

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**YEARS ENDED  
JUNE 30, 2025 AND 2024**

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**YEARS ENDED JUNE 30, 2025 AND 2024**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Family Service Association of  
Northeastern Pennsylvania  
Wilkes-Barre, Pennsylvania

### ***Opinion***

We have audited the financial statements of Family Service Association of Northeastern Pennsylvania (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Family Service Association of Northeastern Pennsylvania as of June 30, 2025 and 2024, 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.

### ***Basis for Opinion***

We have conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Service Association of Northeastern Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter- Change in Accounting Principle***

As described in Note 1 to the financial statements, in the year ended June 30, 2024, the Family Service Association of Northeastern Pennsylvania changed its method of accounting for credit losses with the adoption of FASB ASU 2016-13 (ASC 326, Financial Instruments – Credit Losses) and related ASU's. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Service Association of Northeastern Pennsylvania's ability to continue as a going concern for one year after the date that the financial statements are issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Family Service Association of Northeastern Pennsylvania's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Service Association of Northeastern Pennsylvania's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Other Matter***

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 18-19 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 audits 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.

*Kronick Kalada Berdy & Co., P.C.*

Kingston, Pennsylvania  
August 14, 2025

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
Current assets:		
Cash	\$ 2,793,147	\$ 2,639,013
Accounts receivable, net of allowance for credit losses of \$10,000, 2025 and 2024	297,968	618,766
Investments	1,374,223	1,274,976
Prepaid expense	8,952	12,244
Total current assets	4,474,290	4,544,999
Security deposits	-	1,000
Long-term investments, restricted for endowment	102,684	90,202
Furniture and equipment, net of accumulated depreciation of \$36,593, 2025; and \$32,340, 2024	7,417	14,515
Total assets	\$ 4,584,391	\$ 4,650,716
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 8,441	\$ 16,217
Accrued payroll and vacation	67,542	66,463
Accrued expenses	15,000	14,300
Total current liabilities	90,983	96,980
Net assets:		
Without donor restrictions:		
Undesignated	3,390,724	3,463,534
Designated by the Board for future development activities	1,000,000	1,000,000
With donor restrictions:		
Perpetual in nature	102,684	90,202
Total net assets	4,493,408	4,553,736
Total liabilities and net assets	\$ 4,584,391	\$ 4,650,716

See notes to financial statements

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
Changes in net assets without donor restrictions:		
Revenues, gains and other support:		
Program revenue and governmental contracts	\$ 2,211,195	\$ 2,621,118
Grants	79,912	66,293
United Way contributions	281,508	397,764
Other contributions	49,344	12,830
Special events, net of costs of direct benefits to donors of \$35,309, and \$49,570, respectively	44,704	77,733
Other revenue	90,937	132,328
Investment return, net	187,368	159,990
Total revenues, gains and other support without donor restrictions	2,944,968	3,468,056
Expenses:		
Program services	2,335,048	2,733,942
Management and general	682,730	677,935
Total expenses	3,017,778	3,411,877
Increase (decrease) in net assets without donor restrictions	(72,810)	56,179
Changes in net assets with donor restrictions:		
Revenues, gains and other support:		
Contributions	5,918	5,444
Investment return, net	6,564	6,039
Total revenues, gains and other support with donor restrictions	12,482	11,483
Increase in net assets with donor restrictions	12,482	11,483
Increase (decrease) in net assets	(60,328)	67,662
Net assets, beginning of year	4,553,736	4,486,074
Net assets, end of year	\$ 4,493,408	\$ 4,553,736

See notes to financial statements

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (60,328)	\$ 67,662
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	4,253	4,401
Loss on disposal of fixed asset	2,845	-
Unrealized gain on investments	(29,722)	(55,216)
Realized gain on investments	(1,257)	-
Credit loss expense	17,189	10,076
Contributions restricted to endowment	(5,918)	(5,444)
Changes in operating assets and liabilities:		
Accounts receivable	303,609	(105,695)
Prepaid expenses	3,292	28,145
Due from related party	-	145
Security deposits	1,000	667
Accounts payable	(7,776)	(34,239)
Accrued retirement plan contribution payable	-	(13,659)
Accrued payroll and vacation	1,079	(88,956)
Accrued expenses	700	(829)
Deferred revenue	-	(14,432)
Net cash provided by (used in) operating activities	228,966	(207,374)
Cash flows from investing activities:		
Purchase of investments	(74,832)	(53,657)
Purchase of furniture and equipment	-	(13,441)
Net cash used in investing activities	(74,832)	(67,098)
Net increase (decrease) in cash	154,134	(274,472)
Cash, beginning of year	2,639,013	2,913,485
Cash, end of year	\$ 2,793,147	\$ 2,639,013

See notes to financial statements

# FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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, Susquehanna, and Luzerne Counties, Pennsylvania. In addition, the Association operates the PA 2-1-1 Northeast Help Line Program.

PA 2-1-1 Northeast Help Line Program 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 17 counties in Northeast Pennsylvania.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or grantor) restrictions.

*Net assets with donor restrictions* – Net assets subject to donor– (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Revenue and revenue recognition

Contributions are recognized when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been substantially met. We recognize revenue from programs, government contracts and grants when the performance obligations of providing the services are met. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. All services are transferred at a point in time.

# FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

### YEARS ENDED JUNE 30, 2025 AND 2024

A portion of our revenue is derived from program revenue and government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

#### Accounts receivable

Accounts receivable represent outstanding balances owed for program services provided by the Association. Management provides for probable uncollectible amounts through a charge to earnings and a credit to an allowance for credit losses based on its assessment of the current conditions, reasonable and supportable forecasts regarding future events, the financial stability of its customers, and other factors deemed relevant by the Association. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to allowance for credit losses and a credit to accounts receivable. At June 30, 2025 and 2024, the allowance was \$10,000. Accounts receivable, net amounted to \$297,968 and \$618,766 at June 30, 2025 and 2024, respectively. The accounts receivable balance at July 1, 2024, the beginning of the comparative two year period, was \$523,147.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position.

#### Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Investments in money market funds are stated at fair value as determined by principal value. Common stocks are stated at market value, based upon quoted market prices and other significant observable inputs, and mutual funds are stated at market value based upon published net asset value per unit at the end of the last trading day of the fiscal year, which is the basis for transactions at that date, with unrealized gains and losses included in the statements of activities.

Investment income (including realized gains and losses on investments, unrealized gains and losses on investments, interest, and dividends, less external and direct internal investment expenses) is included in the determination of changes in net assets unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

# FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

### YEARS ENDED JUNE 30, 2025 AND 2024

#### Furniture and equipment

Furniture and equipment acquisitions are recorded at cost. 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 the estimated useful lives of the assets.

#### In-kind contributions

No amounts have been reflected in the financial statements for donated services. The Association generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association, but these services do not meet the criteria for recognition as contributed services. Contributed goods are recorded at fair value at the date of donation, if any. We record donated professional services at the respective fair values of the services received, if any. No significant contributions of such goods or services were received during the years ended June 30, 2025 and 2024, respectively.

#### Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### Certain leasing arrangements with entities under common control

The Association has adopted the accounting alternative offered to private companies in FASB ASC 810-10 for certain leasing arrangements with entities under common control. In accordance with this alternative, the Association does not evaluate entities that meet the requirements in the variable interest entities subsections of FASB ASC 810-10. Instead, the Association discloses leasing arrangement as required by the accounting alternative. See Note 6.

#### Advertising

Advertising costs of \$12,160 and \$17,310 for the years ended June 30, 2025 and 2024, respectively, were charged to expense as incurred.

#### Functional expenses

The costs of providing various program and supporting services have been summarized on a functional basis in Note 11. The functional expenses present the natural classification of expense by function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Expenses directly related to either the programs or supporting

# FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

### YEARS ENDED JUNE 30, 2025 AND 2024

services are assigned to the programs or other applicable services. Expenses that are allocated are done on the basis of estimates of time and effort and square footage. The expenses that are allocated included occupancy, which is allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional fees, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

#### Tax exempt status

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than private foundation. The Association is consolidated with Trustee for Family Service Association of Wyoming Valley (the Trustee) for tax purposes. The Association recognizes the benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by tax authorities.

Management has analyzed the Association's tax positions and has concluded that no liability should be recorded related to uncertain tax positions taken as of June 30, 2025 and 2024. The Association is not aware of any tax positions for which it is reasonably possible that the total amounts will change materially in the next twelve months.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain 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.

#### Leases

The Association elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on the straight-line basis.

#### Recent accounting pronouncement

Effective July 1, 2023, The Association adopted Financial Accounting Standards Board (FASB), ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, using the modified retrospective basis. The FASB guidance (FASB ASC 326) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Association that are subject to the guidance in FASB ASC 326 were accounts receivable. The impact of the adoption was not considered material to the financial statements.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

Subsequent events

Subsequent events were evaluated through August 14, 2025, which is the date the financial statements were available to be issued.

**NOTE 2**      Net assets with donor restrictions and endowment

Net assets with donor restrictions consist of endowment funds which have been restricted by donors to be maintained in perpetuity as interpreted by the legal designation of endowment in Pennsylvania. The board can approve an annual transfer to be made from the endowments based on the annual income of the endowments to the without donor restriction net assets of the Association for general use.

As provided by Pennsylvania law an annual amount of net assets with donor restrictions available for spending is determined and transferred to net assets without donor restrictions (total return distribution). In addition, if the net assets in this category become a negative amount due to investment losses, the negative balance is transferred to net assets without donor restrictions in accordance with the provisions of the accounting standards governing investments held by not-for-profit organizations (reclassification of endowment earnings). These amounts will be reclassified to net assets without donor restrictions when available. There were no underwater endowments at June 30, 2025 and 2024.

The composition of endowment assets as of June 30, 2025 and 2024 is as follows:

	Net assets with donor restrictions
Balance, June 30, 2023	\$ 78,719
Interest and dividend income	1,441
Unrealized gain on investments, net	4,598
Contributions	<u>5,444</u>
Balance, June 30, 2024	90,202
Interest and dividend income	3,835
Unrealized gain on investments, net	2,729
Contributions	<u>5,918</u>
Balance, June 30, 2025	<u>\$ 102,684</u>

**NOTE 3**      Investments and fair value measurements

The fair value of unrestricted investments totaled \$1,374,223 and \$1,274,976 at June 30, 2025 and 2024, respectively. The fair value of investments restricted for endowment totaled \$102,684 and \$90,202 at June 30, 2025 and 2024, respectively.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

The following schedule summarizes investment returns and their classification in the statement of activities for the year ended June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Interest and dividend income	\$ 159,118	\$ 3,835	\$ 162,953
Net unrealized gains, net	28,250	2,729	30,979
Total investment return, net	<u>\$ 187,368</u>	<u>\$ 6,564</u>	<u>\$ 193,932</u>

The following schedule summarizes investment returns and their classification in the statement of activities for the year ended June 30, 2024:

	Without donor restrictions	With donor restrictions	Total
Interest and dividend income	\$ 108,477	\$ 1,441	\$ 109,918
Net unrealized gains, net	51,513	4,598	56,111
Total investment return, net	<u>\$ 159,990</u>	<u>\$ 6,039</u>	<u>\$ 166,029</u>

FASB ASC 820 *Fair Value Measurements* establishes 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) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Trustee has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

*Money market:* Valued at the quoted net asset value (NAV) of shares held by the Association at year end.

*Common stocks:* Valued at the closing price reported on the active markets on which the individual securities are traded.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. The funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Association are deemed to be actively traded.

*Fixed income securities:* Debt securities include mainly government bonds and certificates of deposit with a wide range of maturities. These investments are valued using an evaluated pricing approach that varies by asset class and reflects observable market information such as the most recent exchange price or quoted bid for similar securities. Market-based standard inputs typically include benchmark yields, reported trades, broker/dealer quotes and issuer spreads or the most recent quotes for similar securities which are a Level 2 measure.

The fair value measurements and levels within the fair value hierarchy of these measurements for the assets reported at fair value on a recurring basis at June 30 are as follows:

	2025	2024
Level 1 - Quoted prices:		
Money market funds	\$ 124,198	\$ 69,345
Common stock	86,948	51,489
Mutual funds	730,699	674,623
Total level 1	941,845	795,457
Level 2 - Other significant observable inputs, fixed income securities	535,062	569,721
Level 3 - Significant unobservable inputs	-	-
Total	\$ 1,476,907	\$ 1,365,178

The Association's policy is to recognize transfers of investments into or out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended June 30, 2025 and 2024, there were no transfers of investments into or out of Level 3. There are no assets requiring the use of Level 3 assets for the years presented.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 4      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 April 1, 2026 and bears interest at a rate of the prime rate plus 1%, payable monthly, secured by substantially all assets of the Association and the building owned by the Trustee. The line of credit is guaranteed by the Trustee. At June 30, 2025 and 2024, there were no borrowings outstanding.

NOTE 5      Retirement plan

The Association has a defined contribution retirement plan covering substantially all full-time employees. The expense for the years ended June 30, 2025 and 2024 amounted to \$71,907 and \$51,391, respectively.

NOTE 6      Related party transactions

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

The Trustee charges the Association a fixed \$10,000 a month for office space and equipment rental an operating lease terminating June 30, 2026, at which time it may, with the written agreement of both parties, be changed or extended. Related party rental expense was \$120,000 for the years ended June 30, 2025 and 2024. The minimum rental payments for this lease for the year ended June 30, 2026 are \$120,000.

The related party lessor does not have any debt and management is not aware of any circumstances that would expose the Association to providing any financial support to the related party lessor.

The Association charged the Trustee a management fee of \$12,000 for years ended June 30, 2025 and 2024.

NOTE 7      Leasing activities

In addition to the rental of office space and equipment from the Trustee (Note 6), the Association leased premises in Montrose, Pennsylvania and Pittston, Pennsylvania under month-to-month operating leases ending in 2025, and elected not to recognize the assets and liabilities for the lease. Lease payments and the short-term lease were recognized on a straight-line basis.

The components of lease expenses are included in rent expense in program services and management and general in the statements of activities for the years ended June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Short-term lease cost	<u>\$ 113,026</u>	<u>\$ 129,052</u>
Total lease cost	<u>\$ 113,026</u>	<u>\$ 129,052</u>

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

Rent expense incurred in 2024 under non-related party short term leases was \$9,052.

**NOTE 8**      Concentrations

The Association maintains its cash accounts in commercial banks, which are insured by the Federal Deposit Insurance Corporation up to statutory limits. Throughout the year, the balances at this institution may exceed the federally insured limits. Management does not anticipate any losses on the uninsured portions of these balances.

For the years ended June 30, 2025 and 2024, approximately 42% and 47%, respectively, of the Association's total revenues and other support is received from Luzerne County Children and Youth Services.

**NOTE 9**      Liquidity and availability

The Association monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. It meets these operating needs and contractual commitments through grants and program revenue and structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Association's financial assets available within one year of June 30 for general expenditure consists of the following:

	2025	2024
Cash	\$ 2,793,147	\$ 2,639,013
Accounts receivable, net	297,968	618,766
Investments	1,374,223	1,274,976
Financial assets at year end	4,465,338	4,532,755
Less amounts not available to be used within one year, due to Board designated net assets	1,000,000	1,000,000
Financial assets available to meet general expenditures within one year	\$ 3,465,338	\$ 3,532,755

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of June 30, 2025 and 2024, respectively. The net assets without donor restrictions designated by the Board of Directors for future development activities could be made available if necessary. In addition to the above amounts, the Association has a line of credit from a local bank.

**NOTE 10**      Board designated net assets

The Board of Directors have designated net assets in the amount of \$1,000,000 for future development activities at June 30, 2025 and 2024.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 11 Functional expenses

Functional expenses for the year ended June 30, 2025 are comprised of the following:

	Program services										Management and general	Cost of Direct Benefits to Donors	Grand total
	Counseling	Help Line	Comm. Education/ Outreach	Guardianship	Children's Advocacy Ctr.	Resource Devel/Vol. Services	Children and Youth Casework Service	Crisis Receiving and Stabilization Unit	Functional Family Therapy	Total programs			
Expenses:													
Advertising	\$ -	\$ 9,950	\$ -	\$ -	\$ 210	\$ -	\$ -	\$ -	\$ -	\$ 10,160	\$ 2,000	\$ -	\$ 12,160
Credit loss	90	699	-	15,200	1,200	-	-	-	-	17,189	-	-	17,189
Bank charges	-	-	-	-	-	-	-	-	-	-	1,330	-	1,330
Conferences and conventions	550	124	-	195	19,524	67	45,653	-	-	66,113	3,921	-	70,034
Depreciation	-	-	-	-	-	-	-	-	-	-	4,253	-	4,253
Dues	-	5,234	-	458	795	848	22	49	250	7,656	5,143	-	12,799
Insurance	25	1,693	-	506	62	169	2,243	-	294	4,992	32,842	-	37,834
Meals and entertainment	-	-	-	-	-	-	-	-	-	-	-	35,309	35,309
Miscellaneous	120	-	-	23	-	-	-	-	-	143	-	-	143
Office supplies	-	4,943	-	227	51	-	8,753	-	-	13,974	45,153	-	59,127
Personnel	9,326	719,272	-	245,164	73,922	9,880	872,510	28,399	-	1,958,473	375,210	-	2,333,683
Postage	-	-	-	10	-	12	261	-	-	283	6,782	-	7,065
Professional fees	5,415	1,067	-	30,721	4,853	-	12,781	16,417	-	71,254	137,786	-	209,040
Rent	-	9,380	-	-	7,000	-	56,766	-	-	73,146	39,880	-	113,026
Supplies	458	301	2,286	1,811	4,339	180	10,445	1,099	-	20,919	1,221	-	22,140
Telephone	-	22,302	-	2,481	708	-	27,315	-	-	52,806	8,756	-	61,562
Travel	-	300	-	12,311	1,068	175	22,433	-	-	36,287	3,643	-	39,930
Utilities	-	-	-	-	1,653	-	-	-	-	1,653	14,810	-	16,463
<b>Total expenses by function</b>	<b>15,984</b>	<b>775,265</b>	<b>2,286</b>	<b>309,107</b>	<b>115,385</b>	<b>11,331</b>	<b>1,059,182</b>	<b>45,964</b>	<b>544</b>	<b>2,335,048</b>	<b>682,730</b>	<b>35,309</b>	<b>3,053,087</b>
Less expenses included with revenues on the statement of activities:													
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	-	-	(35,309)	(35,309)
<b>Total expenses included on the statement of activities</b>	<b>\$ 15,984</b>	<b>\$ 775,265</b>	<b>\$ 2,286</b>	<b>\$ 309,107</b>	<b>\$ 115,385</b>	<b>\$ 11,331</b>	<b>\$ 1,059,182</b>	<b>\$ 45,964</b>	<b>\$ 544</b>	<b>\$ 2,335,048</b>	<b>\$ 682,730</b>	<b>\$ -</b>	<b>\$ 3,017,778</b>

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2025 AND 2024**

Functional expenses for the year ended June 30, 2024 are comprised of the following:

	Program services								Management and general	Cost of Direct Benefits to Donors	Grand total
	Counseling	Help Line	Comm. Education/ Outreach	Guardianship	Children's Advocacy Ctr.	Resource Devel/Vol. Services	Children and Youth Casework Service	Total programs			
Advertising	\$ -	\$ 13,167	\$ -	\$ -	\$ -	\$ 255	\$ -	\$ 13,422	\$ 3,888	\$ -	\$ 17,310
Credit loss	4,706	5,195	-	-	-	-	-	9,901	175	-	10,076
Bank charges	-	-	-	-	-	-	-	-	778	-	778
Conferences and conventions	-	421	-	-	18,516	999	4,372	24,308	7,047	-	31,355
Depreciation	-	-	-	-	-	-	-	-	4,401	-	4,401
Dues	-	15,526	-	300	1,429	5,970	-	23,225	8,290	-	31,515
Insurance	13	810	-	188	62	85	1,178	2,336	26,384	-	28,720
Meals and entertainment	-	-	-	-	-	-	-	-	-	49,570	49,570
Miscellaneous	-	-	-	250	4,225	-	42	4,517	2,187	-	6,704
Office supplies	121	6,395	-	739	40,328	-	17,783	65,366	29,203	-	94,569
Personnel	10,224	811,107	-	225,087	106,124	43,342	1,120,266	2,316,150	419,321	-	2,735,471
Postage	-	10	100	163	-	264	1,652	2,189	6,735	-	8,924
Printing	-	-	-	37	27	-	35	99	1,552	-	1,651
Professional fees	8,513	156	-	2,651	5,620	1,000	40,164	58,104	99,861	-	157,965
Rent	-	10,233	-	-	13,500	-	58,182	81,915	47,137	-	129,052
Supplies	17	936	4,337	1,256	6,905	269	10,136	23,856	448	-	24,304
Telephone	40	25,923	-	962	1,902	-	24,731	53,558	3,502	-	57,060
Travel	-	1,471	-	16,061	1,879	666	30,173	50,250	1,605	-	51,855
Utilities	-	2,413	-	-	2,333	-	-	4,746	15,421	-	20,167
<b>Total expenses by function</b>	<b>23,634</b>	<b>893,763</b>	<b>4,437</b>	<b>247,694</b>	<b>202,850</b>	<b>52,850</b>	<b>1,308,714</b>	<b>2,733,942</b>	<b>677,935</b>	<b>49,570</b>	<b>3,461,447</b>
Less expenses included with revenues on the statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	(49,570)	(49,570)
<b>Total expenses included on the statement of activities</b>	<b>\$ 23,634</b>	<b>\$ 893,763</b>	<b>\$ 4,437</b>	<b>\$ 247,694</b>	<b>\$ 202,850</b>	<b>\$ 52,850</b>	<b>\$ 1,308,714</b>	<b>\$ 2,733,942</b>	<b>\$ 677,935</b>	<b>\$ -</b>	<b>\$ 3,411,877</b>

FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

SCHEDULE OF PROGRAMS AND SUPPORTING ACTIVITIES

YEAR ENDED JUNE 30, 2025

	Counseling	Help Line	Comm. Education/ Outreach	Guardianship	Children's Advocacy Ctr.	Resource Devel./Vol. Services	Children and Youth Casework Service	Crisis Receiving and Stabilization Unit	Functional Family Therapy	Total programs	Management and general	Grand total
Revenues and other support:												
Program revenue and governmental contracts	\$ 25,510	\$ 526,080	\$ -	\$ 317,961	\$ 105,033	\$ -	\$ 1,236,611	\$ -	\$ -	\$ 2,211,195	\$ -	\$ 2,211,195
Grants	-	26,409	-	25,000	28,503	-	-	-	-	79,912	-	79,912
United Way contributions	-	276,508	-	-	5,000	-	-	-	-	281,508	-	281,508
Other contributions	-	1,259	-	-	-	2,500	-	50,713	-	54,472	790	55,262
Special events, net of costs of direct benefits to donors of \$35,309	-	-	-	-	3,710	40,994	-	-	-	44,704	-	44,704
Other revenue	-	1,330	-	4,000	-	65,000	-	-	-	70,330	20,607	90,937
Investment return, net	-	-	-	-	-	-	-	-	-	-	193,932	193,932
Total revenues and other support	25,510	831,586	-	346,961	142,246	108,494	1,236,611	50,713	-	2,742,121	215,329	2,957,450
Expenses:												
Advertising	-	9,950	-	-	210	-	-	-	-	10,160	2,000	12,160
Credit loss	90	699	-	15,200	1,200	-	-	-	-	17,189	-	17,189
Bank charges	-	-	-	-	-	-	-	-	-	-	1,330	1,330
Conferences and conventions	550	124	-	195	19,524	67	45,653	-	-	66,113	3,921	70,034
Depreciation	-	-	-	-	-	-	-	-	-	-	4,253	4,253
Dues	-	5,234	-	458	795	848	22	49	250	7,656	5,143	12,799
Insurance	25	1,693	-	506	62	169	2,243	-	294	4,992	32,842	37,834
Miscellaneous	120	-	-	23	-	-	-	-	-	143	-	143
Office supplies	-	4,943	-	227	51	-	8,753	-	-	13,974	45,153	59,127
Personnel	9,326	719,272	-	245,164	73,922	9,880	872,510	28,399	-	1,958,473	375,210	2,333,683
Postage	-	-	-	10	-	12	261	-	-	283	6,782	7,065
Professional fees	5,415	1,067	-	30,721	4,853	-	12,781	16,417	-	71,254	137,786	209,040
Rent	-	9,380	-	-	7,000	-	56,766	-	-	73,146	39,880	113,026
Supplies	458	301	2,286	1,811	4,339	180	10,445	1,099	-	20,919	1,221	22,140
Telephone	-	22,302	-	2,481	708	-	27,315	-	-	52,806	8,756	61,562
Travel	-	300	-	12,311	1,068	175	22,433	-	-	36,287	3,643	39,930
Utilities	-	-	-	-	1,653	-	-	-	-	1,653	14,810	16,463
Total expenses	15,984	775,265	2,286	309,107	115,385	11,331	1,059,182	45,964	544	2,335,048	682,730	3,017,778
Increase (decrease) in net assets	\$ 9,526	\$ 56,321	\$ (2,286)	\$ 37,854	\$ 26,861	\$ 97,163	\$ 177,429	\$ 4,749	\$ (544)	\$ 407,073	\$ (467,401)	\$ (60,328)

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**SCHEDULE OF PROGRAMS AND SUPPORTING ACTIVITIES**

**YEAR ENDED JUNE 30, 2024**

	Counseling	Help Line	Comm. Education/ Outreach	Guardianship	Children's Advocacy Ctr.	Resource Devel/Vol. Services	Children and Youth Casework Service	Total programs	Management and general	Grand total
Program revenue and governmental contracts	\$ 25,793	\$ 486,170	\$ -	\$ 269,871	\$ 186,910	\$ -	\$ 1,652,374	\$ 2,621,118	\$ -	\$ 2,621,118
Grants	590	36,806	-	-	28,897	-	-	66,293	-	66,293
United Way contributions	-	390,764	-	-	7,000	-	-	397,764	-	397,764
Other contributions	-	937	-	500	100	13,140	-	14,677	3,597	18,274
Special events, net of costs of direct benefits to donors of \$49,570	-	-	-	-	7,055	73,013	-	80,068	(2,335)	77,733
Other revenue	210	-	-	41,230	-	53,142	-	94,582	37,746	132,328
Investment return, net	-	-	-	-	-	-	-	-	166,029	166,029
<b>Total revenues and other support</b>	<b>26,593</b>	<b>914,677</b>	<b>-</b>	<b>311,601</b>	<b>229,962</b>	<b>139,295</b>	<b>1,652,374</b>	<b>3,274,502</b>	<b>205,037</b>	<b>3,479,539</b>
Expenses:										
Advertising	-	13,167	-	-	-	255	-	13,422	3,888	17,310
Credit loss	4,706	5,195	-	-	-	-	-	9,901	175	10,076
Bank charges	-	-	-	-	-	-	-	-	778	778
Bank interest	-	-	-	-	-	-	-	-	-	-
Conferences and conventions	-	421	-	-	18,516	999	4,372	24,308	7,047	31,355
Depreciation	-	-	-	-	-	-	-	-	4,401	4,401
Dues	-	15,526	-	300	1,429	5,970	-	23,225	8,290	31,515
Insurance	13	810	-	188	62	85	1,178	2,336	26,384	28,720
Miscellaneous	-	-	-	250	4,225	-	42	4,517	2,187	6,704
Office supplies	121	6,395	-	739	40,328	-	17,783	65,366	29,203	94,569
Personnel	10,224	811,107	-	225,087	106,124	43,342	1,120,266	2,316,150	419,321	2,735,471
Postage	-	10	100	163	-	264	1,652	2,189	6,735	8,924
Printing	-	-	-	37	27	-	35	99	1,552	1,651
Professional fees	8,513	156	-	2,651	5,620	1,000	40,164	58,104	99,861	157,965
Rent	-	10,233	-	-	13,500	-	58,182	81,915	47,137	129,052
Supplies	17	936	4,337	1,256	6,905	269	10,136	23,856	448	24,304
Telephone	40	25,923	-	962	1,902	-	24,731	53,558	3,502	57,060
Travel	-	1,471	-	16,061	1,879	666	30,173	50,250	1,605	51,855
Utilities	-	2,413	-	-	2,333	-	-	4,746	15,421	20,167
<b>Total expenses</b>	<b>23,634</b>	<b>893,763</b>	<b>4,437</b>	<b>247,694</b>	<b>202,850</b>	<b>52,850</b>	<b>1,308,714</b>	<b>2,733,942</b>	<b>677,935</b>	<b>3,411,877</b>
Increase (decrease) in net assets	\$ 2,959	\$ 20,914	\$ (4,437)	\$ 63,907	\$ 27,112	\$ 86,445	\$ 343,660	\$ 540,560	\$ (472,898)	\$ 67,662