



**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

FAMILY SERVICE – UPPER OHIO VALLEY, INC.

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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. (the Agency), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 the Agency as of December 31, 2023 and 2022, 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 the Agency 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 the Agency'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 opinions. 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 and *Government 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 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 and *Government 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 the Agency'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 the Agency'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 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. 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, this information is fairly stated in all material respects in relation to the 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 August 21, 2024 on our consideration of the Agency'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 the Agency'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 the Agency's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

August 21, 2024

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND DECEMBER 31, 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 788,078	\$ 374,191
Accounts receivable - grants and contracts	105,233	162,686
Prepaid expense	24,259	22,881
Investments	2,321,140	2,052,965
Total current assets	3,238,710	2,612,723
PROPERTY AND EQUIPMENT		
Building and building improvements	716,376	716,376
Equipment and major moveable equipments	877,920	865,781
Accumulated depreciation	(592,050)	(454,114)
Right of Use Asset	1,609,892	1,645,499
Net property and equipment	2,612,138	2,773,542
TOTAL ASSETS	\$ 5,850,848	\$ 5,386,265
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 25,396	\$ 17,204
Accrued wages, benefits, and taxes	64,039	53,498
Total current liabilities	89,435	70,702
LONG TERM LIABILITIES		
Building Lease	1,606,122	1,662,684
Total long term liabilities	1,606,122	1,662,684
TOTAL LIABILITIES	1,695,557	1,733,386
NET ASSETS - WITHOUT DONOR RESTRICTION	4,155,291	3,652,879
TOTAL NET ASSETS	4,155,291	3,652,879
TOTAL LIABILITIES AND NET ASSETS	\$ 5,850,848	\$ 5,386,265

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, 2023 AND 2022

	Without Donor Restriction	With Donor Restriction	Total 2023	Without Donor Restriction	With Donor Restriction	Total 2022
REVENUES AND OTHER SUPPORT						
Grants	\$ 1,102,491	\$ -	\$ 1,102,491	\$ 1,657,111	\$ -	\$ 1,657,111
Program income & other client fees	257,057	-	257,057	260,950	-	260,950
United Way and other contributions	29,889	328,706	358,595	60,615	236,754	297,369
Investment income	52,846	-	52,846	31,085	-	31,085
Special events income	-	-	-	9,057	-	9,057
Miscellaneous income & reimbursements	2,089	-	2,089	-	-	-
Released from Restrictions	328,706	(328,706)	-	237,047	(237,047)	-
Total revenues and other support	<u>1,773,078</u>	<u>-</u>	<u>1,773,078</u>	<u>2,255,865</u>	<u>(293)</u>	<u>2,255,572</u>
EXPENSES						
Transportation	203,665	-	203,665	209,856	-	209,856
Conservator	-	-	-	40,391	-	40,391
Fair	33,011	-	33,011	42,473	-	42,473
Headstart	161,439	-	161,439	221,306	-	221,306
Life	72,893	-	72,893	49,984	-	49,984
Lighthouse	85,932	-	85,932	75,987	-	75,987
Title IIIB	68,732	-	68,732	50,004	-	50,004
Title IIIC	407,457	-	407,457	482,958	-	482,958
Title IIID&E	61,321	-	61,321	85,179	-	85,179
Other grants	75,903	-	75,903	17,927	-	17,927
Total program services	<u>1,170,353</u>	<u>-</u>	<u>1,170,353</u>	<u>1,276,065</u>	<u>-</u>	<u>1,276,065</u>
Administration	338,759	-	338,759	266,987	-	266,987
Fundraising	27,583	-	27,583	26,774	-	26,774
Total expenses	<u>1,536,695</u>	<u>-</u>	<u>1,536,695</u>	<u>1,569,826</u>	<u>-</u>	<u>1,569,826</u>
OTHER REVENUES AND EXPENSES						
Net gains (losses) from sales of investments	88,153	-	88,153	45,762	-	45,762
Unrealized gains (losses)	152,170	-	152,170	(333,969)	-	(333,969)
Gain (loss) on sale of capital assets	25,706	-	25,706	8,007	-	8,007
Net other revenues and expenses	<u>266,029</u>	<u>-</u>	<u>266,029</u>	<u>(280,200)</u>	<u>-</u>	<u>(280,200)</u>
CHANGE IN NET ASSETS	<u>502,412</u>	<u>-</u>	<u>502,412</u>	<u>405,839</u>	<u>(293)</u>	<u>405,546</u>
NET ASSETS, BEGINNING OF YEAR	<u>3,652,879</u>	<u>-</u>	<u>3,652,879</u>	<u>3,247,040</u>	<u>293</u>	<u>3,247,333</u>
NET ASSETS, END OF YEAR	<u>\$ 4,155,291</u>	<u>\$ -</u>	<u>\$ 4,155,291</u>	<u>\$ 3,652,879</u>	<u>\$ -</u>	<u>\$ 3,652,879</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, 2023

	PROGRAM SERVICES											ADMINISTRATION		
	TRANSPORTATION	CONSERVATOR	FAIR	HEADSTART	LIFE	LIGHTHOUSE	TITLE IIIB	TITLE IIIC	TITLE IIID	TITLE IIIE	OTHER GRANTS	AND GENERAL	FUNDRAISING	TOTAL
Wages, Accrued Wage, Accrued PDO	\$ 157,333	\$ -	\$ 20,546	\$ 29,208	\$ 39,546	\$ 63,013	\$ 45,109	\$ 152,414	\$ 16,046	\$ 21,806	\$ 42,576	\$ 22,041	\$ 15,886	\$ 625,524
Payroll Taxes and Employee Benefits	28,855	-	4,418	5,813	9,471	9,891	7,530	19,078	3,797	4,525	6,875	9,246	3,783	113,282
Utilities	5,316	-	3,302	1,933	2,991	3,302	5,628	13,961	2,991	3,302	-	7,981	2,991	53,698
Insurance	5,885	-	745	4,504	15,904	4,553	1,936	12,127	-	1,697	941	5,969	131	54,392
Repairs and Maintenance	-	-	-	3,317	-	-	-	17,823	-	-	21,214	19,400	-	61,754
Event Expense	200	-	556	-	-	556	2,143	2,575	-	-	1,973	1,499	1,328	10,830
Supplies and Equipment	-	-	-	-	700	-	54	1,282	-	-	1,872	2,796	-	6,704
Food & Nutrition Supplies	-	-	-	114,487	-	-	-	172,021	-	-	-	-	-	286,508
Postage & Printing	187	-	1	-	-	27	80	674	-	2	-	937	-	1,908
Travel and Training	-	-	25	35	967	931	18	35	-	182	452	836	-	3,481
Prof Fees/Purchased Services	5,799	-	3,362	2,109	3,263	3,603	6,139	15,230	3,263	3,603	-	8,943	3,263	58,577
Rent	90	-	56	33	51	56	95	237	51	56	-	134	51	910
Misc	-	-	-	-	-	-	-	-	-	-	-	17,376	150	17,526
Lease Expense	-	-	-	-	-	-	-	-	-	-	-	33,558	-	33,558
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	208,043	-	208,043
\$	203,665	\$ -	\$ 33,011	\$ 161,439	\$ 72,893	\$ 85,932	\$ 68,732	\$ 407,457	\$ 26,148	\$ 35,173	\$ 75,903	\$ 338,759	\$ 27,583	\$ 1,536,695

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		
	TRANSPORTATION	CONSERVATOR	FAIR	HEADSTART	LIFE	LIGHTHOUSE	TITLE IIIB	TITLE IIIC	TITLE IIID	TITLE IIIE	OTHER GRANTS	AND GENERAL	FUNDRAISING	TOTAL
Wages, Accrued Wage, Accrued PDO	\$ 137,056	\$ 23,517	\$ 27,538	\$ 49,979	\$ 9,450	\$ 54,448	\$ 26,035	\$ 166,772	\$ 27,825	\$ 28,870	\$ 11,755	\$ 31,162	\$ 12,275	\$ 606,682
Payroll Taxes and Employee Benefits	29,235	4,625	4,467	6,725	7,976	7,065	3,441	20,025	3,705	4,669	2,900	11,574	2,530	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	49,493
Insurance	5,521	4,812	701	4,226	14,919	4,270	1,817	9,953	-	1,593	883	2,201	121	51,017
Repairs and Maintenance	22,099	-	-	2,841	-	-	-	14,850	-	-	840	10,338	-	50,968
Event Expense	-	-	-	-	-	-	293	-	-	-	164	5,743	2,583	8,783
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	-	44	316	-	1,284
Prof Fees/Purchased Services	1,718	2,021	1,419	1,405	6,581	1,379	4,137	7,845	1,342	1,342	1,342	14,158	1,342	46,031
Rent	8,453	2,829	5,253	3,073	4,759	5,254	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
	<u>\$ 209,856</u>	<u>\$ 40,391</u>	<u>\$ 42,473</u>	<u>\$ 221,306</u>	<u>\$ 49,984</u>	<u>\$ 75,987</u>	<u>\$ 50,004</u>	<u>\$ 482,958</u>	<u>\$ 40,406</u>	<u>\$ 44,772</u>	<u>\$ 17,928</u>	<u>\$ 266,987</u>	<u>\$ 26,774</u>	<u>\$ 1,569,826</u>

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

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 502,412	\$ 405,546
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	172,436	134,297
Amortization	35,607	-
Interest expense on lease	-	17,185
(Gain)/Loss on sale of capital assets	(25,706)	(8,007)
Unrealized (Gains) Losses on Investments	(268,175)	265,624
Accounts receivable- grants, contracts, and other	57,453	(29,693)
Prepaid expenses	(1,378)	(2,712)
Client funds held in trust	-	(403,125)
Accounts payable and other accrued expenses	8,192	2,253
Accrued wages, benefits and taxes	10,541	(4,928)
Net cash provided by operating activities	<u>491,382</u>	<u>376,440</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	-	44
Purchase of securities	-	(450,000)
Purchase of fixed assets	(51,908)	(351,420)
Sale of fixed assets	30,975	28,500
Net cash (used in)/provided by investing activities	<u>(20,933)</u>	<u>(772,876)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease expense	(56,562)	-
Net cash used in financing activities	<u>(56,562)</u>	<u>-</u>
Increase/(Decrease) in cash and cash equivalents	413,887	(396,436)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>374,191</u>	<u>770,627</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 788,078</u>	<u>\$ 374,191</u>

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, 2023 AND 2022

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 in donor restricted net assets as of December 31, 2023 and 2022. 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, 2023, and 2022 were \$208,043 and \$134,297.

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 \$328,706 and \$236,754 in restricted donations in 2023 and 2022, respectively.

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, 2023 AND 2022

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, 2023, 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 Exempt from Income Tax (Federal Form 990) for 2020, 2021 and 2022 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, 2023 AND 2022**

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, 2023 and 2022 there was \$798,638 and \$400,028 on deposit. The agency had a carrying amount of \$788,078 and \$374,191, respectively for 2023 and 2022. 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, 2023 and 2022 were \$22,531 and \$21,630, respectively.

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, 2023 and 2022 represent funds due for expenses incurred or services provided as of December 31, 2023 and 2022. The amounts detailed below have been classified as grants and contracts receivables for reporting purposes.

2023

Other A/R	\$ 1,029
Title IIIB	3,436
Title III Nutrition	35,767
United Way	833
Head Start	7,432
Lighthouse/Fair	2,201
LIFE	28,910
5310	18,284
EFSP	<u>7,341</u>
Total	<u>\$ 105,233</u>

2022

Other A/R	\$ 11,018
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>\$ 162,686</u>

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 5 - Investments

Cost and estimated fair value of investments at December 31, 2023, and 2022 are as follows:

2023

	Estimated Fair Value	Cost
Cash and cash equivalents		
held for long term investments	\$ 3,443	3,443
Equities	1,720,561	1,599,413
Fixed Income	506,353	555,109
Alternatives	90,779	89,825
Other assets	4	4
Total Investments	\$ <u>2,321,140</u>	<u>2,247,794</u>

2022

	Estimated Fair Value	Cost
Cash and cash equivalents		
held for long term investments	\$ 3,014	\$ 3,014
Equities	1,351,560	1,366,355
Fixed Income	627,476	688,662
Alternatives	70,911	74,557
Other assets	4	4
Total Investments	\$ <u>2,052,965</u>	\$ <u>2,132,592</u>

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:

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 6 - Fair Value Measurements (Continued)

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, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Equity and equity mutual funds	\$1,720,561	-	-	\$1,720,561
Fixed income securities	506,353	-	-	506,353
Alternatives	90,779	-	-	90,779
Other Assets	4	-	-	4
Total	<u>\$2,317,697</u>	<u>-</u>	<u>-</u>	<u>\$2,317,697</u>

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 6 - Fair Value Measurements (Continued)

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>

Note 7 - Special Events Income & Expense

The Agency operates a bingo and conducts raffles and several events in the local area. During 2023 and 2022, no bingo or events were held. The 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>

	<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>

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 8 - 5310 Grant

The Agency received \$253,568 in 2023 and \$214,624 in 2022 through the Division of Public Transit of the Department of Transportation Section 5310 Grant to provide transportation services to seniors and individuals with disabilities.

Note 9 - 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.

The Agency's lease expense for operating leases is recognized on a straight-line basis over the lease term. As of December 31, 2023, 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%.

	Year Ending December 31, 2023
Lease expense	
Operating lease expense	\$ 101,805
Total	<u>\$ 101,805</u>

Other Information

Operating cash flows from operating leases	\$ 90,120
Weighted-average remaining lease term in years for operating leases	18.92
Weighted-average discount rate for operating leases	2.05%

As of December 31, 2023, the Agency had lease liabilities of \$1,606,122, classified as long-term liabilities on the statement of financial position. The Agency also had ROU assets of \$1,609,892.

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, 2023.

The Agency did not have any finance leases as of December 31, 2023. The Agency did not have any significant non-lease components that are accounted for separately from the lease components.

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 9 – Leases (Continued)

The Agency's future minimum lease payments under non-cancellable operating leases as of December 31, 2023, are as follows:

Maturity Analysis	<u>Operating</u>
2024-12	\$ 90,120
2025-12	90,120
2026-12	90,120
2027-12	90,770
2028-12	97,920
Thereafter	<u>1,495,778</u>
Total undiscounted cash flows	1,954,828
Less: present value discount	<u>(348,706)</u>
Total lease liabilities	<u><u>\$ 1,606,122</u></u>

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, 2023.

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	<u>Year Ending December 31, 2022</u>
Operating lease expense	\$ 101,805
Total	<u><u>\$ 101,805</u></u>

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.

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 9 – Leases (Continued)

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	<u>Operating</u>
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	<u>1,662,684</u>

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.

Note 10 – Liquidity

Financial assets, at year end 2023

Cash and cash equivalents	\$ 788,078
Accounts receivable - grants and contracts	105,233
Investments	2,321,140
Total financial assets, at year end	<u>3,214,451</u>

Financial assets available within one year to meet cash needs for general expenditures within one year.

\$3,214,451

Financial assets, at year end 2022

Cash and cash equivalents	\$ 374,191
Accounts receivable - grants and contracts	162,686
Investments	2,052,965
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.

**FAMILY SERVICE – UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022**

Note 11 - Subsequent Events

Family Service-Upper Ohio Valley, Inc. assessed events occurring subsequent to December 31, 2023 and 2022, through August 21, 2024, for potential recognition and disclosures in the financial statements.

**FAMILY SERVICE-UPPER OHIO VALLEY
SCHEDULE OF STATE AWARDS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

State Grantor/Pass-through	Award/ Grant No.	State Expenditures
WEST VIRGINIA BUREAU OF SENIOR SERVICES		
State Discretionary Grant-Lighthouse	IH2409	\$ 31,220
State Discretionary Grant-Lighthouse	IH2409	8,252
State Discretionary Grant-Lighthouse-Data Entry	IH2409	5,000
		<u>44,472</u>
State Alzheimer's Respite/FAIR	IH2409	458
State Alzheimer's Respite/FAIR	IH2409	27
		<u>485</u>
WEST VIRGINIA BUREAU OF SENIOR SERVICES		
Passed through the Bel-O-Mar Regional Council		
Special Programs for the Aging-Title III, B	22435	35,458
Special Programs for the Aging-Title III, C-1	22435	300,042
		<u>335,500</u>
TOTAL AGING CLUSTER		
State Legislative Initiatives for the Elderly (L.I.F.E.)	22402	263,050
		<u>263,050</u>
TOTAL STATE AWARDS AND EXPENDITURES		<u><u>\$ 643,507</u></u>

**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 Family Service – Upper Ohio Valley, Inc. (the Agency), which comprise the statement of financial position as of December 31, 2023, 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 August 21, 2024.

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 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 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 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 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 entity'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.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

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

August 21, 2024