

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

AUDITED FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION AS REQUIRED
BY PENNSYLVANIA DEPARTMENT OF
HEALTH CONTRACT NO. 4100094335
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2022

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying financial statements of Epilepsy Association of Western and Central PA (a nonprofit organization), which comprise the balance sheet as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Epilepsy Association of Western and Central PA and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Epilepsy Association of Western and Central PA ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Epilepsy Association of Western and Central PA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Epilepsy Association of Western and Central PA's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Report on Summarized Comparative Information

I have previously audited the Epilepsy Association of Western and Central PA's 2022 financial statements, and my report dated November 28, 2022, 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, 2022 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 December 14, 2023, 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. 4100094335 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

December 14, 2023
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

BALANCE SHEET

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 287,159	\$ 420,083
Investments (Note 6)	3,930,559	3,579,543
Grants Receivable (Note 4)	147,029	136,861
Accounts Receivable - Other	15,057	10,479
Prepaid Expenses - Special Events	22,166	1,692
Prepaid Expenses - Other	34,468	28,241
<u>Total Current Assets</u>	<u>\$ 4,436,438</u>	<u>\$ 4,176,899</u>
Assets Restricted as Endowment	1,990,405	1,841,447
Land, Building and Equipment - At Cost		
<u>Less: Accumulated Depreciation of</u>		
\$264,194 and \$256,392 (Note 2)	35,824	12,585
Right-of-Use Lease Assets (Note 7)	117,485	-
<u>TOTAL ASSETS</u>	<u>\$ 6,580,152</u>	<u>\$ 6,030,931</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 82,213	\$ 95,629
Lease Liabilities (Note 7)	92,033	-
Deferred Special Event Revenue	99,434	18,793
<u>Total Current Liabilities</u>	<u>\$ 273,680</u>	<u>\$ 114,422</u>
Long-Term Lease Liabilities	25,452	-
<u>Total Liabilities</u>	<u>\$ 299,132</u>	<u>\$ 114,422</u>
<u>Net Assets</u>		
Without Donor Restrictions:		
Operating	3,687,863	3,556,588
Fixed Assets	35,824	12,585
<u>Total Without Donor Restrictions</u>	<u>\$ 3,723,687</u>	<u>\$ 3,569,173</u>
With Donor Restrictions:		
Purpose Restrictions	566,928	505,889
Perpetual in Nature	1,990,405	1,841,447
(Per Analysis in Supplemental Section)		
<u>Total With Donor Restrictions</u>	<u>\$ 2,557,333</u>	<u>\$ 2,347,336</u>
<u>Total Net Assets</u>	<u>\$ 6,281,020</u>	<u>\$ 5,916,509</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 6,580,152</u>	<u>\$ 6,030,931</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, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>6/30/23</u>	<u>TOTALS</u>	<u>6/30/22</u>
<u>Public Support</u>					
Contributions	\$ 126,271	\$ 30,270	\$ 156,541	\$	165,855
Grants from Government Agencies	638,929	-	638,929		534,628
Government Grants - CARES ACT	-	-	-		310,415
Special Event Revenue	415,282	-	415,282		474,226
Less: Direct Costs of Special Events	(159,188)	-	(159,188)		(176,466)
Net Revenue from Special Events	256,094	-	256,094		297,760
<u>Total Public Support</u>	<u>\$ 1,021,294</u>	<u>\$ 30,270</u>	<u>\$ 1,051,564</u>	<u>\$</u>	<u>1,308,658</u>

Revenue

Program and Activity Fees	905	-	905		-
Investment Income	92,460	72,574	165,034		175,375
Realized and Unrealized Gain (Loss) on Investments, Net of Fees	184,527	140,412	324,939		(1,120,215)

Total Revenue

	\$ 277,892	\$ 212,986	\$ 490,878	\$	(944,840)
Net Assets Released from Restrictions and Transfers	33,259	(33,259)	-		-
<u>TOTAL PUBLIC SUPPORT AND REVENUE</u>	<u>\$ 1,332,445</u>	<u>\$ 209,997</u>	<u>\$ 1,542,442</u>	<u>\$</u>	<u>363,818</u>

EXPENSES

<u>Program Services</u>					
Public Health Education	143,098	-	143,098		155,356
Professional Education and Training	123,046	-	123,046		116,517
Community Services	330,109	-	330,109		346,154
Patient Services	401,726	-	401,726		377,893
<u>Total Program Services</u>	<u>\$ 997,979</u>	<u>\$ -</u>	<u>\$ 997,979</u>	<u>\$</u>	<u>995,920</u>

Supporting Services

Management and General	51,415	-	51,415		45,845
Fundraising	128,537	-	128,537		137,533
<u>Total Supporting Services</u>	<u>\$ 179,952</u>	<u>\$ -</u>	<u>\$ 179,952</u>	<u>\$</u>	<u>183,378</u>
<u>TOTAL EXPENSES</u>	<u>\$ 1,177,931</u>	<u>\$ -</u>	<u>\$ 1,177,931</u>	<u>\$</u>	<u>1,179,298</u>

Change in Net Assets

	\$ 154,514	\$ 209,997	\$ 364,511	\$	(815,480)
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NET ASSETS - BEGINNING OF YEAR

	\$ 3,569,173	\$ 2,347,336	\$ 5,916,509	\$	6,731,989
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NET ASSETS - END OF YEAR

	\$ 3,723,687	\$ 2,557,333	\$ 6,281,020	\$	5,916,509
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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, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL
	Public Health Education	Professional Education & Training	Community Services	Patient Services	Sub-Total	Management and General	Fund-Raising	
Salaries	\$ 58,373	\$ 50,590	\$ 93,396	\$ 105,071	\$ 307,430	\$ 23,349	\$ 58,372	\$ 389,151
Employee Benefits	20,532	17,795	32,852	36,958	108,137	8,213	20,532	136,882
Payroll Taxes, etc.	5,601	4,854	8,962	10,082	29,499	2,241	5,601	37,341
TOTAL SALARIES AND RELATED EXPENSES	\$ 84,506	\$ 73,239	\$ 135,210	\$ 152,111	\$ 445,066	\$ 33,803	\$ 84,505	\$ 563,374
Rent	13,727	11,897	21,963	24,708	72,295	5,491	13,726	91,512
Telephone	1,064	922	1,703	1,916	5,605	426	1,065	7,096
Postage and Shipping	1,529	1,325	2,447	2,753	8,054	612	1,529	10,195
Insurance	1,726	1,496	2,762	3,107	9,091	690	1,727	11,508
Travel and Conferences	3,501	3,034	5,602	6,302	18,439	1,400	3,501	23,340
Auditing Fees	2,145	1,859	3,432	3,861	11,297	858	2,145	14,300
Accounting Fees	330	286	528	594	1,738	132	331	2,201
Office Supplies and Expense	3,708	3,213	5,932	6,674	19,527	1,483	3,708	24,721
Computer Expenses	2,687	2,329	4,300	4,837	14,153	1,075	2,688	17,916
Printing	2,592	2,246	4,147	4,666	13,651	1,037	2,592	17,280
Dues and Subscriptions	1,218	1,055	1,948	2,192	6,413	487	1,218	8,118
Consultants	7,658	6,637	12,252	13,784	40,331	3,063	7,658	51,052
Promotion	430	373	688	774	2,265	172	430	2,867
Direct Program Costs (Camp Frog, Family Conference, Education Materials, etc.)	14,561	11,649	124,452	160,624	311,286	-	-	311,286
Drug Program/Patient Care	-	-	-	9,736	9,736	-	-	9,736
Miscellaneous	545	472	871	980	2,868	218	544	3,630
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 141,927	\$ 122,032	\$ 328,237	\$ 399,619	\$ 991,815	\$ 50,947	\$ 127,367	\$ 1,170,129
Depreciation and Amortization	1,171	1,014	1,872	2,107	6,164	468	1,170	7,802
TOTAL EXPENSES	\$ 143,098	\$ 123,046	\$ 330,109	\$ 401,726	\$ 997,979	\$ 51,415	\$ 128,537	\$ 1,177,931

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, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	<u>TOTAL</u>	
	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 364,511	\$ (815,480)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	7,802	5,177
Unrealized (Gains) Losses on Investments	(385,580)	1,155,496
<u>(Increase) Decrease in Operating Assets:</u>		
Accounts and Grants Receivable	(14,746)	(76,785)
Prepaid Expenses	(26,701)	10,357
<u>Increase (Decrease) in Operating Liabilities:</u>		
Accounts Payable and Accrued Expenses	(13,416)	45,842
Deferred Special Event Revenue	80,641	(3,320)
Deferred Revenue - Other	-	(310,415)
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 12,511</u>	<u>\$ 10,872</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed Asset Purchases	(31,041)	(2,845)
Investment Proceeds (Purchases)	34,564	(693,973)
Assets Restricted as Endowment	(148,958)	483,316
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (145,435)</u>	<u>\$ (213,502)</u>
Net Increase (Decrease) in Cash	\$ (132,924)	\$ (202,630)
<u>CASH - BEGINNING OF YEAR</u>	<u>\$ 420,083</u>	<u>\$ 622,713</u>
<u>CASH - END OF YEAR</u>	<u>\$ 287,159</u>	<u>\$ 420,083</u>
 <u>SUPPLEMENTAL DISCLOSURES</u>		
Non-Cash Financing Activities:		
Right-of-Use assets obtained from operating lease liabilities upon adoption of new lease standard	<u>\$ 206,329</u>	<u>\$ -</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

Contributions of tangible assets are recognized at fair value when received. Contributed services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

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.

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

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 2022 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, 2022 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, 2022 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.

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).

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases," which requires entities to recognize lease assets and lease liabilities on the balance sheet and to disclose key information about leasing arrangements. For finance leases and operating leases, a lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use (ROU) asset representing its right to use the underlying asset for the lease term with each initially measured at the present value of the lease payments. The Organization adopted this standard on July 1, 2022 and the effects on the financial statements are detailed in Note 7 below.

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958), related to Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU requires new presentation and enhanced disclosure on contributed nonfinancial assets. The Organization adopted ASU 2020-07 on its financial statements in the current year with no significant impact.

2. LAND, BUILDING AND EQUIPMENT

At June 30, 2023-2022, 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>6/30/2023</u>	<u>6/30/2022</u>
Furniture and Equipment	\$ 292,780	\$ 261,739
Improvements	7,238	7,238
	<u>\$ 300,018</u>	<u>\$ 268,977</u>
<u>Less: Accumulated Depreciation</u>	264,194	256,392
	<u>\$ 35,824</u>	<u>\$ 12,585</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 \$19,164 and \$24,810 for the years ended June 30, 2023 and 2022, 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, 2023:

Pennsylvania Department of Health: Contract Number 4100094335	\$ 102,808
Department of Health and Human Services: Centers for Disease Control and Prevention	44,221
	<u>\$ 147,029</u>

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

NOTES TO FINANCIAL STATEMENTS

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, 2023 and 2022 were \$37,159 and \$170,083 respectively.

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, 2023 and 2022 were as follows:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Various Mutual Funds	\$ 5,427,624	\$ 5,920,964	\$ 5,347,763	\$ 5,420,990
<u>Total</u>	<u>\$ 5,427,624</u>	<u>\$ 5,920,964</u>	<u>\$ 5,347,763</u>	<u>\$ 5,420,990</u>

Investment return is summarized as follows:

Interest and Dividends	\$ 165,034
Realized and Unrealized Gain (Loss) on Investments	324,939
	<u>\$ 489,973</u>

7. LEASES AND CHANGE IN ACCOUNTING PRINCIPLE

The organization adopted Topic 842 on July 1, 2022 (the effective date), using the comparatives under ASC 840 transition method, which applies Topic 842 at the beginning of the period in which it is adopted. The organization elected the package of transition expedients available for which allowed it to carry forward its historical assessments of (1) whether contracts are or contain leases, (2) lease classification and (3) initial direct costs. The organization also elected not to apply the recognition requirements to lease arrangements that have terms of twelve months or less. As a result of implementing ASU No. 2016-02, the organization recognized right of use (ROU) assets of \$206,329 and lease liabilities of \$206,329 for operating leases in its balance sheet as of July 2, 2022 which were calculated based on the present value of future lease payments over the lease terms. The organization has made an accounting policy election to use a risk-free rate to discount the future lease payments. The weighted-average lease term is 1.31 years and the weighted-average discount rate applied to calculate lease liabilities was 2.84%. The adoption did not have a material impact on the statement of activities or statement of cash flows.

The organization's operating leases are for its office space and office equipment. The approximate future maturities of lease liabilities of these operating leases are as follows:

<u>June 30,</u>	
2024	\$ 92,033
2025	25,452
<u>Total</u>	<u>\$ 117,485</u>

Operating lease costs totaled of \$103,500 and \$97,738 for the years ended June 30, 2023 and 2022.

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

NOTES TO FINANCIAL STATEMENTS

8. AVAILABILITY AND LIQUIDITY

The organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. As of June 30, 2023, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 287,159	\$ 420,083
Investments	3,930,559	3,579,543
Grants and Accounts Receivable	162,086	147,340
Total Financial Assets	<u>4,379,804</u>	<u>4,146,966</u>
Less: Amounts not available to be used within one year:		
Net Assets with Donor Restrictions	(566,928)	(505,889)
	<u>\$ 3,812,876</u>	<u>\$ 3,641,077</u>

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, 2023 is \$566,928, which is restricted by donors for future use as detailed in the supplementary information.

11. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 14, 2023, 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, 2023, and have issued my report thereon dated December 14, 2023, 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

December 14, 2023
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS - PURPOSE RESTRICTIONS
FOR THE YEAR ENDED JUNE 30, 2023

	Principal Balance 7/1/22	Reduction of Principal 6/30/23	Addition to Principal 6/30/23	Principal Balance 6/30/23	Disposition of Principal 6/30/23	Original Source and/or Addition to Principal 6/30/23	Restriction to use of Principal 6/30/23	By Whom Restricted
Camp Frog 2022	\$ 59,848	\$ -	\$ 13,328	\$ 73,176	-	13,328 - Transfer from Net Assets With Donor Restrictions - Perpetual	Camp Scholarships	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	358,769	18,750	60,700	400,719	18,750 - Transfer to Net Assets Without Restrictions	60,700 - 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	1,057	12,841	20,000	8,216	12,841 - Transfer to Net Assets Without Restrictions	20,000 - Pittsburgh Foundation	To Purchase In-Home Monitoring Devices for Epilepsy Patients	Donor
Zonne Fund	86,215	1,668	270	84,817	1,669 - Transfer to Net Assets Without Restrictions	270 - Various Contributions & Event Revenue	To Provide Assistance to Epilepsy Patients and Families	Donor
TOTAL	<u>\$ 505,889</u>	<u>\$ 33,259</u>	<u>\$ 94,298</u>	<u>\$ 566,928</u>				

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS - PERPETUAL IN NATURE
FOR THE YEAR ENDED JUNE 30, 2023

	Principal Balance 7/1/22	Reduction of Principal 6/30/23	Addition to Principal 6/30/23	Principal Balance 6/30/23	Disposition of Principal 6/30/23	Original Source and/or Addition to Principal 6/30/23	Restriction to use of Principal 6/30/23	By Whom Restricted
Steve "Froggy" Morris and G. Peter Rockwell Camp Endowment Fund	\$ 233,946	\$ 13,328	\$ 29,068	\$ 249,686	13,328 - Transfer to Net Assets With Restrictions - Purpose Restrictions	11,874 - Investment Income 17,194 - 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	\$ 1,607,501	\$ 60,700	\$ 193,918	\$ 1,740,719	60,700 - Transfer to Net Assets With Restrictions - Purpose Restrictions	10,000 - Zupancic Family 60,700 - Investment Income 123,218 - Gain on Investments	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
TOTAL	<u>\$ 1,841,447</u>	<u>\$ 74,028</u>	<u>\$ 222,986</u>	<u>\$ 1,990,405</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, 2023, 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 December 14, 2023.

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

December 14, 2023
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

PA. DEPARTMENT OF HEALTH CONTRACT NO. 4100094335

SCHEDULE OF BUDGETED AND ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Cost Category</u>	<u>Budgeted Costs</u>	<u>Actual Costs (1)</u>
Personnel Services		
Staff Personnel	\$ 211,364	\$ 211,364
Fringe Benefits	50,187	50,187
Consultants and Contract Services	20,932	21,132
Supplies	1,514	1,142
Travel	-	-
Other Costs	80,003	80,175
<u>Totals</u>	<u>\$ 364,000</u>	<u>\$ 364,000</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, 2023

CURRENT YEAR: NONE

PRIOR YEAR: NONE