

AUDIT REPORT
FOR
FAMILY SERVICES INCORPORATED

FOR THE YEAR ENDED JUNE 30, 2019

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15
SUPPLEMENTAL SCHEDULES	
Schedule of Budgeted, Reported, and Allowable Costs Title XX, FVPS, PCADV Contract #6020	16
Schedule of Budgeted, Reported, and Allowable Costs Act 222, PCADV Contract #6020	17
Schedule of Budgeted, Reported, and Allowable Costs Act 44, PCADV Contract #6020	18
Schedule of Budgeted, Reported, and Allowable Costs SSBG/Civil Legal Representation, PCADV Contract #6020	19
Schedule of Budgeted, Reported, and Allowable Costs SSBG Relocation, PCADV Contract #6020	20
Combined Schedule of Budgeted, Reported, and Allowable Costs with Funding Reconciliation, PCADV Contract #6020	21
Schedule of Budgeted, Reported, and Allowable Costs Act 44, PCAR Contract #5407	22
Schedule of Budgeted, Reported, and Allowable Costs Title XX, PHHS, PCAR Contract #5407	23
Schedule of Budgeted, Reported, and Allowable Costs SASP, PCAR Contract #5407	24
Combined Schedule of Budgeted, Reported, and Allowable Costs with Funding Reconciliation, PCAR Contract #5407	25
Schedule of Budgeted, Reported, and Allowable Expenses PCCD Grant ID: 26658	26
Schedule of Budgeted, Reported, and Allowable Expenses PCCD Grant ID: 28249	27

C O N T E N T S
(CONTINUED)

	Page
SUPPLEMENTAL SCHEDULES (Continued)	
Schedule of Functional Support, Revenue, Expenses, and Units of Service Under County HAP and HSDF Contract	28
Schedule of Expenditures of Federal Awards	29 - 30
Notes to the Schedule of Expenditures of Federal Awards	31
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 <i>Government Auditing Standards</i>	32 - 33
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	34 - 35
Schedule of Findings and Questioned Costs	36
Status of Prior Year's Findings	37

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Family Services Incorporated
2022 Broad Avenue
Altoona, Pennsylvania 16601

Report on the Financial Statements

We have audited the accompanying financial statements of Family Services Incorporated (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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, as well as the audit guidelines issued by the Pennsylvania Department of Human Services and the Pennsylvania Coalitions Against Rape and Domestic Violence. 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 Services Incorporated as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note 16 to the financial statements, Family Services Incorporated adopted the Financial Accounting Standards Board's Accounting Standard Updates 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* and 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Budgeted, Reported and Allowable Costs; and the Schedule of Functional Support, Revenue, Expenses, and Units of Service under County HAP Contracts on pages 16 to 28 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 September 27, 2019, on our consideration of Family Services Incorporated'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 Services Incorporated's internal control over financial reporting and compliance.

Young, DeLee, Brown & Company, P.C.

Altoona, Pennsylvania
September 27, 2019

**FAMILY SERVICES INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019**

ASSETS

Cash and Cash Equivalents	\$ 817,586
Grants and Contracts Receivable, less an allowance of \$0	1,253,374
Other Receivables	1,210
Accrued Interest Income	2,614
Prepaid Expenses	8,680
Escrow Account	104,627
Investments	650,000
Property, Plant, and Equipment, Net of Accumulated Depreciation of \$2,584,317	1,081,045
Cash Restricted for Specific Purposes	296,404
Investment Restricted for Specific Purpose	<u>5,000</u>
TOTAL ASSETS	\$4,220,540

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ 127,912
Accrued Wages	101,015
Payroll Taxes and Deductions Payable	22,867
Accrued Interest Payable	491
Accumulated Compensated Absences	95,426
Mortgages Payable	<u>171,929</u>
 Total Liabilities	 \$ 519,640

Net Assets

Without Donor Restrictions	\$3,399,496
With Donor Restrictions	<u>301,404</u>
 Total Net Assets	 \$3,700,900

TOTAL LIABILITIES AND NET ASSETS	\$4,220,540
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See Accompanying Notes and Independent Auditor's Report

**FAMILY SERVICES INCORPORATED
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues</u>			
Government Contributions	\$1,455,610	\$ 0	\$1,455,610
Client Fees	5,479,147	0	5,479,147
United Way Contributions	85,000	0	85,000
Other Contributions	55,263	0	55,263
Foundation Contributions	15,000	100,000	115,000
Fundraising	80,341	97,419	177,760
Interest	43,792	0	43,792
In-Kind Contribution	120,606	0	120,606
Other Income	20,022	0	20,022
Net Assets Released from Restrictions/ Satisfaction of Program Restrictions	<u>91,336</u>	<u>(91,336)</u>	<u>0</u>
 Total Revenues	 <u>\$7,446,117</u>	 <u>\$106,083</u>	 <u>\$7,552,200</u>
<u>Expenses</u>			
Program Services:			
Intellectual Disabilities	\$4,478,421	\$ 0	\$4,478,421
Domestic Abuse Project	468,266	0	468,266
Runaway and Homeless Youth - Basic Family Shelter	258,639	0	258,639
	281,173	0	281,173
Crime Victim Support Services	399,923	0	399,923
Child Advocacy Center	196,526	0	196,526
Counseling Program	<u>35,300</u>	<u>0</u>	<u>35,300</u>
 Total Program Services	 <u>\$6,118,248</u>	 <u>\$ 0</u>	 <u>\$6,118,248</u>
Support Services:			
Management and General Fundraising	\$ 861,079	\$ 0	\$ 861,079
	<u>94,617</u>	<u>0</u>	<u>94,617</u>
 Total Support Services	 <u>\$ 955,696</u>	 <u>\$ 0</u>	 <u>\$ 955,696</u>
 Total Expenses	 <u>\$7,073,944</u>	 <u>\$ 0</u>	 <u>\$7,073,944</u>
 Change in Net Assets	 \$ 372,173	 \$106,083	 \$ 478,256
<u>Net Assets</u> - Beginning of Year	<u>3,027,323</u>	<u>195,321</u>	<u>3,222,644</u>
<u>Net Assets</u> - End of Year	<u>\$3,399,496</u>	<u>\$301,404</u>	<u>\$3,700,900</u>

See Accompanying Notes and Independent Auditor's Report

**FAMILY SERVICES INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Child Advocacy Center Program</u>	<u>Counseling Program</u>	<u>Domestic Abuse Project</u>	<u>Family Shelter</u>
<u>Salaries and Related Expenses</u>				
Salaries	\$120,636	\$28,374	\$225,122	\$134,915
Employee Benefits	33,701	3,632	31,945	9,561
Payroll Taxes	<u>8,102</u>	<u>2,488</u>	<u>17,945</u>	<u>11,144</u>
Total Salaries and Related Expenses	\$162,439	\$34,494	\$275,012	\$155,620
<u>Expenses</u>				
Supplies	1,335	20	23,823	16,629
Occupancy	21,121	0	16,275	30,455
Insurance	824	86	2,549	1,251
Service and Professional Fees	4,780	175	28,030	632
Telephone	694	0	6,259	1,184
Printing and Postage	13	17	868	36
Advertising and Outreach	0	0	0	0
Repairs and Maintenance	3,214	44	6,658	7,063
Travel and Education	1,370	94	5,508	745
Memberships	440	0	855	0
Food	0	0	1,232	1,630
Interest	0	0	0	0
Match, Bad Debts, and Subsidy	0	0	8,998	0
Building/Equipment Purchases	0	0	0	0
Other Operating Expenses	296	370	680	387
Client Assistance	0	0	91,519	62,937
Depreciation and Amortization	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,604</u>
Total Expenses	<u>\$196,526</u>	<u>\$35,300</u>	<u>\$468,266</u>	<u>\$281,173</u>

See Accompanying Notes and Independent Auditor's Report

**FAMILY SERVICES INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Crime Victim Support Services Program</u>	<u>Runaway and Homeless Youth-Basic</u>	<u>Intellectual Disabilities Program</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Support Services</u>	<u>Total</u>
\$292,066	\$157,958	\$3,113,350	\$4,072,421	\$ 17,924	\$469,105	\$487,029	\$4,559,450
47,238	19,044	425,350	570,471	3,781	107,384	111,165	681,636
<u>23,095</u>	<u>12,824</u>	<u>235,768</u>	<u>311,366</u>	<u>1,196</u>	<u>42,638</u>	<u>43,834</u>	<u>355,200</u>
\$362,399	\$189,826	\$3,774,468	\$4,954,258	\$ 22,901	\$619,127	\$642,028	\$5,596,286
18,373	16,091	47,863	124,134	3,770	40,854	44,624	168,758
0	12,751	87,145	167,747	0	19,590	19,590	187,337
713	4,282	30,699	40,404	0	23,799	23,799	64,203
1,251	924	125,346	161,138	0	98,455	98,455	259,593
1,080	1,520	9,339	20,076	0	12,022	12,022	32,098
125	7	367	1,433	0	1,904	1,904	3,337
0	0	1,950	1,950	0	743	743	2,693
298	5,048	72,896	95,221	0	11,803	11,803	107,024
12,386	2,563	51,639	74,305	0	6,136	6,136	80,441
100	0	3,932	5,327	0	1,962	1,962	7,289
0	5,331	86,817	95,010	0	0	0	95,010
0	0	0	0	0	9,925	9,925	9,925
1,285	0	0	10,283	0	0	0	10,283
0	0	0	0	67,946	0	67,946	67,946
1,913	199	13,942	17,787	0	6,778	6,778	24,565
0	35	36,837	191,328	0	0	0	191,328
<u>0</u>	<u>20,062</u>	<u>135,181</u>	<u>157,847</u>	<u>0</u>	<u>7,981</u>	<u>7,981</u>	<u>165,828</u>
\$399,923	\$258,639	\$4,478,421	\$6,118,248	\$ 94,617	\$861,079	\$955,696	\$7,073,944

See Accompanying Notes and Independent Auditor's Report

**FAMILY SERVICES INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Cash Flows from Operating Activities</u>	
Cash Received from Client Fees	\$5,284,176
Cash Received from Donors and Grantors	1,739,858
Interest Received	42,113
Cash Paid for Employees	(5,564,330)
Cash Paid for Suppliers	(1,126,107)
Cash Paid for Interest	(<u>10,037</u>)
Net Cash Provided by Operating Activities	\$ 365,673
<u>Cash Flows from Investing Activities</u>	
(Purchase) of Investments	(\$ 205,000)
Proceeds from Maturities of Investments	164,000
Purchase of Fixed Assets	(<u>70,386</u>)
Net Cash (Used) by Investing Activities	(\$ 111,386)
<u>Cash Flows from Financing Activities</u>	
Principal Payment on Long-Term Debt	(\$ 29,998)
Net Increase in Cash and Cash Equivalents	\$ 224,289
<u>Cash and Cash Equivalents</u> - Beginning	<u>889,701</u>
<u>Cash and Cash Equivalents</u> - Ending	<u>\$1,113,990</u>
<u>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities</u>	
Change in Net Assets	\$ 478,256
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	165,828
(Increase) in Grants and Contracts Receivable, Net	(333,821)
Decrease in Other Receivables	992
(Increase) in Accrued Interest Income	(1,679)
Decrease in Prepaid Expenses	14,249
Decrease in Escrow Account	3,205
Increase in Accounts Payable	39,234
Increase in Accrued Wages	16,820
Increase in Payroll Taxes and Deductions Payable	3,555
(Decrease) in Accrued Interest Payable	(112)
(Decrease) in Due to Grantor Agencies	(13,136)
(Decrease) in Deferred Revenue	(19,299)
Increase in Accrued Vacation Wages	<u>11,581</u>
Net Cash Provided by Operating Activities	\$ 365,673

See Accompanying Notes and Independent Auditor's Report

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1: Summary of Significant Accounting Policies

Organization and Nature of Activities

Family Services Incorporated (the Agency) is a Pennsylvania non-profit corporation incorporated in April 1958. The Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Agency provides services designed to improve the quality of life for individuals, families, and communities by providing cost efficient and effective care programs that contribute to healthier relationships in Blair County, Pennsylvania.

All services of the Agency are provided without regard to race, color, sex, sexual orientation, age, religion, national origin, marital status, political beliefs, mental and physical handicaps, or any other preference or personal characteristic, condition, or status. For those programs where a fee is charges, no one is denied services because of an inability to pay the established fee.

Programs of the Agency include:

- Community Residential Facilities, the Alternative Day Program for persons with Intellectual Disabilities, and the Family Living Program and Home and Community Habilitation and Companion Services.
- Victim Services
 - Domestic Abuse Project and operates a CPO (civil protection order office) which provides protection from abuse orders, sexual violence protection orders, protection from intimidation orders; mobile advocacy; emergency placement to include hoteling; secure location at Family Services Incorporated; rapid rehousing; and supportive services.
 - Civil Legal Representation for Domestic Violence Cases, which provides free representation to low-income victims and survivors of domestic violence in civil matters, such as divorce, custody, child support, and housing among other things.
 - Crime Victim Support Services Program for children and adults who are victims of sexual assault and other crimes
- Child Advocacy Center (CAC) was opened September 11, 2017 to provide forensic and medical interviews and exams for children who are victims of sexual and/or severe physical abuse.
- Runaway and Homeless Youth offers a Teen Center and Shelter for youths in need.
- Family Shelter providing shelter and assistance to those who are homeless, which includes rapid re-housing services.
- Counseling Program
 - Individual and Family Counseling
 - Men Helping Men providing a support group for men who are abusive towards women

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The Agency reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets represent funds, which are fully available, at the discretion of management and the Board of Directors (the Board) for the Agency to utilize in any of its programs or supporting services.

Net assets are comprised of funds which are restricted by donors for specific purposes or periods, or are contributions that donors have specified must be maintained in perpetuity. For the net assets with donor restrictions which must be maintained in perpetuity, the related income may be expended for such purposes as specified by the donor, or if none, then for the general purpose of the Agency.

Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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.

Contributions

Contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions. 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 net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Agency chooses to show restricted contributions whose restrictions are met in the same reporting period as contributions without donor restrictions.

Unconditional promises to give expected to be collected within one year are recorded at estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are to be received.

Fair Value of Financial Instruments

Generally accepted accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques that measure fair market value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements).

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

The following methods and assumptions were used by the Agency in estimating the fair value of its financial instruments.

Cash and cash equivalents - The carrying amount in the statement of financial position approximates fair value because short-term maturity of these instruments. Recorded balances consider Level 1 measurements.

Grants and Contract Receivable - All grants receivable are expected to be collected within one year of the reporting date. Therefore, no discount has been applied. The carrying amount in the statement of financial position approximates fair value because of the short-term maturity of this receivable.

Investments - All investments represent certificates of deposits. The Agency has determined that using the maturity values of these certificates is the most appropriate value to use on the statement of financial position.

While the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, and the ending balance of cash and cash equivalents on the Statement of Cash Flows is reflected on the statement of Financial Position as follows:

Cash and Cash Equivalents	\$ 817,586
Cash Restricted for Specific Purposes	<u>296,404</u>
Total	<u>\$1,113,990</u>

Accounts Receivable

Accounts receivable, which do not bear interest, are stated at the amount management expects to collect from outstanding balances. Management writes off a receivable as a charge to bad debt expense, when in its estimation, it is probable the receivable is worthless. Recoveries of accounts previously written off are recorded as reductions in bad debt expense when collected. An allowance for doubtful accounts for accounts receivable of \$0 exist at June 30, 2019.

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

Donated Services and Goods

Numerous volunteers donate significant amounts of time and perform a variety of tasks for the Agency including services related to the Counseling/Men Helping Men Program and the Runway Homeless Youth/Teen Program as well as services provided by the Agency's Board. Although no amounts have been reflected in the financial statements because the criteria for recognition of such efforts under generally accepted accounting principles have not been satisfied, management estimates the fair value of those services to be approximately \$16,333 for the year ended June 30, 2019.

Other donated services are recognized at their estimated fair value when they create or enhance nonfinancial assets, or they require specialized skills that would need to be purchased if they were not donated. The Agency has recognized \$39,516 as the rental value of three properties that are used by the Agency in their operations as in-kind contributions on the Statement of Activity.

The Agency received USDA commodities valued at \$1,507 from the Department of Agriculture, Bureau of Food Distribution. These goods were delivered or released to the Agency during the year ended June 30, 2019 and recognized as in-kind contributions on the Statement of Activity. In addition, the Agency received in-kind program supplies valued at fair value, \$79,583, during the year ended June 30, 2019 and are reflected as in-kind contributions on the Statement of Activity.

Concentration of Credit Risk

The Agency maintains its cash accounts with local financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to a maximum of \$250,000. The risk is managed by maintaining all deposits in high quality financial institutions. Balances of cash deposits exceed FDIC coverage at various times during the year. As of June 30, 2019, the excess cash balance over the FDIC coverage amount was \$861,585.

During the year ended June 30, 2019, a contract from the Commonwealth of Pennsylvania's Office of Developmental Programs accounted for 70% of the Agency's total support and revenues.

Property and Equipment

The Agency capitalizes all expenditures for land, buildings, and equipment that meets its definition of a fixed (capital) asset. In the absence of historical cost for assets acquired before 1980, the Agency Director established estimated values for assets owned as of 1980. Depreciation is provided using the straight-line method over ten to twenty seven and a half years for buildings and improvements and five years for equipment and furnishings.

The Agency defines a fixed (capital) asset as a unit of tangible property that: (1) has an economic useful life of more than 12 months; and (2) was acquired or produced for a cost of more than \$5,000 (or lessor amount per regulation related to funding used), including acquisition and installation costs on the same invoice.

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Buildings are carried at acquisition cost (donated buildings at estimated fair value) plus costs of restoration. All other classes of property and equipment are carried at cost (donated property and equipment at estimated fair value). Maintenance and repair costs, other than building restoration and renovation, are charged to expense as incurred.

Advertising Costs

The Agency incurs various advertising and outreach costs. These costs are expensed as incurred. For the year ended June 30, 2019, advertising and outreach costs were \$2,693.

Note 2: Certificates of Deposit

As of June 30, 2019, the Agency had eight certificates of deposit totaling \$614,000, yielding between 1.60% and 3.15%. These certificates mature between December 16, 2019 and June 17, 2024. These certificates are federally insured and are reported at the original investment amount, with interest paid monthly.

These certificates of deposits earned \$11,397 of interest during the year ended June 30, 2019.

Note 3: Property, Plant, and Equipment

At June 30, 2019, property, plant, and equipment, net, consisted of the following:

Buildings and Improvements	\$2,504,571
Equipment	945,558
Furnishings	<u>175,233</u>
	\$3,625,362
Less: Accumulated Depreciation	(2,584,317)
	\$1,041,045
Land	<u>40,000</u>
Total Property, Plant, and Equipment, Net	<u><u>\$1,081,045</u></u>

Depreciation expense totaled \$165,828 for the year ended June 30, 2019.

Note 4: Accumulated Compensated Absences

The Agency provides a vacation benefit to their employees. The amount of vacation benefit provided varies based upon the length of service with the Agency as well as other factors. As of June 30, 2019, the amount of accumulated compensated absence liability, including associated payroll taxes, totals \$95,426.

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Note 5: Long-Term Liability

A summary of the mortgage note payables as of June 30, 2019 is as follows:

<p>Mortgage payable to Reliance Bank, bearing a fixed interest rate of 3.99% for five years effective May 30, 2013. On May 30, 2018 and every five years thereafter, the interest rate will adjust to the then current Five Year Federal Home Loan Bank of Pittsburgh Fixed Rate plus a margin of 2.5%, resulting in an interest rate of 4.99%. Effective with the payment due July 3, 2018, the monthly principal and interest payment changed from \$964 to \$992. This loan matures on April 3, 2024, and is collateralized with a first mortgage on properties located at 1160 Foot of Ten Road, Duncansville, PA. As of June 30, 2019, the carrying value of this property was \$83,676.</p>	\$ 50,950
<p>Mortgage payable to Reliance Bank, bearing a fixed interest rate of 3.99% for five years effective May 30, 2013. On May 30, 2018 and every five years thereafter, the interest rate will adjust to the then current Five Year Federal Home Loan Bank of Pittsburgh Fixed Rate plus a margin of 2.5%, resulting in an interest rate of 4.99%. Effective with the payment due July 11, 2018, the monthly principal and interest payment changed from \$1,110 to \$1,143. This loan matures on June 11, 2024, and is collateralized with a first mortgage on properties located at 923-931 North Sixth Avenue, Altoona, Pennsylvania as well as 201 West Whittier Avenue, Altoona, Pennsylvania. As of June 30, 2019, the carrying value of these properties was \$114,634.</p>	60,443
<p>Mortgage payable to Reliance Bank, bearing a fixed interest rate of 3.99% for five years effective May 30, 2013. On May 30, 2018 and every five years thereafter, the interest rate will adjust to the then current Five Year Federal Home Loan Bank of Pittsburgh Fixed Rate plus a margin of 2.5%, resulting in an interest rate of 4.99%. Effective with the payment due July 16, 2018, the monthly principal and interest payment changed from \$1,036 to \$1,068. This loan matures on November 16, 2024, and is collateralized with a first mortgage on a property located at 1101 28th Avenue, Altoona, Pennsylvania, as well as a second mortgage on the property located at 1103 23rd Avenue, Altoona, Pennsylvania. As of June 30, 2019, the carrying value of the property to which the first mortgage applies was \$161,530.</p>	<u>60,535</u>
<p>Total Mortgage Payable</p>	<u>\$171,928</u>

The maturities of the mortgage's payable are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2020	\$ 30,548
2021	32,108
2022	33,748
2023	35,470
2024	35,025
Thereafter	<u>5,029</u>
Total	<u>\$171,928</u>

The total interest incurred on these mortgages for the year ended June 30, 2019 was \$9,446.

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Note 6: Retirement Plan

The Agency provides a 401(k) deferred compensation plan for eligible employees. The plan allows eligible employees to defer a portion of their annual compensation, pursuant to section 401(k) of the Internal Revenue Code. The Agency matches 100% of employee contributions to the 401(k) Plan up to a maximum of 2% of the employee's salary. The Agency may also make discretionary contributions to the Plan. The vested interest in the account will be 100% for all participants in the plan prior to January 1, 2009. Effective January 1, 2009 the 401(k) plan was updated so that all employees entering into the plan after that date will have a three-year vesting schedule. Total expense for June 30, 2019, was approximately \$49,927.

Note 7: Open Tax Returns

The Agency files its tax returns with the U.S. federal and various state and local tax jurisdictions. The Agency is no longer subject to examinations by major tax jurisdictions for the years ended June 30, 2016 and prior. The Agency had no income tax expense for the year ended June 30, 2019.

Note 8: Net Assets With Donor Restrictions

Net assets with purpose restrictions as of June 30, 2019 are comprised of the following:

Capital Campaign Project	\$ 79,113
Endowment Fund	47,729
Altberg Library	2,324
Christmas Assistance	98,695
Staff Gift Funds	8,529
Human Resources Management Association	260
Edith Trees Trust	32,779
Basket of Hope	2,105
Crisis Assistance	3,718
Wise Women 2019	620
Family Shelter Assistance for Women	32
Blair County Health and Welfare Council	<u>500</u>
	\$276,404
	<u><u> </u></u>

Net assets to be held in perpetuity as of June 30, 2019 are comprised of funds of the following:

Endowment	\$ 20,000
Special Gift Endowment	<u>5,000</u>
	\$ 25,000
	<u><u> </u></u>
Total Net Assets With Donor Restrictions	<u><u>\$301,404</u></u>

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Note 8: Net Assets With Donor Restrictions (Continued)

State law requires that donor-restricted endowment funds be retained at their initial gift amount, absent any donor-imposed restrictions on the earnings of these funds. The Agency has not adopted an investment policy for its endowment funds.

Note 9: Net Assets Released From Restrictions

During the years ended June 30, 2019, \$91,336 of net assets were released from restrictions by incurring expenses that satisfy purpose restrictions related to fundraising, grants, and gifts.

Capital Campaign	\$ 4,067
Altberg Library	5
Teen Center Windows	1,500
Staff Gift Funds	997
Edith Trees Trust	67,221
Basket of Hope	1,765
Crisis Assistance	11,644
Domestic Abuse Victim Assistance	506
Family Shelter Assistance for Women	751
Wise Women 2019	<u>2,880</u>
Total	<u>\$91,336</u>

Note 10: Expenses Related to the Sexual Assault and Domestic Violence Program

For the 2018-2019 fiscal year, the Agency expended \$1,015,832 for its sexual assault and domestic violence programs. These expenses include those funded by interest income, if any.

Note 11: Allocation of Costs

The Agency allocates certain expenses that are not directly charged to a program. Expenses are allocated based upon the proportion of direct care expenses per program service provided. No issues were noted regarding the Agency's cost allocations.

Note 12: Match Requirements

Various grant contracts have match requirements. For the year ended June 30, 2019, the Agency satisfied all such requirements by expending the required amount during the current contract period.

Note 13: Federal Financial Assistance

The Agency incurred Federal Expenditures in excess of \$750,000.

**FAMILY SERVICES INCORPORATED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Note 14: Contingencies

Grantor agencies reserve the right to perform certain audits in addition to the work performed by the Agency's independent auditors. Disallowed costs, if any, resulting from such additional audits would have to be absorbed by the Agency. Management does not believe that any significant costs will be incurred by the Agency if such additional audits should occur.

Note 15: Liquidity and Availability

The following reflects the Agency's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor restrictions within one year of the balance sheet date.

Financial assets, at year end	\$3,130,815
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor restrictions:	
Restricted by donor with purpose restrictions	(276,404)
Restricted by donor in perpetuity	(<u>25,000</u>)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,829,411</u>

The Agency is partially supported by restricted contributions. Because donor's restrictions require resources to be used in a particular manner or in a future period, or to be held in perpetuity, the Agency must maintain sufficient resources to meet those responsibilities to its donors. As part of the Agency's liquidity management, it attempts to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Agency invests cash in excess of daily requirements in interest-bearing accounts and has a \$100,000 of line of credit.

Note 16: Change in Accounting Principle

Effective July 1, 2018, the Agency adopted the provisions of the Financial Accounting Standards Board's Accounting Standards Updates 2016-14 (ASU 2016-14), Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities and 2018-08 Not-for-Profit Entities (Topic 958): Clarifying and Scope and Accounting Guidance for Contributions Received and Contributions Made. As required by ASU 2016-14, the Agency reexamined and renamed its net asset classes and to determine if transactions are contributions versus exchange transactions. In addition, the Agency was required to provide additional disclosure, including disclosures regarding liquidity and conditional contributions.

Note 17: Subsequent Events

Management has evaluated subsequent events through September 27, 2019, the date on which the financial statements were available to be issued.

**FAMILY SERVICES INCORPORATED
PCADV CONTRACT #6020
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
YEAR ENDED JUNE 30, 2019**

Social Services Block Grant Title XX

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
Personnel					
Salaries	\$26,307	\$26,307	\$26,307	\$ 0	\$0
Benefits	<u>7,174</u>	<u>5,531</u>	<u>5,531</u>	<u>1,643</u>	<u>0</u>
Total Personnel	<u>\$33,481</u>	<u>\$31,838</u>	<u>\$31,838</u>	<u>\$1,643</u>	<u>\$0</u>
Operations					
Communications	\$ 730	\$ 803	\$ 803	(\$ 73)	\$0
Equipment Maintenance	600	597	597	3	0
Food	8	8	8	0	0
Insurance	675	675	675	0	0
Maintenance	220	233	233	(13)	0
Memberships	42	46	46	(4)	0
Professional Fees/Contracted Services	650	678	678	(28)	0
Staff Development	786	211	211	575	0
Supplies	2,750	1,550	1,550	1,200	0
Travel	380	414	414	(34)	0
Utilities	<u>700</u>	<u>708</u>	<u>708</u>	<u>(8)</u>	<u>0</u>
Total Operations	<u>\$ 7,541</u>	<u>\$ 5,923</u>	<u>\$ 5,923</u>	<u>\$1,618</u>	<u>\$0</u>
Total	<u>\$41,022</u>	<u>\$37,761</u>	<u>\$37,761</u>	<u>\$3,261</u>	<u>\$0</u>

Family Violence Prevention and Services (FVPS)

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
Personnel					
Salaries	\$11,220	\$11,220	\$11,220	\$ 0	\$0
Benefits	<u>3,060</u>	<u>2,359</u>	<u>2,359</u>	<u>701</u>	<u>0</u>
Total Personnel	<u>\$14,280</u>	<u>\$13,579</u>	<u>\$13,579</u>	<u>\$701</u>	<u>\$0</u>
Operations					
Communications	\$ 196	\$ 215	\$ 215	(\$ 19)	\$0
Equipment Maintenance	141	154	154	(13)	0
Food	3	3	3	0	0
Insurance	125	135	135	(10)	0
Maintenance	54	59	59	(5)	0
Memberships	9	9	9	0	0
Professional Fees/Contracted Services	112	122	122	(10)	0
Staff Development	38	41	41	(3)	0
Travel	104	109	109	(5)	0
Utilities	<u>153</u>	<u>141</u>	<u>141</u>	<u>12</u>	<u>0</u>
Total Operations	<u>\$ 935</u>	<u>\$ 988</u>	<u>\$ 988</u>	<u>(\$ 53)</u>	<u>\$0</u>
Total	<u>\$15,215</u>	<u>\$14,567</u>	<u>\$14,567</u>	<u>\$648</u>	<u>\$0</u>

**FAMILY SERVICES INCORPORATED
PCADV CONTRACT #6020
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Act 222

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
Personnel					
Salaries	\$ 4,419	\$ 4,419	\$ 4,419	\$ 0	\$0
Benefits	<u>1,201</u>	<u>929</u>	<u>929</u>	<u>272</u>	<u>0</u>
Total Personnel	\$ 5,620	\$ 5,348	\$ 5,348	\$272	\$0
Operations					
Communications	\$ 86	\$ 94	\$ 94	(\$ 8)	\$0
Equipment Maintenance	69	75	75	(6)	0
Food	1	1	1	0	0
Insurance	57	56	56	1	0
Maintenance	31	34	34	(3)	0
Professional Fees/Contracted Services	50	55	55	(5)	0
Staff Development	25	27	27	(2)	0
Travel	60	66	66	(6)	0
Utilities	<u>88</u>	<u>77</u>	<u>77</u>	<u>11</u>	<u>0</u>
Total Operations	\$ 467	\$ 485	\$ 485	(\$ 18)	\$0
Total	<u>\$ 6,087</u>	<u>\$ 5,833</u>	<u>\$ 5,833</u>	<u>\$254</u>	<u>\$0</u>

**FAMILY SERVICES INCORPORATED
PCADV CONTRACT #6020
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Act 44

	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>Budget Categories</u>					
Personnel					
Salaries	\$125,000	\$122,549	\$122,549	\$ 2,451	\$0
Benefits	<u>36,897</u>	<u>28,430</u>	<u>28,430</u>	<u>8,467</u>	<u>0</u>
Total Personnel	\$161,897	\$150,979	\$150,979	\$10,918	\$0
Operations					
Communications	\$ 5,000	\$ 5,500	\$ 5,500	(\$ 500)	\$0
Equipment Maintenance	4,100	4,136	4,136	(36)	0
Food	1,000	1,100	1,100	(100)	0
Insurance	4,740	4,753	4,753	(13)	0
Maintenance	1,700	1,793	1,793	(93)	0
Memberships	328	360	360	(32)	0
Professional Fees/Contracted Services	14,940	16,434	16,434	(1,494)	0
Safe Homes	20,000	21,634	21,634	(1,634)	0
Staff Development	3,052	1,626	1,626	1,426	0
Supplies	10,000	11,000	11,000	(1,000)	0
Travel	3,200	3,064	3,064	136	0
Utilities	<u>7,600</u>	<u>7,922</u>	<u>7,922</u>	<u>(322)</u>	<u>0</u>
Total Operations	\$ 75,660	\$ 79,322	\$ 79,322	(\$ 3,662)	\$0
Total	<u>\$237,557</u>	<u>\$230,301</u>	<u>\$230,301</u>	<u>\$ 7,256</u>	<u>\$0</u>

**FAMILY SERVICES INCORPORATED
PCADV CONTRACT #6020
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SSBG/Civil Legal Representation

	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>Budget Categories</u>					
Personnel					
Salaries	\$ 77,000	\$ 77,000	\$ 77,000	\$ 0	\$0
Benefits	<u>22,240</u>	<u>16,190</u>	<u>16,190</u>	<u>6,050</u>	<u>0</u>
Total Personnel	\$ 99,240	\$ 93,190	\$ 93,190	\$6,050	\$0
Operations					
Communications	\$ 4,300	\$ 4,236	\$ 4,236	\$ 64	\$0
Equipment Maintenance	700	653	653	47	0
Insurance	1,570	1,567	1,567	3	0
Maintenance	1,050	1,015	1,015	35	0
Memberships	715	715	715	0	0
Postage	1,000	830	830	170	0
Professional Fees/Contracted Services	26,400	26,569	26,569	(169)	0
Rent	8,825	8,825	8,825	0	0
Staff Development	1,000	831	831	169	0
Supplies	5,000	4,886	4,886	114	0
Travel	<u>200</u>	<u>220</u>	<u>220</u>	<u>(20)</u>	<u>0</u>
Total Operations	\$ 50,760	\$ 50,347	\$ 50,347	\$ 413	\$0
Total	<u>\$150,000</u>	<u>\$143,537</u>	<u>\$143,537</u>	<u>\$6,463</u>	<u>\$0</u>

FAMILY SERVICES INCORPORATED
PCADV CONTRACT #6020
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
SOCIAL SERVICES BLOCK GRANT (SSBG)
FOR THE YEAR ENDED JUNE 30, 2019

SSBG/Relocation

	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>Budget Categories</u>					
Relocation:					
Total	\$7,544	\$7,544	\$7,544	\$0	\$0

Summary of Costs Incurred

Transportation	\$ 204
Moving Expenses	1,766
Home Security	339
Rent	2,615
Security Deposit	2,117
Replacement of Necessary Possessions	<u>503</u>
Total	<u>\$7,544</u>

**FAMILY SERVICES INCORPORATED
PCADV CONTRACT #6020
COMBINED SCHEDULE OF BUDGETED, REPORTED, AND
ALLOWABLE COSTS WITH FUNDING RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2019**

				<u>Allowable Cost Per Audit</u>	
	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>Budget Categories</u>					
Act 44					
Personnel	\$161,897	\$150,979	\$150,979	\$ 10,918	\$ 0
Operations	75,660	79,322	79,322	(3,662)	0
FVPS					
Personnel	14,280	13,579	13,579	701	0
Operations	935	988	988	(53)	0
Act 222					
Personnel	5,620	5,348	5,348	272	0
Operations	467	485	485	(18)	0
SSBG/Title XX					
Personnel	33,481	31,838	31,838	1,643	0
Operations	7,541	5,923	5,923	1,618	0
SSBG/CLR					
Personnel	99,240	93,190	93,190	6,050	0
Operations	50,760	50,347	50,347	413	0
SSBG/Relocation	<u>7,544</u>	<u>7,544</u>	<u>7,544</u>	<u>0</u>	<u>0</u>
Total	<u>\$457,425</u>	<u>\$439,543</u>	<u>\$439,543</u>	<u>\$ 17,882</u>	<u>\$ 0</u>

Funding Reconciliation

Approved Contract, Received as of June 30, 2019	\$384,485
Approved Contract, Receivable at June 30, 2019	<u>55,058</u>
Total Contracts	\$439,543
Allowable Costs:	
Allowable Costs	\$439,543
Questioned Costs	<u>0</u>
Total Costs	<u>439,543</u>
Due To (From) PCADV	\$ 0

**FAMILY SERVICES INCORPORATED
PCAR CONTRACT #5407
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Act 44

Contract Period was July 1, 2018 to June 30, 2019

	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>Budget Categories</u>					
Personnel					
Salaries	\$54,473	\$54,473	\$54,473	\$0	\$0
Benefits	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>0</u>	<u>0</u>
Total Personnel	\$68,473	\$68,473	\$68,473	\$0	\$0
	=====	=====	=====	=	=

**FAMILY SERVICES INCORPORATED
PCAR CONTRACT #5407
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

Title XX

Contract Period July 1, 2018 to June 30, 2019

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
Personnel					
Salaries	\$ 9,351	\$ 9,351	\$ 9,351	\$ 0	\$0
Benefits	<u>1,125</u>	<u>1,125</u>	<u>1,125</u>	<u>0</u>	<u>0</u>
Total Personnel	<u>\$10,476</u>	<u>\$10,476</u>	<u>\$10,476</u>	<u>\$ 0</u>	<u>\$0</u>

PHHS (Preventive Health & Human Services Block Grant)

Contract Period October 1, 2017 to September 30, 2018

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>10/01/17- 06/30/18 Reported Costs Per Final Invoice</u>	<u>07/01/18- 09/30/18 Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
Personnel						
Salaries	\$1,800	\$1,350	\$450	\$1,800	\$0	\$0
Benefits	<u>205</u>	<u>154</u>	<u>51</u>	<u>205</u>	<u>0</u>	<u>0</u>
Total Personnel	<u>\$2,005</u>	<u>\$1,504</u>	<u>\$501</u>	<u>\$2,005</u>	<u>\$0</u>	<u>\$0</u>

PHHS (Preventive Health & Human Services Block Grant)

Contract Period October 1, 2018 to September 30, 2019

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>10/01/18- 06/30/19 Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
Personnel					
Salaries	\$ 1,800	\$ 1,350	\$ 1,350	\$450	\$0
Benefits	<u>205</u>	<u>154</u>	<u>154</u>	<u>51</u>	<u>0</u>
Total Personnel	<u>\$ 2,005</u>	<u>\$ 1,504</u>	<u>\$ 1,504</u>	<u>\$501</u>	<u>\$0</u>

Note: All funds were not spent as of June 30, 2019 due to fact that the contract does not end until September 30, 2019.

**FAMILY SERVICES INCORPORATED
PCAR CONTRACT #5407
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SASP (Sexual Assault Services Program)
Contract Period August 1, 2017 to July 31, 2018

	<u>Approved Budget</u>	<u>08/01/17- 06/30/18 Reported Costs Per Final Invoice</u>	<u>07/01/18- 07/31/18 Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>Budget Categories</u>						
Personnel						
Salaries	\$3,850	\$3,850	\$ 0	\$3,850	\$0	\$0
Benefits	<u>834</u>	<u>834</u>	<u>0</u>	<u>834</u>	<u>0</u>	<u>0</u>
Total Personnel	<u>\$4,684</u>	<u>\$4,684</u>	<u>\$ 0</u>	<u>\$4,684</u>	<u>\$0</u>	<u>\$0</u>

SASP (Sexual Assault Services Program)
Contract Period August 1, 2018 to July 31, 2019

	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>Budget Categories</u>					
Personnel					
Salaries	\$ 4,000	\$ 3,667	\$ 3,667	\$333	\$0
Benefits	<u>684</u>	<u>627</u>	<u>627</u>	<u>57</u>	<u>0</u>
Total Personnel	<u>\$ 4,684</u>	<u>\$ 4,294</u>	<u>\$ 4,294</u>	<u>\$390</u>	<u>\$0</u>

Note: All funds were not spent as of June 30, 2019 due to fact that the contract does not end until July 31, 2019.

**FAMILY SERVICES INCORPORATED
PCAR CONTRACT #5407
COMBINED SCHEDULE OF BUDGETED, REPORTED, AND
ALLOWABLE COSTS WITH FUNDING RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2019**

				<u>Allowable Cost Per Audit</u>	
	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>Budget Categories</u>					
Act 44					
Personnel	\$68,473	\$68,473	\$68,473	\$ 0	\$0
Title XX					
Personnel	10,476	10,476	10,476	0	0
PHHS (10/1/2017-9/30/2018)					
Personnel	501	501	501	0	0
PHHS (10/1/2018-9/30/2019)					
Personnel	2,005	1,504	1,504	501	0
SASP (2 Contract Years)					
Personnel	<u>4,684</u>	<u>4,294</u>	<u>4,294</u>	<u>390</u>	<u>0</u>
Total	<u>\$86,139</u>	<u>\$85,248</u>	<u>\$85,248</u>	<u>\$891</u>	<u>\$0</u>
<u>Funding Reconciliation</u>					
Approved Contract, Received as of June 30, 2019				\$82,596	
Approved Contract, Receivable at June 30, 2019				<u>2,652</u>	
Total Contracts					\$85,248
Allowable Costs:					
Allowable Costs				\$85,248	
Questioned Costs				<u>0</u>	
Total Costs					<u>85,248</u>
Due To (From) PCAR					<u>\$ 0</u>

**FAMILY SERVICES INCORPORATED
THE PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

Grant ID: 26658

	<u>Final Budget</u>	<u>07/01/2016- 06/30/2017 Reported Costs Per Final Invoice</u>	<u>07/01/17- 06/30/18 Reported Costs Per Final Invoice</u>	<u>07/01/18- 06/30/19 Reported Costs Per Final Invoice</u>	<u>Variance from Budget</u>	<u>Disputed Disallowance</u>
Personnel	\$570,522	\$150,939	\$182,831	\$226,279	\$10,473	\$0
Employee Benefits	161,071	31,769	36,563	51,715	41,024	0
Travel (including training)	11,662	4,392	4,544	6,794	(4,068)	0
Supplies and Operating	16,171	934	3,011	19,497	(7,271)	0
Consultants	<u>3,201</u>	<u>1,192</u>	<u>0</u>	<u>0</u>	<u>2,009</u>	<u>0</u>
Total	<u>\$762,627</u>	<u>\$189,226</u>	<u>\$226,949</u>	<u>\$304,285</u>	<u>\$42,167</u>	<u>\$0</u>

Amount of accrued audit fee, if any: \$0.00

Were audit procedures were performed to test compliance with unpaid obligation and commingling limitations? Yes

Note: Normally commingling funds is prohibited and obligations may only be incurred during the project period and must be paid soon after. See Applicant's Manual for details.

**FAMILY SERVICES INCORPORATED
 THE PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY
 SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2019**

Grant ID: 28249

	<u>Final Budget</u>	<u>04/01/2018- 06/30/2019 Reported Costs Per Final Invoice</u>	<u>Variance from Budget</u>	<u>Disputed Disallowance</u>
Personnel	\$142,171	\$31,148	\$111,023	\$0
Employee Benefits	43,235	8,192	35,043	0
Travel (including training)	11,527	139	11,388	0
Supplies and Operating	<u>2,452</u>	<u>631</u>	<u>1,821</u>	<u>0</u>
 Total	 <u>\$199,385</u>	 <u>\$40,110</u>	 <u>\$159,275</u>	 <u>\$0</u>

Amount of accrued audit fee, if any: \$0.00

Were audit procedures performed to test compliance with unpaid obligation and commingling limitations? Yes

Note: Normally commingling funds is prohibited and obligations may only be incurred during the project period and must be paid soon after. See Applicant's Manual for details.

Note: All funds were not spent as of June 30, 2019 due to fact that the contract does not end until September 30, 2020.

**FAMILY SERVICES INCORPORATED
SCHEDULE OF FUNCTIONAL SUPPORT, REVENUE, EXPENSES
AND UNITS OF SERVICE UNDER COUNTY HAP AND HSDF CONTRACT
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>HAP Transitional Housing</u>	<u>HAP Family Shelter</u>	<u>HSDF Counseling</u>
<u>Support and Revenue</u>			
Blair County Revenue	\$19,992	\$29,100	\$10,912
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	\$19,992	\$29,100	\$10,912
	<hr/>	<hr/>	<hr/>
<u>Expenses</u>			
Administrative Expenses:			
Wages and Salaries	\$ 354	\$ 2,842	\$ 2,605
Social Security and Retirement	25	226	208
Insurance and Other Benefits	47	204	187
Office Utilities	0	1,066	10
Office Communications	0	0	6
Office Supplies	0	511	2
Staff Development	0	317	2
Purchased Services	0	2,444	54
Rent/Occupancy	0	0	4
Insurance	0	867	13
Maintenance	0	0	7
Memberships	0	0	1
Printing and Postage	0	0	1
Staff Travel and Training	0	0	1
Other Expenses	0	0	23
Client Oriented Expenses:			
Wages and Salaries	2,947	17,131	26,404
Social Security and Retirement	214	1,365	2,104
Insurance and Other Benefits	396	1,230	1,897
Staff Development	0	0	75
Food	0	0	20
Printing and Postage	0	0	14
Supplies	0	0	36
Other Expenses	<u>16,009</u>	<u>897</u>	<u>295</u>
Total Expenses	\$19,992	\$29,100	\$33,969
	<hr/>	<hr/>	<hr/>
Excess (Deficit) of Support and Revenue	\$ 0	\$ 0	(\$23,057)
	<hr/>	<hr/>	<hr/>
Units of Service Provided			158.00
Actual Per Unit Cost			\$215.00
(1) By Hours; (2) By Days			(1)
Contract Rate Per Unit			\$80.00/Hr.

**FAMILY SERVICES INCORPORATED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Federal Agency</u>	<u>Source</u>	<u>Federal CFDA Number</u>	<u>Identifying Number</u>	<u>Disbursements/ Expenditures</u>
<u>Department of Health and Human Services</u>				
<u>Administration for Children and Families</u>				
Basic Center Grant	D	93.623	90CY675302	\$ 29,531
Basic Center Grant	D	93.623	90CY675303	<u>175,462</u>
Total CFDA 93.623				<u>\$204,993</u>
Passed Through the Pennsylvania Coalition Against Domestic Violence: Social Services Block Grant (Title XX)	I	93.667	Contract #6020	\$188,842
Passed Through the Pennsylvania Coalition Against Rape: Social Services Block Grant (Title XX)	I	93.667	Contract #5407	<u>10,476</u>
Total CFDA 93.667				<u>\$199,318</u>
Passed Through the Pennsylvania Coalition Against Domestic Violence: Family Violence Prevention and Services/Battered Women's Shelters - Grants to States and Indian Tribes	I	93.671	Contract #6020	\$ 14,567
<u>Department of Health and Human Services Centers for Disease Control and Prevention</u>				
Passed Through the Pennsylvania Coalition Against Rape: Preventative Health and Health Services Block Grant	I	93.758	Contract #5407	\$ 501
Preventative Health and Health Services Block Grant	I	93.758	Contract #5407	<u>1,504</u>
Total CFDA 93.758				<u>\$ 2,005</u>
<u>Department of Housing and Urban Development, Office of Community Planning and Development</u>				
Passed Through the County of Blair: Emergency Solutions Grant Program	I	14.231	C000067036	\$ 78,601
Passed Through the County of Blair: Emergency Solutions Grant Program	I	14.231	C000070320	<u>11,810</u>
Total CFDA 14.231				<u>\$ 90,411</u>
<u>Department of Justice Office for Victims of Crime</u>				
Passed Through the Pennsylvania Commission on Crime and Delinquency: Crime Victims Assistance	I	16.575	26558	\$304,285
Crime Victims Assistance	I	16.575	28249	<u>40,110</u>
Total CFDA 16.575				<u>\$344,395</u>
<u>Department of Justice Violence Against Women Office</u>				
Passed Through the Pennsylvania Coalition Against Rape: Sexual Assault Services Formula Program	I	16.017	Contract #5407	\$ 4,294

**FAMILY SERVICES INCORPORATED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2019
 (CONTINUED)**

<u>Federal Agency</u>	<u>Source</u>	<u>Federal CFDA Number</u>	<u>Identifying Number</u>	<u>Disbursements/ Expenditures</u>
<u>Department of Homeland Security</u>				
Passed Through the County of Blair: Emergency Food and Shelter National Board Program	I	97.024	LRO ID: 719400-004	\$ 40,193
<u>U.S. Department of Agriculture</u>				
Passed Through the Pennsylvania Department of Agriculture: Emergency Food Assistance Program	I	10.569	N/A	\$ 1,507
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$901,683

I = Indirect
 D = Direct

**FAMILY SERVICES INCORPORATED
BLAIR COUNTY, PENNSYLVANIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Note 1: The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Revenues were adjusted to balance the expenditures incurred for each project.

Note 2: An extensive compliance test, as required by the Single Audit Act of 1996, was performed on the Crime Victims Assistance Program, which represents 38% of the total expenditures reflected on the Schedule of Expenditures of Federal Awards.

The 20% test for a low-risk auditee was satisfied as follows:

<u>Project Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Crime Victim Assistance	16.575	\$344,395
Basic Center Grant	93.623	204,993
Social Services Block Grant	93.667	199,318
Emergency Solutions Grant Program	14.231	90,411
Emergency Food and Shelter National Board Program	97.024	40,193
Family Violence Prevention and Services/Battered Women's Shelters - Grants to States and Indian Tribes	93.671	14,567
Sexual Assault Services Formula Program	16.017	4,294
Preventative Health and Health Services Block Grant	93.758	2,005
Emergency Food Assistance Program	10.569	<u>1,507</u>
		\$901,683
		x 20%
Minimum Amount Which Must Be Tested		<u>\$180,337</u>

The Crime Victims Assistance Program exceeds \$180,337, and, therefore, represents the only program to which the specific compliance requirements must be applied.

Note 3: Family Services Incorporated has not elected to use the 10% de minimis indirect cost rate.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Family Services Incorporated
2022 Broad Avenue
Altoona, Pennsylvania 16601

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 Services Incorporated (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Services Incorporated'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 Services Incorporated'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.

**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
(CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Services Incorporated'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.

Young, DeLee, Brown & Company, P.C.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Family Services Incorporated
2022 Broad Avenue
Altoona, Pennsylvania 16601

Report on Compliance for Each Major Federal Program

We have audited Family Services Incorporated's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Family Services Incorporated's major federal programs for the year ended June 30, 2019. Family Services Incorporated's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Family Services Incorporated's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Family Services Incorporated's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Family Services Incorporated's compliance.

Opinion on Each Major Federal Program

In our opinion, Family Services Incorporated, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE
(CONTINUED)**

Report on Internal Control Over Compliance

Management of Family Services Incorporated is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Family Services Incorporated's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Family Services Incorporated's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Young, Baker, Brown & Company, P.C.

**FAMILY SERVICES INCORPORATED
BLAIR COUNTY, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

A. Summary of Auditors Results

1. An unmodified opinion was issued on the Organization's financial statements.
2. There were no material weaknesses in internal control identified by the audit of the financial statements. In addition, no significant deficiencies were reported.
3. The audit did not disclose any noncompliance which is material to the Organization's financial statements.
4. There were no material weaknesses in the internal control over major federal programs identified by the audit. In addition, no significant deficiencies were reported.
5. An unmodified opinion was issued on the Organization's compliance for major federal programs.
6. The audit disclosed audit findings which are required to be reported under 2 CFR Section 200.516(a).
7. The Organization's major program is the Crime Victims Assistance Program.
8. The amount of \$750,000 was the dollar threshold used to determine Type A and Type B programs.
9. The Organization does qualify as a low-risk auditee.

B. Financial Statements Findings

There were no findings relative to the financial statements noted during the audit.

C. Federal Awards Findings and Questioned Cost

There were no findings relative to the federal awards noted during the audit.

**FAMILY SERVICES INCORPORATED
STATUS OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

There were no prior year findings.