

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, 2022  
WITH COMPARATIVE TOTALS  
FOR THE YEAR ENDED JUNE 30, 2021

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

JUNE 30, 2022

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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, 2022, 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, 2022, 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 2021 financial statements, and my report dated November 22, 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, 2021 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 28, 2022, 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 28, 2022  
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

BALANCE SHEET

JUNE 30, 2022

WITH COMPARATIVE TOTALS FOR JUNE 30, 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 420,083	\$ 622,713
Investments (Note 6)	3,579,543	4,041,066
Grants Receivable (Note 4)	136,861	60,499
Accounts Receivable - Other	10,479	10,056
Prepaid Expenses - Special Events	1,692	3,381
Prepaid Expenses - Other	28,241	36,909
	<hr/>	<hr/>
<u>Total Current Assets</u>	<u>\$ 4,176,899</u>	<u>\$ 4,774,624</u>
Assets Restricted as Endowment	1,841,447	2,324,763
Land, Building and Equipment - At Cost		
<u>Less: Accumulated Depreciation of</u> \$256,392 and \$251,215 (Note 2)	<hr/>	<hr/>
	12,585	14,917
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 6,030,931</u>	<u>\$ 7,114,304</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 95,629	\$ 49,787
Deferred Special Event Revenue	18,793	22,113
Deferred Revenue - Other (Note 11)	-	310,415
	<hr/>	<hr/>
<u>Total Current Liabilities</u>	<u>\$ 114,422</u>	<u>\$ 382,315</u>
<u>Net Assets</u>		
Without Donor Restrictions:		
Operating	3,556,588	3,957,782
Fixed Assets	12,585	14,917
	<hr/>	<hr/>
<u>Total Without Donor Restrictions</u>	<u>\$ 3,569,173</u>	<u>\$ 3,972,699</u>
With Donor Restrictions:		
Purpose Restrictions	505,889	434,527
Perpetual in Nature (Per Analysis in Supplemental Section)	1,841,447	2,324,763
	<hr/>	<hr/>
<u>Total With Donor Restrictions</u>	<u>\$ 2,347,336</u>	<u>\$ 2,759,290</u>
	<hr/>	<hr/>
<u>Total Net Assets</u>	<u>\$ 5,916,509</u>	<u>\$ 6,731,989</u>
	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 6,030,931</u>	<u>\$ 7,114,304</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, 2022  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	<u>WITHOUT DONOR</u>	<u>WITH DONOR</u>	<u>6/30/22</u>	<u>6/30/21</u>
	<u>RESTRICTIONS</u>	<u>RESTRICTIONS</u>		
			<u>TOTALS</u>	
<u>PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS</u>				
<u>Public Support</u>				
Contributions	\$ 130,235	\$ 35,620	\$ 165,855	\$ 225,516
Grants from Government Agencies	534,628	-	534,628	343,750
Government Grants - CARES ACT (Note 11)	310,415	-	310,415	-
Special Event Revenue	474,226	-	474,226	300,455
Less: Direct Costs of Special Events	(176,466)	-	(176,466)	(35,421)
Net Revenue from Special Events	297,760	-	297,760	265,034
Total Public Support	\$ 1,273,038	\$ 35,620	\$ 1,308,658	\$ 834,300
<u>Revenue</u>				
Program and Activity Fees	-	-	-	180
Investment Income	91,564	83,811	175,375	125,594
Realized and Unrealized Gain (Loss) on Investments, Net of Fees	(637,192)	(483,023)	(1,120,215)	1,217,543
Total Revenue	\$ (545,628)	\$ (399,212)	\$ (944,840)	\$ 1,343,317
Net Assets Released from Restrictions and Transfers	48,362	(48,362)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	\$ 775,772	\$ (411,954)	\$ 363,818	\$ 2,177,617
<u>EXPENSES</u>				
<u>Program Services</u>				
Public Health Education	155,356	-	155,356	166,587
Professional Education and Training	116,517	-	116,517	117,947
Community Services	346,154	-	346,154	284,536
Patient Services	377,893	-	377,893	264,860
Total Program Services	\$ 995,920	\$ -	\$ 995,920	\$ 833,930
<u>Supporting Services</u>				
Management and General	45,845	-	45,845	46,620
Fundraising	137,533	-	137,533	121,204
Total Supporting Services	\$ 183,378	\$ -	\$ 183,378	\$ 167,824
TOTAL EXPENSES	\$ 1,179,298	\$ -	\$ 1,179,298	\$ 1,001,754
Change in Net Assets	\$ (403,526)	\$ (411,954)	\$ (815,480)	\$ 1,175,863
NET ASSETS - BEGINNING OF YEAR	\$ 3,972,699	\$ 2,759,290	\$ 6,731,989	\$ 5,556,126
NET ASSETS - END OF YEAR	\$ 3,569,173	\$ 2,347,336	\$ 5,916,509	\$ 6,731,989

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, 2022  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	PROGRAM SERVICES				SUPPORTING SERVICES				TOTAL
	Public Health Education	Professional Education & Training	Community Services	Patient Services	Sub-Total	Management and General	Fund-Raising	6/30/22	
Salaries	\$ 68,290	\$ 51,217	\$ 115,239	\$ 106,703	\$ 341,449	\$ 21,340	\$ 64,021	\$ 426,810	\$ 466,618
Employee Benefits	23,897	17,922	40,326	37,339	119,484	7,468	22,403	149,355	142,312
Payroll Taxes, etc.	6,199	4,649	10,461	9,686	30,995	1,937	5,811	38,743	41,012
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>\$ 98,386</b>	<b>\$ 73,788</b>	<b>\$ 166,026</b>	<b>\$ 153,728</b>	<b>\$ 491,928</b>	<b>\$ 30,745</b>	<b>\$ 92,235</b>	<b>\$ 614,908</b>	<b>\$ 649,942</b>
Rent	13,718	10,289	23,150	21,435	68,592	4,287	12,861	85,740	85,570
Telephone	1,529	1,147	2,581	2,389	7,646	478	1,434	9,558	12,701
Postage and Shipping	4,011	3,008	6,769	6,267	20,055	1,254	3,761	25,070	18,938
Insurance	1,817	1,362	3,066	2,839	9,084	568	1,703	11,355	12,462
Travel and Conferences	2,028	1,521	3,423	3,169	10,141	634	1,902	12,677	1,119
Auditing Fees	2,208	1,656	3,726	3,450	11,040	690	2,070	13,800	13,000
Accounting Fees	466	350	787	728	2,331	146	437	2,914	3,663
Office Supplies and Expense	3,635	2,727	6,135	5,680	18,177	1,136	3,408	22,721	19,014
Computer Expenses	2,708	2,031	4,569	4,231	13,539	846	2,539	16,924	17,757
Printing	2,253	1,690	3,802	3,520	11,265	704	2,112	14,081	7,397
Dues and Subscriptions	1,648	1,236	2,781	2,575	8,240	515	1,545	10,300	10,300
Consultants	9,345	7,009	15,770	14,601	46,725	2,920	8,761	58,406	68,449
Promotion	1,444	1,063	2,436	2,256	7,219	451	1,353	9,023	2,713
Direct Program Costs (Camp Frog, Family Conference, Education Materials, etc.)	8,655	6,491	98,592	145,654	259,392	-	-	259,392	68,122
Drug Program/Patient Care	-	-	-	3,018	3,018	-	-	3,018	1,297
Miscellaneous	677	508	1,143	1,059	3,387	212	635	4,234	3,771
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ 154,528</b>	<b>\$ 115,896</b>	<b>\$ 344,756</b>	<b>\$ 376,599</b>	<b>\$ 991,779</b>	<b>\$ 45,586</b>	<b>\$ 136,756</b>	<b>\$ 1,174,121</b>	<b>\$ 996,215</b>
Depreciation and Amortization	828	621	1,398	1,294	4,141	259	777	5,177	5,539
<b>TOTAL EXPENSES</b>	<b>\$ 155,356</b>	<b>\$ 116,517</b>	<b>\$ 346,154</b>	<b>\$ 377,893</b>	<b>\$ 995,920</b>	<b>\$ 45,845</b>	<b>\$ 137,533</b>	<b>\$ 1,179,298</b>	<b>\$ 1,001,754</b>

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, 2022  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	<u>TOTAL</u>	
	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ (815,480)	\$ 1,175,863
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	5,177	5,539
Unrealized (Gains) Losses on Investments	1,155,496	(1,034,460)
<u>(Increase) Decrease in Operating Assets:</u>		
Accounts and Grants Receivable	(76,785)	33,235
Prepaid Expenses	10,357	(4,273)
<u>Increase (Decrease) in Operating Liabilities:</u>		
Accounts Payable and Accrued Expenses	45,842	9,418
Deferred Special Event Revenue	(3,320)	10,905
Deferred Revenue - Other	(310,415)	147,815
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 10,872</u>	<u>\$ 344,042</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed Asset Purchases	(2,845)	(1,190)
Investment Proceeds (Purchases)	(693,973)	370,911
Assets Restricted as Endowment	483,316	(479,587)
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (213,502)</u>	<u>\$ (109,866)</u>
Net Increase (Decrease) in Cash	\$ (202,630)	\$ 234,176
<u>CASH - BEGINNING OF YEAR</u>	<u>\$ 622,713</u>	<u>\$ 388,537</u>
<u>CASH - END OF YEAR</u>	<u>\$ 420,083</u>	<u>\$ 622,713</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 2021 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, 2021 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, 2021 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, 2022-2021, 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>6/30/2022</u>	<u>6/30/2021</u>
Furniture and Equipment	\$ 261,739	\$ 258,894
Improvements	7,238	7,238
	<u>\$ 268,977</u>	<u>\$ 266,132</u>
<u>Less: Accumulated Depreciation</u>	<u>256,392</u>	<u>251,215</u>
	<u>\$ 12,585</u>	<u>\$ 14,917</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 \$24,810 and \$17,217 for the years ended June 30, 2022 and 2021, 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, 2022:

Pennsylvania Department of Health:	
Contract Number 4100088757	\$ 47,975
Department of Health and Human Services:	
Centers for Disease Control and Prevention	<u>88,886</u>
	<u>\$ 136,861</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, 2022 and 2021 were \$170,083 and \$372,713 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, 2022 and 2021 were as follows:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Various Mutual Funds	\$ 5,347,763	\$ 5,420,990	\$ 5,171,721	\$ 6,365,829
<u>Total</u>	<u>\$ 5,347,763</u>	<u>\$ 5,420,990</u>	<u>\$ 5,171,721</u>	<u>\$ 6,365,829</u>

Investment return is summarized as follows:

Interest and Dividends	\$ 175,375
Realized and Unrealized Gain (Loss) on Investments	(1,120,215)
	<u>\$ (944,840)</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>	
2023	\$ 92,901
2024	82,643
2025	5,329
 <u>Total</u>	 <u>\$ 180,873</u>

Rent expense consisted of \$99,180 and \$99,010 for the years ended June 30, 2022 and 2021.

8. AVAILABILITY AND LIQUIDITY

The organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. As of June 30, 2022, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2022	2021
Cash and Cash Equivalents	\$ 420,083	\$ 622,713
Investments	3,579,543	4,041,066
Grants and Accounts Receivable	147,340	70,555
Total Financial Assets	4,146,966	4,734,334
Less: Amounts not available to be used within one year:		
Net Assets with Donor Restrictions	(505,889)	(434,527)
	<u>\$ 3,641,077</u>	<u>\$ 4,299,807</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, 2022 is \$505,889, 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 2022 and 2023 on the global and local economy and, in the future, might impact the organization's financial results for fiscal year 2022-2023 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 Government Grants – CARES ACT on the Statement of Activities at June 30, 2022 and in Deferred Revenue - Other on the Balance Sheet at June 30, 2021.

12. SUBSEQUENT EVENTS

Subsequent events were evaluated through November 28, 2022, 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, 2022, and have issued my report thereon dated November 28, 2022, 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 28, 2022  
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS - PURPOSE RESTRICTIONS  
FOR THE YEAR ENDED JUNE 30, 2022

	Principal Balance 7/1/21	Reduction of Principal 6/30/22	Addition to Principal 6/30/22	Principal Balance 6/30/22	Disposition of Principal 6/30/22	Original Source and/or Addition to Principal 6/30/22	Restriction to use of Principal 6/30/22	By Whom Restricted
Camp Frog 2022	\$ 46,518	\$ -	\$ 13,330	\$ 59,848	-	13,330 - Transfer from Net Assets With Donor Restrictions - Perpetual	Camp Scholarships	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	289,282	25,787	95,274	358,769	25,787 - Transfer to Net Assets Without Restrictions	24,500 - Zupancic Family 70,774 - 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	6,441	15,384	10,000	1,057	15,384 - Transfer to Net Assets Without Restrictions	10,000 - Pittsburgh Foundation	To Purchase In-Home Monitoring Devices for Epilepsy Patients	Donor
Zonne Fund	92,286	7,191	1,120	86,215	7,191 - Transfer to Net Assets Without Restrictions	1,120 - Various Contributions & Event Revenue	To Provide Assistance to Epilepsy Patients and Families	Donor
<b>TOTAL</b>	<b>\$ 434,527</b>	<b>\$ 48,362</b>	<b>\$ 119,724</b>	<b>\$ 505,889</b>				



EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS - PERPETUAL IN NATURE  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Principal Balance 7/1/21</u>	<u>Reduction of Principal 6/30/22</u>	<u>Addition to Principal 6/30/22</u>	<u>Principal Balance 6/30/22</u>	<u>Disposition of Principal 6/30/22</u>	<u>Original Source and/or Addition to Principal 6/30/22</u>	<u>Restriction to use of Principal 6/30/22</u>	<u>By Whom Restricted</u>
Steve "Froggy" Morris and G. Peter Rockwell Camp Endowment Fund	\$ 296,549	\$ 75,640	\$ 13,037	\$ 233,946	13,330 - Transfer to Net Assets With Restrictions - Purpose Restrictions 62,310 - Loss on Investments	13,037 - Investment Income	To Provide Financial Assistance to all Children Who Attend EFWP Summer Camp Program	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	\$ 2,028,214	\$ 491,487	\$ 70,774	\$ 1,607,501	70,774 - Transfer to Net Assets With Restrictions - Purpose Restrictions 420,713 - Loss on Investments	70,774 - Investment Income	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
<b>TOTAL</b>	<u>\$ 2,324,763</u>	<u>\$ 567,127</u>	<u>\$ 83,811</u>	<u>\$ 1,841,447</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, 2022, 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 28, 2022.

**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 28, 2022  
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, 2022

<u>Cost Category</u>	<u>Budgeted Costs</u>	<u>Actual Costs (1)</u>
Personnel Services		
Staff Personnel	\$ 208,412	\$ 208,412
Fringe Benefits	52,103	52,103
Consultants and Contract Services	14,300	15,070
Supplies	-	-
Travel	-	-
Other Costs	68,935	68,165
<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, 2022

CURRENT YEAR: NONE

PRIOR YEAR: NONE