

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

AUDITED FINANCIAL STATEMENTS  
AND  
ADDITIONAL INFORMATION AS REQUIRED  
BY PENNSYLVANIA DEPARTMENT OF  
HEALTH CONTRACT NO. 4100081795  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE TOTALS  
FOR THE YEAR ENDED JUNE 30, 2019

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

JUNE 30, 2020

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**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying financial statements of Epilepsy Association of Western and Central PA, (a nonprofit organization), formerly Epilepsy Foundation of Western Pennsylvania, which comprise the balance sheet as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Epilepsy Association of Western and Central PA as of June 30, 2020; and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

I have previously audited the Epilepsy Association of Western and Central PA's 2019 financial statements, and my report dated January 17, 2020, 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, 2019 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 February 5, 2021, on my consideration of Epilepsy Association of Western and Central PA's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Epilepsy Association of Western and Central PA's internal control over financial reporting and compliance.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Epilepsy Association of Western and Central PA taken as a whole. The accompanying schedule of budgeted and actual costs - Pa. Department of Health Contract No. 4100081795 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

February 5, 2021  
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

BALANCE SHEET

JUNE 30, 2020

WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 388,537	\$ 251,178
Investments (Note 6)	3,377,517	3,581,172
Grants Receivable (Note 4)	76,627	131,400
Accounts Receivable - Other	27,163	27,146
Prepaid Expenses - Special Events	3,113	28,196
Prepaid Expenses - Other	32,904	36,828
<u>Total Current Assets</u>	<u>\$ 3,905,861</u>	<u>\$ 4,055,920</u>
Assets Restricted as Endowment	1,845,176	1,885,105
Land, Building and Equipment - At Cost		
<u>Less: Accumulated Depreciation of</u> \$245,676 and \$240,833 (Note 2)	<u>19,266</u>	<u>7,330</u>
<u>TOTAL ASSETS</u>	<u>\$ 5,770,303</u>	<u>\$ 5,948,355</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 40,369	\$ 107,580
Deferred Special Event Revenue	11,208	82,810
Deferred Revenue - Other (Note 11)	162,600	-
<u>Total Current Liabilities</u>	<u>\$ 214,177</u>	<u>\$ 190,390</u>
<u>Net Assets</u>		
Without Donor Restrictions:		
Operating	3,296,290	3,569,278
Fixed Assets	19,266	7,330
<u>Total Without Donor Restrictions</u>	<u>\$ 3,315,556</u>	<u>\$ 3,576,608</u>
With Donor Restrictions:		
Purpose Restrictions	395,394	296,252
Perpetual in Nature (Per Analysis in Supplemental Section)	1,845,176	1,885,105
<u>Total With Donor Restrictions</u>	<u>\$ 2,240,570</u>	<u>\$ 2,181,357</u>
<u>Total Net Assets</u>	<u>\$ 5,556,126</u>	<u>\$ 5,757,965</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 5,770,303</u>	<u>\$ 5,948,355</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, 2020  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019

PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>6/30/20</u>	<u>TOTALS</u>	<u>6/30/19</u>
<u>Public Support</u>					
Contributions	\$ 87,976	\$ 79,929	\$ 167,905	\$	\$ 153,715
Grants from Government Agencies	469,467	-	469,467		767,814
Special Event Revenue	821,446	-	821,446		748,604
Less: Direct Costs of Special Events	(258,367)	-	(258,367)		(251,966)
Net Revenue from Special Events	563,079	-	563,079		496,638
Total Public Support	<u>\$ 1,120,522</u>	<u>\$ 79,929</u>	<u>\$ 1,200,451</u>	<u>\$</u>	<u>\$ 1,418,167</u>
Revenue					
Program and Activity Fees	170	-	170		5,081
Investment Income	90,718	58,645	149,363		150,220
Realized and Unrealized Gain (Loss) on Investments, Net of Fees	(105,146)	(40,018)	(145,164)		73,771
Total Revenue	<u>\$ (14,258)</u>	<u>\$ 18,627</u>	<u>\$ 4,369</u>	<u>\$</u>	<u>\$ 229,072</u>
Net Assets Released from Restrictions and Transfers	39,343	(39,343)	-		-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$ 1,145,607</u>	<u>\$ 59,213</u>	<u>\$ 1,204,820</u>	<u>\$</u>	<u>\$ 1,647,239</u>

EXPENSES

<u>Program Services</u>					
Public Health Education	226,687	-	226,687		311,598
Professional Education and Training	170,017	-	170,017		220,634
Community Services	407,541	-	407,541		493,516
Patient Services	405,342	-	405,342		497,604
Total Program Services	<u>\$ 1,209,587</u>	<u>\$ -</u>	<u>\$ 1,209,587</u>	<u>\$</u>	<u>\$ 1,523,352</u>
<u>Supporting Services</u>					
Management and General	49,269	-	49,269		40,635
Fundraising	147,803	-	147,803		230,243
Total Supporting Services	<u>\$ 197,072</u>	<u>\$ -</u>	<u>\$ 197,072</u>	<u>\$</u>	<u>\$ 270,878</u>
TOTAL EXPENSES	<u>\$ 1,406,659</u>	<u>\$ -</u>	<u>\$ 1,406,659</u>	<u>\$</u>	<u>\$ 1,794,230</u>
Change in Net Assets	\$ (261,052)	\$ 59,213	\$ (201,839)	\$	\$ (146,991)
NET ASSETS - BEGINNING OF YEAR	\$ 3,576,608	\$ 2,181,357	\$ 5,757,965	\$	\$ 5,904,956
NET ASSETS - END OF YEAR	<u>\$ 3,315,556</u>	<u>\$ 2,240,570</u>	<u>\$ 5,556,126</u>	<u>\$</u>	<u>\$ 5,757,965</u>

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

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES				SUPPORTING SERVICES			TOTAL
	Public Health Education	Professional Education & Training	Community Services	Patient Services	Sub-Total	Management and General	Fund-Raising	
Salaries	\$ 98,125	\$ 73,594	\$ 177,851	\$ 165,586	\$ 515,156	\$ 24,531	\$ 73,593	\$ 613,280
Employee Benefits	32,004	24,003	58,007	54,006	168,020	8,001	24,003	200,024
Payroll Taxes, etc.	8,132	6,099	14,739	13,723	42,693	2,033	6,099	50,825
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>\$ 138,261</b>	<b>\$ 103,696</b>	<b>\$ 250,597</b>	<b>\$ 233,315</b>	<b>\$ 725,869</b>	<b>\$ 34,565</b>	<b>\$ 103,695</b>	<b>\$ 864,129</b>
Rent	13,604	10,203	24,658	22,957	71,422	3,401	10,204	85,027
Telephone	1,846	1,385	3,346	3,115	9,692	462	1,384	11,538
Postage and Shipping	3,216	2,412	5,830	5,428	16,886	804	2,413	20,103
Insurance	2,310	1,733	4,187	3,898	12,128	578	1,732	14,438
Travel and Conferences	4,987	3,740	9,038	8,415	26,180	1,247	3,739	31,166
Auditing Fees	2,080	1,560	3,770	3,510	10,920	520	1,560	13,000
Accounting Fees	640	480	1,161	1,081	3,362	160	481	4,003
Office Supplies and Expense	4,478	3,359	8,117	7,557	23,511	1,120	3,358	27,989
Computer Expenses	3,147	2,361	5,705	5,311	16,524	787	2,360	19,671
Printing	4,594	3,446	8,327	7,753	24,120	1,149	3,446	28,715
Dues and Subscriptions	1,492	1,119	2,705	2,518	7,834	373	1,119	9,326
Consultants	14,541	10,906	26,356	24,539	76,342	3,635	10,906	90,883
Promotion	382	286	692	644	2,004	95	287	2,386
Direct Program Costs (Camp Frog, Family Conference, Education Materials, etc.)	29,618	22,213	50,350	65,950	168,131	-	-	168,131
Drug Program/Patient Care	-	-	-	6,834	6,834	-	-	6,834
Miscellaneous	716	537	1,298	1,209	3,760	179	538	4,477
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ 225,912</b>	<b>\$ 169,436</b>	<b>\$ 406,137</b>	<b>\$ 404,034</b>	<b>\$ 1,205,519</b>	<b>\$ 49,075</b>	<b>\$ 147,222</b>	<b>\$ 1,401,816</b>
Depreciation and Amortization	775	581	1,404	1,308	4,068	194	581	4,843
<b>TOTAL EXPENSES</b>	<b>\$ 226,687</b>	<b>\$ 170,017</b>	<b>\$ 407,541</b>	<b>\$ 405,342</b>	<b>\$ 1,209,587</b>	<b>\$ 49,269</b>	<b>\$ 147,803</b>	<b>\$ 1,406,659</b>
								<b>\$ 1,794,230</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, 2020  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	<u>2020</u>	<u>TOTAL</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Change in Net Assets	\$ (201,839)	\$	(146,991)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	4,843		4,712
Unrealized (Gains) Losses on Investments	56,054		(33,361)
<u>(Increase) Decrease in Operating Assets:</u>			
Accounts and Grants Receivable	54,756		(49,187)
Prepaid Expenses	29,007		(1,975)
<u>Increase (Decrease) in Operating Liabilities:</u>			
Accounts Payable and Accrued Expenses	(67,211)		36,821
Deferred Special Event Revenue	(71,602)		9,354
Deferred Revenue - Other	162,600		-
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ (33,392)</u>	<u>\$</u>	<u>(180,627)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Fixed Asset Purchases	(16,779)		(2,675)
Investment Proceeds (Purchases)	147,601		263,816
Assets Restricted as Endowment	39,929		(32,846)
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ 170,751</u>	<u>\$</u>	<u>228,295</u>
Net Increase (Decrease) in Cash	\$ 137,359	\$	47,668
<u>CASH - BEGINNING OF YEAR</u>	<u>\$ 251,178</u>	<u>\$</u>	<u>203,510</u>
<u>CASH - END OF YEAR</u>	<u>\$ 388,537</u>	<u>\$</u>	<u>251,178</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 2019 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, 2019 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, 2019 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, 2020-2019, 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>6/30/2020</u>	<u>6/30/2019</u>
Furniture and Equipment	\$ 257,704	\$ 240,925
Improvements	7,238	7,238
	<u>\$ 264,942</u>	<u>\$ 248,163</u>
<u>Less: Accumulated Depreciation</u>	245,676	240,833
	<u>\$ 19,266</u>	<u>\$ 7,330</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 \$34,123 and \$36,490 for the years ended June 30, 2020 and 2019, 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, 2020:

Pennsylvania Department of Health: Contract Number 4100081795	\$ 79,946
	<u>\$ 79,946</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, 2020 and 2019 were \$138,537 and \$1,178 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, 2020 and 2019 were as follows:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Various Mutual Funds	\$ 5,099,362	\$ 5,222,693	\$ 5,318,156	\$ 5,466,277
<u>Total</u>	<u>\$ 5,099,362</u>	<u>\$ 5,222,693</u>	<u>\$ 5,318,156</u>	<u>\$ 5,466,277</u>

Investment return is summarized as follows:

Interest and Dividends	\$ 149,363
Realized and Unrealized Gain (Loss) on Investments	(145,164)
	<u>\$ 4,199</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>	
2021	\$ 85,855
2022	81,850
2023	83,589
2024	73,331
<u>Total</u>	<u>\$ 324,625</u>

Rent expense consisted of \$97,907 and \$96,762 for the years ended June 30, 2020 and 2019.

8. AVAILABILITY AND LIQUIDITY

The organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. As of June 30, 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	2020	2019
Cash and Cash Equivalents	\$ 388,537	\$ 251,178
Investments	3,377,517	3,581,172
Grants and Accounts Receivable	103,790	158,546
Total Financial Assets	3,869,844	3,990,896
Less: Amounts not available to be used within one year:		
Net Assets with Donor Restrictions	(395,394)	(296,252)
	<u>\$ 3,474,450</u>	<u>\$ 3,694,644</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, 2020 is \$395,394, 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 2020 on the global and local economy and, in the future, might impact the organization's financial results in 2020 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). The loan will be forgiven if the funds are used for specified allowable expenses. Because of delays by the Federal government the formal forgiveness has not been received, however the organization believes the funds were used for the intended purpose and will be fully forgiven. These funds are included in Deferred Revenue - Other on the Balance Sheet at June 30, 2020 and will be recognized as revenue when forgiven.

12. SUBSEQUENT EVENTS

Subsequent events were evaluated through February 5, 2021, which is the date financial statements were available to be issued.

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

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INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

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

I have audited the financial statements of Epilepsy Association of Western and Central PA as of and for the year ended June 30, 2020, and have issued my report thereon dated February 5, 2021, which contained an unmodified opinion on those financial statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Certified Public Accountant

February 5, 2021  
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS - PURPOSE RESTRICTIONS  
FOR THE YEAR ENDED JUNE 30, 2020

	Principal Balance 7/1/19	Reduction of Principal 6/30/20	Addition to Principal 6/30/20	Principal Balance 6/30/20	Disposition of Principal 6/30/20	Original Source and/or Addition to Principal 6/30/20	Restriction to use of Principal 6/30/20	By Whom Restricted
Camp Frog 2021	\$ 23,956	\$ 3,500	\$ 12,655	\$ 33,111	3,500 - Transfer to Net Assets Without Restrictions	12,655 - Transfer from Net Assets With Donor Restrictions - Perpetual	Camp Scholarships	Donor
Epilepsy Patient Education Programs	2,500	2,500	28,500	28,500	2,500 - Transfer to Net Assets Without Restrictions	15,000 - Pittsburgh Foundation 11,500 - The Fund for Charitable Giving 2,000 - Various Contributions	To Support Epilepsy Education and Employment Programs	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	191,247	13,300	50,901	228,848	13,300 - Transfer to Net Assets Without Restrictions	50,901 - 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	8,940	9,769	15,000	14,171	9,769 - Transfer to Net Assets Without Restrictions	10,000 - Pittsburgh Foundation 5,000 - Zogenix, Inc.	To Purchase In-Home Monitoring Devices for Epilepsy Patients	Donor
Zonne Fund	69,609	10,274	31,429	90,764	10,274 - Transfer to Net Assets Without Restrictions	31,429 - Various Contributions & Event Revenue	To Provide Assistance to Epilepsy Patients and Families	Donor
<b>TOTAL</b>	<b>\$ 286,252</b>	<b>\$ 39,343</b>	<b>\$ 138,485</b>	<b>\$ 395,394</b>				



EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS - PERPETUAL IN NATURE  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Principal Balance 7/1/19</u>	<u>Reduction of Principal 6/30/20</u>	<u>Addition to Principal 6/30/20</u>	<u>Principal Balance 6/30/20</u>	<u>Disposition of Principal 6/30/20</u>	<u>Original Source and/or Addition to Principal 6/30/20</u>	<u>Restriction to use of Principal 6/30/20</u>	<u>By Whom Restricted</u>
Steve "Froggy" Morris and G. Peter Rockwell Camp Endowment Fund	\$ 249,168	\$ 18,865	\$ 7,744	\$ 238,047	12,655 - Transfer to Net Assets With Restrictions - Purpose Restrictions 6,210 - Loss on Investments	8,426 - Investment Income	To Provide Financial Assistance to all Children Who Attend EFWP Summer Camp Program	Donor
Michael R. Zupancic Seizure Response Dog Endowment Fund	\$ 1,635,937	\$ 84,709	\$ 55,901	\$ 1,607,129	50,901 - Transfer to Net Assets With Restrictions - Purpose Restrictions 33,808 - Loss on Investments	5,000 - Zupancic Family 50,901 - Investment Income	To Provide Financial Assistance to Families and Individuals acquiring a Seizure Response Dog	Donor
<b>TOTAL</b>	<u>\$ 1,885,105</u>	<u>\$ 103,574</u>	<u>\$ 63,645</u>	<u>\$ 1,845,176</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, 2020, 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 February 5, 2021.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

  
Certified Public Accountant

February 5, 2021  
Sewickley, Pennsylvania

EPILEPSY ASSOCIATION OF WESTERN AND CENTRAL PA

PA. DEPARTMENT OF HEALTH CONTRACT NO. 4100081795

SCHEDULE OF BUDGETED AND ACTUAL COSTS  
FOR THE YEAR ENDED JUNE 30, 2020

<u>Cost Category</u>	<u>Budgeted Costs</u>	<u>Actual Costs (1)</u>
Personnel Services		
Staff Personnel	\$ 208,907	\$ 208,769
Fringe Benefits	52,227	52,192
Consultants and Contract Services	7,150	11,750
Supplies	2,166	1,550
Travel	12,000	13,878
Other Costs	61,300	55,611
<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, 2020

CURRENT YEAR: NONE

PRIOR YEAR: NONE