

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

AUDITED FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION AS REQUIRED
BY PENNSYLVANIA DEPARTMENT OF
HEALTH CONTRACT NO. 4100061402
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2013

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of Epilepsy Foundation of Western Pennsylvania

I have audited the accompanying financial statements of Epilepsy Foundation of Western Pennsylvania, (a nonprofit organization) which comprise the balance sheet as of June 30, 2014, 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 Foundation of Western Pennsylvania as of June 30, 2014, 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 Foundation of Western Pennsylvania's 2013 financial statements, and my report dated December 17, 2013, 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, 2013 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 October 21, 2014, on my consideration of Epilepsy Foundation of Western Pennsylvania'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 Foundation of Western Pennsylvania'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 Foundation of Western Pennsylvania taken as a whole. The accompanying schedule of budgeted and actual costs - Pa. Department of Health Contract No. 4100061402 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


Certified Public Accountant

October 21, 2014
Sewickley, Pennsylvania

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

BALANCE SHEET

JUNE 30, 2014

WITH COMPARATIVE TOTALS FOR JUNE 30, 2013.

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 760,416	\$ 600,459
Investments (Note 5)	2,498,366	2,140,477
Grants Receivable (Note 4)	106,323	171,366
Accounts Receivable - Other	12,805	15,761
Prepaid Expenses - Special Events	34,117	39,731
Prepaid Expenses - Other	29,484	29,562
	<hr/>	<hr/>
<u>Total Current Assets</u>	<u>\$ 3,441,511</u>	<u>\$ 2,997,356</u>
Assets Restricted as Endowment	808,467	352,937
Land, Building and Equipment - At Cost		
<u>Less: Accumulated Depreciation of</u>		
\$210,363 and \$203,570 (Note 2)	16,472	16,127
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 4,266,450</u>	<u>\$ 3,366,420</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 59,632	\$ 75,740
Deferred Special Event Revenue	58,285	109,368
	<hr/>	<hr/>
<u>Total Current Liabilities</u>	<u>\$ 117,917</u>	<u>\$ 185,108</u>
 <u>Net Assets</u>		
Unrestricted:		
Operating	3,233,113	2,769,050
Fixed Assets	16,472	16,127
	<hr/>	<hr/>
<u>Total Unrestricted</u>	<u>\$ 3,249,585</u>	<u>\$ 2,785,177</u>
Temporarily Restricted	90,481	43,198
Permanently Restricted	808,467	352,937
(Per Analysis in Supplemental Section)	<hr/>	<hr/>
<u>Total Net Assets</u>	<u>\$ 4,148,533</u>	<u>\$ 3,181,312</u>
	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 4,266,450</u>	<u>\$ 3,366,420</u>

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

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>6/30/14</u>	<u>TOTALS</u> <u>6/30/13</u>
<u>PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS</u>					
<u>Public Support</u>					
Contributions	\$ 297,488	\$ 83,085	\$ 415,130	\$ 795,703	\$ 394,640
Grants from Government Agencies	708,219	-	-	708,219	644,074
Special Event Revenue	742,567	-	-	742,567	676,226
Less: Direct Costs of Special Events	(238,470)	-	-	(238,470)	(257,791)
Net Revenue from Special Events	504,097	-	-	504,097	418,435
Total Public Support	<u>\$ 1,509,804</u>	<u>\$ 83,085</u>	<u>\$ 415,130</u>	<u>\$ 2,008,019</u>	<u>\$ 1,457,149</u>
Revenue					
Membership Fees	208	-	-	208	430
Program and Activity Fees	1,380	-	-	1,380	14,741
Investment Income	53,455	-	16,263	69,718	45,767
Realized and Unrealized Gain on Investments	296,297	7,401	40,400	344,098	125,198
Total Revenue	<u>\$ 351,340</u>	<u>\$ 7,401</u>	<u>\$ 56,663</u>	<u>\$ 415,404</u>	<u>\$ 186,136</u>
Net Assets Released from Restrictions and Transfers	59,466	(43,203)	(16,263)	-	-
<u>TOTAL PUBLIC SUPPORT AND REVENUE</u>	<u>\$ 1,920,610</u>	<u>\$ 47,283</u>	<u>\$ 455,530</u>	<u>\$ 2,423,423</u>	<u>\$ 1,643,285</u>
<u>EXPENSES</u>					
<u>Program Services</u>					
Public Health Education	229,284	-	-	229,284	214,779
Professional Education and Training	258,553	-	-	258,553	242,190
Community Services	298,195	-	-	298,195	282,933
Patient Services	490,868	-	-	490,868	434,074
Total Program Services	<u>\$ 1,276,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,276,900</u>	<u>\$ 1,173,976</u>
<u>Supporting Services</u>					
Management and General	76,844	-	-	76,844	75,468
Fundraising	102,458	-	-	102,458	100,625
Total Supporting Services	<u>\$ 179,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,302</u>	<u>\$ 176,093</u>
<u>TOTAL EXPENSES</u>	<u>\$ 1,456,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,456,202</u>	<u>\$ 1,350,069</u>
Change in Net Assets	\$ 464,408	\$ 47,283	\$ 455,530	\$ 967,221	\$ 293,216
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>\$ 2,785,177</u>	<u>\$ 43,198</u>	<u>\$ 352,937</u>	<u>\$ 3,181,312</u>	<u>\$ 2,888,096</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 3,249,585</u>	<u>\$ 90,481</u>	<u>\$ 808,467</u>	<u>\$ 4,148,533</u>	<u>\$ 3,181,312</u>

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

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL	
	Public Health Education	Professional Education & Training	Community Services	Patient Services	Sub-Total	Management and General	Fund-Raising		6/30/14
Salaries	\$ 98,724	\$ 111,065	\$ 129,576	\$ 191,279	\$ 530,644	\$ 37,022	\$ 49,362	\$ 617,028	\$ 610,581
Employee Benefits	27,242	30,647	35,755	52,781	146,425	10,215	13,621	170,261	175,889
Payroll Taxes, etc.	9,431	10,610	12,379	18,273	50,693	3,537	4,716	58,946	54,690
TOTAL SALARIES AND RELATED EXPENSES	\$ 135,397	\$ 152,322	\$ 177,710	\$ 262,333	\$ 727,762	\$ 50,774	\$ 67,699	\$ 846,235	\$ 841,160
Rent	11,389	12,812	14,948	22,066	61,215	4,271	5,694	71,180	69,255
Telephone	1,877	2,111	2,463	3,636	10,087	704	938	11,729	10,768
Postage and Shipping	3,895	4,382	5,112	7,547	20,936	1,461	1,948	24,345	18,084
Insurance	2,297	2,584	3,015	4,451	12,347	862	1,149	14,358	13,318
Travel and Conferences	10,604	11,930	13,918	20,546	56,998	3,977	5,302	66,277	45,089
Auditing Fees	1,824	2,052	2,394	3,534	9,804	684	912	11,400	11,675
Accounting Fees	572	643	751	1,108	3,074	214	286	3,574	2,484
Office Supplies and Expense	3,863	4,346	5,070	7,485	20,764	1,448	1,932	24,144	26,301
Computer Expenses	1,748	1,967	2,294	3,387	9,396	655	874	10,925	16,205
Printing	1,710	1,923	2,244	3,313	9,190	641	855	10,686	8,629
Dues and Subscriptions	366	412	480	709	1,967	137	183	2,287	2,341
Consultants	25,369	28,540	33,297	49,152	136,358	9,513	12,684	158,555	157,509
Promotion	2,094	2,356	2,749	4,058	11,257	786	1,047	13,090	21,066
Direct Program Costs (Camp Frog, Family Conference, Education Materials, etc.)	24,368	28,024	29,242	81,194	162,828	-	-	162,828	75,143
Drug Program/Patient Care	-	-	-	12,648	12,648	-	-	12,648	17,093
Miscellaneous	824	926	1,081	1,596	4,427	309	412	5,148	4,820
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 228,197	\$ 257,330	\$ 296,768	\$ 488,763	\$ 1,271,058	\$ 76,436	\$ 101,915	\$ 1,449,409	\$ 1,340,940
Depreciation and Amortization	1,087	1,223	1,427	2,105	5,842	408	543	6,793	9,129
TOTAL EXPENSES	\$ 229,284	\$ 258,553	\$ 298,195	\$ 490,868	\$ 1,276,900	\$ 76,844	\$ 102,458	\$ 1,456,202	\$ 1,350,069

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

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	<u>2014</u>	<u>TOTAL</u>	<u>2013</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Change in Net Assets	\$ 967,221		\$ 293,216
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	6,793		9,129
Unrealized (Gains) Losses on Investments	(336,124)		(43,971)
<u>(Increase) Decrease in Operating Assets:</u>			
Accounts and Grants Receivable	67,999		(43,302)
Prepaid Expenses	5,692		3,593
<u>Increase (Decrease) in Operating Liabilities:</u>			
Accounts Payable and Accrued Expenses	(16,108)		(4,663)
Deferred Special Event Revenue	(51,083)		38,568
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 644,390</u>		<u>\$ 252,570</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Fixed Asset Purchases	(7,138)		(6,246)
Investment Proceeds (Purchases)	(21,765)		(134,156)
Assets Restricted as Endowment	(455,530)		(100,000)
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (484,433)</u>		<u>\$ (240,402)</u>
Net Increase (Decrease) in Cash	\$ 159,957		\$ 12,168
<u>CASH - BEGINNING OF YEAR</u>	<u>\$ 600,459</u>		<u>\$ 588,291</u>
<u>CASH - END OF YEAR</u>	<u>\$ 760,416</u>		<u>\$ 600,459</u>

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

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Agency Background

The Western Pennsylvania Chapter (EFPW) was established as a nonprofit corporation in 1972. The Chapter is funded through public contributions, governmental and other grants and membership dues. The chapter distributes educational materials and renders informational services to the general public to further an understanding of Epilepsy and the acceptance of persons with Epilepsy. EFPW is affiliated with the Epilepsy Foundation of America in the accomplishment of these objectives.

Tax-Exempt Status

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

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 EFPW's policy to capitalize expenditures for furniture and equipment of \$500 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 EFPW'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.

Financial Statement Presentation and Contributions

The financial statements are presented in accordance with FASB ASC 958, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Financial Statement Presentation and Contributions (continued)

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction fully expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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 2013 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, 2013 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, 2013 from which the summarized information was derived.

Functional Allocation of Expenses

The costs of providing the Agency's various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Investments

Epilepsy Foundation of Western Pennsylvania 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 FOUNDATION OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

2. LAND, BUILDING AND EQUIPMENT

At June 30, 2014-2013, 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>6/30/2014</u>	<u>6/30/2013</u>
Furniture and Equipment	\$ 219,597	\$ 212,459
Improvements	7,238	7,238
	<u>\$ 226,835</u>	<u>\$ 219,697</u>
<u>Less: Accumulated Depreciation</u>	210,363	203,570
	<u>\$ 16,472</u>	<u>\$ 16,127</u>

3. RETIREMENT PLAN

Epilepsy Foundation of Western Pennsylvania 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 \$40,222 for the year ended June 30, 2014. This amount is 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, 2014:

Pennsylvania Department of Health: Contract Number 4100061402	\$ 78,252
U.S. Department of Health and Human Services HRSA Grant Number H98MC20268	28,071
	<u>\$ 106,323</u>

5. 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, 2014 and 2013 were as follows:

	<u>2014</u>		<u>2013</u>	
	Cost	Fair Value	Cost	Fair Value
Various Mutual Funds	\$ 2,905,243	\$ 3,306,833	\$ 2,424,906	\$ 2,493,414
<u>Total</u>	<u>\$ 2,905,243</u>	<u>\$ 3,306,833</u>	<u>\$ 2,424,906</u>	<u>\$ 2,493,414</u>

Investment return is summarized as follows:

Interest and Dividends	\$ 69,718
Realized and Unrealized Gain (Loss) on Investments	344,098
	<u>\$ 413,816</u>

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

6. CONCENTRATION OF CREDIT RISK

Epilepsy Foundation of Western Pennsylvania maintains bank accounts at local banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at one of these institutions exceeded federally insured limits. The amount in excess of the FDIC limit at June 30, 2014 and 2013 were \$440,790 and \$280,868, respectively.

7. OPERATING LEASES

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

<u>June 30,</u>		
2015	\$	62,992
2016		43,231
2017		7,068
2018		2,945
Total	<u>\$</u>	<u>116,236</u>

Rent expense consisted of \$78,955 and \$81,471 for the years ended June 30, 2014 and 2013.

8. RESTRICTED CASH

Included in the cash balance at June 30, 2014 is \$90,481, which is restricted by donors for future use as detailed in the supplementary information.

9. PERMANENTLY RESTRICTED NET ASSETS

As described on the supplemental schedules, the organization received endowment contributions which are permanently restricted. The investment income which is generated from these permanently restricted net assets will be used to provide financial assistance to children who attend the Epilepsy Foundation of Western Pennsylvania 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. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 21, 2014, which is the date financial statements were available to be issued.

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

The Board of Directors of
Epilepsy Foundation of Western Pennsylvania

I have audited the financial statements of Epilepsy Foundation of Western Pennsylvania as of and for the year ended June 30, 2014, and have issued my report thereon dated October 21, 2014, 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

October 21, 2014
Sewickley, Pennsylvania

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014

	Principal Balance 7/1/13	Reduction of Principal 6/30/14	Addition to Principal 6/30/14	Principal Balance 6/30/14	Disposition of Principal 6/30/14	Original Source and/or Addition to Principal 6/30/14	Restriction to use of Principal 6/30/14	By Whom Restricted
Camp Frog 2014	\$ 16,224	\$ 8,225	\$ 15,451	\$ 23,450	8,225- To Unrestricted Net Assets	2,455 - Camp Fees 7,596 - Transfer from Permanently Restricted Net Assets 5,400 - Gain on Investments	2013 Camp Scholarships	Donor
Epilepsy Patient Education Programs	9,000	9,000	19,400	19,400	9,000- To Unrestricted Net Assets	12,400 - Lundbeck, LLC 7,000 - Epilepsy Foundation (National Office)	To Support Epilepsy Education Programs	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	(2,001)	37,500	48,168	8,667	37,500- To Unrestricted Net Assets	37,500 - Zupancic Family 8,667 - Transfer from Permanently Restricted Net Assets 2,001 - Gain on Investments	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
Paige Holland Memorial Fund	9,975	3,755	8,590	14,810	3,755 - To Unrestricted Net Assets	8,590 - Paige Holland Memorial Fund	To Award Camp and Secondary Education Scholarships to Epilepsy Patients	Donor

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS
(Continued)

FOR THE YEAR ENDED JUNE 30, 2014

	Principal Balance 7/1/13	Reduction of Principal 6/30/14	Addition to Principal 6/30/14	Principal Balance 6/30/14	Disposition of Principal 6/30/14	Original Source and/or Addition to Principal 6/30/14	Restriction to use of Principal 6/30/14	By Whom Restricted
Zonne Fund	10,000	986	15,140	24,154	986- To Unrestricted Net Assets	15,140 - Various Contributions	To Provide Assistance to Epilepsy Patients and Families	Donor
TOTAL	<u>\$ 43,198</u>	<u>\$ 986</u>	<u>\$ 106,749</u>	<u>\$ 90,481</u>				

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA
ANALYSIS OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014

	Principal Balance 7/1/13	Reduction of Principal 6/30/14	Addition to Principal 6/30/14	Principal Balance 6/30/14	Disposition of Principal 6/30/14	Original Source and/or Addition to Principal 6/30/14	Restriction to use of Principal 6/30/14	By Whom Restricted
Steve "Froggy" Morris and G. Peter Rockwell Camp Endowment Fund	\$ 252,937	\$ 7,596	\$ 23,576	\$ 268,917	7,596 - Transfer to Temporarily Restricted Net Assets	7,596 - Investment Income 15,980 - 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	\$ 100,000	\$ 8,667	\$ 448,217	\$ 539,550	8,667 - Transfer to Temporarily Restricted Net Assets	415,000 - Zupancic Family 130 - Various Contributions 8,667 - Investment Income 24,420 - Gain on Investments	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
TOTAL	<u>\$ 352,937</u>	<u>\$ 16,263</u>	<u>\$ 471,793</u>	<u>\$ 808,467</u>				

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

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 Foundation of Western Pennsylvania

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 Foundation of Western Pennsylvania which comprise the statement of financial positions as of June 30, 2014, 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 October 21, 2014.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Epilepsy Foundation of Western Pennsylvania'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 Foundation of Western Pennsylvania'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 Foundation of Western Pennsylvania'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

October 21, 2014
Sewickley, Pennsylvania

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

PA. DEPARTMENT OF HEALTH CONTRACT NO. 4100061402

SCHEDULE OF BUDGETED AND ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Cost Category</u>	<u>Budgeted Costs</u>	<u>Actual Costs (1)</u>
Personnel Services		
Staff Personnel	\$ 211,356	\$ 211,356
Fringe Benefits	52,839	52,839
Consultants and Contract Services	7,150	7,150
Supplies	4,915	4,915
Travel	12,000	12,000
Other Costs	55,490	55,490
<u>Totals</u>	<u>\$ 343,750</u>	<u>\$ 343,750</u>

(1) Actual costs are allowed to be 10% over or under a budgeted cost category without having to request a budget revision.

See Accompanying Notes

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

SUPPLEMENTAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

CURRENT YEAR: NONE

PRIOR YEAR: NONE