

**FAMILY SERVICE ASSOCIATION OF  
NORTHEASTERN PENNSYLVANIA**

**YEARS ENDED  
JUNE 30, 2021 AND 2020**

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**YEARS ENDED JUNE 30, 2021 AND 2020**

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**Kronick  
Kalada  
Berdy & Co.**  
*A Professional Corporation*

Certified Public Accountants

Officers/Shareholders

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Family Service Association of  
Northeastern Pennsylvania  
Wilkes-Barre, 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, 2021 and 2020 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.

### *Auditors' 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. 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 auditors' 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 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, 2021 and 2020, 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.

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of programs and supporting activities on pages 17 and 18 are 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.

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

Kingston, Pennsylvania  
December 15, 2021

FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash	\$ 2,194,940	\$ 1,482,386
Accounts receivable, net of allowance for doubtful accounts of \$10,000, 2021 and 2020	710,909	566,425
Investments	1,172,420	1,060,589
Prepaid expense	12,588	13,542
Due from related party	3,750	-
Total current assets	4,094,607	3,122,942
Long-term investments, restricted for endowment	67,376	59,221
Furniture and equipment, net of accumulated depreciation of \$166,418, 2021; and \$151,559, 2020	12,161	27,020
Total assets	\$ 4,174,144	\$ 3,209,183
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 68,981	\$ 48,961
Accrued retirement plan contribution payable	46,648	88,811
Accrued payroll and vacation	224,447	180,832
Accrued expenses	14,236	12,300
Deferred revenue	195,055	340,128
Refundable advance	523,400	523,400
Due to related party	30,000	20,000
Total current liabilities	1,102,767	1,214,432
Net assets:		
Without donor restrictions:		
Undesignated	2,004,001	1,935,530
Designated by the Board for future development activities	1,000,000	-
With donor restrictions:		
Perpetual in nature	67,376	59,221
Total net assets	3,071,377	1,994,751
Total liabilities and net assets	\$ 4,174,144	\$ 3,209,183

See notes to financial statements

FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Changes in net assets without donor restrictions:		
Revenues, gains and other support:		
Program revenue and governmental contracts	\$ 3,276,752	\$ 2,776,896
Grants	366,358	208,188
United Way contributions	236,386	132,265
Other contributions	19,192	32,023
Special events, net of costs of direct benefits to donors of \$20,635 and \$20,519, respectively	251,076	143,450
Other revenue	199,647	139,475
Investment return, net	111,392	17,867
Total revenues, gains and other support without donor restrictions	4,460,803	3,450,164
Net assets released from restrictions, total return distribution of income	760	760
Total revenues, gains and other support without donor restrictions	4,461,563	3,450,924
Expenses:		
Program services	2,820,131	2,781,268
Management and general	572,961	538,214
Total expenses	3,393,092	3,319,482
Increase in net assets without donor restrictions	1,068,471	131,442
Changes in net assets with donor restrictions:		
Revenues, gains and other support:		
Investment return, net	8,915	2,614
Total revenues, gains and other support with donor restrictions	8,915	2,614
Net assets released from restriction, total return distribution of income	(760)	(760)
Increase in net assets with donor restrictions	8,155	1,854
Increase in net assets	1,076,626	133,296
Net assets, beginning of year	1,994,751	1,861,455
Net assets, end of year	\$ 3,071,377	\$ 1,994,751

See notes to financial statements

FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Increase in net assets	\$ 1,076,626	\$ 133,296
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	14,859	23,754
Unrealized (gain) loss on investments	(97,856)	10,973
Changes in operating assets and liabilities:		
Accounts receivable	(144,484)	(87,554)
Prepaid expenses	954	1,647
Due from related party	(3,750)	-
Accounts payable	20,020	(31,748)
Accrued retirement plan contribution payable	(42,163)	(40,215)
Accrued payroll and vacation	43,615	74,604
Accrued expenses	1,936	400
Deferred revenue	(145,073)	302,301
Refundable advance	-	523,400
Due to related party	10,000	14,090
Net cash provided by operating activities	734,684	924,948
Cash flows from investing activities:		
Proceeds from the sale of investments	-	1,230
Purchase of investments	(22,130)	(30,934)
Net cash used in investing activities	(22,130)	(29,704)
Net increase in cash	712,554	895,244
Cash, beginning of year	1,482,386	587,142
Cash, end of year	\$ 2,194,940	\$ 1,482,386
Supplemental disclosure of cash flow information:		
Interest paid during the year	\$ 29	\$ 162

See notes to financial statements

FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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 are, that is, those with a measurable performance or other barrier, and right of return, 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, 2021 AND 2020

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. We received program revenue and government contracts and grants of \$195,055 and \$340,128, respectively, that have not been recognized at June 30, 2021 and 2020 because qualifying expenditures have not yet been incurred.

### 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 based on historical experience an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. At June 30, 2021 and 2020, the allowance was \$10,000. Accounts receivable, net amounted to \$478,871 at June 30, 2019.

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.

### 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

## FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

### NOTES TO FINANCIAL STATEMENTS

#### YEARS ENDED JUNE 30, 2021 AND 2020

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.

#### Paycheck Protection Program Refundable Advance

In April, 2020, the Association obtained a \$523,400 loan from a bank pursuant to the Paychex Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The PPP loan was accounted for in accordance with FASB ASC-958-605 as a conditional contribution. Under this model, the timing of recognition for a contribution received depends on whether the contribution is conditional or not. If conditional, the contribution is not recognized until the conditions are substantially met or explicitly waived. The Association initially recorded the cash inflow from the PPP loan as a refundable advance and in cash flows from operating activities. The Association applied for and received forgiveness of the loan in August 2021.

#### Contributed services and in-kind contributions

No amounts have been reflected in the financial statement 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. 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, 2021 and 2020, 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.

#### Advertising

Advertising costs of \$87,940 and \$45,633 for the years ended June 30, 2021 and 2020, 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 13. 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

FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

supporting services benefitted. Expenses directly related to either the programs or supporting 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. 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, 2021 and 2020.

The Association is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits 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.

Recent accounting pronouncement

The FASB issued ASU 2016-02, Leases (Topic 842), which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2021. The Association is evaluating the impact the pronouncement may have on the financial statements.

Subsequent events

Subsequent events were evaluated through December 15, 2021, 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.

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

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**

(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, 2021 and 2020.

The composition of endowment assets as of June 30, 2021 and 2020 is as follows:

	Net assets with donor restrictions
Balance, June 30, 2019	\$ 57,367
Investment income, net	1,157
Unrealized gain on investments, net	1,457
Amount appropriated for expenditure, pursuant to spending rate policy	(760)
Balance, June 30, 2020	59,221
Investment income, net	926
Unrealized gain on investments, net	7,989
Amount appropriated for expenditure, pursuant to spending rate policy	(760)
Balance, June 30, 2021	\$ 67,376

**NOTE 3**      Investments and fair value measurements

The fair value of investments totaled \$1,172,420 and \$1,060,589 at June 30, 2021 and 2020, respectively. The fair value of investments restricted for endowment totaled \$67,376 and \$59,221 at June 30, 2021 and 2020, respectively.

The following schedule summarizes investment returns and their classification in the statement of activities for the year ended June 30, 2021:

	Without donor restrictions	With donor restrictions	Total
Interest and dividend income	\$ 21,525	\$ 926	\$ 22,451
Net unrealized gains	89,867	7,989	97,856
Total investment return, net	\$ 111,392	\$ 8,915	\$ 120,307

The following schedule summarizes investment returns and their classification in the statement of activities for the year ended June 30, 2020:

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**

	Without donor restrictions	With donor restrictions	Total
Interest and dividend income	\$ 30,297	\$ 1,157	\$ 31,454
Net unrealized gains (losses)	(12,430)	1,457	(10,973)
 Total investment return, net	\$ 17,867	\$ 2,614	\$ 20,481

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.

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.

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

*Certificate of deposits:* Valued at principal value

*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.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**

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:

	2021	2020
Level 1 - Quoted prices:		
Money market funds	\$ 675,778	\$ 270,935
Certificate of deposits	-	379,411
Common stock	3,336	2,638
Mutual funds	560,682	466,826
Total level 1	1,239,796	1,119,810
Level 2 - Other significant observable inputs	-	-
Level 3 - Significant unobservable inputs	-	-
Total	\$ 1,239,796	\$ 1,119,810

**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, 2022 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, 2021 and 2020, 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 year ended June 30, 2021 and 2020 amounted to \$80,091 and \$79,502, respectively.

**NOTE 6**      Related party transactions

The Association and 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 operating lease. Related party rental expense was \$120,000 for the years ended June 30, 2021 and 2020.

The Association charged the Trustee a management fee of \$12,000 for years ended June 30, 2021 and 2020.

Included in accounts receivable at June 30, 2021 and 2020 is \$3,000 and \$2,165, respectively, due from the Trustee.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**

Due to related party represents amounts owed to the Trustee in the amount of \$30,000 and \$20,000, at June 30, 2021 and 2020, respectively. At June 30, 2021, the Trustee owes the Association \$3,750.

These receivables and payables are unsecured, do not bear interest and contain no specific repayment terms.

**NOTE 7**      Lease commitments

In addition to the rental of office space and equipment from the Trustee, the Association leases premises in Montrose, Pennsylvania under an operating lease. The lease terminates in June 2022, with the option to extend for an additional three-year period. Also, the Association rents additional space in Pittston, Pennsylvania under an operating lease. The lease terminates in December 2024.

Rent expense incurred in 2021 and 2020 under non-related party leases was \$31,681 and \$30,233, respectively.

The following are future minimum rental payments for the years ended June 30:

2022	\$	27,863
2023		15,863
2024		<u>7,932</u>
	\$	<u>51,658</u>

**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, 2021 and 2020, approximately 52% and 56%, 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:

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
Cash	\$ 2,194,940	\$ 1,482,386
Accounts receivable	710,909	566,425
Investments	1,172,420	1,060,589
Total financial assets available for general expenditure within one year	\$ 4,078,269	\$ 3,109,400

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, 2021 and 2020, respectively. In addition to the above amounts, the Association has a line of credit from a local bank.

**NOTE 10**      Deferred revenue

The following table provides information about significant changes in deferred revenue for the years ended June 30, 2021 and 2020:

	2021	2020
Deferred revenue, beginning of year	\$ 340,128	\$ 37,827
Revenue recognized that was included in deferred revenue at the beginning of year	(340,128)	(37,827)
Increases in deferred revenue due to cash received during the year	195,055	340,128
Deferred revenue, end of year	\$ 195,055	\$ 340,128

**NOTE 11**      Risks and uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Association's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**NOTE 12**      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, 2021.

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 13 Functional expenses

Functional expenses for the year ended June 30, 2021 are comprised of the following:

	Program services							Total programs	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				
Advertising	\$ 90	\$ 82,036	\$ -	\$ -	\$ 397	\$ 33	\$ -	82,556	\$ 5,384	\$ -	\$ 87,940
Bank charges	-	-	-	-	-	-	-	-	2,315	-	2,315
Bank interest	-	-	-	-	-	-	-	-	29	-	29
Conferences and conventions	-	-	-	180	1,068	-	-	1,248	715	-	1,963
Depreciation	-	-	-	-	-	-	-	-	14,859	-	14,859
Dues	-	5,922	-	246	955	4,773	490	12,386	7,583	-	19,969
Insurance	-	-	-	-	-	-	-	-	25,722	-	25,722
Meals and entertainment	-	-	-	-	-	-	-	-	-	20,510	20,510
Miscellaneous	90	-	-	400	-	89	-	579	2,706	-	3,285
Office equipment	93	6,665	-	510	1,332	338	10,210	19,148	13,279	-	32,427
Personnel	105,062	589,944	59,043	127,382	148,677	64,612	1,338,818	2,433,538	356,138	-	2,789,676
Postage	438	525	545	345	212	880	4,697	7,642	3,216	-	10,858
Printing	113	56	-	56	-	1,162	90	1,477	488	-	1,965
Professional fees	11,520	24,154	-	432	6,589	-	28,645	71,340	39,704	-	111,044
Rent	-	11,406	-	-	20,000	-	54,800	86,206	65,475	-	151,681
Supplies	2,700	9,829	905	1,202	6,044	47	10,451	31,178	16,349	-	47,527
Telephone	-	3,321	-	305	1,717	-	26,207	31,550	7,482	-	39,032
Travel	-	410	1,053	3,970	1,097	245	32,448	39,223	923	-	40,146
Utilities	-	2,060	-	-	-	-	-	2,060	10,594	-	12,654
<b>Total expenses by function</b>	<b>120,106</b>	<b>736,328</b>	<b>61,546</b>	<b>135,028</b>	<b>188,088</b>	<b>72,179</b>	<b>1,506,856</b>	<b>2,820,131</b>	<b>572,961</b>	<b>20,510</b>	<b>3,413,602</b>
Less expenses included with revenues on the statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	(20,510)	(20,510)
<b>Total expenses included on the statement of activities</b>	<b>\$ 120,106</b>	<b>\$ 736,328</b>	<b>\$ 61,546</b>	<b>\$ 135,028</b>	<b>\$ 188,088</b>	<b>\$ 72,179</b>	<b>\$ 1,506,856</b>	<b>\$ 2,820,131</b>	<b>\$ 572,961</b>	<b>\$ -</b>	<b>\$ 3,393,092</b>

**FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**

Functional expenses for the year ended June 30, 2020 are comprised of the following:

	Program services							Total programs	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				
Advertising	\$ -	\$ 39,776	\$ -	\$ -	\$ 1,047	\$ 70	\$ -	40,893	\$ 4,740	\$ -	\$ 45,633
Bank charges	-	-	-	-	-	-	-	-	2,531	-	2,531
Bank interest	-	-	-	-	-	-	-	-	162	-	162
Conferences and conventions	1,055	1,045	-	-	4,931	4,042	795	11,868	3,051	-	14,919
Depreciation	-	5,750	-	-	-	-	-	5,750	18,004	-	23,754
Disaster recovery	-	722	-	-	-	-	-	722	-	-	722
Dues	-	5,745	-	183	2,805	3,160	-	11,893	6,264	-	18,157
Insurance	-	-	-	-	-	-	-	-	22,442	-	22,442
Meals and entertainment	-	-	-	-	-	-	-	-	-	20,519	20,519
Miscellaneous	90	9	-	1,687	-	3,458	-	5,244	2,735	-	7,979
Office equipment	-	8,323	-	-	243	637	11,543	20,746	13,138	-	33,884
Personnel	111,123	607,341	69,769	118,897	183,131	146,942	1,188,500	2,425,703	329,523	-	2,755,226
Postage	300	498	450	350	338	467	2,559	4,962	1,536	-	6,498
Printing	265	796	-	28	-	39	182	1,310	1,220	-	2,530
Professional fees	11,019	1,454	150	483	3,418	4,665	42,762	63,951	34,106	-	98,057
Rent	-	10,233	-	-	20,000	-	51,300	81,533	68,700	-	150,233
Supplies	310	1,672	1,724	5	5,171	381	4,463	13,726	12,616	-	26,342
Telephone	-	8,385	-	269	1,896	-	24,794	35,344	2,165	-	37,509
Travel	278	6,243	2,220	5,316	4,112	993	36,865	56,027	960	-	56,987
Utilities	-	1,596	-	-	-	-	-	1,596	14,321	-	15,917
<b>Total expenses by function</b>	<b>124,440</b>	<b>699,588</b>	<b>74,313</b>	<b>127,218</b>	<b>227,092</b>	<b>164,854</b>	<b>1,363,763</b>	<b>2,781,268</b>	<b>538,214</b>	<b>20,519</b>	<b>3,340,001</b>
Less expenses included with revenues on the statement of activities:											
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	(20,519)	(20,519)
<b>Total expenses included on the statement of activities</b>	<b>\$ 124,440</b>	<b>\$ 699,588</b>	<b>\$ 74,313</b>	<b>\$ 127,218</b>	<b>\$ 227,092</b>	<b>\$ 164,854</b>	<b>\$ 1,363,763</b>	<b>\$ 2,781,268</b>	<b>\$ 538,214</b>	<b>\$ -</b>	<b>\$ 3,319,482</b>

FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

SCHEDULE OF PROGRAMS AND SUPPORTING ACTIVITIES

YEAR ENDED JUNE 30, 2021

	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
Revenues and other support:										
Program revenue and governmental contracts	\$ 97,981	\$ 542,403	\$ -	\$ 115,262	\$ 205,270	\$ -	\$ 2,315,836	\$ 3,276,752	\$ -	\$ 3,276,752
Grants	8,500	313,765	7,800	11,462	22,850	-	-	364,377	1,981	366,358
United Way contributions	-	183,886	42,500	-	10,000	-	-	236,386	-	236,386
Other contributions	-	1,497	500	500	2,240	-	2,100	6,837	12,355	19,192
Special events, net of costs of direct benefits to donors of \$20,635	-	-	-	-	11,872	243,779	-	255,651	(4,575)	251,076
Other revenue	5,660	177,346	-	-	-	550	1,225	184,781	14,866	199,647
Investment return, net	-	-	-	-	-	-	-	-	120,307	120,307
<b>Total revenues and other support</b>	<b>112,141</b>	<b>1,218,897</b>	<b>50,800</b>	<b>127,224</b>	<b>252,232</b>	<b>244,329</b>	<b>2,319,161</b>	<b>4,324,784</b>	<b>144,934</b>	<b>4,469,718</b>
Expenses:										
Advertising	90	82,036	-	-	397	33	-	82,556	5,384	87,940
Bank charges	-	-	-	-	-	-	-	-	2,315	2,315
Bank interest	-	-	-	-	-	-	-	-	29	29
Conferences and conventions	-	-	-	180	1,068	-	-	1,248	715	1,963
Depreciation	-	-	-	-	-	-	-	-	14,859	14,859
Dues	-	5,922	-	246	955	4,773	490	12,386	7,583	19,969
Insurance	-	-	-	-	-	-	-	-	25,722	25,722
Miscellaneous	90	-	-	400	-	89	-	579	2,706	3,285
Office equipment	93	6,665	-	510	1,332	338	10,210	19,148	13,279	32,427
Personnel	105,062	589,944	59,043	127,382	148,677	64,612	1,338,818	2,433,538	356,138	2,789,676
Postage	438	525	545	345	212	880	4,697	7,642	3,216	10,858
Printing	113	56	-	56	-	1,162	90	1,477	488	1,965
Professional fees	11,520	24,154	-	432	6,589	-	28,645	71,340	39,704	111,044
Rent	-	11,406	-	-	20,000	-	54,800	86,206	65,475	151,681
Supplies	2,700	9,829	905	1,202	6,044	47	10,451	31,178	16,349	47,527
Telephone	-	3,321	-	305	1,717	-	26,207	31,550	7,482	39,032
Travel	-	410	1,053	3,970	1,097	245	32,448	39,223	923	40,146
Utilities	-	2,060	-	-	-	-	-	2,060	10,594	12,654
<b>Total expenses</b>	<b>120,106</b>	<b>736,328</b>	<b>61,546</b>	<b>135,028</b>	<b>188,088</b>	<b>72,179</b>	<b>1,506,856</b>	<b>2,820,131</b>	<b>572,961</b>	<b>3,393,092</b>
Increase (decrease) in net assets	\$ (7,965)	\$ 482,569	\$ (10,746)	\$ (7,804)	\$ 64,144	\$ 172,150	\$ 812,305	\$ 1,504,653	\$ (428,027)	\$ 1,076,626

FAMILY SERVICE ASSOCIATION OF NORTHEASTERN PENNSYLVANIA

SCHEDULE OF PROGRAMS AND SUPPORTING ACTIVITIES

YEAR ENDED JUNE 30, 2020

	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	\$ 103,096	\$419,837	\$ -	\$ 74,011	\$ 225,153	\$ -	\$ 1,954,799	\$2,776,896	\$ -	\$2,776,896
Grants	-	175,473	18,000	1,350	10,865	-	-	205,688	2,500	208,188
United Way contributions	-	95,385	32,800	-	4,080	-	-	132,265	-	132,265
Other contributions	-	3,017	1,600	5,930	1,805	1,125	-	13,477	18,546	32,023
Special events, net of costs of direct benefits to donors of \$20,519	-	-	-	-	4,400	139,609	-	144,009	(559)	143,450
Other revenue	7,310	115,097	-	-	3,071	-	-	125,478	13,997	139,475
Investment return, net	-	-	-	-	-	-	-	-	20,481	20,481
<b>Total revenues and other support</b>	<b>110,406</b>	<b>808,809</b>	<b>52,400</b>	<b>81,291</b>	<b>249,374</b>	<b>140,734</b>	<b>1,954,799</b>	<b>3,397,813</b>	<b>54,965</b>	<b>3,452,778</b>
Expenses:										
Advertising	-	39,776	-	-	1,047	70	-	40,893	4,740	45,633
Bank charges	-	-	-	-	-	-	-	-	2,531	2,531
Bank interest	-	-	-	-	-	-	-	-	162	162
Conferences and conventions	1,055	1,045	-	-	4,931	4,042	795	11,868	3,051	14,919
Depreciation	-	5,750	-	-	-	-	-	5,750	18,004	23,754
Disaster recovery	-	722	-	-	-	-	-	722	-	722
Dues	-	5,745	-	183	2,805	3,160	-	11,893	6,264	18,157
Insurance	-	-	-	-	-	-	-	-	22,442	22,442
Miscellaneous	90	9	-	1,687	-	3,458	-	5,244	2,735	7,979
Office equipment	-	8,323	-	-	243	637	11,543	20,746	13,138	33,884
Personnel	111,123	607,341	69,769	118,897	183,131	146,942	1,188,500	2,425,703	329,523	2,755,226
Postage	300	498	450	350	338	467	2,559	4,962	1,536	6,498
Printing	265	796	-	28	-	39	182	1,310	1,220	2,530
Professional fees	11,019	1,454	150	483	3,418	4,665	42,762	63,951	34,106	98,057
Rent	-	10,233	-	-	20,000	-	51,300	81,533	68,700	150,233
Supplies	310	1,672	1,724	5	5,171	381	4,463	13,726	12,616	26,342
Telephone	-	8,385	-	269	1,896	-	24,794	35,344	2,165	37,509
Travel	278	6,243	2,220	5,316	4,112	993	36,865	56,027	960	56,987
Utilities	-	1,596	-	-	-	-	-	1,596	14,321	15,917
<b>Total expenses</b>	<b>124,440</b>	<b>699,588</b>	<b>74,313</b>	<b>127,218</b>	<b>227,092</b>	<b>164,854</b>	<b>1,363,763</b>	<b>2,781,268</b>	<b>538,214</b>	<b>3,319,482</b>
Increase (decrease) in net assets	\$ (14,034)	\$109,221	\$ (21,913)	\$ (45,927)	\$ 22,282	\$ (24,120)	\$ 591,036	\$ 616,545	\$ (483,249)	\$ 133,296