

FAMILY SERVICES OF WARREN COUNTY, INC.

Financial Statements

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Services of Warren County, Inc.
Warren, Pennsylvania

We have audited the accompanying financial statements of Family Services of Warren County, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Services of Warren County, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about

Family Services of Warren County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

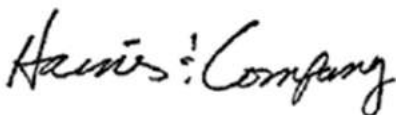
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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



Certified Public Accountants
Warren, Pennsylvania
September 06, 2023

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FAMILY SERVICES OF WARREN COUNTY, INC.

**Statements of Financial Position
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash	\$ 120,403	\$ 158,375
Accounts receivable, net	83,147	56,521
Accrued investment income	1,272	857
Prepaid expenses	<u>8,062</u>	<u>13,127</u>
Total Current Assets	212,884	228,880
Investments	1,136,122	1,280,710
Property and equipment, net	<u>84,702</u>	<u>43,797</u>
Total Assets	<u>\$ 1,433,708</u>	<u>\$ 1,553,387</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 2,011	\$ 2,508
Accrued payroll and withholdings	21,821	17,100
PPP loan	<u>-</u>	<u>109,849</u>
Total Current Liabilities	<u>23,832</u>	<u>129,457</u>
Net Assets		
Without donor restrictions	<u>1,409,876</u>	<u>1,423,930</u>
Total Net Assets	<u>1,409,876</u>	<u>1,423,930</u>
Total Liabilities and Net Assets	<u>\$ 1,433,708</u>	<u>\$ 1,553,387</u>

FAMILY SERVICES OF WARREN COUNTY, INC.

**Statements of Activities
Years Ended December 31, 2022 and 2021**

	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Interest and dividends	\$ 21,713	\$ -	\$ 21,713
Net appreciation (depreciation) of investments	(162,220)	-	(162,220)
Realized gain (loss) on sales of investments	<u>6,743</u>	<u>-</u>	<u>6,743</u>
	(133,764)	-	(133,764)
Less investment expenses	<u>10,409</u>	<u>-</u>	<u>10,409</u>
Net investment income (loss)	(144,173)	-	(144,173)
Fees for services	638,668	-	638,668
United fund	-	49,500	49,500
Contributions	28,420	16,959	45,379
Bequests and memorials	17,552	-	17,552
Interest income	24	-	24
Gain (loss) on disposal of fixed assets	(530)	-	(530)
Miscellaneous income	-	-	-
PPP loan forgiveness	109,849	-	109,849
Net assets released from restrictions	<u>66,459</u>	<u>(66,459)</u>	<u>-</u>
Total Revenue	<u>716,269</u>	<u>-</u>	<u>716,269</u>
Expenses			
Program services	598,879	-	598,879
Supporting services:			
Management and general	103,546	-	103,546
Fundraising	<u>27,898</u>	<u>-</u>	<u>27,898</u>
Total Expenses	<u>730,323</u>	<u>-</u>	<u>730,323</u>
Change in Net Assets	(14,054)	-	(14,054)
Net Assets - Beginning of Year	<u>1,423,930</u>	<u>-</u>	<u>1,423,930</u>
Net Assets - End of Year	<u>\$ 1,409,876</u>	<u>\$ -</u>	<u>\$ 1,409,876</u>

See accompanying notes to financial statements and independent auditor's report. -7-

FAMILY SERVICES OF WARREN COUNTY, INC.

**Statements of Activities
Years Ended December 31, 2022 and 2021**

<u>2021</u>		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 19,053	\$ -	\$ 19,053
(15,665)	-	(15,665)
<u>137,288</u>	<u>-</u>	<u>137,288</u>
140,676	-	140,676
<u>10,789</u>	<u>-</u>	<u>10,789</u>
129,887	-	129,887
517,713	-	517,713
-	44,900	44,900
35,058	1,557	36,615
14,797	-	14,797
-	-	-
-	-	-
6,151	-	6,151
111,559	-	111,559
<u>46,457</u>	<u>(46,457)</u>	<u>-</u>
<u>861,622</u>	<u>-</u>	<u>861,622</u>
494,864	-	494,864
86,815	-	86,815
<u>29,651</u>	<u>-</u>	<u>29,651</u>
<u>611,330</u>	<u>-</u>	<u>611,330</u>
250,292	-	250,292
<u>1,173,638</u>	<u>-</u>	<u>1,173,638</u>
<u>\$ 1,423,930</u>	<u>\$ -</u>	<u>\$ 1,423,930</u>

FAMILY SERVICES OF WARREN COUNTY, INC.

**Statements of Functional Expenses
Years Ended December 31, 2022 and 2021**

	2022			
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Wages	\$ 395,720	\$ 64,031	\$ 22,256	\$ 482,007
Payroll taxes	31,976	4,828	1,649	38,453
Benefits	<u>50,763</u>	<u>6,457</u>	<u>1,951</u>	<u>59,171</u>
Total wages and related expenses	478,459	75,316	25,856	579,631
Supplies	13,242	54	990	14,286
Utilities	25,050	79	28	25,157
Insurance	5,622	23	8	5,653
Advertising and promotions	4,226	5	795	5,026
Travel	3,145	-	-	3,145
Accounting	-	7,000	-	7,000
Professional services	25,296	20,979	16	46,291
Dues and subscriptions	556	1	175	732
Communications	7,993	17	6	8,016
Bank charges	2,153	9	3	2,165
Miscellaneous	331	-	-	331
Depreciation	10,097	40	14	10,151
Maintenance	4,430	14	5	4,449
Professional development	5,766	1	-	5,767
Postage	999	5	1	1,005
Bad debt	10,512	-	-	10,512
Meals	<u>1,002</u>	<u>3</u>	<u>1</u>	<u>1,006</u>
Total Expenses	<u><u>\$ 598,879</u></u>	<u><u>\$ 103,546</u></u>	<u><u>\$ 27,898</u></u>	<u><u>\$ 730,323</u></u>

FAMILY SERVICES OF WARREN COUNTY, INC.

**Statements of Functional Expenses
Years Ended December 31, 2022 and 2021**

2021

<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
\$ 321,485	\$ 54,985	\$ 22,325	\$ 398,795
23,718	4,135	1,617	29,470
<u>52,505</u>	<u>4,522</u>	<u>1,396</u>	<u>58,423</u>
397,708	63,642	25,338	486,688
10,964	51	2,702	13,717
23,553	165	67	23,785
5,397	36	15	5,448
1,562	9	919	2,490
773	-	-	773
-	7,000	-	7,000
23,041	15,766	39	38,846
705	5	137	847
7,037	36	15	7,088
2,361	17	29	2,407
1	-	-	1
7,696	54	22	7,772
1,840	13	5	1,858
7,056	6	3	7,065
1,043	5	356	1,404
2,475	-	-	2,475
<u>1,652</u>	<u>10</u>	<u>4</u>	<u>1,666</u>
<u>\$ 494,864</u>	<u>\$ 86,815</u>	<u>\$ 29,651</u>	<u>\$ 611,330</u>

FAMILY SERVICES OF WARREN COUNTY, INC.

**Statements of Cash Flows
Years Ended December 31, 2022 and 2021**

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	(14,054)	250,292
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	10,151	7,772
PPP loan forgiveness	(109,849)	(111,559)
Investment income reinvested, net of fees	(10,889)	(8,292)
Net (appreciation) depreciation in fair value of investments	162,220	15,665
Realized (gain) loss on investments	(6,743)	(137,288)
Realized (gain) loss on disposal of fixed assets	530	-
(Increase) decrease in:		
Accounts receivable	(26,626)	(34,011)
Accrued investment income	(415)	28
Prepaid expenses	5,065	(1,875)
Increase (decrease) in:		
Accounts payable	(497)	222
Accrued payroll and withholdings	4,721	(24)
Payable to Community Care Behavioral Health	-	(16,026)
Net Cash Provided (Used) by Operating Activities	13,614	(35,096)
Cash Flows from Investing Activities		
Purchase of property and equipment	(51,586)	(31,661)
Net Cash Provided (Used) By Investing Activities	(51,586)	(31,661)
Cash Flows from Financing Activities		
Proceeds from PPP loan	-	109,849
Net Cash Provided (Used) By Financing Activities	-	109,849
Net Change in Cash	(37,972)	43,092
Cash - Beginning of Year	158,375	115,283
Cash - End of Year	\$ 120,403	\$ 158,375

FAMILY SERVICES OF WARREN COUNTY, INC.

**Statements of Cash Flows
Years Ended December 31, 2022 and 2021**

Supplemental Schedule of noncash investing activities:

Family Services' investments are held and managed by one banks. Interest and dividends are accumulated within the portfolios of investments and investment management fees are paid from these funds. The net investment income is reinvested. Accordingly, these activities are excluded from operating cash flows as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends collected	\$ 21,298	\$ 19,081
Investment management fees paid	<u>(10,409)</u>	<u>(10,789)</u>
Reinvested investment income	<u>\$ 10,889</u>	<u>\$ 8,292</u>

FAMILY SERVICES OF WARREN COUNTY, INC.

Notes to Financial Statements December 31, 2022 and 2021

Note A – Summary of Accounting Policies

Nature of Organization

Family Services of Warren County, Inc. (“Family Services”), is an organization whose mission is to promote healthy families, living in a healthy community, by serving, preventing, and advocating. Family Services helps others with care and support through counseling, education, consultation, community initiatives, and increased public awareness.

The major source of revenue for Family Services is fees for counseling services provided to individuals and families in Warren County. Other sources of support include annual grants from a local church, the United Fund of Warren County, and various government grants providing community service programming.

Major Programs

The major programs of Family Services are as follows:

Counseling and Group Therapy Services - Family Services provides individual, family, couples, and group therapy to those in need in Warren County and surrounding areas. Family Services also provides educational support groups to help meet the needs of the community. These support groups include an Anger Management Group, a Healthy Relationships Program, and a DUI Intervention Program.

Substance Abuse Services - Family Services provides Outpatient and Intensive Outpatient therapy services to individuals with substance use disorders. Family Services is licensed by the Department of Drug and Alcohol Programs, Pennsylvania Department of Health. In addition to providing substance use disorder treatment, Family Services also provides educational group services such as a recovery group held at the Warren County Jail and the DUI Intervention Program. Finally, staff provides treatment to individuals that struggle with non-substance-based addictions.

Community Outreach Services - Family Services is a partner with the 21st Century program and provides quarterly parent involvement presentations for the Warren County School District.

Basis of Accounting

Family Services maintains its financial records on the accrual basis of accounting whereby revenues are recorded when earned and expenses when the obligation is incurred.

FAMILY SERVICES OF WARREN COUNTY, INC.

Notes to Financial Statements December 31, 2022 and 2021

Note A – Summary of Accounting Policies (Continued)

Basis of Presentation

Resources are classified for accounting and reporting purposes into two classes of net assets. The two classes of net assets are as follows:

Net assets without donor restrictions: Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Family Services considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable is recorded at the net realizable value for services or goods provided. Family Services does not charge a finance charge on receivables and therefore does not have a policy for recognition of past due receivables. Receivables are generally charged off after collection efforts are exhausted.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Both realized and unrealized gains and losses are included in the statement of activity.

FAMILY SERVICES OF WARREN COUNTY, INC.

**Notes to Financial Statements
December 31, 2022 and 2021**

Note A – Summary of Accounting Policies (Continued)

Fair Value Measurements

Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of Family Services. Unobservable inputs are inputs that reflect Family Services judgments about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs, as follows:

Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that Family Services has the ability to access. Valuation adjustments are not applied to level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations are based on quoted prices in markets that are not active, or for which all inputs are observable, directly or indirectly.

Level 3 - Valuations are based on inputs that are not observable and are significant to the overall fair value measurement.

Property, Equipment and Depreciation

Property and equipment are stated at cost. Maintenance and repairs are expensed as incurred and expenditures in excess of \$500 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Building and improvements	15 – 30 years
Equipment, furniture and fixtures	5 – 10 years

Compensated Absences

Family Services permits employees to carry over paid time off, which is carried in a sick bank. Employees are required to use four days of paid, or unpaid, time off before they can use their sick bank time. The paid time off will carry over in the sick bank, however, it will not be paid in cash. Accordingly, no liability has been recorded in the accompanying financial statements.

FAMILY SERVICES OF WARREN COUNTY, INC.

Notes to Financial Statements December 31, 2022 and 2021

Note A – Summary of Accounting Policies (Continued)

Support

Contributions are recognized when the donor makes a promise to give to Family Services that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions.

Revenues

Family Services recognizes revenue from exchange transactions when the earning process is complete and services are performed. Family Services has a sliding fee arrangement that provides for fee adjustments based upon the client's ability to pay. Fee revenue is recognized net of these adjustments.

Advertising

The Home expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place. Advertising expense was \$5,026 and \$2,490 for 2022 and 2021, respectively.

Bad Debt

An allowance for bad debt is recorded, based upon management's judgement. Management considers historical loss experience, economic conditions, third-party liability, and the financial condition of the debtor. Receivables are reviewed quarterly and are considered past due when all third-party liability is established and paid, and the private pay portion has been outstanding more than 30 days from the date of service.

Functional Allocation of Expenses

Most expenses are charged directly to program services, management and general, or fundraising based on specific identification. The salary of the executive director is allocated based on estimated time spent for each function. Occupancy costs are allocated based on space usage.

Donated Services

No amounts are reflected for services contributed, because no objective basis is available to measure the value of such services; however, volunteers and board members assist in fundraising projects.

FAMILY SERVICES OF WARREN COUNTY, INC.

Notes to Financial Statements December 31, 2022 and 2021

Note A – Summary of Accounting Policies (Continued)

Donated Property

Family Services recognizes assets received as a donation at the fair market value of the property on the date of the gift.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Risk

Family Services maintains its cash balances in financial institutions. The Federal Deposit Insurance Corporation insures the balances at financial institutions up to \$250,000. At December 31, 2021 and 2020 cash balances were fully insured.

Income Taxes

Family Services is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made. Family Services' information returns are open to Internal Revenue Service examination for the 2019 tax year and all subsequent years.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Adoption of New Accounting Standards

For 2022, the Company implemented FASB ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases today. The implementation of the ASU did not have an effect on the financial statements of the Company as they do not have any leases with terms greater than 12 months.

FAMILY SERVICES OF WARREN COUNTY, INC.

Notes to Financial Statements December 31, 2022 and 2021

Note A – Summary of Accounting Policies (Continued)

Adoption of New Accounting Standards (Continued)

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 928): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The objective of this ASU is to increase transparency of contributed nonfinancial assets for not-for-profit (“NFP”) entities through enhancements to presentation and disclosure. The amendments in this ASU apply to NFPs that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for examples, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The term nonfinancial assets includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The amendments in this ASU will improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for NFP, including additional disclosure requirements for recognized contributed services. The amendments in this update will not change the recognition and measurement requirements and are effective for fiscal years beginning after June 15, 2021. The Home adopted and implemented this pronouncement on January 1, 2022 using the prospective method of application. The adoption of ASU 2020-07 resulted in no material changes to the financial statements.

Note B – Accounts Receivable

Accounts receivable from the provision of services are as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Accounts receivable - client charges	\$ 94,397	\$ 59,071
Allowance for doubtful accounts	<u>(11,250)</u>	<u>(2,550)</u>
Net Accounts Receivable	<u>\$ 83,147</u>	<u>\$ 56,521</u>

FAMILY SERVICES OF WARREN COUNTY, INC.

**Notes to Financial Statements
December 31, 2022 and 2021**

Note C – Investments

Major classes of investments, valued using Level 1 inputs, consist of the following:

<u>December 31, 2022</u>	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 104,196	\$ -	\$ 104,196
Mutual funds - fixed income	349,861	(38,258)	311,603
Equities	631,733	31,147	662,880
Other investments	<u>59,569</u>	<u>(2,126)</u>	<u>57,443</u>
Total	<u>\$ 1,145,359</u>	<u>\$ (9,237)</u>	<u>\$ 1,136,122</u>

<u>December 31, 2021</u>	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 88,545	\$ -	\$ 88,545
Mutual funds - fixed income	349,861	2,869	352,730
Equities	629,752	149,618	779,370
Other investments	<u>59,569</u>	<u>496</u>	<u>60,065</u>
Total	<u>\$ 1,127,727</u>	<u>\$ 152,983</u>	<u>\$ 1,280,710</u>

The changes in investments are as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 21,713	\$ 19,053
Appreciation (depreciation) of investments	(162,220)	(15,665)
Realized gains on sale of investments	6,743	137,288
Investment management fees	(10,409)	(10,789)
Distributions	<u>-</u>	<u>-</u>
Investment Income (Loss)	<u>\$ (144,173)</u>	<u>\$ 129,887</u>

FAMILY SERVICES OF WARREN COUNTY, INC.

**Notes to Financial Statements
December 31, 2022 and 2021**

Note D – Property and Equipment

	2022	2021
Leasehold improvements	\$ 70,792	\$ 68,670
Equipment and furniture	84,671	88,262
Total depreciable assets	155,463	156,932
Accumulated depreciation	(70,761)	(113,135)
Total property and equipment, net	\$ 84,702	\$ 43,797

Depreciation expense was \$10,151 and \$7,772 for 2022 and 2021, respectively.

Note E – Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the expiration of periods of time during which the assets were to be used as specified by donors.

	2022	2021
Operating support	\$ 49,500	\$ 44,900
Warren County CARES Act	16,959	1,557
PA Drug & Alcohol	-	-
Total net assets released from restrictions	\$ 66,459	\$ 46,457

Note F – Leases

Family Services leases office space from the Pennsylvania Department of Public Welfare at the Warren State Hospital complex. The lease term is for one year, with automatic renewals, and may be canceled by either party with 30 days' notice prior to the expiration of the current term. The annual rent is \$1, and Family Services is responsible for a monthly utility charge to the Warren State Hospital. The monthly utility charge is adjusted every July 1st. The current monthly charge is \$1,598. Utility charges for December 31, 2022 and 2021 were \$25,157 and \$23,785, respectively. Family Services is responsible for minor repairs and routine maintenance. Warren State Hospital is responsible for all major repairs.

Note G – Retirement Plan

Family Services maintains a SIMPLE plan for all eligible employees. Under the Plan, employees may contribute part of their compensation to the Plan. Family Services matches the employee contribution up to 3% of annual compensation. The cost for December 31, 2022 and 2021 was \$5,244 and \$7,005.

FAMILY SERVICES OF WARREN COUNTY, INC.

**Notes to Financial Statements
December 31, 2022 and 2021**

Note H – Concentrations

Family Services received \$49,500 and \$44,900 in 2022 and 2021, respectively in public support from the United Fund of Warren County, Inc. The loss of this support would severely impact Family Services operations.

Invested assets which potentially expose Family Services to concentrations of market risk include cash and cash equivalents and investments. As a matter of policy, Family Services maintains invested assets with a financial institution. Concentration of credit risk for investments is mitigated by the allocation of funds among different investment types.

Family Services grants credit for fees for services to its clients, substantially all of whom live in Warren County. Consequently, Family Services' ability to collect amounts due from clients is affected by the local economy.

Note I – PPP Loan

Family Services entered into a Paycheck Protection Program loan on May 5, 2020. The purpose of the loan was to keep employees on the payroll during the COVID-19 pandemic. The loan was written for \$111,559. The loan was forgiven in February 2021, accordingly, the loan was classified as a current liability at December 31, 2020 and revenue in 2021.

Family Services received a second Paycheck Protection Program loan on February 2, 2021. The purpose of the loan was to keep employees on the payroll during the COVID-19 pandemic. The loan was written for \$109,849. Family Services applied for loan forgiveness in October 2021 and the loan was fully forgiven in 2022, accordingly, the loan is classified as a current liability at December 31, 2021 and revenue in 2022.

Note H – Liquidity and Availability of Financial Assets

The following reflects the Family Services' financial assets as of December 31, 2022 and 2021 that are available to meet general expenditures within one year of the Statement of Financial Position date; that is, amounts that are without donor restriction or board designations limiting their use.

	<u>2022</u>	<u>2021</u>
Cash	\$ 120,403	\$ 158,375
Accounts receivable, net	83,147	56,521
Accrued investment income	1,272	857
Investments	<u>1,136,122</u>	<u>1,280,710</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 1,340,944</u>	<u>\$ 1,496,463</u>

FAMILY SERVICES OF WARREN COUNTY, INC.

**Notes to Financial Statements
December 31, 2022 and 2021**

Note I – Subsequent Events

Subsequent events were reviewed through, September 06, 2023, the date the financial statements were available for issuance.