

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

AUDITED FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION AS REQUIRED
BY PENNSYLVANIA DEPARTMENT OF
HEALTH CONTRACT NO. 4100088757
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2020

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of Epilepsy Association of Western and Central PA

I have audited the accompanying financial statements of Epilepsy Association of Western and Central PA, (a nonprofit organization), formerly Epilepsy Foundation of Western Pennsylvania, which comprise the balance sheet as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Epilepsy Association of Western and Central PA as of June 30, 2021, 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 Summarized Comparative Information

I have previously audited the Epilepsy Association of Western and Central PA's 2020 financial statements, and my report dated February 5, 2021, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Required Reporting

In accordance with Government Auditing Standards, I have also issued my report dated November 22, 2021, on my consideration of Epilepsy Association of Western and Central PA's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Epilepsy Association of Western and Central PA's internal control over financial reporting and compliance.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Epilepsy Association of Western and Central PA taken as a whole. The accompanying schedule of budgeted and actual costs - Pa. Department of Health Contract No. 4100088757 and other additional information are presented for purposes of additional analysis and are not a required part of the basic 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


Certified Public Accountant

November 22, 2021
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

BALANCE SHEET

JUNE 30, 2021

WITH COMPARATIVE TOTALS FOR JUNE 30, 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 622,713	\$ 388,537
Investments (Note 6)	4,041,066	3,377,517
Grants Receivable (Note 4)	60,499	76,627
Accounts Receivable - Other	10,056	27,163
Prepaid Expenses - Special Events	3,381	3,113
Prepaid Expenses - Other	36,909	32,904
	<hr/>	<hr/>
<u>Total Current Assets</u>	<u>\$ 4,774,624</u>	<u>\$ 3,905,861</u>
Assets Restricted as Endowment	2,324,763	1,845,176
Land, Building and Equipment - At Cost		
<u>Less: Accumulated Depreciation of</u>		
\$251,215 and \$245,676 (Note 2)	14,917	19,266
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 7,114,304</u>	<u>\$ 5,770,303</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 49,787	\$ 40,369
Deferred Special Event Revenue	22,113	11,208
Deferred Revenue - Other (Note 11)	310,415	162,600
	<hr/>	<hr/>
<u>Total Current Liabilities</u>	<u>\$ 382,315</u>	<u>\$ 214,177</u>
 <u>Net Assets</u>		
Without Donor Restrictions:		
Operating	3,957,782	3,296,290
Fixed Assets	14,917	19,266
	<hr/>	<hr/>
<u>Total Without Donor Restrictions</u>	<u>\$ 3,972,699</u>	<u>\$ 3,315,556</u>
 With Donor Restrictions:		
Purpose Restrictions	434,527	395,394
Perpetual in Nature	2,324,763	1,845,176
(Per Analysis in Supplemental Section)		
	<hr/>	<hr/>
<u>Total With Donor Restrictions</u>	<u>\$ 2,759,290</u>	<u>\$ 2,240,570</u>
 <u>Total Net Assets</u>		
	<hr/>	<hr/>
<u>Total Net Assets</u>	<u>\$ 6,731,989</u>	<u>\$ 5,556,126</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>		
	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 7,114,304</u>	<u>\$ 5,770,303</u>

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

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	<u>WITHOUT DONOR</u>	<u>WITH DONOR</u>	<u>TOTALS</u>	
	<u>RESTRICTIONS</u>	<u>RESTRICTIONS</u>	<u>6/30/21</u>	<u>6/30/20</u>
<u>PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS</u>				
<u>Public Support</u>				
Contributions	\$ 189,451	\$ 36,065	\$ 225,516	\$ 167,905
Grants from Government Agencies	343,750	-	343,750	469,467
Special Event Revenue	300,455	-	300,455	821,446
Less: Direct Costs of Special Events	(35,421)	-	(35,421)	(258,367)
Net Revenue from Special Events	265,034	-	265,034	563,079
Total Public Support	<u>\$ 798,235</u>	<u>\$ 36,065</u>	<u>\$ 834,300</u>	<u>\$ 1,200,451</u>
Revenue				
Program and Activity Fees	180	-	180	170
Investment Income	73,576	52,018	125,594	149,363
Realized and Unrealized Gain (Loss) on Investments, Net of Fees	730,740	486,803	1,217,543	(145,164)
Total Revenue	<u>\$ 804,496</u>	<u>\$ 538,821</u>	<u>\$ 1,343,317</u>	<u>\$ 4,369</u>
Net Assets Released from Restrictions and Transfers	56,166	(56,166)	-	-
<u>TOTAL PUBLIC SUPPORT AND REVENUE</u>	<u>\$ 1,658,897</u>	<u>\$ 518,720</u>	<u>\$ 2,177,617</u>	<u>\$ 1,204,820</u>
<u>EXPENSES</u>				
<u>Program Services</u>				
Public Health Education	166,587	-	166,587	226,687
Professional Education and Training	117,947	-	117,947	170,017
Community Services	284,536	-	284,536	407,541
Patient Services	264,860	-	264,860	405,342
Total Program Services	<u>\$ 833,930</u>	<u>\$ -</u>	<u>\$ 833,930</u>	<u>\$ 1,209,587</u>
<u>Supporting Services</u>				
Management and General Fundraising	46,620	-	46,620	49,269
	121,204	-	121,204	147,803
Total Supporting Services	<u>\$ 167,824</u>	<u>\$ -</u>	<u>\$ 167,824</u>	<u>\$ 197,072</u>
<u>TOTAL EXPENSES</u>	<u>\$ 1,001,754</u>	<u>\$ -</u>	<u>\$ 1,001,754</u>	<u>\$ 1,406,659</u>
Change in Net Assets	\$ 657,143	\$ 518,720	\$ 1,175,863	\$ (201,839)
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>\$ 3,315,556</u>	<u>\$ 2,240,570</u>	<u>\$ 5,556,126</u>	<u>\$ 5,757,965</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 3,972,699</u>	<u>\$ 2,759,290</u>	<u>\$ 6,731,989</u>	<u>\$ 5,556,126</u>

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

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL
	Public Health Education	Professional Education & Training	Community Services	Patient Services	Sub-Total	Management and General	Fund-Raising	
Salaries	\$ 79,325	\$ 55,994	\$ 135,319	\$ 111,988	\$ 382,626	\$ 23,331	\$ 60,661	\$ 466,618
Employee Benefits	24,193	17,077	41,270	34,155	116,695	7,116	18,501	142,312
Payroll Taxes, etc.	6,972	4,921	11,893	9,843	33,629	2,051	5,332	41,012
TOTAL SALARIES AND RELATED EXPENSES	\$ 110,490	\$ 77,992	\$ 188,482	\$ 155,986	\$ 532,950	\$ 32,498	\$ 84,494	\$ 649,942
Rent	14,547	10,268	24,815	20,537	70,167	4,279	11,124	85,570
Telephone	2,159	1,524	3,684	3,048	10,415	635	1,651	12,701
Postage and Shipping	3,219	2,273	5,492	4,545	15,529	947	2,462	18,938
Insurance	2,119	1,495	3,614	2,991	10,219	623	1,620	12,462
Travel and Conferences	190	134	325	269	918	56	145	1,119
Auditing Fees	2,210	1,560	3,770	3,120	10,660	650	1,690	13,000
Accounting Fees	623	440	1,062	879	3,004	183	476	3,663
Office Supplies and Expense	3,232	2,282	5,514	4,563	15,591	951	2,472	19,014
Computer Expenses	3,019	2,131	5,149	4,262	14,561	888	2,308	17,757
Printing	1,257	888	2,145	1,775	6,065	370	962	7,397
Dues and Subscriptions	1,751	1,236	2,987	2,472	8,446	515	1,339	10,300
Consultants	11,636	8,214	19,850	16,428	56,128	3,423	8,898	68,449
Promotion	461	325	787	651	2,224	136	353	2,713
Direct Program Costs (Camp Frog, Family Conference, Education Materials, etc.)	8,091	6,068	14,160	39,803	68,122	-	-	68,122
Drug Program/Patient Care	-	-	-	1,297	1,297	-	-	1,297
Miscellaneous	641	452	1,094	905	3,092	189	490	3,771
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 165,645	\$ 117,282	\$ 282,930	\$ 263,531	\$ 829,388	\$ 46,343	\$ 120,484	\$ 996,215
Depreciation and Amortization	942	665	1,606	1,329	4,542	277	720	5,539
TOTAL EXPENSES	\$ 166,587	\$ 117,947	\$ 284,536	\$ 264,860	\$ 833,930	\$ 46,620	\$ 121,204	\$ 1,001,754
								\$ 1,401,816
								\$ 1,406,659

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

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	<u>2021</u>	<u>TOTAL</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Change in Net Assets	\$ 1,175,863		\$ (201,839)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	5,539		4,843
Unrealized (Gains) Losses on Investments	(1,034,460)		56,054
<u>(Increase) Decrease in Operating Assets:</u>			
Accounts and Grants Receivable	33,235		54,756
Prepaid Expenses	(4,273)		29,007
<u>Increase (Decrease) in Operating Liabilities:</u>			
Accounts Payable and Accrued Expenses	9,418		(67,211)
Deferred Special Event Revenue	10,905		(71,602)
Deferred Revenue - Other	147,815		162,600
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 344,042</u>		<u>\$ (33,392)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Fixed Asset Purchases	(1,190)		(16,779)
Investment Proceeds (Purchases)	370,911		147,601
Assets Restricted as Endowment	(479,587)		39,929
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (109,866)</u>		<u>\$ 170,751</u>
Net Increase (Decrease) in Cash	\$ 234,176		\$ 137,359
<u>CASH - BEGINNING OF YEAR</u>	<u>\$ 388,537</u>		<u>\$ 251,178</u>
<u>CASH - END OF YEAR</u>	<u>\$ 622,713</u>		<u>\$ 388,537</u>

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

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Background

The Epilepsy Association of Western and Central PA, formerly Epilepsy Foundation of Western Pennsylvania, was established as a nonprofit corporation in 1972. The organization is funded through public contributions, governmental and other grants. The organization distributes educational materials and renders informational services to the general public to further an understanding of Epilepsy and the acceptance of persons with Epilepsy. The organization provides a wide array of supportive services to children, adults and families affected by Epilepsy to lessen the burden of living with seizures. These services are provided directly to patients and their families through programs delivered in local communities, online, in schools and in partnership with a wide variety of medical and social services partners.

Tax-Exempt Status

Epilepsy Association of Western and Central PA is recognized as a non-profit organization, under Section 501 (c)(3) of the Internal Revenue Code.

Management is responsible for evaluating its uncertain tax positions. Management believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Revenue and Expenses

Revenue and expenses are recorded on the accrual basis of accounting. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

Equipment and Depreciation

Furniture and equipment are recorded at cost or fair market value at date of gift for donated assets. Depreciation is provided on the straight-line method over the estimated useful lives of the depreciable assets. It is the organization's policy to capitalize expenditures for furniture and equipment of \$1,000 or more.

Donated Services and Expenses

A number of volunteers have donated significant amounts of their time in the organization's administrative operations and program services. In accordance with requirements of FASB ASC 958, no amounts have been reflected in the financial statements for those services.

Additionally, the majority of EAWCP's furniture and equipment was used prior to being donated. No value has been assigned to these assets. Donations of office and special event supplies, special event gifts, prizes and printing were also received. Since the value of these items was not measured, no amounts have been reflected in these financial statements.

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Financial Statement Presentation and Contributions

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

The financial statements of the organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and its board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

Comparative Data

The financial statements include certain 2020 comparative information. With respect to the statement of activities, such prior year information is not presented by net asset class and, in the statement of functional expenses, 2020 expenses by object are presented in total rather than by functional category. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

Functional Allocation of Expenses

The costs of providing the organization's various programs and supporting services have been summarized on a functional basis. Accordingly, costs not charged directly to program services have been allocated among the programs and supporting services benefited according to estimates made by management.

Investments

The Organization accounts for investments in accordance with FASB ASC 958. Under FASB ASC 958 investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values, with gains or losses included in the Statement of Activities. Fair value for publicly traded investments is described below.

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Investments – (Continued)

FASB ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), secondary priority to significant other observable inputs (Level 2 measurements), and the lowest priority to unobservable inputs (Level 3 measurements).

2. LAND, BUILDING AND EQUIPMENT

At June 30, 2021-2020, land, building and equipment which are stated at cost, or fair market value at date of gift for donated assets, consisted of the following:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Furniture and Equipment	\$ 258,894	\$ 257,704
Improvements	7,238	7,238
	<u>\$ 266,132</u>	<u>\$ 264,942</u>
<u>Less: Accumulated Depreciation</u>	<u>251,215</u>	<u>245,676</u>
	<u>\$ 14,917</u>	<u>\$ 19,266</u>

3. RETIREMENT PLAN

Epilepsy Association of Western and Central PA has a defined contribution pension plan. Pension plan contributions are equal to 5% of gross salaries, for those employees with one (1) year or more of service.

Pension plan contributions were \$17,217 and \$34,123 for the years ended June 30, 2021 and 2020, respectively. These amounts are included under Fringe Benefits expense in the Statement of Functional Expenses.

4. GRANTS RECEIVABLE

The following were included in grants receivable as of June 30, 2021:

Pennsylvania Department of Health: Contract Number 4100088757	\$ 60,499
	<u>\$ 60,499</u>

5. CONCENTRATION OF CREDIT RISK

Epilepsy Association of Western and Central PA maintains bank accounts at local banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times cash at these institutions may exceed federally insured limits. The amount in excess of the FDIC limit at June 30, 2021 and 2020 were \$372,713 and \$138,537 respectively.

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

NOTES TO FINANCIAL STATEMENTS

6. INVESTMENTS

Investments in equity securities with readily determinable fair values are carried at fair value. Fair value is based on Level 1 inputs as described in Note 1. Cost and fair value of investments at June 30, 2021 and 2020 were as follows:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Various Mutual Funds	\$ 5,171,721	\$ 6,365,829	\$ 5,099,362	\$ 5,222,693
<u>Total</u>	<u>\$ 5,171,721</u>	<u>\$ 6,365,829</u>	<u>\$ 5,099,362</u>	<u>\$ 5,222,693</u>

Investment return is summarized as follows:

Interest and Dividends	\$ 125,594
Realized and Unrealized Gain (Loss) on Investments	1,217,543
	<u>\$ 1,343,137</u>

7. OPERATING LEASES

The Agency is committed to operating leases of its office space and office equipment. The approximate future minimum lease payments of these operating leases are as follows:

<u>June 30,</u>	
2022	\$ 91,162
2023	92,901
2024	82,643
2025	5,329
<u>Total</u>	<u>\$ 272,035</u>

Rent expense consisted of \$99,010 and \$97,907 for the years ended June 30, 2021 and 2020.

8. AVAILABILITY AND LIQUIDITY

The organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. As of June 30, 2021, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2021	2020
Cash and Cash Equivalents	\$ 622,713	\$ 388,537
Investments	4,041,066	3,377,517
Grants and Accounts Receivable	70,555	103,790
Total Financial Assets	4,734,334	3,869,844
Less: Amounts not available to be used within one year:		
Net Assets with Donor Restrictions	(434,527)	(395,394)
	<u>\$ 4,299,807</u>	<u>\$ 3,474,450</u>

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

NOTES TO FINANCIAL STATEMENTS

9. ENDOWMENT DISCLOSURE

As described on the supplemental schedules, the organization received endowment contributions which are perpetual in nature. The investment income which is generated from these perpetually restricted net assets will be used to provide financial assistance to children who attend the Epilepsy Association of Western and Central PA Summer Camp Program, and also to families and individuals who are acquiring Seizure Response Dogs. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions. Furthermore, the organization has policies and guidelines for these endowment funds.

10. NET ASSETS WITH DONOR RESTRICTIONS

Included in the cash and investment balances at June 30, 2021 is \$434,527, which is restricted by donors for future use as detailed in the supplementary information.

11. CONTINGENCIES

In December of 2019, a new strain of the coronavirus (COVID-19) spread through China as well as other countries including the United States. The impact of the virus varies from region to region and from day to day, and any significant additional spreading of the virus could adversely affect the organization's operations. The outbreak of the COVID-19 virus is likely to have a further negative impact in 2021 and 2022 on the global and local economy and, in the future, might impact the organization's financial results for fiscal year 2021-2022 and beyond. Given the dynamic nature of this outbreak, however, the extent to which the COVID-19 virus impacts the organization's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time.

Additionally, as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was enacted on March 27, 2020 by Congress, on April 24, 2020 the Epilepsy Association of Western and Central PA received a \$162,600 forgivable loan from the Paycheck Protection Program (PPP). Additionally, on March 26, 2021 a second PPP forgivable loan for \$147,815 was received. These loans were formally forgiven in September 2021. These funds are included in Deferred Revenue - Other on the Balance Sheet at June 30, 2021 and 2020, respectively and will be recognized as revenue in the fiscal year ended June 30, 2022.

12. SUBSEQUENT EVENTS

Subsequent events were evaluated through November 22, 2021, which is the date financial statements were available to be issued.

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

The Board of Directors of
Epilepsy Association of Western and Central PA

I have audited the financial statements of Epilepsy Association of Western and Central PA as of and for the year ended June 30, 2021, and have issued my report thereon dated November 22, 2021, which contained an unmodified opinion on those financial statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for the 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


Certified Public Accountant

November 22, 2021
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS - PURPOSE RESTRICTIONS

FOR THE YEAR ENDED JUNE 30, 2021

	Principal Balance 7/1/20	Reduction of Principal 6/30/21	Addition to Principal 6/30/21	Principal Balance 6/30/21	Disposition of Principal 6/30/21	Original Source and/or Addition to Principal 6/30/21	Restriction to use of Principal 6/30/21	By Whom Restricted
Camp Frog 2022	\$ 33,111	\$ -	\$ 13,407	\$ 46,518	-	13,407 - Transfer from Net Assets With Donor Restrictions - Perpetual	Camp Scholarships	Donor
Epilepsy Patient Education Programs	28,500	28,500	-	-	28,500 - Transfer to Net Assets Without Restrictions	-	To Support Epilepsy Education and Employment Programs	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	228,848	9,893	70,327	289,282	9,893 - Transfer to Net Assets Without Restrictions	24,500 - Zupancic Family 45,827 - Transfer from Net Assets With Donor Restrictions - Perpetual	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
Emma's Gift	14,171	17,750	10,020	6,441	17,750 - Transfer to Net Assets Without Restrictions	10,000 - Pittsburgh Foundation 20 - Various Contributions	To Purchase In-Home Monitoring Devices for Epilepsy Patients	Donor
Zonne Fund	90,764	23	1,545	92,286	23 - Transfer to Net Assets Without Restrictions	1,545 - Various Contributions & Event Revenue	To Provide Assistance to Epilepsy Patients and Families	Donor
TOTAL	\$ 395,394	\$ 56,166	\$ 95,299	\$ 434,527				

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS - PERPETUAL IN NATURE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Principal Balance 7/1/20</u>	<u>Reduction of Principal 6/30/21</u>	<u>Addition to Principal 6/30/21</u>	<u>Principal Balance 6/30/21</u>	<u>Disposition of Principal 6/30/21</u>	<u>Original Source and/or Addition to Principal 6/30/21</u>	<u>Restriction to use of Principal 6/30/21</u>	<u>By Whom Restricted</u>
Steve "Froggy" Morris and G. Peter Rockwell Camp Endowment Fund	\$ 238,047	\$ 13,407	\$ 71,909	\$ 296,549	13,407 - Transfer to Net Assets With Restrictions - Purpose Restrictions	6,191 - Investment Income 65,718 - Gain on Investments	To Provide Financial Assistance to all Children Who Attend EFWP Summer Camp Program	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	\$ 1,607,129	\$ 45,827	\$ 466,912	\$ 2,028,214	45,827 - Transfer to Net Assets With Restrictions - Purpose Restrictions	45,827 - Investment Income 421,085 - Gain on Investments	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
<u>TOTAL</u>	<u>\$ 1,845,176</u>	<u>\$ 59,234</u>	<u>\$ 538,821</u>	<u>\$ 2,324,763</u>				

SUPPLEMENTAL INFORMATION
AS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND THE
PENNSYLVANIA DEPARTMENT OF HEALTH

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Epilepsy Association of Western and Central PA

I have audited, in accordance with the 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, the financial statements of Epilepsy Association of Western and Central PA which comprise the statement of financial positions as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated November 22, 2021.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Epilepsy Association of Western and Central PA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Epilepsy Association of Western and Central PA's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Epilepsy Association of Western and Central PA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly this communication is not suitable to any other purpose.


Certified Public Accountant

November 22, 2021
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA
PA. DEPARTMENT OF HEALTH CONTRACT NO. 4100088757

SCHEDULE OF BUDGETED AND ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Cost Category</u>	<u>Budgeted Costs</u>	<u>Actual Costs (1)</u>
Personnel Services		
Staff Personnel	\$ 207,347	\$ 207,347
Fringe Benefits	51,837	51,837
Consultants and Contract Services	15,840	14,046
Supplies	2,426	1,319
Travel	-	-
Other Costs	66,300	69,201
<u>Totals</u>	<u>\$ 343,750</u>	<u>\$ 343,750</u>

(1) Actual line item costs are permitted to be 20% over or under the total contract without having to request a budget revision.

See Accompanying Notes

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA
SUPPLEMENTAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

CURRENT YEAR: NONE

PRIOR YEAR: NONE