

**FAMILY SERVICE ASSOCIATION  
OF NORTHEASTERN PENNSYLVANIA**

**Financial Statements**

**June 30, 2015 and 2014  
(with Independent Auditor's Report Thereon)  
and  
Report Issued in Accordance with  
Government Auditing Standards**

**Year Ended June 30, 2015**

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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HALL ~ MIHALOS ~ STRAUB & CO., LLC

CERTIFIED PUBLIC ACCOUNTANTS

1426 WYOMING AVENUE  
FORTY FORT, PA 18704

PHONE (570) 714-5CPA  
FAX (570) 714-1408  
Email: [www.hms-cpa.com](http://www.hms-cpa.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Family Service Association of  
Northeastern Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Family Service Association of Northeastern Pennsylvania (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years 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***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Service Association of Northeastern Pennsylvania as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedules of activities by program is presented for 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015, on our consideration of Family Service Association of Northeastern Pennsylvania's internal control over financial reporting and on our 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

our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Family Service Association of Northeastern Pennsylvania's internal control over financial reporting and compliance.

*Hall - Malachuk Straub & Co.*

Forty Fort, Pennsylvania  
December 15, 2015

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2015 AND 2014**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 152,009	\$ 25,590
Accounts receivable, net of allowance for doubtful accounts of \$10,000 in 2015 and in 2014	371,292	559,686
Grants receivable	12,529	9,301
United Way receivable	22,635	36,861
Prepaid expense	9,465	12,200
Due from related party	4,863	10,863
Total Current Assets	572,793	654,501
<b>LONG-TERM INVESTMENTS</b>		
Unrestricted	342,904	351,343
Restricted for long-term investments	24,220	25,914
Total Long-Term Investments	367,124	377,257
<b>FURNITURE AND EQUIPMENT, Net of accumulated depreciation</b> of \$126,380 in 2015 and \$122,778 in 2014	38,914	4,106
<b>TOTAL ASSETS</b>	<b>\$ 978,831</b>	<b>\$ 1,035,864</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 54,300	\$ 33,461
Credit card payable	17,436	-
Pension payable	30,017	44,547
Accrued payroll and vacation	46,436	53,693
Accrued expenses	10,474	17,787
Line of credit	145,218	200,150
Deferred revenues	46,117	46,000
Due to related party	34	12,034
Total Current Liabilities	350,032	407,672
<b>NET ASSETS:</b>		
Unrestricted net assets	604,579	602,278
Permanently restricted net assets	24,220	25,914
Total Net Assets	628,799	628,192
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 978,831</b>	<b>\$ 1,035,864</b>

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

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
CHANGES IN UNRESTRICTED NET ASSETS:		
SUPPORT AND REVENUES:		
Program revenue and governmental contracts	\$ 1,342,830	\$ 1,369,814
Grants - Disaster recovery	9,668	12,959
Grants - Other	240,828	149,958
United Way contributions	258,540	253,556
Special events	121,932	149,090
Other revenue	43,030	39,130
Investment income	(8,000)	42,443
Other contribution	2,810	2,088
Net assets released from restrictions	<u>979</u>	<u>134</u>
Total Unrestricted Support and Revenues	<u>2,012,617</u>	<u>2,019,172</u>
PROGRAM COSTS:		
Personnel	1,700,861	1,684,299
Rent	53,630	51,905
Travel	33,107	35,274
Professional fees	30,140	35,471
Fundraising expense	31,309	34,897
Telephone	22,543	21,458
Supplies	15,477	19,415
Insurance	17,663	17,063
Utilities	19,829	17,976
Dues	18,535	12,397
Bank interest	10,039	8,878
Office equipment	8,632	10,410
Conferences and conventions	3,464	3,951
Postage	4,475	5,857
Miscellaneous	13,587	1,641
Advertising	15,639	2,526
Disaster recovery expense	4,363	9,901
Depreciation	3,601	1,326
Bad debt expense	982	1,088
Printing	1,331	896
Bank charges	<u>1,109</u>	<u>2,206</u>
Total Program Costs	<u>2,010,316</u>	<u>1,978,835</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>2,301</u>	<u>40,337</u>
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:		
Investment income	624	473
Net (loss) gain on investments	(1,339)	1,830
Net assets released from restrictions	<u>(979)</u>	<u>(134)</u>
(DECREASE) INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>(1,694)</u>	<u>2,169</u>
INCREASE IN NET ASSETS	607	42,506
NET ASSETS, BEGINNING OF YEAR	<u>628,192</u>	<u>585,686</u>
NET ASSETS, END OF YEAR	<u>\$ 628,799</u>	<u>\$ 628,192</u>

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

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 607	\$ 42,506
Adjustments to reconcile increase/decrease in net assets to net cash used by operating activities:		
Decrease (increase) in permanently restricted net assets	1,694	(2,169)
Depreciation	3,601	1,326
Net loss (gain) on investments	22,532	(34,421)
Changes in assets and liabilities:		
Accounts/other receivable	199,392	60,972
Prepaid expenses	2,735	(4,256)
Due from related party	6,000	3,137
Accounts/credit cards payable	38,275	(9,649)
Pension payable	(14,530)	8,875
Accrued payroll	(7,257)	1,229
Accrued expenses	(7,313)	4,719
Deferred revenues	117	43,828
Due to related party	(12,000)	(4,000)
Net cash provided by operating activities	<u>233,853</u>	<u>112,097</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from the sale of investments	39,899	33,394
Purchase of investments	(52,298)	(42,726)
Purchase of equipment	(38,409)	(3,493)
Net cash used by investing activities	<u>(50,808)</u>	<u>(12,825)</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Proceeds from line of credit	583,068	668,505
Payments on line of credit	(638,000)	(805,351)
(Decrease) Increase in permanently restricted net assets	(1,694)	2,169
Net cash used by financing activities	<u>(56,626)</u>	<u>(134,677)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	126,419	(35,405)
<b>CASH, BEGINNING OF YEAR</b>	<u>25,590</u>	<u>60,995</u>
<b>CASH, END OF YEAR</b>	<u>\$ 152,009</u>	<u>\$ 25,590</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest paid	\$ 10,039	\$ 8,878

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



**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES**

Nature of Operations

Family Service Association of Northeastern Pennsylvania (the Association) provides casework and clinical social work services to residents of Wyoming and Luzerne Counties, Pennsylvania. In addition, the Association operates the Help Line Program, and a program of supervised visitation of children with estranged parents.

Help Line is principally funded with resources from Luzerne County through a contract with the Commonwealth of Pennsylvania, Office of Human Services and must obtain contributions from other sources to cover the remainder of expenditures. This program provides a twenty-four hour information referral service to residents of Luzerne and Wyoming Counties, Pennsylvania.

Accounting for Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases that net asset class. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Association reports the support as unrestricted.

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

Basis of Presentation

Financial statement presentation follows the requirements of ASC 958 paragraph 205, "Not for Profit Entities Presentation of Financial Statements." The Organization is required 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. There were no temporarily restricted assets as of June 30, 2015 and 2014.

Accounts Receivable

Accounts receivable represent outstanding balances owed for program services provided by the Association. Management has based the allowance for doubtful accounts based on expected collection during the next fiscal year.

The balance due from Children & Youth Service Agency is 67% of total accounts receivable.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based upon certain percentages.

Cash

For the purpose of the statement of cash flows, the Association considered all highly liquid investments with a maturity of three months or less to be cash.

Investments

FASB ASC Topic 820, "Fair Value Measurements" (SFAS No. 157) defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques.

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

Investments (continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Association has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included in level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Association's own data.)

The following table presents the Association's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30:

Fair Value Measurements on a Recurring Basis  
As of June 30, 2015

Assets:	Level 1	Level 2	Level 3	Total
Marketable equity securities	\$ 367,124	-	-	\$ 367,124
Total	<u>\$ 367,124</u>	<u>-</u>	<u>-</u>	<u>\$ 367,124</u>

Fair Value Measurements on a Recurring Basis  
As of June 30, 2014

Assets:	Level 1	Level 2	Level 3	Total
Marketable equity securities	\$ 377,257	-	-	\$ 377,257
Total	<u>\$ 377,257</u>	<u>-</u>	<u>-</u>	<u>\$ 377,257</u>

Furniture and Equipment

Furniture and equipment acquisitions are recorded at cost.

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

Furniture and Equipment (continued)

Normal maintenance and repairs are charged to expense as incurred, major renewals or betterments, which extend the life or increase the value of assets are capitalized.

Depreciation is provided using the straight-line method based on lives which, in the opinion of management, are adequate to allocate asset costs over their productive years. Furniture and equipment are depreciated over 3-10 years.

Tax Exempt Status

The Association has been recognized as exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and similar state statutes. The Association has unexamined fiscal open tax years from 2012 to 2015. The Association is consolidated with the "Trustee" for tax purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising

Advertising costs are charged to expense as incurred.

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

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**NOTE 2 – PENSION PLAN**

The Association has a defined contribution plan covering substantially all employees. Pension expense for the years ended June 30, 2015 and 2014 amounted to \$57,129 and \$57,286 respectively.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

The Association and the Trustee for Family Service Association of Northeastern Pennsylvania (the "Trustee") are related parties in that they share common employees, facilities, etc.

The Trustee charges the Association for office space and equipment rental under an informal month-to-month lease. Rental expense was \$48,000 and \$48,000 for the years ended June 30, 2015 and 2014, respectively. At June 30, 2015 and 2014, the Association owes the Trustee \$34 and \$12,034, respectively.

The Association charged the Trustee a management fee of \$12,000 for year ended June 30, 2015 and \$12,000 for year ended June 30, 2014. At June 30, 2015 and 2014, the Trustee owes the Association \$4,863 and \$10,863, respectively.

The related parties normally loan money to and from one another. These loans do not bear interest and contain no specific repayment terms.

**NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS**

	<u>2015</u>	<u>2014</u>
Permanently restricted net assets are restricted to:		
Investment in perpetuity, the income from which is expendable to support:		
Mae Turner Conyngham Christmas Program	\$17,332	\$19,018
Milton S. Winters Parenting Program	<u>6,888</u>	<u>6,896</u>
TOTAL	<u>\$24,220</u>	<u>\$25,914</u>

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

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**NOTE 5 - CONCENTRATION OF CREDIT RISK**

The Association maintains its checking accounts in two financial institutions located in Northeastern Pennsylvania. These accounts are insured to \$250,000 by the Federal Deposit Insurance Corporation. At June 30, 2015 and 2014, the Association's uninsured cash balances total \$0 and \$0, respectively.

**NOTE 6 – LINE OF CREDIT**

The Association has a Line of Credit with a local bank with a maximum borrowing amount of \$500,000. The line is due on demand and bears interest at a rate of 4.25%, payable monthly, secured by certain organization assets, with a net book value of \$370,497. At June 30, 2015 and 2014, the balance due is \$145,218 and \$200,150 respectively.

**NOTE 7 – PRIOR YEAR RESTATEMENT**

Certain 2014 revenue line items have been reclassified for comparative purposes only and do not affect the net assets or statement of financial position.

**NOTE 8 – SUBSEQUENT EVENTS**

FASB ASC Topic 855, requires the disclosure of the date through which the Association has evaluated its subsequent events and the basis for that date. The Association has evaluated its subsequent events through December 15, 2015, the date these financial statements were available to be issued.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**  
**COMBINING SCHEDULE OF ACTIVITIES BY PROGRAM**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Counseling	Help Line	Comm. Education/ Outreach	Guardianship	Youth Re-entry	Youth Anger Mgmt. Program	C&Y Casework Service	Resource Devel/ Vol. Services	Children's Advocacy Ctr.	Management and General	Total
<b>Support and Revenues</b>											
Program revenue and governmental contracts	\$ 98,139	\$ 332,243	\$ -	\$ 73,620	\$ 137,022	\$ -	\$ 701,806	\$ -	\$ -	\$ -	\$ 1,342,830
Contributions:											
United Way contributions	71,372	178,522	-	8,646	-	-	-	-	-	-	258,540
Other contributions	-	2,500	-	-	-	-	-	-	-	310	2,810
Grants - Disaster recovery	-	9,668	-	-	-	-	-	-	-	-	9,668
Grants - Other	-	107,000	5,000	12,733	-	7,625	70,411	-	18,059	20,000	240,828
Special events	-	2,000	-	-	-	-	-	119,932	-	-	121,932
Other Revenue	308	-	-	-	-	-	-	-	-	42,722	43,030
Investment Income	-	1	-	-	-	-	-	-	-	(6,716)	(6,715)
Mgmt & general alloc.	4,794	14,540	94	2,682	3,139	263	24,033	4,098	673	(54,316)	-
<b>Total Support and Revenues</b>	<b>174,613</b>	<b>646,474</b>	<b>5,094</b>	<b>97,681</b>	<b>140,161</b>	<b>7,888</b>	<b>796,250</b>	<b>124,030</b>	<b>18,732</b>	<b>-</b>	<b>2,010,923</b>
<b>Program Costs</b>											
Personnel	128,722	383,243	1,864	71,348	79,422	6,513	625,422	86,013	17,222	301,092	1,700,861
Rent	-	-	-	-	3,600	450	27,600	-	-	21,980	53,630
Travel	85	2,861	863	6,119	2,903	-	18,370	126	452	1,328	33,107
Professional fees	10,548	1,100	-	-	1,800	41	9,226	75	-	7,350	30,140
Fundraising expense	-	-	-	-	-	-	-	31,309	-	-	31,309
Telephone	-	1,700	-	302	2,850	75	16,998	-	-	618	22,543
Supplies	430	5,071	-	280	698	586	4,116	954	157	3,185	15,477
Insurance	-	-	-	-	-	-	-	-	-	17,663	17,663
Utilities	-	1,045	-	-	-	-	94	-	-	18,690	19,829
Dues	-	5,885	-	180	-	-	95	-	-	12,390	18,535
Bank interest	285	-	-	-	-	-	-	-	-	10,039	10,039
Office equipment	-	-	-	-	-	-	-	-	-	8,632	8,632
Conference and conventions	-	-	-	-	-	-	-	-	-	1,809	3,464
Postage	30	35	-	-	240	-	330	111	1,149	2,384	4,475
Miscellaneous	300	-	-	-	-	-	1,350	501	-	13,191	13,587
Advertising	-	-	-	-	-	-	-	96	-	563	15,639
Disaster recovery expense	-	15,076	-	-	-	-	-	-	-	-	4,363
Depreciation	-	4,363	-	-	-	-	-	-	-	2,448	3,601
Bad debt expense	-	1,153	-	-	-	-	-	-	-	982	1,331
Printing	-	907	-	-	41	-	-	329	-	54	982
Bank charges	-	-	-	-	-	-	-	-	-	1,109	1,109
Management and general allocation	37,558	113,909	732	21,011	24,590	2,059	188,275	32,099	5,274	(425,507)	-
<b>Total Program Costs</b>	<b>177,958</b>	<b>536,048</b>	<b>3,459</b>	<b>99,240</b>	<b>116,144</b>	<b>9,724</b>	<b>891,876</b>	<b>151,613</b>	<b>24,254</b>	<b>-</b>	<b>2,010,316</b>
Increase (decrease) in net assets	\$ (3,345)	\$ 110,426	\$ 1,635	\$ (1,559)	\$ 24,017	\$ (1,835)	\$ (95,626)	\$ (27,583)	\$ (5,522)	\$ -	\$ 607

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**  
**COMBINING SCHEDULE OF ACTIVITIES BY PROGRAM**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Counseling	Help Line	Comm. Education/ Outreach	Guardianship	Youth Re-entry	Youth Anger Mgmt. Program	C&Y Casework Service	Resource Devel/ Vol. Services	Children's Advocacy Ctr.	Management and General	Total
<b>Support and Revenues</b>											
Program revenue and governmental contracts	\$ 95,519	\$ 244,851	\$ 2,687	\$ 67,221	\$ 150,000	\$ -	\$ 809,536	\$ -	\$ -	\$ -	\$ 1,369,814
Contributions:											
United Way contributions	69,287	176,309	-	7,960	-	-	-	-	-	-	253,556
Other contributions	-	-	-	-	-	-	-	-	-	2,088	2,088
Grants - Disaster recovery	-	12,959	-	-	-	-	-	-	-	-	12,959
Grants - Other	-	21,000	-	5,100	-	31,188	92,670	-	-	-	149,958
Special events	-	-	-	-	-	-	-	148,516	-	574	149,090
Other Revenue	545	-	-	-	-	-	-	22	-	38,563	39,130
Investment Income	-	1	-	-	-	-	-	-	-	44,745	44,746
Mgmt & general alloc.	8,239	19,453	115	4,042	6,542	1,612	40,878	5,089	-	(85,970)	-
<b>Total Support and Revenues</b>	<b>173,590</b>	<b>474,573</b>	<b>2,802</b>	<b>84,323</b>	<b>156,542</b>	<b>32,800</b>	<b>943,084</b>	<b>153,627</b>	<b>-</b>	<b>-</b>	<b>2,021,341</b>
<b>Program Costs</b>											
Personnel	136,036	338,477	1,642	67,878	113,191	27,297	709,751	60,417	-	229,610	1,684,299
Rent	3,394	5,314	-	940	3,600	2,175	27,141	619	-	8,722	51,905
Travel	799	1,727	553	6,842	4,833	-	19,071	60	-	1,389	35,274
Professional fees	11,452	1,100	-	-	1,800	110	14,059	-	-	6,950	35,471
Fundraising expense	-	-	-	-	-	-	-	34,897	-	-	34,897
Telephone	-	3,653	-	334	2,850	300	13,966	-	-	355	21,456
Supplies	1,289	2,050	-	239	258	611	6,778	639	-	7,551	19,415
Insurance	1,214	2,247	39	546	1,561	349	4,691	428	-	5,988	17,063
Utilities	3,394	6,123	-	940	-	-	107	619	-	6,793	17,976
Dues	-	5,540	-	-	-	-	-	35	-	6,922	12,397
Bank interest	-	-	-	-	-	-	-	-	-	8,878	8,878
Office equipment	2,632	2,300	-	1,010	-	-	621	500	-	3,347	10,410
Conference and conventions	712	160	19	260	117	23	901	687	-	1,072	3,951
Postage	-	12	-	-	-	720	3,970	720	-	435	5,857
Miscellaneous	89	-	-	-	-	-	13	19	-	1,520	1,641
Advertising	-	779	-	-	-	-	-	96	-	1,651	2,526
Disaster recovery expense	-	9,901	-	-	-	-	-	-	-	-	9,901
Depreciation	-	494	-	-	-	-	-	-	-	832	1,326
Bad debt expense	-	-	-	-	-	-	-	-	-	1,088	1,088
Printing	448	224	-	224	-	-	-	-	-	-	896
Bank charges	-	-	-	-	-	-	-	-	-	2,206	2,206
Management and general allocation	28,292	66,797	394	13,880	22,467	5,535	140,368	17,476	-	(295,209)	-
<b>Total Program Costs</b>	<b>189,751</b>	<b>446,898</b>	<b>2,647</b>	<b>93,093</b>	<b>150,677</b>	<b>37,120</b>	<b>941,437</b>	<b>117,212</b>	<b>-</b>	<b>-</b>	<b>1,978,895</b>
Increase (decrease) in net assets	\$ (16,161)	\$ 27,675	\$ 155	\$ (8,770)	\$ 5,865	\$ (4,320)	\$ 1,647	\$ 36,415	\$ -	\$ -	\$ 42,506





HALL ~ MIHALOS ~ STRAUB & CO., LLC

CERTIFIED PUBLIC ACCOUNTANTS

1426 WYOMING AVENUE  
FORTY FORT, PA 18704

PHONE (570) 714-5CPA  
FAX (570) 714-1408  
Email: [www.hms-cpa.com](http://www.hms-cpa.com)

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 Family Service  
Association of Northeastern Pennsylvania

We 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 Family Service Association of Northeastern Pennsylvania (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, 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 our report thereon dated December 15, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Family Service Association of Northeastern 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Service Association of Northeastern Pennsylvania's internal control. Accordingly, we 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 a 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 a 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.

Our 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 our audit we did not identify any deficiencies in internal control that we 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 Family Service Association of Northeastern Pennsylvania's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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 for any other purpose.

*Hall - Mahalan - Straub & Co.*

Forty Fort, Pennsylvania  
December 15, 2015

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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There were no audit findings or questioned costs for the year ended June 30, 2014.