National Multiple Sclerosis Society, Ohio Valley Chapter

Financial Statements with Supplemental Information
September 30, 2012 and 2011 and
Independent Auditors' Report

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER
September 30, 2012 and 2011

Contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3 – 4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 13
Independent Auditors' Report on Supplemental Information	14
Supplemental Information:	
Schedule of Income from Special Events and New Campaigns	15
Schedule of Amount Due National MS Society	16
Schedule of Memberships and Contributions	17

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Independent Auditors' Report

Board of Trustees
National Multiple Sclerosis Society,
Ohio Valley Chapter

We have audited the accompanying statements of financial position of National Multiple Sclerosis Society, Ohio Valley Chapter (a nonprofit organization) as of September 30, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the National Multiple Sclerosis Society, Ohio Valley Chapter's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of National Multiple Sclerosis Society, Ohio Valley Chapter as of September 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Barnes, Dennig & Co., Ltd.

December 20, 2012

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NATIONAL MUTLIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Statements of Financial Position
September 30, 2012 and 2011

	2012	2011
Assets		
Current assets		
Cash and cash equivalents	$ 308,751	$ 458,819
Investments	-	76,374
Contributions receivable	84,166	82,057
Due from other Chapters	5,767	10,282
Prepaid expenses	1,254	11,848
Total current assets	399,938	639,380
Non-current assets		
Contributions receivable	-	6,450
Due from National Multiple Sclerosis Society (Charitable Gift Annuity)	18,578	14,346
Deposit	7,752	7,752
Total noncurrent assets	26,330	28,548
Total assets	$ 426,268	$ 667,928
Liabilities and Net Assets		
Current liabilities		
Due to National Multiple Sclerosis Society		
Remittance due to National	$ 5,265	$ -
Other payables to National	1,400	-
Due to other Chapters	-	6,149
Accounts payable and accrued expenses	81,219	61,289
Total liabilities	87,884	67,438
Net assets		
Unrestricted	328,818	562,034
Temporarily restricted	9,566	38,456
Total net assets	338,384	600,490
Total liabilities and net assets	$ 426,268	$ 667,928

See accompanying notes to financial statements

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Statement of Activities
Year Ended September 30, 2012

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Public Support			
Received Directly:			
Special events (includes in-kind donations of $56,809)	$ 1,571,939	$ -	$ 1,571,939
Less benefit to donor costs	362,458	-	362,458
Total special events	1,209,481	-	1,209,481
Membership and contributions	198,675	72,087	270,762
Legacies	25,238	-	25,238
Received at National (other than legacies)	41,693	-	41,693
Total received directly	1,475,087	72,087	1,547,174
Total received indirectly	689	-	689
Total public support	1,475,776	72,087	1,547,863
Other Revenue			
Investment Income	1,775	-	1,775
Service program fees	1,230	-	1,230
Total other revenue	3,005	-	3,005
Net assets released from restrictions	100,977	(100,977)	-
Total support, revenue and reclassifications	1,579,758	(28,890)	1,550,868
Expenses			
Program Services			
Research	311,599	-	311,599
Public support to National	244,828	-	244,828
Client programs	349,620	-	349,620
Community programs	203,986	-	203,986
Professional education and training	56,547	-	56,547
Public education	235,739	-	235,739
Total program services	1,402,319	-	1,402,319
Supporting Services			
Fundraising	335,264	-	335,264
Management and general	75,391	-	75,391
Total supporting services	410,655	-	410,655
Total expenses	1,812,974	-	1,812,974
Change in net assets	(233,216)	(28,890)	(262,106)
Net assets, beginning of year	562,034	38,456	600,490
Net assets, end of year	$ 328,818	$ 9,566	$ 338,384

See accompanying notes to financial statements

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Statement of Activities
Year Ended September 30, 2011

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Public Support			
Received Directly:			
Special events (includes in-kind donations of $47,050)	$ 1,399,417	$ -	$ 1,399,417
Less benefit to donor costs	174,705	-	174,705
Total special events	1,224,712	-	1,224,712
Membership and contributions (includes in-kind donations of $1,836)	154,694	130,341	285,035
Legacies	22,846	-	22,846
Received at National (other than legacies)	49,314	-	49,314
Total received directly	1,451,566	130,341	1,581,907
Other Revenue			
Investment Income (Loss)	2,307	-	2,307
Service program fees	240	-	240
Total other revenue	2,547	-	2,547
Net assets released from restrictions	150,443	(150,443)	-
Total support, revenue and reclassifications	1,604,556	(20,102)	1,584,454
Expenses			
Program Services			
Research	266,955	-	266,955
Public support to National	236,733	-	236,733
Client programs	299,428	-	299,428
Community programs	189,777	-	189,777
Professional education and training	52,588	-	52,588
Public education	185,112	-	185,112
Total program services	1,230,593	-	1,230,593
Supporting Services			
Fundraising	267,536	-	267,536
Management and General	137,918	-	137,918
Total supporting services	405,454	-	405,454
Total expenses	1,636,047	-	1,636,047
Change in net assets	(31,491)	(20,102)	(51,593)
Net assets, beginning of year	593,525	58,558	652,083
Net assets, end of year	$ 562,034	$ 38,456	$ 600,490

See accompanying notes to financial statements

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Statement of Functional Expenses
Year Ended September 30, 2012

	PROGRAM SERVICES							SUPPORTING SERVICES				
	Research	National Activities	Client Programs	Community Programs	Professional Education and Training	Public Education	Total	Fund Raising	Management and General	Sub-Total	Benefit to Donor costs	Total
Expenses												
Salaries	$ -	$ -	$149,434	$ 124,529	$ 37,359	$155,661	$ 466,983	$ 105,849	$ 49,811	$ 622,643	$ -	$ 622,643
Employee Benefits	-	-	12,136	10,113	3,034	12,642	37,925	8,596	4,045	50,566	-	50,566
Payroll Taxes	-	-	13,180	10,984	3,295	13,730	41,189	9,336	4,393	54,918	-	54,918
Total Salaries and Related Expenses	-	-	174,750	145,626	43,688	182,033	546,097	123,781	58,249	728,127	-	728,127
Printing	-	-	-	128	-	-	128	24,575	-	24,703	-	24,703
Postage and Shipping	-	-	729	410	110	590	1,839	8,781	147	10,767	-	10,767
Telephone	-	-	1,867	1,626	467	1,945	5,905	1,322	622	7,849	-	7,849
Supplies	-	-	2,544	1,998	537	2,236	7,315	3,110	715	11,140	28,618	39,758
Dues and Memberships	-	-	582	1,144	146	606	2,478	412	194	3,084	-	3,084
Professional and Contract Service Fees	-	-	96,084	18,633	2,872	11,966	129,555	111,829	3,829	245,213	-	245,213
Travel	-	-	6,269	5,997	754	3,142	16,162	16,444	1,005	33,611	121,189	154,800
Meetings	-	-	8,073	2,049	135	564	10,821	728	180	11,729	11,950	23,679
Occupancy	-	-	25,666	21,389	6,417	26,736	80,208	18,180	8,555	106,943	6,830	113,773
Furniture and Equipment	-	-	1,359	1,132	340	1,415	4,246	962	453	5,661	-	5,661
Insurance (property and casualty)	-	-	1,520	1,266	380	1,583	4,749	1,076	507	6,332	-	6,332
Awards and grants to other MS-related Organization	-	-	57	250	-	-	307	-	-	307	-	307
Disbursements for People with MS	-	-	26,714	-	-	-	26,714	-	-	26,714	-	26,714
Prizes and Promotional Items	-	-	-	-	-	-	-	-	-	-	48,587	48,587
Miscellaneous Expense	-	-	3,406	2,338	701	2,923	9,368	24,064	935	34,367	145,284	179,651
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Contributions to National for Research and Other Activities	-	-	-	-	-	-	-	-	-	-	-	-
Functionalized National Program Expense	311,599	-	-	-	-	-	311,599	-	-	311,599	-	311,599
Total Expenses Before Public Support to National	311,599	-	349,620	203,986	56,547	235,739	1,157,491	335,264	75,391	1,568,146	362,458	1,930,604
Public support to National	-	244,828	-	-	-	-	244,828	-	-	244,828	-	244,828
Total expenses	$ 311,599	$ 244,828	$ 349,620	$ 203,986	$ 56,547	$ 235,739	$ 1,402,319	$ 335,264	$ 75,391	$ 1,812,974	$ 362,458	2,175,432
Less direct benefit to donor												(362,458)
Total expenses as reported on the statement of activities												$ 1,812,974

See accompanying notes to financial statements

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Statement of Functional Expenses
Year Ended September 30, 2011

	PROGRAM SERVICES							SUPPORTING SERVICES				
	Research	National Activities	Client Programs	Community Programs	Professional Education and Training	Public Education	Total	Fund Raising	Management and General	Sub-Total	Benefit to Donor Costs	Total
Expenses												
Salaries	$ -	$ -	$141,231	$ 114,702	$ 36,107	$147,884	$ 439,924	$ 96,355	$ 47,366	$ 583,645	$ -	$ 583,645
Employee Benefits	-	-	12,497	10,150	3,195	13,086	38,928	8,526	4,191	51,645	-	51,645
Payroll Taxes	-	-	11,648	9,460	2,978	12,196	36,282	7,947	3,906	48,135	-	48,135
Total Salaries and Related Expenses	-		165,376	134,312	42,280	173,166	515,134	112,828	55,463	683,425	-	683,425
Printing	-	-	584	58	-	-	642	15,022	-	15,664	-	15,664
Postage and Shipping	-	-	1,602	189	163	1,584	3,538	5,336	1,301	10,175	-	10,175
Telephone	-	-	386	529	386	386	1,687	3,086	3,086	7,859	-	7,859
Supplies	-	-	657	501	434	434	2,026	4,652	3,472	10,150	18,046	28,196
Dues and Memberships	-	-	5,088	963	138	138	6,327	1,106	1,106	8,539	-	8,539
Professional and Contract Service Fees	-	-	80,322	13,115	2,755	2,755	98,947	40,929	22,043	161,919	-	161,919
Travel	-	-	4,214	4,464	382	599	9,659	7,791	3,056	20,506	108,668	129,174
Meetings	-	-	560	2,152	56	56	2,824	445	445	3,714	5,285	8,999
Occupancy	-	-	4,997	4,997	4,997	4,997	19,988	39,979	39,979	99,946	2,861	102,807
Furniture and Equipment	-	-	150	150	150	150	600	1,198	1,198	2,996	-	2,996
Insurance (property and casualty)	-	-	447	447	447	447	1,788	3,578	3,578	8,944	-	8,944
Awards and grants to other MS-related Organization			130	27,500	-	-	27,630	-	-	27,630	-	27,630
Disbursements for People with MS	-	-	34,515	-	-	-	34,515	-	-	34,515	-	34,515
Prizes and Promotional Items	-	-	-	-	-	-	-	-	-	-	35,993	35,993
Miscellaneous Expense	-	-	321	321	321	321	1,284	30,957	2,565	34,806	3,852	38,658
Depreciation and Amortization	-	-	79	79	79	79	316	629	96	1,041	-	1,041
Loss on disposal of fixed assets									530	530		530
Restricted Contributions to National for Research and Other Activities	-	-	-	-	-	-	-	-	-	-	-	-
Functionalized National Program Expense	266,955	-	-	-	-	-	266,955	-	-	266,955	-	266,955
Total Expenses Before Public Support to National	266,955	-	299,428	189,777	52,588	185,112	993,860	267,536	137,918	1,399,314	174,705	1,574,019
Public support to National	-	236,733	-	-	-	-	236,733	-	-	236,733	-	236,733
Total expenses	$ 266,955	$ 236,733	$ 299,428	$ 189,777	$ 52,588	$ 185,112	$ 1,230,593	$ 267,536	$ 137,918	$ 1,636,047	$ 174,705	1,810,752
Less direct benefit to donor												(174,705)
Total expenses as reported on the statement of activities												$ 1,636,047

See accompanying notes to financial statements

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Statements of Cash Flows
Years Ended September 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (262,106)	$ (51,593)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	-	1,041
Loss on disposal of furniture, fixtures, and equipment	-	530
Changes in operating assets and liabilities		
Receivables	109	52,733
Prepaid expenses	10,594	(4,110)
Accounts payable and accrued expenses	19,930	18,733
Due to national/other chapters	5,031	(101,097)
Net cash used in operating activities	(226,442)	(83,763)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	76,374	68,714
Net cash provided by investing activities	76,374	68,714
Net change in cash and cash equivalents	(150,068)	(15,049)
Cash and cash equivalents, beginning of year	458,819	473,868
Cash and cash equivalents, end of year	$ 308,751	$ 458,819

See accompanying notes to financial statements

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Notes to Financial Statements

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The National Multiple Sclerosis Society, Ohio Valley Chapter (the "Chapter") is a not-for-profit voluntary health agency which raises funds in Southern Ohio and Northern Kentucky to provide services to people with multiple sclerosis, support multiple sclerosis research through its national organization and educate the public about the impact of multiple sclerosis. Services include supporting medical care centers, counseling, crisis services, education, transportation, recreation and physical therapy for individuals who have multiple sclerosis.

Net Asset Classifications

Resources for various purposes are classified for accounting and financial reporting purposes into net asset categories established according to their nature and purpose as follows:

- *Unrestricted Net Assets:* Unrestricted net assets represent funds which are fully available, at the discretion of management and the Board of Trustees, for the Chapter to utilize in any of its program or supporting services.
- *Temporarily Restricted Net Assets:* Temporarily restricted net assets are comprised of funds which are restricted by donors for specific purposes. The restrictions are satisfied either by the passage of time or by actions of the Chapter.

Revenue Recognition and Deferred Revenue

Contributions are recorded as revenue when received or promised (pledged) unconditionally, at their fair value. The fair value of long-term contributions receivable are measured based on the present value of future cash flows, with consideration of expectation about possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants. The fair value measurements also consider donors' credit risk. Gifts received with donor stipulations that limit the use of the donated assets are reported as temporarily restricted support. The Chapter recognizes income from legacies and bequests when an unassailable right to the gift has been established by the court and the proceeds are measurable in amount. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. It is the Chapter's policy to record temporarily restricted contributions received and fulfilled in the same accounting period in the unrestricted net asset class.

All revenue received in advance for special events that are held subsequent to year-end is deferred.

Expense Allocations

Functional expenses that are not specifically attributable to program services or supporting services are allocated by management based on various allocation factors.

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Chapter maintains a portion of its cash and investments in deposit and fund accounts that at times may exceed federally insured limits. The Chapter has not experienced any losses in such accounts. The Chapter believes it is not exposed to any significant credit risk on its cash and investments.

Cash and Cash Equivalents

The Chapter considers highly liquid investments with maturities of three months or less when purchased to be cash equivalents. At September 30, 2012, the Chapter's cash was held by one bank.

Investments

The Chapter's investments included certificates of deposit with original maturity dates exceeding three months at the date of purchase and are stated at cost basis plus accrued interest which approximates fair value. Donated securities are recorded as contributions at their fair value at the date of gift.

Contributions and Other Receivables

Contributions and other receivables consist of accruals of public support received after year end that pertained to fundraising events held during fiscal 2012 and 2011. Pledge receivables have been recorded at net realizable value as of September 30, 2012 and 2011. The current portion of contributions receivable are expected to be collected within one year and the non-current within two years.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are provided on the straight-line basis over the estimated useful lives of the assets or the terms of the lease, as appropriate.

Donated Goods and Services

The Chapter records revenue and a corresponding expense for donated administrative services, donated advertising services as well as donated facilities. The Chapter records donated goods as a contribution and a corresponding expense. The revenues and expenses for the years ended September 30, 2012 and 2011 are reflected at fair value. These contributed services were valued at $56,809 and $47,050 for the years ended September 30, 2012 and 2011, respectively.

In addition, a number of volunteers have donated significant amounts of their time to the Chapter's program services and supporting services. No amounts have been reflected in the accompanying financial statements for those donated services because they do not meet the criteria for revenue recognition established by ASC Section 958-605 (formerly Statement of Financial Accounting Standards No. 116, *Contributions Received and Contributions Made).*

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Research and National Activities Expense

In January 2010, the Society's National Board of Directors approved a change in the policy for calculating each chapter's National Program Expense effective fiscal year 2011. This change was approved to simplify the formula, to reduce redundancies, internal reconciliations and billings, and to improve budgeting and planning. Under the new policy, the Society calculates the National Program Expense for each chapter in advance of the fiscal year after a complete review by the Budget Review Committee and National Board. The chapter's national program expense is calculated using the average of the previous two year's audited results as the revenue base. The remittance percentage is subject to adjustment each year to ensure that the Society meets its programmatic goals and that all donor restrictions are honored. In FY 2012, the chapter's National Program Expense under the new policy was calculated to be $556,427. By setting the Chapter's National Program Expense in advance, the chapters and the national organization are in a better position to control resources through their respective budgeting and planning processes.

The Chapter participates in National Headquarters' direct marketing program. Unrestricted public support received under the program by National Headquarters that is attributable to Chapter sources is credited to and recorded by the Chapter at 50% of the net revenue from the program. These amounts are recorded as contributions received from National Headquarters in the accompanying statement of activities.

Multi-year contributions recognized prior to FY 2011 that are restricted for research and other National initiatives are remitted to National when received and reflected as expense when the income is recorded at its present value and amortized over the respective periods.

Date of Management's Review

Subsequent events have been evaluated through December 20, 2012, which is the date the financial statements were available to be issued.

NOTE 2 INCOME TAXES

The Chapter qualifies as a charitable organization as defined by Internal Revenue Code 501(c)(3), and, accordingly, it is exempt from federal income taxes under Internal Revenue Code Section 501(a). Additionally, since the Chapter is publicly supported, contributions made to the Chapter qualify for the maximum charitable contributions deduction under the Internal Revenue Code. The Chapter is also exempt from Ohio state and local income tax.

NOTE 2 INCOME TAXES (Continued)

The Financial Accounting Standards Board (FASB) issued ASC Section 740-10 (formerly known as FASB Interpretation No. 48), *Accounting for Uncertainty in Income Taxes---an Interpretation of FASB No. 109.* This interpretation clarifies the accounting for income taxes by prescribing the minimum standard a tax position is required to meet before being recognized in the financial statements. ASC Section 740-10 is effective for fiscal years beginning after December 15, 2007. The Chapter has not taken any uncertain tax position that should be accounted for under ASC Section 740-10.

NOTE 3 INVESTMENTS

The Chapter's investments consisted of a certificate of deposit in the amount of $-0- and $76,374 at September 30, 2012 and 2011, respectively. The certificate of deposit matured in December 2011 and had an interest rate of 1.49%.

NOTE 4 PROPERTY AND EQUIPMENT

At September 30, property and equipment consisted of the following:

	2012	2011
Furniture, fixtures and equipment	$ 32,483	$ 32,483
Less accumulated depreciation	32,483	32,483
	$ -	$ -

NOTE 5 CONTRIBUTIONS

Public support includes the following contributions, legacies and bequests received at National from Ohio Valley Chapter sources for the years ended September 30:

	2012	2011
General contributions	$ 25,734	$ 49,314
Research contributions	15,959	-
	$ 41,693	$ 49,314

NOTE 6 LEASES

Office rent expense for the years ended September 30, 2012 and 2011 was approximately $107,000 and $100,000, respectively. The future minimum annual rental commitments under noncancellable lease agreements at September 30, 2012 are as follows:

2013	$ 101,663

NOTE 7 PENSION PLAN

The Chapter participates in the Society's noncontributory Defined Contribution Retirement Plan, which covers substantially all of the Chapter's employees, based on defined eligibility for covered employees. Temporary employees and independent contractors are not eligible. Employees become eligible on the first day of the first month after beginning employment and all covered employees receive a contribution on September 30 each year. Employees are fully vested at the end of five years. The contribution rate for the year ended September 30, 2012, as determined by the Society's President & Chief Executive Officer was 3% of gross annual salary. The pension expense incurred by the Chapter related to this plan for the years ended September 30, 2012 and 2011 was $17,475 and $4,053, respectively

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

As of September 30, 2012 and 2011, temporarily restricted net assets are amounts restricted due to donor-imposed purpose restrictions for programs in the amount of $5,334 and $24,110, respectively. The remaining balance of temporarily restricted net assets, $4,232 and $14,346 as of September 30, 2012 and 2011, respectively, will expire by the passage of time.

NOTE 9 CONTRIBUTIONS RESTRICTED FOR LOCAL USE

During the fiscal year ended September 30, 2012, the Chapter received contributions of $1,540 that were restricted by the donors to be used solely for local chapter services and sponsorship for special events. These restricted contributions were tested as part of our independent audit procedures and were in compliance with the restricted gift policy of the National Multiple Sclerosis Society.

NOTE 10 FAIR VALUE MEASUREMENTS

The Chapter adopted the provisions of ASC Section 820-10 (formerly known as FASB Statement of Financial Accounting Standards No. 157), Fair Value Measurements ("FAS 157") effective October 1, 2008. FAS 157 establishes a fair value hierarchy for the inputs used to measure fair value based on the nature of the data input, which generally range from quoted prices for identical instruments in a principal trading market (Level 1) to estimates determined using related market data (Level 3). Multiple inputs may be used to measure fair value; however, the level of fair value of each financial asset or liability presented below is based on the lower significant input level within this fair value hierarchy.

The following table provides the fair value hierarchy of the Chapter's financial assets as of September 30, 2012 and 2011:

LEVEL 1
Investments in certificates of deposits at September 30, 2012 and 2011 of $-0- and $76,374, respectively, are valued at cost basis plus accrued interest, which approximates fair value (Level 1).

Details on the methods and assumptions used to determine the fair values of the financial assets are as follows:

Fair value measurements based on Level 1 *inputs:* Measurements that are most observable are based on quoted prices of identical instruments obtained from the principal markets in which they are traded. Closing prices are both readily available and representative of fair value. Market transactions occur with sufficient frequency and volume to ensure liquidity.

NOTE 10 FAIR VALUE MEASUREMENTS (Continued)

Fair value measurements based on Level 2 inputs: Measurements derived indirectly from observable inputs or from quoted prices from markets that are less liquid are considered Level 2.

Measurements may consider inputs that other market participants would use in valuing a portfolio, quoted market prices for similar securities, interest rates, credit risks, and others.

Fair value measurements based on Level 3 inputs: Measurements that are least observable are estimated from related market data, determined from sources with little or no market activity for comparable contracts, or are positions with longer durations.

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

NOTE 11 GIFT ANNUITY

The Society is the beneficiary in a number of split-interest agreements with donors, whereby National Headquarters controls and invests the donated assets and shares with the donor or the donor's designee income generated from these assets until such time as stated in the agreement (usually upon the death of the donor or the donor's designee). In prior years through the year ended September 30, 2011, the residual assets under these agreements were shared between the chapter designated by the donor and National Headquarters, generally at 60% for the chapter and 40% for National Headquarters, unless otherwise designated by the donor.

Effective fiscal year 2012, the Chapter Relations Committee (CRC) of the Board of Directors of the Society adopted a new policy which allocates 100% of the residual assets to the chapter in a split-interest agreement where a chapter is designated as a beneficiary by the donor. The CRC also applied the policy to all such agreements entered into as of September 30, 2011, resulting in the reallocation, during fiscal year 2012, to the chapters of the portion of contributions previously credited to National Headquarters as of that date. National Headquarters continues to hold, manage, invest and control the donated assets.

The contributions allocated to the Chapter under split-interest agreements for the years ended September 30, 2012 and September 30, 2011 were $18,578 and $14,346, respectively.

NOTE 12 CONTINGENCIES

In the opinion of management, there are no pending legal actions for which the ultimate liability will have a material effect on the net assets of the Organization.

SUPPLEMENTAL INFORMATION

BARNES DENNIG
Accounting • Tax • Business Insight

Independent Auditors' Report on Supplemental Information

Board of Trustees
National Multiple Sclerosis Society,
Ohio Valley Chapter

We have audited the financial statements of National Multiple Sclerosis Society, Ohio Valley Chapter (a non-profit organization) as of and for the year ended September 30, 2012, and have issued our report thereon dated December 20 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 basic financial statements as a whole.

Barnes, Dennig & Co., Ltd.

December 20, 2012

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www.barnesdennig.com Member, PKF International

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Schedule of Income From Special Events and New Campaigns
Year Ended September 30, 2012

Event	Sponsorship Cash	Sponsorship Inkind	Other Restricted Income	Total Spon. & Other Restr.	Campaign Income	Total	Benefit to Donor Costs	Other Direct Costs	Total Costs Less Total Sponsorship
Walk MS	$ 91,867	$ 25,950	$ 553	$ 118,370	$ 530,465	$ 648,835	$ 51,456	$ 30,506	$ (35,855)
Bike MS	51,250	25,859	-	77,109	599,226	676,335	92,349	33,256	48,496
Muckruckus	10,000	5,000	-	15,000	102,258	117,258	183,079	237,560	405,639
Dinner of Champions	-	-	-	-	46,835	46,835	17,576	3,466	21,042
Women on the MOVE	9,000	-	-	9,000	36,866	45,866	13,422	3,484	7,906
Other Leadership Events									
Leadership Event - Class	-	-	-	-	36,535	36,535	4,576	7,123	11,699
Total Other Leadership Events	-	-	-	-	36,535	36,535	4,576	7,123	11,699
Other Special Events (List):									
Marathon Strides	-	-	-	-	275	275	-	-	-
Total Other Special Events	-	-	-	-	275	275	-	-	-
Total	$ 162,117	$ 56,809	$ 553	$ 219,479	$ 1,352,460	$ 1,571,939	$ 362,458	$ 315,395	$ 458,927

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Schedule of Amount Due National MS Society
Year Ended September 30, 2012

REMITTANCE:	
Total FY2012 National Program Expense per Annual Remittance Invoice	$ 556,427
Add:	
Research Honor roll contributed from chapter reserves	-
Research Honor roll contributed from specific gifts	-
Fast Forward Honor roll contributed from chapter reserves	-
Fast Forward Honor roll contributed from specific gifts	-
Restricted to Home Office other than Research received at the chapter	-
Total National Program Expense	556,427
Chapter Payments:	
Oct. 2011 thru Sept. 2012	511,627
Less Payments for FY11 (including honor roll of $_____)	-
Less Payments for FY10 and prior years	-
Total Paid for FY 2012	511,627
Credits:	
Direct Mail Received At National in FY 2012 (current fiscal year):	39,535
Total Credits	39,535
Total Payments Credits and Adnustments	551,162
Balance Due National or (Chapter) for FY 2012	5,265
Remittance Indebtedness:	
Remittance Balance Due National or (Chapter) as of 9/30/11 (previous yr)	-
Less Payments for F11 in current year	-
Less Payments for FY10 and prior years during current year	-
Less Other reduction to Past Debt by National (e.g, move to Memo Debt)	-
Adjusted Balance Due National or (Chapter) for prior years	-
Total REMITTANCE Balance Due National (Chapter) at 9/30/2012	5,265
Current	5,265
Long-term	-
OTHER PAYABLES TO NATIONAL:	
Other (List and describe individually):	
Bike Subscriptions	246
Convio Fees	182
Health Insurance	-
Benefits	973
IRC	-
TOTAL OTHER PAYABLES TO NATIONAL:	1,400
IN ADDITION - AMOUNTS PAYABLE TO/FROM OTHER CHAPTERS (PLEASE LIST):	
Buckeye Chapter (CHC)	(383)
NWO Chapter (CHC)	(384)
Buckeye Chapter (Salary reimb)	(5,000)
Total due to (from) other Chapters at September 30, 2012	$ (5,767)

NATIONAL MULTIPLE SCLEROSIS SOCIETY
OHIO VALLEY CHAPTER

Schedule of Memberships and Contributions
Year Ended September 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Amount of In-kind included in Total
Individual Contributions					
General Gifts	$ 25,578	$ 7,297	$ -	$ 32,875	$ -
Major Gifts	62,560	1,750	-	64,310	-
Tributes & Memorials	22,637	-	-	22,637	-
Workplace Giving	31,683	-	-	31,683	-
Total Individual Contributions	142,458	9,047	-	151,505	-
Corporate Contributions					
Corporate Gifts	7,712	-	-	7,712	5,370
Matching Gifts	2,042	25,000	-	27,042	-
Total Corporate contributions	9,754	25,000	-	34,754	5,370
Foundation gifts & grants	4,920	38,040	-	42,960	-
Other Campaign Income:					
Community (Third Party) Event Income	41,543	-	-	41,543	-
Total Other contributions	41,543	-	-	41,543	-
Grand Total Memberships & Contributions	$ 198,675	$ 72,087	$ -	$ 270,762	$ 5,370