



**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
SINGLE AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021**

FAMILY SERVICE – UPPER OHIO VALLEY, INC.

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report	1
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statement of Functional Expenses 2022	6
Statement of Functional Expenses 2021	7
Statements of Cash Flows	8
Notes to the Financial Statements	9
Supplementary Information:	
Schedule of State Awards and Expenditures	18
Schedule of Federal Awards and Expenditures.....	19
Notes to the Schedule of Federal Awards and Expenditures	20
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	21
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	23
Schedule of Findings.....	26



INDEPENDENT AUDITOR'S REPORT

Family Service – Upper Ohio Valley, Inc.
2200 Main Street
Wheeling, WV 26003

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Family Service – Upper Ohio Valley, Inc., 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 accompanying financial statements present fairly, in all material respects, the financial position of Family Service – Upper Ohio Valley, 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 (GAAS) and if applicable, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Service – Upper Ohio Valley, 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, during 2022, Family Service – Upper Ohio Valley, Inc. adopted new accounting guidance in Financial Accounting Standards Board (FASB) Topic 842, *Leases*. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Service – Upper Ohio Valley, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Family Service – Upper Ohio Valley, 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 Service – Upper Ohio Valley, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Federal Awards and Expenditures presents additional analysis 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* and is not a required part of the financial statements.

The accompanying Schedule of State Awards and Expenditures is presented for purposes of additional analysis and is not a required part of the financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of State Awards and Expenditures 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. We subjected this information to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2023 on our consideration of Family Service – Upper Ohio Valley'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 solely 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 the effectiveness of Family Service – Upper Ohio Valley's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Service – Upper Ohio Valley's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 16, 2023

**FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND DECEMBER 31, 2021**

ASSETS

CURRENT ASSETS	2022	2021
Cash and cash equivalents	\$ 374,191	\$ 770,627
Accounts receivable - grants and contracts	162,686	132,993
Prepaid expense	22,881	20,169
Investments	2,052,965	1,868,634
Total current assets	<u>2,612,723</u>	<u>2,792,423</u>
PROPERTY AND EQUIPMENT		
Building and building improvements	716,376	716,376
Equipment and major moveable equipments	865,781	599,973
Accumulated depreciation	(454,114)	(384,937)
Right of Use Asset	1,645,499	-
Net property and equipment	<u>2,773,542</u>	<u>931,412</u>
TOTAL ASSETS	<u>\$ 5,386,265</u>	<u>\$ 3,723,835</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 17,204	\$ 14,950
Accrued wages, benefits, and taxes	53,498	58,426
Client funds held in trust	-	403,125
Total current liabilities	<u>70,702</u>	<u>476,502</u>
LONG TERM LIABILITIES		
Building Lease	1,662,684	-
Total long term liabilities	<u>1,662,684</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,733,386</u>	<u>476,502</u>
NET ASSETS - WITHOUT DONOR RESTRICTION	3,652,879	3,247,040
NET ASSETS - WITH DONOR RESTRICTION	<u>-</u>	<u>293</u>
TOTAL NET ASSETS	<u>3,652,879</u>	<u>3,247,333</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,386,265</u>	<u>\$ 3,723,835</u>

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

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Without Donor Restriction	With Donor Restriction	Total 2022	Without Donor Restriction	With Donor Restriction	Total 2021
REVENUES AND OTHER SUPPORT						
Grants	\$ 1,657,111	\$ -	\$ 1,657,111	\$ 1,444,489	\$ -	\$ 1,444,489
Program income & other client fees	260,950	-	260,950	306,763	-	306,763
United Way and other contributions	60,615	236,754	297,369	46,169	124,808	170,977
Investment income	31,085	-	31,085	21,484	-	21,484
Special events income	9,057	-	9,057	412	-	412
Miscellaneous income & reimbursements	-	-	-	3,890	-	3,890
PPP Loan Extinguishment	-	-	-	124,655	-	124,655
Released from Restrictions	237,047	(237,047)	-	124,808	(124,808)	-
Total revenues and other support	<u>2,255,865</u>	<u>(293)</u>	<u>2,255,572</u>	<u>2,072,670</u>	<u>-</u>	<u>2,072,670</u>
EXPENSES						
Transportation	209,856	-	209,856	-	-	-
Conservator	40,391	-	40,391	84,071	-	84,071
Fair	42,473	-	42,473	44,747	-	44,747
Headstart	221,306	-	221,306	201,748	-	201,748
Life	49,984	-	49,984	57,392	-	57,392
Lighthouse	75,987	-	75,987	92,883	-	92,883
Title IIIB	50,004	-	50,004	86,033	-	86,033
Title IIIC	482,958	-	482,958	577,257	-	577,257
Title IIID&E	85,179	-	85,179	60,065	-	60,065
Total program services	<u>1,258,138</u>	<u>-</u>	<u>1,258,138</u>	<u>1,204,196</u>	<u>-</u>	<u>1,204,196</u>
Administration	249,802	-	249,802	235,050	-	235,050
Fundraising	26,774	-	26,774	22,866	-	22,866
Operating Lease	17,185	-	17,185	-	-	-
Other grants	17,927	-	17,927	191,414	-	191,414
Total expenses	<u>1,569,826</u>	<u>-</u>	<u>1,569,826</u>	<u>1,653,526</u>	<u>-</u>	<u>1,653,526</u>
OTHER REVENUES AND EXPENSES						
Net gains (losses) from sales of investments	45,762	-	45,762	155,887	-	155,887
Unrealized gains (losses)	(333,969)	-	(333,969)	47,054	-	47,054
Gain (loss) on sale of capital assets	8,007	-	8,007	14,632	-	14,632
Net other revenues and expenses	<u>(280,200)</u>	<u>-</u>	<u>(280,200)</u>	<u>217,573</u>	<u>-</u>	<u>217,573</u>
CHANGE IN NET ASSETS	405,838	(293)	405,546	636,717	-	636,717
NET ASSETS, BEGINNING OF YEAR	<u>3,247,040</u>	<u>293</u>	<u>3,247,333</u>	<u>2,610,323</u>	<u>293</u>	<u>2,610,616</u>
NET ASSETS, END OF YEAR	<u>\$ 3,652,878</u>	<u>\$ -</u>	<u>\$ 3,652,879</u>	<u>\$ 3,247,040</u>	<u>\$ 293</u>	<u>\$ 3,247,333</u>

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

FAMILY SERVICE - UPPER OHIO VALLEY, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	PROGRAM SERVICES										ADMINISTRATION			TOTAL
	TRANSPORTATION	CONSERVATOR	FAIR	HEADSTART	LIFE	LIGHTHOUSE	TITLE IIIB	TITLE IIIC	TITLE IIID	TITLE IIIE	AND GENERAL	FUNDRAISING	OTHER GRANTS	
Wages, Accrued Wage, Accrued PDO	\$ 137,055	\$ 23,517	\$ 27,538	\$ 49,979	\$ 9,450	\$ 54,448	\$ 26,035	\$ 166,772	\$ 27,825	\$ 28,870	\$ 31,162	\$ 12,275	\$ 11,755	\$ 606,682
Payroll Taxes and Employee Benefits	29,235	4,625	4,467	6,725	7,976	7,064	3,441	20,025	3,705	4,669	11,574	2,530	2,900	108,937
Utilities	4,899	1,640	3,045	1,781	2,758	3,045	5,186	13,028	2,758	3,045	5,546	2,762	-	49,494
Insurance	5,521	4,812	701	4,226	14,919	4,270	1,817	9,953	-	1,593	2,201	121	883	51,017
Repairs and Maintenance	22,099	-	-	2,841	-	-	-	14,850	-	-	10,338	-	840	50,968
Event Expense	-	-	-	-	-	-	293	-	-	-	5,743	2,583	164	8,782
Supplies and Equipment	128	-	15	-	1,147	15	15	675	-	-	3,671	-	-	5,666
Food & Nutrition Supplies	-	-	-	151,152	-	-	-	226,727	-	-	-	-	-	377,879
Postage & Printing	229	899	16	124	-	52	133	607	-	-	292	-	-	2,352
Travel and Training	35	-	19	-	394	459	-	-	17	-	316	-	44	1,284
Prof Fees/Purchased Services	1,718	2,021	1,419	1,405	6,581	1,379	4,137	7,844	1,342	1,342	14,158	1,342	1,342	46,031
Rent	8,453	2,829	5,253	3,073	4,759	5,253	8,947	22,476	4,759	5,253	9,568	4,766	-	85,390
Misc	483	48	-	-	2,000	-	-	-	-	-	20,936	395	-	23,862
Lease Expense	-	-	-	-	-	-	-	-	-	-	17,185	-	-	17,185
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	134,297	-	-	134,297
\$	209,856	\$ 40,391	\$ 42,473	\$ 221,306	\$ 49,984	\$ 75,987	\$ 50,004	\$ 482,958	\$ 40,407	\$ 44,772	\$ 266,987	\$ 26,774	\$ 17,927	\$ 1,569,826

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

FAMILY SERVICE - UPPER OHIO VALLEY, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

PROGRAM SERVICES

	PROGRAM SERVICES										ADMINISTRATION AND GENERAL		OTHER GRANTS		TOTAL
	CONSERVATOR	FAIR	HEADSTART	LIFE	LIGHTHOUSE	TITLE IIIB	TITLE IIIC	TITLE IIID	TITLE IIIE			FUNDRAISING			
Wages, Accrued Wage, Accrued PDO	\$ 47,414	\$ 30,343	\$ 48,560	\$ 25,742	\$ 67,828	\$ 42,467	\$ 161,706	\$ 11,779	\$ 23,733	\$ 33,001	\$ 11,779	\$ 117,715	\$ 622,067		
Payroll Taxes and Employee Benefits	18,512	5,022	6,926	13,335	9,038	4,926	20,521	2,334	4,244	3,069	2,335	26,282	116,544		
Utilities	3,610	3,293	3,389	3,269	3,284	5,637	13,035	3,284	3,284	3,729	3,110	5,463	54,387		
Insurance	3,075	726	1,342	7,591	2,601	2,209	7,897	-	1,149	2,471	34	4,177	33,272		
Repairs and Maintenance	-	-	2,801	697	3,515	18,783	-	-	-	6,356	-	16,545	48,697		
Event Expense	-	-	-	-	-	-	-	-	-	-	550	-	550		
Supplies and Equipment	527	-	-	-	-	864	91	-	-	4,570	-	1,896	7,948		
Food & Nutrition Supplies	-	-	133,346	-	-	-	346,377	-	-	-	-	-	479,723		
Postage & Printing	4,569	10	-	1,130	40	276	491	-	-	328	-	173	7,017		
Travel and Training	-	144	-	205	732	36	61	-	20	16	-	15	1,229		
Prof Fees/Purchased Services	679	77	104	264	-	2,022	6,407	-	-	35,428	200	9,480	54,660		
Rent	5,626	5,132	5,281	5,099	5,118	8,785	20,315	5,118	5,118	5,811	4,843	8,513	84,760		
Misc	60	-	-	60	727	28	356	-	-	27,195	15	1,155	29,596		
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	113,076	-	-	113,076		
	<u>\$ 84,071</u>	<u>\$ 44,747</u>	<u>\$ 201,748</u>	<u>\$ 57,392</u>	<u>\$ 92,883</u>	<u>\$ 86,033</u>	<u>\$ 577,257</u>	<u>\$ 22,516</u>	<u>\$ 37,549</u>	<u>\$ 235,050</u>	<u>\$ 22,866</u>	<u>\$ 191,414</u>	<u>\$ 1,653,526</u>		

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

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 405,546	\$ 636,717
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	134,297	113,076
(Gain)/Loss on sale of capital assets	(8,007)	(14,632)
Investment Income	265,624	(216,966)
Accounts receivable- grants, contracts, and other	(29,693)	45,107
Prepaid expenses	(2,712)	(3,924)
Client funds held in trust	(403,125)	(211,614)
Lease expense	17,185	-
Accounts payable and other accrued expenses	2,253	250
Accrued wages, benefits and taxes	(4,928)	9,219
Net cash provided by operating activities	376,440	357,233
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	44	136
Purchase of securities	(450,000)	(200,000)
Purchase of fixed assets	(351,420)	(168,346)
Sale of Fixed Assets	28,500	20,000
Net cash (used in)/provided by investing activities	(772,876)	(348,210)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit	-	(124,655)
Net cash used in financing activities	-	(124,655)
Increase/Decrease in cash an cash equivalents	(396,436)	(115,632)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	770,627	886,259
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 374,191	\$ 770,627

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

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 1- Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization-Family Service – Upper Ohio Valley, Inc. (the “Agency”) is a non-profit organization who receives most of its funding through federal, state, and other grants, contracts and fee-for-service arrangements. The Agency provides a variety of social and health related services primarily to residents of Ohio and Marshall Counties, West Virginia and the surrounding area. The Agency also operates a conservator/representative payee program.

The Agency has an extensive Senior Service Division which provides nutrition services, social support services, in-home care, health screening, recreation, transportation, and adult day care. The purpose of these programs is mostly to meet the needs of Older Americans.

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

Basis of Presentation – The financial statements are presented following the recommendations of the Financial Accounting Standards Board in its Statement of Accounting Standards Codification (FASB ASC) No. 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Under ASU2016-14, the Agency is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. All net assets other than those subject to donor-imposed restrictions, including Board-designated or appropriated amounts, are legally part of the without donor restriction class. The Agency had \$0 and \$293 in donor restricted net assets as of December 31, 2022 and 2021, respectively. In addition, the Agency is required to present a statement of cash flows.

Investments – The Agency carries investments at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income is reported as increases in net assets without donor restriction.

Account Receivables – Accounts receivable consists primarily of grant and contract amounts due for reimbursement of program services provided and program expenses incurred by year end

Property and Equipment – All acquisitions of property and equipment generally in excess of \$5,000 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives or assets are capitalized. Acquisitions of property less than \$5,000 may occur as management will look at the nature of the asset purchased and will choose to capitalize or expense these items. Property and equipment are carried at cost or, if donated, at their approximate fair value at the date of donation.

Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets, which mostly range from 3 to 20 years. Depreciation expense for the years ended December 31, 2022, and 2021 were \$134,297 and \$113,076.

Other Items – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Those funds restricted by the donor are recorded under Restricted Contributions based on donor stipulations. The agency received \$236,754 and \$124,515 in restricted donations in 2022 and 2021.

Income Taxes – The Agency is exempt from federal incomes taxes under Section 501 (c) (3) of the Internal Revenue Code.

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 1- Nature of Organization and Summary of Significant Accounting Policies (Continued)

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Agency and recognize a tax liability (or asset) if the Agency has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Agency, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Agency is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Agency's Federal Return of Organization from Income Tax (Federal Form 990) for 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

Concentrations-The Agency receives a substantial amount of its support from federal and state governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Agency's activities.

Additionally, under the terms of federal and state contracts and grants, periodic audits are required, and certain costs may be questioned as inappropriate expenditure. Such audits could lead to reimbursement to the grantor agency. Management believes disallowances, if any, would be immaterial.

Financial instruments that potentially subject the Agency to significant concentration of credit risk consist principally of cash. The Agency maintains cash with financial institutions which, at times, may exceed federally insured limits. The Agency believes it is not exposed to any significant credit risk on cash.

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

Expense Allocation – The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of FSUOV are reported as expenses of those functional areas. A portion of General and Administrative costs that benefit multiple functional areas have been allocated across Programs Services based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents.

Revenues- Revenues are recognized in the accompanying financial statement as follows:

Grants and Reimbursements:

The funds due from various funding sources under grants and contracts are recognized as revenue in the accounting period when the expenditures are incurred and the grant funds are earned.

Program Revenue:

The amount due from various sources is recognized as revenue in the accounting period when the administrative and /or contract services are provided.

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 2- Cash and Cash Equivalents

Family Service-Upper Ohio Valley, Inc. maintains checking and savings accounts at various local financial institutions. At December 31, 2022 and 2021 there was \$400,028 and \$914,929 on deposit. The agency had a carrying amount of \$374,191 and \$770,627, respectively for 2022 and 2021. For the purposes of cash flows statements, the Agency includes cash in banks and on hand and certificates of deposit with original maturities of 90 days or less, as cash and cash equivalents.

Note 3- Retirement Plans

The Agency has a policy of contributing to each qualified employee's individual retirement contract. No separate plan is maintained by the Agency. The Agency contributes to each employee's individual contract up to 6 percent of the employee's gross salary, if, the employee contributed 3 percent of their gross salary. Plan costs for the period ended December 31, 2022 and 2021 were \$21,630 and \$29,608.

Note 4 – Accounts Receivable

Grants and contracts receivable balances are mainly comprised of amounts due from funding sources in reimbursement-type arrangements. Amounts due at December 31, 2022 and 2021 represent funds due for expenses incurred or services provided as of December 31, 2022 and 2021. The amounts detailed below have been classified as grants and contracts receivables for reporting purposes.

2022	
Other A/R	\$ 11,019
Title IIIB	12,557
Title III Nutrition	59,018
United Way	2,000
Head Start	33,575
Lighthouse/Fair	2,237
LIFE	21,841
5310	<u>20,440</u>
Total	<u>\$ 162,687</u>

2021	
Other A/R	\$ 644
Title IIIB	4,663
Title III Nutrition	53,900
Title IIIE	6,830
Head Start	9,832
Lighthouse/Fair	4,226
LIFE	34,383
5310	<u>18,515</u>
	<u>\$ 132,993</u>

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 5-Investments

Cost and estimated fair value of investments at December 31, 2022, and 2021 are as follows:

2022

	<u>Estimated Fair Value</u>	<u>Cost</u>
Cash and cash equivalents		
held for long term investments	\$ 3,014	3,014
Equities	1,351,560	1,366,355
Fixed Income	627,475	688,662
Alternatives	70,911	74,557
Other assets	<u>4</u>	<u>4</u>
Total Investments	<u>\$ 2,052,964</u>	<u>2,132,592</u>

2021

	<u>Estimated Fair Value</u>	<u>Cost</u>
Cash and cash equivalents		
held for long term investments	\$ 3,778	\$ 3,778
Equities	1,322,129	1,090,784
Fixed Income	472,910	456,719
Alternatives	69,814	63,814
Other assets	<u>4</u>	<u>4</u>
Total Investments	<u>\$ 1,868,634</u>	<u>\$ 1,615,098</u>

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 6-Fair Value Measurements

The Agency follows the provisions of Fair Value Measurements ASC820, which applies to all financial instruments that are being measured and reported on a fair value basis. Under ASC820, fair value is defined 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 and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The type of investments included in Level 1 includes listed equities and derivatives. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; fair value is determined through the use of models or other valuation methodologies. Investments generally included in this category are corporate bonds and loans, less liquid and restricted equity securities, and over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is limited market activity for the asset or liability. The inputs for determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies and general limited interests in private investment funds, real estate funds, debt funds and distressed debt.

The following table presents assets reported on the financial statements at their fair value as of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Equity and equity mutual funds	\$1,351,560	-	-	\$1,351,560
Fixed income securities	627,475	-	-	627,475
Alternatives	70,911	-	-	70,911
Other Assets	4	-	-	4
Total	<u>\$2,049,950</u>	<u>-</u>	<u>-</u>	<u>\$2,049,950</u>

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 6-Fair Value Measurements (Continued)

The following table presents assets reported on the financial statements at their fair value as of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Equity and equity mutual funds	\$1,322,129	-	-	\$1,322,129
Fixed income securities	472,910	-	-	472,910
Alternatives	69,814	-	-	69,814
Other Assets	4	-	-	4
Total	<u>\$1,864,857</u>	<u>-</u>	<u>-</u>	<u>\$1,864,857</u>

Note 7-Special Events Income & Expense

Agency operates a bingo and conducts raffles and several events in the local area. Due to COVID-19, during 2022, no bingo or events were held. Agency paid to maintain WV Licensure for both functions for future years.

	<u>Revenue</u>	<u>Expenses</u>	<u>Net Revenue</u>
Bingo and Raffle	\$ -	\$ 550	\$ (550)
Senior Services Events	-	-	-
Total	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ (550)</u>

During 2021, no bingo or events were held.

	<u>Revenue</u>	<u>Expenses</u>	<u>Net Revenue</u>
Bingo and Raffle	\$ -	\$ 550	\$ (550)
Senior Services Events	-	-	-
Total	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ (550)</u>

Note 8- 5310 Grant

The Agency received \$214,624 in 2022 and \$47,768 in 2021 through the Division of Public Transit of the Department of Transportation Section 5310 Grant to provide transportation services to seniors and individuals with disabilities.

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 9 – Implementation of Amendments to ASC Topic 842, Leases

As of January 1, 2022, the Agency has adopted the amendments to the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, Leases, which were required to be adopted for years beginning after December 15, 2021. These amendments provide clarification and guidance on various aspects of lease accounting, and their adoption has resulted in changes to the Agency's accounting policies and practices related to leases. The following provides information related to the amendment's adoption method and the impact the amendment had on the financial statements and accounting policies:

1. **Adoption Method and Transition Approach:** The Agency has adopted the amendments to ASC 842 using the modified retrospective approach, as allowed by the transition guidance provided by the amendments. Under this approach, the Agency has applied the amendments retrospectively to the beginning of the earliest period presented in the financial statements, without restating prior periods. The Agency has elected to use the practical expedients provided by the amendments, including the practical expedient to not reassess whether existing contracts are or contain leases, the practical expedient to not reassess lease classification for existing leases, and the practical expedient to not reassess initial direct costs for existing leases.
2. **Impact on Financial Statements:** The adoption of the amendments to ASC 842 has resulted in changes to the Agency's statements of financial position and the statements of activities. The most significant impacts are as follows:
 - **Recognition of Right-of-Use (ROU) Assets and Lease Liabilities:** The Agency has recognized ROU assets and lease liabilities for leases that were previously classified as operating leases. The ROU assets and lease liabilities are recognized at the present value of the remaining lease payments, using the Agency's incremental borrowing rate at the adoption date. The adoption of the amendments has resulted in an increase in the Agency's assets and liabilities on the balance sheet, as compared to the previous accounting under ASC 840.
 - **Presentation of Lease Expenses:** The Agency has changed the presentation of lease expenses in the statements of activities. Lease expenses for operating leases are now recognized as separate line items, such as "Operating lease expense" or "Finance lease expense," depending on the lease classification. The adoption of the amendments has resulted in changes to the Agency's statements of activities presentation, as compared to the previous accounting under ASC 840.

See Note 10 for more information about the Agency's lease accounting practices and activity as of December 31, 2022.

Note 10 - Leases

The Agency adopted the amendments to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, Leases, as of January 1, 2022, using the modified retrospective approach. Under this approach, the Agency recognized a right-of-use (ROU) asset and a lease liability for all leases that were not classified as short-term leases or leases for which the Agency elected the practical expedient to not apply the recognition requirements to leases with a lease term of 12 months or less.

The Agency leases office space under two operating leases. Operating lease right-of-use assets and liabilities are recognized based on the present value of the remaining lease payments over the lease term at the commencement date, using the Agency's incremental borrowing rate as the discount rate.

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021

Note 10 – Leases (Continued)

The Agency's lease expense for operating leases is recognized on a straight-line basis over the lease term. As of December 31, 2022, the weighted-average remaining lease term for operating leases was 20 years and the weighted-average discount rate used to determine the lease liabilities was 2.05%.

Lease expense	Year Ending December 31, 2022
Operating lease expense	\$ 101,805
Total	\$ 101,805

Other Information

Operating cash flows from operating leases	84,620
ROU assets obtained in exchange for new operating lease liabilities	1,712,800
Weighted-average remaining lease term in years for operating leases	19.92
Weighted-average discount rate for operating leases	2.05%

As of December 31, 2022, the Agency had lease liabilities of \$1,662,684, classified as long-term liabilities on the statement of financial position. The Agency also had ROU assets of \$1,712,800, which are included in the "Building and building improvements" line item on the statement of financial position.

The Agency's newly updated policy is to recognize variable lease payments related to leases with variable lease terms that depend on an index or a rate, which are not included in the initial measurement of the lease liabilities. The Agency will also recognize variable lease payments as expenses in the period in which the obligation for those payments is incurred. However, the Agency did not have any variable lease payments as of December 31, 2022.

The Agency did not have any finance leases as of December 31, 2022. The Agency did not have any significant non-lease components that are accounted for separately from the lease components.

The Agency's future minimum lease payments under non-cancellable operating leases as of December 31, 2022, are as follows:

Maturity Analysis	Operating
2023-12	\$ 90,120
2024-12	90,120
2025-12	90,120
2026-12	90,120
2027-12	90,770
Thereafter	1,593,540
Total undiscounted cash flows	2,044,790
Less: present value discount	(382,106)
Total lease liabilities	\$ 1,662,684

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Agency did not reassess any expired or existing contracts for lease classification or reassess the lease term or discount rate subsequent to the adoption of ASC 842. The Agency did not have any subleases or subtenants as of December 31, 2022.

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2022 AND 2021**

Note 11- Liquidity

Financial assets, at year end	
Cash and cash equivalents	\$ 374,191
Accounts receivable - grants and contracts	162,686
Investments	<u>2,052,965</u>
Total financial assets, at year end	<u>2,589,842</u>

Financial assets available within one year to meet cash needs for general expenditures within one year. \$2,589,842

Payables are kept current and cash balance is maintained at a level that insures expenses will be covered for at least 90 days in case there are delays in funding source reimbursements.

Note 12 - Subsequent Events

Family Service-Upper Ohio Valley, Inc. assessed events occurring subsequent to December 31, 2022 and 2021, through June 16, 2023, for potential recognition and disclosures in the financial statements. The United States and the State of West Virginia declared a state of emergency in March 2020 due to the COVID-19 pandemic. The pandemic continued through 2020 and into 2021. In addition, the impact on the Agency's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
SCHEDULE OF STATE AWARDS AND EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2022

State Awards and Other Assistance	Award/ Grant No.	State Expenditures
State Grantor/Pass-through		
 WEST VIRGINIA BUREAU OF SENIOR SERVICES		
State Discretionary Grant-Lighthouse	IH2309	\$ 41,928
State Discretionary Grant-Lighthouse-Data Entry	IH2309	187,269
		229,197
State Alzheimer's Respite/FAIR	IH2309	1,712
		1,712
 WEST VIRGINIA BUREAU OF SENIOR SERVICES		
Passed through the Bel-O-Mar Regional Council		
Special Programs for the Aging-Title III, B	22235	30,557
Special Programs for the Aging-Title III, B	22335	42,466
		73,023
Special Programs for the Aging-Title III, C-1	22335	237,715
		237,715
Special Programs for the Aging-Title III, E	22235	18
		18
State Legislative Initiatives for the Elderly (L.I.F.E.)	22302	316,057
		316,057
TOTAL STATE AWARDS AND EXPENDITURES		\$ 857,722

FAMILY SERVICE-UPPER OHIO VALLEY
SCHEDULE OF FEDERAL AWARDS AND EXPENDITURES
FOR YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-through	Federal AL#	Award/ Grant No.	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
WV Bureau of Senior Service			
Passed through the Bel-O-Mar Regional Council			
Special Programs for the Aging-Title III, B	93.044	22135	\$ <u>56,019</u>
		Total for 93.044	<u>56,019</u>
Special Programs for the Aging-Title III, C-2	93.045	22135	244,728
Special Programs for the Aging-Title III, C-2	93.045	22135	<u>183,927</u>
		Total for 93.045	<u>428,655</u>
TOTAL AGING CLUSTER			\$ <u>484,674</u>
Special Programs for the Aging-Title III, Part D Disease Prevention and Health Promotion Services	93.043	22135	1,105
Special Programs for the Aging-Title III, Part E	93.052	22135	25,241
Special Programs for the Aging-Title III, Part E (ARPA)	93.052	22135	<u>18</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ <u>511,038</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through West Virginia Division of Public Transit of the Department of Transportation			
FY 22 Section 5310 Grant	20.513	WV-2021-006-02	41,533
FY 23 Section 5310 Grant	20.513	WV-2020-004-02	65,296
ARPA 21 Section 5310 Grant	20.513	WV-2022-004-00	<u>107,795</u>
		Total for 20.513	<u>214,624</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ <u>214,624</u>
U.S. DEPARTMENT OF HOMELAND SECURITY/FEMA			
Passed through United Way Worldwide			
COVID-19 Emergency Food and Shelter Program	97.024	902600-010	4,541
	97.024	900800-007	<u>17,500</u>
		Total for 97.024	<u>22,041</u>
TOTAL FOR U.S. DEPARTMENT OF HOMELAND SECURITY/FEMA			\$ <u>22,041</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the City of Wheeling			
Community Development Block Grant	14.218	N/A	<u>5,000</u>
TOTAL FOR U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ <u>5,000</u>
TOTAL FEDERAL AWARDS AND EXPENDITURES			\$ <u>752,703</u>

FAMILY SERVICE – UPPER OHIO VALLEY, INC.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS AND EXPENDITURES
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards and Expenditures (the Schedule) includes the federal award activity of Family Service – Upper Ohio Valley, Inc. (a nonprofit organization) (the Agency) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Agency.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement

NOTE C – INDIRECT COST RATE

The Agency has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Family Service – Upper Ohio Valley, Inc.
2200 Main Street
Wheeling, WV 26003

To the Board of Directors:

We have audited, 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, the financial statements of the Family Service – Upper Ohio Valley, Inc., (the Agency) as of and for the year ended December 31, 2022, and the related notes to the financial statements and have issued our report thereon dated June 16, 2023, wherein we noted the Agency adopted new accounting guidance in Financial Accounting Standards Board (FASB) Topic 842, *Leases*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 financial statements. 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 16, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Family Service – Upper Ohio Valley, Inc.
2200 Main Street
Wheeling, WV 26003

To the Board of Directors:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Family Service – Upper Ohio Valley, Inc.'s (the Agency) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Family Service – Upper Ohio Valley, Inc.'s major federal program for the year ended December 31, 2022. Family Service – Upper Ohio Valley, Inc.'s major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Family Service – Upper Ohio Valley, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Agency's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Family Service – Upper Ohio Valley, Inc.
Independent Auditor's Report on Compliance Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 16, 2023

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
SCHEDULE OF FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR’S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs’ Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Aging Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS FOR FEDERAL AWARDS

None.