Management evaluated the activity of the organization through April 27, 2018 (the date the financial statements were available to be issued) and concluded that no events should be disclosed as a subsequent event.

NOTE H - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, various grants, pledges receivable and investments. The Organization maintains cash accounts at financial institutions, investment companies and trusts whose accounts are insured by the Federal Deposit Insurance Corporation. Pledges receivable consist of corporate and individual pledges for the annual campaign, which are widely dispersed to mitigate credit risk.

NOTE I - DESIGNATED CONTRIBUTIONS

The Organization accepts contributions that designated by the donor to be passed on to member agencies or to other United Way agencies. Designations to member agencies are distributed under the Organization's allocation procedure, and designation to other United Way agencies are distributed on a prorated basis as receipts for promises to give are received. The amount of designated donor contributions for specific organizations for the year ended December 31, 2017 was \$17,047.

NOTE J - GRANT INCOME

The Organization was a subrecipient of the Volunteer Income Tax Assistant Program (VITA). In conformance with the grant requirements, the Organization performed tax returns. During the fiscal year ending December 31, 2017, the Organization received \$7,000 from the VITA grant. The Organization also received a grant of \$700 from a local bank for operating expenses.

SUPPLEMENTARY INFORMATION

ROANE COUNTY UNITED WAY, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

	Fundraising Services	Program Services	Management and General	Total
Bank Service Charges	\$ -	\$ 25.00	\$ 186	\$ 211
Campaign	1,889	361	-	2,250
Community Enhancement	-	10,980	-	10,980
Community Investment	-	168,600	-	168,600
Conference/Continuing Education	-	169	169	338
Contract Labor	-	500	500	1,000
Depreciation	-	-	2,437	2,437
Designation	-	17,047	-	17,047
Dues & Subscriptions	104	4,173	317	4,594
Equipment/Software Upgrade	-	-	260	260
Events	705	1,469	145	2,319
eWay Electronic Fee	128	-	-	128
Insurance	883	1,221	1,012	3,116
Inter-Agency Lunch	-	274	-	274
Licenses and Permits	67	67	107	241
Maintenance Building	94	94	629	817
Maintenance Copier Fee	109	109	109	327
Miscellaneous	-	33	107	140
Office Supplies	168	176	624	968
Payroll	8,621	34,450	43,071	86,142
Postage and Delivery	778	77	344	1,199
Professional Fees	350	350	3,762	4,462
Telephone/Internet	567	980	680	2,227
Training/Meetings/Recognition	-	300	300	600
Teachers' Supply Closet	-	1,570	-	1,570
Utilities	321	599	1,619	2,539
VITA Miscellaneous	-	1,406	-	1,406
Volunteer Clearinghouse	-	1,500	-	1,500
Volunteer Recognition	-	50,462	-	50,462
Totals	\$ 14,784	\$ 296,992	\$ 56,378	\$ 368,154

ROANE COUNTY UNITED WAY, INC.
LISTING OF OFFICIALS - UNAUDITED
FOR THE YEAR ENDED DECEMBER 31, 2017

Board of Directors

Scott Mason	Chairman
Susan Howell	Secretary
Jennifer Trentham	Treasurer
Jeff Alcorn	Member
Teresa Duncan	Member
Jan Hashmi	Member
Allen Hickman	Member
Susan Horsfall	Member
Kim Jeskie	Member
Teresa Kirkham	Member
Sharon Kohler	Member
Larry Kornaki	Member
Joyce Nall	Member
Dana Peterka	Member
Deb Schenk	Member
Mona Wright	Member
Dina Jackson	Executive Director