

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

AUDITED FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION AS REQUIRED
BY PENNSYLVANIA DEPARTMENT OF
HEALTH CONTRACT NO. 4100073175
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2016

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

JUNE 30, 2017

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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, 2017, 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, 2017, 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 2016 financial statements, and my report dated December 23, 2016, 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, 2016 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 January 8, 2018, 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. 4100073175 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

January 8, 2018
Sewickley, Pennsylvania

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

BALANCE SHEET

JUNE 30, 2017

WITH COMPARATIVE TOTALS FOR JUNE 30, 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 441,774	\$ 117,748
Investments (Note 5)	3,589,511	3,146,567
Grants Receivable (Note 4)	74,417	365,849
Accounts Receivable - Other	15,363	3,859
Prepaid Expenses - Special Events	7,756	33,220
Prepaid Expenses - Other	39,430	36,067
	<hr/>	<hr/>
<u>Total Current Assets</u>	<u>\$ 4,168,251</u>	<u>\$ 3,703,310</u>
Assets Restricted as Endowment	1,809,622	1,163,372
Land, Building and Equipment - At Cost		
<u>Less: Accumulated Depreciation of</u>		
\$230,338 and \$224,478 (Note 2)	15,150	13,364
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 5,993,023</u>	<u>\$ 4,880,046</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 73,726	\$ 39,014
Deferred Special Event Revenue	14,173	50,407
<u>Total Current Liabilities</u>	<u>\$ 87,899</u>	<u>\$ 89,421</u>
<u>Net Assets</u>		
Unrestricted:		
Operating	3,768,426	3,432,426
Fixed Assets	15,150	13,364
<u>Total Unrestricted</u>	<u>\$ 3,783,576</u>	<u>\$ 3,445,790</u>
Temporarily Restricted	311,926	181,463
Permanently Restricted	1,809,622	1,163,372
(Per Analysis in Supplemental Section)	<hr/>	<hr/>
<u>Total Net Assets</u>	<u>\$ 5,905,124</u>	<u>\$ 4,790,625</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 5,993,023</u>	<u>\$ 4,880,046</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, 2017

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>6/30/17</u>	<u>TOTALS 6/30/16</u>
<u>PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS</u>					
<u>Public Support</u>					
Contributions	\$ 122,983	\$ 204,034	\$ 508,587	\$ 835,604	\$ 301,583
Grants from Government Agencies	722,166	-	-	722,166	752,599
Special Event Revenue	877,914	-	-	877,914	801,142
Less: Direct Costs of Special Events	(306,962)	-	-	(306,962)	(243,658)
Net Revenue from Special Events	570,952	-	-	570,952	557,484
<u>Total Public Support</u>	<u>\$ 1,416,101</u>	<u>\$ 204,034</u>	<u>\$ 508,587</u>	<u>\$ 2,128,722</u>	<u>\$ 1,611,666</u>
<u>Revenue</u>					
Membership Fees	-	-	-	-	33
Program and Activity Fees	4,824	-	-	4,824	4,865
Investment Income	89,465	-	42,459	131,924	195,777
Realized and Unrealized Gain on Investments	321,149	-	142,273	463,422	(238,197)
<u>Total Revenue</u>	<u>\$ 415,438</u>	<u>\$ -</u>	<u>\$ 184,732</u>	<u>\$ 600,170</u>	<u>\$ (37,522)</u>
Net Assets Released from Restrictions and Transfers	120,640	(73,571)	(47,069)	-	-
<u>TOTAL PUBLIC SUPPORT AND REVENUE</u>	<u>\$ 1,952,179</u>	<u>\$ 130,463</u>	<u>\$ 646,250</u>	<u>\$ 2,728,892</u>	<u>\$ 1,574,144</u>
<u>EXPENSES</u>					
<u>Program Services</u>					
Public Health Education	274,403	-	-	274,403	266,055
Professional Education and Training	171,045	-	-	171,045	226,804
Community Services	406,117	-	-	406,117	343,199
Patient Services	491,161	-	-	491,161	529,806
<u>Total Program Services</u>	<u>\$ 1,342,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,342,726</u>	<u>\$ 1,365,864</u>
<u>Supporting Services</u>					
Management and General Fundraising	49,396	-	-	49,396	50,486
	222,271	-	-	222,271	214,554
<u>Total Supporting Services</u>	<u>\$ 271,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,667</u>	<u>\$ 265,040</u>
<u>TOTAL EXPENSES</u>	<u>\$ 1,614,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,614,393</u>	<u>\$ 1,630,904</u>
<u>Change in Net Assets</u>	<u>\$ 337,786</u>	<u>\$ 130,463</u>	<u>\$ 646,250</u>	<u>\$ 1,114,499</u>	<u>\$ (56,760)</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>\$ 3,445,790</u>	<u>\$ 181,463</u>	<u>\$ 1,163,372</u>	<u>\$ 4,790,625</u>	<u>\$ 4,847,385</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 3,783,576</u>	<u>\$ 311,926</u>	<u>\$ 1,809,622</u>	<u>\$ 5,905,124</u>	<u>\$ 4,790,625</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, 2017

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	PROGRAM SERVICES					SUPPORTING SERVICES			TOTAL	
	Public Health Education	Professional Education & Training	Community Services	Patient Services	Sub-Total	Management and General		Fund-Raising		
						6/30/17	6/30/16			
Salaries	\$ 99,751	\$ 62,344	\$ 149,627	\$ 174,565	\$ 486,287	\$ 24,938	\$ 112,220	\$ 623,445	\$ 647,514	
Employee Benefits	27,752	17,345	41,628	48,567	135,292	6,938	31,222	173,452	176,821	
Payroll Taxes, etc.	8,155	5,097	12,232	14,270	39,754	2,039	9,173	50,966	54,004	
TOTAL SALARIES AND RELATED EXPENSES	\$ 135,658	\$ 84,786	\$ 203,487	\$ 237,402	\$ 661,333	\$ 33,915	\$ 152,615	\$ 847,863	\$ 878,339	
Rent	13,430	8,394	20,146	23,503	65,473	3,358	15,109	83,940	74,015	
Telephone	1,950	1,219	2,925	3,412	9,506	487	2,193	12,186	12,287	
Postage and Shipping	4,710	2,944	7,065	8,243	22,962	1,178	5,299	29,439	29,170	
Insurance	2,584	1,615	3,875	4,521	12,595	646	2,906	16,147	19,139	
Travel and Conferences	8,423	5,265	12,635	14,741	41,064	2,106	9,476	52,646	44,421	
Auditing Fees	2,000	1,250	3,000	3,500	9,750	500	2,250	12,500	12,000	
Accounting Fees	619	387	928	1,083	3,017	155	695	3,867	3,869	
Office Supplies and Expense	4,940	3,088	7,410	8,646	24,084	1,235	5,558	30,877	29,632	
Computer Expenses	3,278	2,049	4,917	5,737	15,981	820	3,688	20,489	21,148	
Printing	5,658	3,536	8,488	9,902	27,584	1,415	6,366	35,365	24,070	
Dues and Subscriptions	388	242	582	679	1,891	97	436	2,424	3,584	
Consultants	11,138	6,961	16,707	19,491	54,297	2,784	12,530	69,611	64,125	
Promotion	951	594	1,427	1,664	4,636	238	1,070	5,944	32,938	
Direct Program Costs (Camp Frog, Family Conference, Education Materials, etc.)	76,826	47,559	109,751	131,700	365,836	-	-	365,836	350,433	
Drug Program/Patient Care	-	-	-	13,701	13,701	-	-	-	13,701	18,388
Miscellaneous	912	570	1,368	1,595	4,445	228	1,025	5,698	6,794	
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 273,465	\$ 170,459	\$ 404,711	\$ 489,520	\$ 1,338,155	\$ 49,162	\$ 221,216	\$ 1,608,533	\$ 1,624,352	
Depreciation and Amortization	938	586	1,406	1,641	4,571	234	1,055	5,860	6,552	
TOTAL EXPENSES	\$ 274,403	\$ 171,045	\$ 406,117	\$ 491,161	\$ 1,342,726	\$ 49,396	\$ 222,271	\$ 1,614,393	\$ 1,630,904	

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, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	<u>2017</u>	<u>TOTAL</u> <u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 1,114,499	\$ (56,760)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	5,860	6,552
Unrealized (Gains) Losses on Investments	(442,702)	91,928
<u>(Increase) Decrease in Operating Assets:</u>		
Accounts and Grants Receivable	279,928	(253,994)
Prepaid Expenses	22,101	(1,040)
<u>Increase (Decrease) in Operating Liabilities:</u>		
Accounts Payable and Accrued Expenses	34,712	(28,281)
Deferred Special Event Revenue	(36,234)	(64,355)
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 978,164</u>	<u>\$ (305,950)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed Asset Purchases	(7,646)	-
Investment Proceeds (Purchases)	(242)	(104,491)
Assets Restricted as Endowment	(646,250)	71,951
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (654,138)</u>	<u>\$ (32,540)</u>
Net Increase (Decrease) in Cash	\$ 324,026	\$ (338,490)
<u>CASH - BEGINNING OF YEAR</u>	<u>\$ 117,748</u>	<u>\$ 456,238</u>
<u>CASH - END OF YEAR</u>	<u>\$ 441,774</u>	<u>\$ 117,748</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.

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 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 and Reclassifications

The financial statements include certain 2016 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, 2016 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, 2016 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, 2017-2016, 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>6/30/2017</u>	<u>6/30/2016</u>
Furniture and Equipment	\$ 238,250	\$ 230,604
Improvements	7,238	7,238
	<u>\$ 245,488</u>	<u>\$ 237,842</u>
<u>Less: Accumulated Depreciation</u>	230,338	224,478
	<u>\$ 15,150</u>	<u>\$ 13,364</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 \$32,067 for the year ended June 30, 2017. 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, 2017:

Pennsylvania Department of Health:	
Contract Number 4100073175	\$ 42,482
U.S. Department of Health and Human Services	
HRSA Grant Number H98MC26261	31,935
	<u>\$ 74,417</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, 2017 and 2016 were as follows:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Various Mutual Funds	\$ 4,699,853	\$ 5,399,133	\$ 4,057,373	\$ 4,309,939
<u>Total</u>	<u>\$ 4,699,853</u>	<u>\$ 5,399,133</u>	<u>\$ 4,057,373</u>	<u>\$ 4,309,939</u>

Investment return is summarized as follows:

Interest and Dividends	\$ 131,924
Realized and Unrealized Gain (Loss) on Investments	463,422
	<u>\$ 595,346</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, 2017 and 2016 were \$191,774 and \$-0-, respectively.

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>		
2018	\$	83,743
2019		53,987
2020		13,398
2021		13,656
2022		13,656
<u>Total</u>	<u>\$</u>	<u>178,440</u>

Rent expense consisted of \$95,124 and \$85,199 for the years ended June 30, 2017 and 2016.

8. RESTRICTED ASSETS

Included in the cash and investment balances at June 30, 2017 is \$311,926, 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 January 8, 2018, 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, 2017, and have issued my report thereon dated January 8, 2018, 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

January 8, 2018
Sewickley, Pennsylvania

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2017

	Principal Balance 7/1/16	Reduction of Principal 6/30/17	Addition to Principal 6/30/17	Principal Balance 6/30/17	Disposition of Principal 6/30/17	Original Source and/or Addition to Principal 6/30/17	Restriction to use of Principal 6/30/17	By Whom Restricted
Camp Frog 2017	\$ 26,890	\$ 21,050	\$ 16,306	\$ 22,146	21,050 - To Unrestricted Net Assets	3,661 - Camp Fees 12,645 - Transfer from Permanently Restricted Net Assets	Camp Scholarships	Donor
Epilepsy Patient Education Programs	7,000	7,000	127,500	127,500	7,000 - To Unrestricted Net Assets	100,000 - PA Department of Education 15,000 - A.J. & Sigismunda Palumbo Charitable Trust 7,000 - Epilepsy Foundation (National Office) 5,000 - Pittsburgh Penguins Foundation 500 - Cyberonics	To Support Epilepsy Education and Employment Programs	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	41,855	22,280	74,424	93,999	22,280 - To Unrestricted Net Assets	34,424 - Transfer from Permanently Restricted Net Assets 40,000 - Zupancic Family	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
Paige Holland Memorial Fund	7,450	6,345	-	1,105	6,345 - To Unrestricted Net Assets	-	To Award Camp and Secondary Education Scholarships to Epilepsy Patients	Donor
Emma's Gift	6,152	13,097	10,000	3,055	13,097 - To Unrestricted Net Assets	10,000 - Pittsburgh Foundation	To Purchase In-Home Monitoring Devices for Epilepsy Patients	Donor

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS

(Continued)

FOR THE YEAR ENDED JUNE 30, 2017

	Principal Balance 7/1/16	Reduction of Principal 6/30/17	Addition to Principal 6/30/17	Principal Balance 6/30/17	Disposition of Principal 6/30/17	Original Source and/or Addition to Principal 6/30/17	Restriction to use of Principal 6/30/17	By Whom Restricted
Zonne Fund	43,856	2,608	22,873	64,121	2,608 - To Unrestricted Net Assets	22,873 - Various Contributions	To Provide Assistance to Epilepsy Patients and Families	Donor
Camp Frog III	48,260	48,260	-	-	48,260 - To Unrestricted Net Assets	-	To Support Camp Frog Expenses	Donor
<u>TOTAL</u>	<u>\$ 181,463</u>	<u>\$ 120,640</u>	<u>\$ 251,103</u>	<u>\$ 311,926</u>				

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA
ANALYSIS OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2017

	Principal Balance 7/1/16	Reduction of Principal 6/30/17	Addition to Principal 6/30/17	Principal Balance 6/30/17	Disposition of Principal 6/30/17	Original Source and/or Addition to Principal 6/30/17	Restriction to use of Principal 6/30/17	By Whom Restricted
Steve "Froggy" Morris and G. Peter Rockwell Camp Endowment Fund	\$ 222,119	\$ 12,645	\$ 33,636	\$ 243,110	12,645 - Transfer to Temporarily Restricted Net Assets	837 - Contributions 8,035 - Investment Income 24,764 - 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	\$ 941,253	\$ 34,424	\$ 659,683	\$ 1,566,512	34,424 - Transfer to Temporarily Restricted Net Assets	505,000 - Zupancic Family 2,750 - Various Contributions 34,424 - Investment Income 117,509 - Gain on Investments	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
TOTAL	<u>\$ 1,163,372</u>	<u>\$ 47,069</u>	<u>\$ 693,319</u>	<u>\$ 1,809,622</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 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, 2017, 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 January 8, 2018.

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

January 8, 2018
Sewickley, Pennsylvania

EPILEPSY FOUNDATION OF WESTERN PENNSYLVANIA

PA. DEPARTMENT OF HEALTH CONTRACT NO. 4100073175

SCHEDULE OF BUDGETED AND ACTUAL COSTS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Cost Category</u>	<u>Budgeted Costs</u>	<u>Actual Costs (1)</u>
Personnel Services		
Staff Personnel	\$ 208,907	\$ 207,752
Fringe Benefits	52,227	51,938
Consultants and Contract Services	7,150	3,852
Supplies	2,166	2,324
Travel	12,000	7,586
Other Costs	61,300	70,298
<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 FOUNDATION OF WESTERN PENNSYLVANIA
SUPPLEMENTAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

CURRENT YEAR: NONE

PRIOR YEAR: NONE