Allegheny Family Network

Financial Statements

Years Ended June 30, 2023 and 2022
with Independent Auditor's Reports

MaherDuessel

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ALLEGHENY FAMILY NETWORK

YEARS ENDED JUNE 30, 2023 AND 2022

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Independent Auditor's Report

Board of Directors
Allegheny Family Network

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Allegheny Family Network (AFN), a nonprofit organization, which comprise the statements of financial position as of June 30, 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 financial statements referred to above present fairly, in all material respects, the financial position of AFN as of June 30, 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 and 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 AFN 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, AFN adopted Accounting Standards Update (ASU) 2016-02, "*Leases (Topic 842)*," which requires lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Our opinion is not modified with respect to 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 AFN's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with Generally Accepted Auditing Standards, we:

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024, on our consideration of AFN'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 AFN'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 AFN's internal control over financial reporting and compliance.

Maher Duessel

Pittsburgh, Pennsylvania
April 29, 2024

ALLEGHENY FAMILY NETWORK

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 329,669	$ 383,951
Accounts receivable	1,006,688	532,251
Grants receivable	-	135,000
Prepaid expenses	22,595	52,043
Total current assets	1,358,952	1,103,245
Non-current assets:		
Fixed assets, net	1,052,612	10,000
Financing lease right of use asset	92,538	-
Total non-current assets	1,145,150	10,000
Total Assets	$ 2,504,102	$ 1,113,245
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable	$ 433,349	$ 127,513
Accrued payroll and related taxes	45,723	31,764
Refundable advances	-	37,378
Line of credit	298,989	250,000
Current portion of financing lease liability	21,000	-
Total current liabilities	799,061	446,655
Non-current liabilities:		
Noncurrent portion of financing lease liability	72,163	-
Total Liabilities	871,224	446,655
Net Assets:		
Without donor restrictions	1,521,058	413,125
With donor restrictions	111,820	253,465
Total Net Assets	1,632,878	666,590
Total Liabilities and Net Assets	$ 2,504,102	$ 1,113,245

See accompanying notes to financial statements.

ALLEGHENY FAMILY NETWORK

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Allegheny County grants	$ 4,074,376	$ -	$ 4,074,376
Other grants	1,311,028	-	1,311,028
Contributions	14,044	-	14,044
Miscellaneous income	1,596	-	1,596
Total support and revenues	5,401,044	-	5,401,044
Net assets released from restrictions	141,645	(141,645)	-
Expenses:			
Program services:			
Mental Health	533,943	-	533,943
Children, Youth, and Families	1,060,404	-	1,060,404
Joint Planning Team	389,578	-	389,578
Fathers Involved Now	388,547	-	388,547
Foster Care	119,306	-	119,306
Circle of Parents	159,877	-	159,877
Highlands Partnership Network	218,821	-	218,821
PA Parent and Family Alliance	193,641	-	193,641
Other grants and programs	625,007	-	625,007
Total program services	3,689,124	-	3,689,124
Management and general	745,632	-	745,632
Total expenses	4,434,756	-	4,434,756
Change in Net Assets	1,107,933	(141,645)	966,288
Net Assets:			
Beginning of year	413,125	253,465	666,590
End of year	$ 1,521,058	$ 111,820	$ 1,632,878

See accompanying notes to financial statements.

ALLEGHENY FAMILY NETWORK

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Allegheny County grants	$ 2,750,883	$ -	$ 2,750,883
Other grants	903,218	295,000	1,198,218
Contributions	7,338	155	7,493
Miscellaneous income	10,353	-	10,353
Total support and revenues	3,671,792	295,155	3,966,947
Net assets released from restrictions	70,080	(70,080)	-
Expenses:			
Program services:			
Mental Health	594,641	-	594,641
Children, Youth, and Families	981,088	-	981,088
Joint Planning Team	427,666	-	427,666
Fathers Involved Now	405,743	-	405,743
Foster Care	121,099	-	121,099
Circle of Parents	168,335	-	168,335
Highlands Partnership Network	3,576	-	3,576
PA Parent and Family Alliance	3,640	-	3,640
Other grants and programs	448,798	-	448,798
Total program services	3,154,586	-	3,154,586
Management and general	589,580	-	589,580
Total expenses	3,744,166	-	3,744,166
Change in Net Assets	(2,294)	225,075	222,781
Net Assets:			
Beginning of year	415,419	28,390	443,809
End of year	$ 413,125	$ 253,465	$ 666,590

See accompanying notes to financial statements.

ALLEGHENY FAMILY NETWORK

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Programs											
	Mental Health	Children, Youth, and Families	Joint Planning Team	Fathers Involved Now	Foster Care	Circle of Parents	Highlands Partnership Network	PA Parent and Family Alliance	Other Grants and Programs	Total Program Services	Management and General	Total
Wages and salaries	$ 286,516	$ 618,886	$ 234,344	$ 232,282	$ 72,125	$ 93,517	$ 18,833	$ 104,245	$ 280,991	$ 1,941,739	$ 215,749	$ 2,157,488
Taxes and employee benefits	81,413	178,918	55,491	60,479	22,186	22,599	1,441	29,060	75,438	527,025	58,559	585,584
Purchased personnel	31,538	53,628	22,879	23,716	5,313	6,854	124,551	39,762	23,013	331,254	82,811	414,065
Purchased treatment and supplies	64,990	3,808	1,693	5,696	655	3,666	46,315	9,327	219,687	355,837	88,959	444,796
Office supplies	5,370	17,668	5,751	5,461	1,206	2,943	583	558	-	39,540	62,066	101,606
Staff development and travel	15,693	22,530	14,495	11,099	3,174	6,028	16,851	4,489	22,400	116,759	29,191	145,950
Occupancy	29,911	113,354	35,790	32,808	8,421	17,965	3,200	-	2,480	243,929	60,984	304,913
Communications	12,759	36,235	13,632	12,023	4,106	4,930	240	2,186	373	86,484	21,620	108,104
Equipment, maintenance, and repairs	2,398	6,797	2,127	2,045	791	478	6,575	-	263	21,474	64,418	85,892
Insurance	2,132	3,457	1,866	1,796	692	418	-	-	193	10,554	2,639	13,193
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	8,774	8,774
Interest	-	-	-	-	-	-	-	-	-	-	6,279	6,279
Other operating expenses	1,223	5,123	1,510	1,142	637	479	232	4,014	169	14,529	43,583	58,112
Total expenses	$ 533,943	$ 1,060,404	$ 389,578	$ 388,547	$ 119,306	$ 159,877	$ 218,821	$ 193,641	$ 625,007	$ 3,689,124	$ 745,632	$ 4,434,756

See accompanying notes to financial statements.

ALLEGHENY FAMILY NETWORK

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Programs											
	Mental Health	Children, Youth, and Families	Joint Planning Team	Fathers Involved Now	Foster Care	Circle of Parents	Highlands Partnership Network	PA Parent and Family Alliance	Other Grants and Programs	Total Program Services	Management and General	Total
Wages and salaries	$ 316,338	$ 538,552	$ 245,005	$ 216,625	$ 66,353	$ 88,159	$ -	$ -	$ 249,272	$ 1,720,304	$ 191,145	$ 1,911,449
Taxes and employee benefits	89,427	161,661	63,447	63,265	23,218	25,997	-	-	60,897	487,912	54,213	542,125
Purchased personnel	40,720	67,540	32,583	27,667	6,606	8,585	-	-	57,750	241,451	60,362	301,813
Purchased treatment and supplies	40,790	4,537	2,515	3,518	743	10,277	3,515	3,640	31,565	101,100	25,275	126,375
Office supplies	10,462	19,081	8,660	8,806	2,582	2,041	-	-	1,774	53,406	13,352	66,758
Staff development and travel	22,363	33,863	16,781	17,486	4,291	5,083	-	-	32,670	132,537	33,134	165,671
Occupancy	43,874	99,724	38,811	41,184	8,475	10,715	-	-	3,111	245,894	61,474	307,368
Communications	23,042	43,720	12,035	21,637	4,898	5,027	-	-	7,467	117,826	29,456	147,282
Equipment, maintenance, and repairs	335	645	295	287	46	109	-	-	24	1,741	5,224	6,965
Insurance	3,571	5,917	3,146	2,693	701	857	-	-	249	17,134	4,283	21,417
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	2,500	2,500
Interest	-	-	-	-	-	-	-	-	-	-	3,318	3,318
Other operating expenses	3,719	5,848	4,388	2,575	3,186	11,485	61	-	4,019	35,281	105,844	141,125
Total expenses	$ 594,641	$ 981,088	$ 427,666	$ 405,743	$ 121,099	$ 168,335	$ 3,576	$ 3,640	$ 448,798	$ 3,154,586	$ 589,580	$ 3,744,166

See accompanying notes to financial statements.

ALLEGHENY FAMILY NETWORK

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities:		
Change in net assets	$ 966,288	$ 222,781
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,774	2,500
Change in:		
Accounts receivable	(474,437)	94,292
Grants receivable	135,000	(135,000)
Prepaid expenses	29,448	25,893
Accounts payable	13,161	(48,436)
Accrued payroll and related taxes	13,959	(67,709)
Refundable advances	(37,378)	37,378
Total adjustments	(311,473)	(91,082)
Net cash provided by (used in) operating activities	654,815	131,699
Cash Flows From Investing Activities:		
Purchase of fixed assets	(752,437)	-
Net cash provided by (used in) investing activities	(752,437)	-
Cash Flows From Financing Activities:		
Payments on finance lease liabilities	(5,649)	-
Proceeds from line of credit	567,641	250,000
Repayment of line of credit	(518,652)	(250,000)
Net cash provided by (used in) financing activities	43,340	-
Net Increase (Decrease) in Cash and Cash Equivalents	(54,282)	131,699
Cash and Cash Equivalents:		
Beginning of year	383,951	252,252
End of year	$ 329,669	$ 383,951
Supplemental Information:		
Interest paid	$ 4,928	$ -
Interest paid - finance leases	$ 1,351	$ -
Noncash Investing and Financing Transactions:		
Addition of right to use asset for financing leases	$ 98,812	$ -
Accounts payable - construction in progress	$ 292,675	$ -

See accompanying notes to financial statements.

1. Organization

Reporting Entity

Allegheny Family Network (AFN) is a non-profit corporation, incorporated under the laws of the Commonwealth of Pennsylvania. AFN was created to support families in Allegheny County and surrounding areas who are raising children with mental health and emotional needs. The families are serviced by the staff of AFN, each of whom has a child with the same needs. Known as a family organization, AFN supports family members through strategies including but not limited to one-on-one support that takes place in the home, peer support in community-based groups, team support in collaboration with providers who focus on the child and the coordination of services for that child. Operating from a strength-based perspective, AFN provides opportunities for families to socialize together and learn about the issues their children face, the systems they need to navigate, and other community support that is available to assist their family.

AFN receives its funding primarily through grants from the Allegheny County Department of Human Services. It also receives other government grants, non-profit organization grants, and contributions.

The services provided are grouped into the following programs:

Mental Health (MH)

AFN works, in collaboration with other Allegheny County providers, to support families already participating in other human service programs throughout the Allegheny County. Client families are referred to AFN for services by other Allegheny County providers. AFN provides a Family Support Partner (FSP) to each family served. AFN also staffs the AFN CHAT Line to answer calls requesting support for families going through the MH and emotional issues of their children. AFN offers Family Support Groups throughout Allegheny County.

CYF / Foster Care

AFN collaborates with the Children, Youth, and Families (CYF) agency, supporting families who have children entering placement for the second time. AFN supports the parents with a team using the High Fidelity Wraparound model. This is a strength-based model that first hears the family's voice and choice as to what they need to be successful.

AFN participates in the Conferencing and Teaming process for families in Allegheny County. This is the new way of doing business in Allegheny County. This process focuses on the voice of the family and is similar to the High Fidelity Wraparound process.

AFN is contracted to provide Family Support Providers (FSP) for CYF's Diligent Recruitment Program (Foster Care Program). Through this program an FSP is assigned to work with Foster Parents who are fostering a teen in their home. This program was initiated to help try to prevent placement disruptions and identify and increase the number of Foster Parents who are willing to allow a teenager in their home. All FSPs in this program have experience as a Foster Parent and are able to provide peer support from that perspective.

Joint Planning Team (JPT)

Community Care Behavioral Health Organization (CCBH) contracts AFN to assist children, ages from birth to twenty-one years, and their families to cope with mental health challenges. This assistance is provided through the family-driven, strength-based approach known as High Fidelity Wraparound. The funder identifies the children with a mental diagnosis, and which are eligible for Medical Assistance and their families that are to be served by AFN.

Fathers Involved Now (FIN)

The FIN program focuses on the issues and concerns that fathers of children with mental health and emotional concerns face daily, as well as providing avenues for a nurturing connection with their children. In this program, a Father Support Partner works with fathers to access resources and negotiate the Mental Health, Educational, Juvenile Justice and Children Youth and Families systems. The Father Support Partner supports parents in giving them a voice and choice for their children through educating them on the systems and their rights to advocate for their children. This program connects with dads in jail, through fathers' support groups, faith-based community referrals, Juvenile Justice, CISP program doing a 24/7 Dads curriculum with adolescent fathers and supporting dads out in the communities of Allegheny County.

Circle of Parents

The Circle of Parents program is offered to any parent but is designed for parents who abuse or are at risk of abusing their children. If parents are involved in CYF, they are welcome to attend the groups. AFN is now the State Chapter for the Circle of Parents in Pennsylvania. All staff have been trained in the model. This is an opportunity for parents to help parents through conversation and support of each other with a Lead Parent and Supervisor from AFN available if needed. During the group, childcare is provided so parents are able to participate without interruptions. It is a structured childcare designed to talk about things that may help and support the children as well. The groups are free for anyone in a parenting role. Parents lead the groups with the help of a Parent Lead (trained facilitator). A Supervisor from AFN is available if needed.

Highlands Partnership Network (HPN)

The Highlands Partnership Network is a community group in the Northern part of Allegheny County in the Highlands School District. This community group formed and began addressing areas of the community that needed support for families. AFN is the fiduciary and writes grants for HPN. They were successful in receiving several grants over the past three years. Currently, one grant is through Allegheny County for a teen program called the Teen Spot. AFN oversees the grants, finances, and supplies the needs of the program. Those that work in the program are consultants. AFN reviews and approves the contract mandates and receives the contract awards for HPN.

PA Parent and Family Alliance

The Washington County Children and Youth Services (CYS) is a statewide program with AFN through the program called the PA Parent and Family Alliance (PAPAFA). PAPAFA has four full time staff working in Washington County supporting parents involved with CYS in Washington county. The staff meet them in their homes and support them with resources and information to support the parents. The staff will also prep and attend court with the parent and then debrief with them afterwards to ensure they understand their mandates or responsibilities moving forward. The goal of the program is to keep the family together with the supports that are needed in the appropriate areas of their lives and to ensure the safety and wellness of the children.

Allegheny County Incentive Program

The Allegheny County Incentive Program is a pass through from Allegheny County for AFN to supply financial assistance through gift cards for different categories to provide to community participants for their expertise. The categories that these incentives are delegated for are as follows: homeless advisory board members, homeless research participants, homeless RFP process participants, homeless child and family advisory board members, child and family research participants, and child and family RFP process participants.

Adult Education Program

AFN provides adult education classes for adults to receive a G.E.D. and offers the G.E.D. testing facility. AFN funds this program by sourcing grants to alleviate obstacles that prevent individuals from pursuing their G.E.D. At no cost to the participants, AFN provides transportation to the class through a shuttle that circles the communities in the area and also provides childcare during the program. The participants are also provided support and a listening ear by a community family support partner. These partners provide referrals and resources to meet the needs of the participants. After participants receive a G.E.D., AFN provides continued assistance to prepare for the next steps such as college, trades, or any areas of interest. To date the Adult Education Program has had 47 graduates.

2. Summary of Significant Accounting Policies

Basis of Accounting

AFN's financial statements have been prepared using the accrual basis of accounting. Revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the basis of accounting previously described requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

AFN classifies resources for accounting and reporting purposes into separate net asset classes based on the absence or existence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories. A description of AFN's net asset categories is as follows:

Without donor restrictions - Used to accumulate all unrestricted resources. It represents the part of net assets that is neither restricted by purpose nor time through donor-imposed stipulations.

With donor restrictions - Represents the net assets of AFN resulting from contributions and other inflows of assets whose use by AFN is limited by donor-imposed stipulations that can be either fulfilled and removed by actions of AFN pursuant to those stipulations or are to be maintained in perpetuity. AFN does not have any net assets that must be maintained in perpetuity as of June 30, 2023 or 2022. At June 30, 2023 and 2022, net assets with donor restrictions are restricted for the following purposes:

	2023	2022
Subject to expenditure for a specified purpose:		
Adult GED Program	$ 99,315	$ 210,859
Family Support Program	12,505	17,451
Database System	-	25,000
Miscellaneous	-	155
Total net assets with donor restrictions	$ 111,820	$ 253,465

Support and Revenue Recognition

AFN receives funding under contracts with the Allegheny County Department of Human Services (Allegheny County DHS) and other local sources as described in Note 1. The Allegheny County contracts are mainly funded on an expenditure reimbursement basis. The determination of allowable costs requires interpretation of the applicable laws and regulations. Such determination is subject to audit and adjustments by the funding agency. Amounts received are recognized as revenue when AFN has incurred expenditures in compliance with specific contract provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

At June 30, 2023 and 2022, AFN had remaining available contract balances of $0 and $37,378, respectively, related to another grant contract. The contract balances are not recognized as assets and will be recognized as revenue as the expenses are incurred.

Contributions received and unconditional promises to give are measured at their fair values at the date notified. Gifts of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give as of June 30, 2023 and 2022.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts. AFN identifies cash and cash equivalents as all cash and short-term investments that will mature within three months when purchased. Periodically throughout the year, AFN maintains cash deposits in financial institutions in excess of federally insured amounts. AFN has not experienced any losses on such accounts, and management does not presently have any concerns regarding the solvency of the institutions involved.

Fixed Assets

Fixed assets over $5,000 are recorded at cost and are capitalized and depreciated on the straight-line method over the expected useful lives of the related assets. Repairs and maintenance that do not extend the lives of the applicable assets are charged to expense as incurred. Gain or loss resulting from the retirement or other disposition of assets is included in the statements of activities.

AFN holds title to fixed assets purchased with certain funds awarded from Allegheny County in perpetuity unless AFN goes out of business or ceases to contract with Allegheny County. At that time, all assets purchased with certain Commonwealth of Pennsylvania and Allegheny County funds revert back to the possession of Allegheny County. As the possibility of such asset reversion is considered to be remote, these Allegheny County fixed assets are included in the financial statements.

The estimated useful lives are as follows:

Buildings and improvements	10-30 years
Equipment	5-10 years
Furniture and fixtures	7-10 years
Vehicles	5 years
Computer equipment	3 years

Property and equipment as of June 30, 2023 and 2022 consists of the following:

	2023	2022
Equipment	$ 11,995	$ 11,995
Leasehold improvements	25,000	25,000
Construction in progress	1,045,112	-
Less: accumulated depreciation	(29,495)	(26,995)
	$ 1,052,612	$ 10,000

Leases

AFN leases various facilities and copiers. AFN determines if an arrangement is a lease at inception. Finance leases are included as finance lease right-of-use (ROU) assets and finance lease liabilities on the statements of financial position.

ROU assets represent AFN’s right to use an underlying asset for the lease term and lease liabilities represent AFN’s obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As AFN’s leases do not provide an implicit rate, the incremental borrowing rate is used, which is based on the information available at commencement date in determining the present value of lease payments. AFN’s lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

AFN’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, AFN considers factors such as if they have obtained substantially all of the rights to the underlying asset through exclusivity, if they can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Functional Expense Allocation

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Due to having large contracts with Allegheny

County, fundraising expense was minimal in fiscal years 2023 and 2022 (estimated to be less than $1,000) and was included in management and general.

AFN charges direct expenses incurred for a specific function directly to the program or management and general category. These costs are those that can be identified as being incurred specifically for the activities of that program or management and general. Expenses related to more than one function are allocated to programs and management and general based on the number of employees in the related program.

Reclassification

Certain items for 2022 have been reclassified to conform to the 2023 presentation. The reclassification had no effect on the change in net assets.

Compensated Absences

AFN provides paid time off (PTO) to employees after completion of three months of service. Earned PTO benefits must be taken during the anniversary year in which the service is rendered. Benefits not used during this period are forfeited. Upon termination of service, employees are compensated for one-half of PTO benefits earned but not yet taken during the anniversary year of termination. As such, termination benefits have been, and are expected to continue to be minimal, and are expensed in the period incurred.

Income Taxes

AFN is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from federal income taxes pursuant to Section 501(a) of the Code and, therefore, has made no provision for federal income taxes in the accompanying statements. AFN has been classified by the Internal Revenue Service as other than a private foundation. Further, AFN annually files a Form 990.

Liquidity and Availability

AFN manages its liquid resources by focusing on increasing grant and contribution revenue while remaining conscientious of spending through detailed budget preparation and monitoring. AFN's governmental grants and contracts are reimbursable and provide cash advances when applicable to cover cash requirements. Additionally, AFN maintains a line of credit to assist in funding cash flow needs, as described in Note 7.

The following reflects AFN's financial assets (cash and cash equivalents, accounts receivable, and grants receivable) as of June 30, 2023 and 2022 that are expected to be available within one year to meet the cash needs for general expenditures:

	2023	2022
Financial assets, at year-end	$ 1,316,357	$ 1,051,202
Less: those unavailable for expenditures within one year due to donor-imposed restrictions	111,820	253,465
Financial assets available to meet cash needs for general expenditures within one year	$ 1,204,537	$ 797,737

Adopted Accounting Standards Update

The provisions of this Standards Update have been adopted and incorporated into these financial statements.

ASU 2016-02, *"Leases (Topic 842)."* These amendments and related amendments require lessees to recognize assets and liabilities on the statements of financial position for the rights and obligations created by all leases with terms of more than 12 months. Disclosures also are required by lessees to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The adoption of the standard resulted in the presentation of right-of-use lease assets and related lease liabilities on the statements of financial position, and additional footnote disclosure.

AFN elected not to restate the comparative period (fiscal year 2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. The adoption did not result in a significant effect on amounts reported in the consolidated statement of activities for the year ended June 30, 2023.

Concentrations

Significant amounts of revenues are derived from governmental grants and contracts. These governmental grants and contracts are entered into annually and could be significantly changed based upon government spending patterns. Government funding for fiscal year 2024 is anticipated to be at similar levels as fiscal year 2023.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. Employee Benefit Plan

In February 2019, AFN began offering a 401(k) retirement plan covering regular status employees. The plan is offered to regular full-time and part-time employees after their first four months of employment. The Board of Directors (Board) periodically determines the percentage of discretionary match and profit sharing that will be contributed to the plan. Employees contribute through payroll deduction and are currently matched dollar for dollar up to 2% of their salary. Employees may contribute up to the federal maximum. Contributions are made monthly and are directed to investment options chosen by the employee.

Prior to adoption of the 401(k) plan, AFN offered a matching 403(b) retirement plan (plan) covering regular status employees. The plan was offered to regular full-time and part-time employees after the first 90 days of employment. The 403(b) plan was terminated upon adoption of the 401(k) plan.

Pension expense for AFN was approximately $80,000 for the years ended June 30, 2023 and 2022.

4. Leases

Beginning in March 2023, AFN leases copiers under finance leases. As of June 30, 2023, assets recorded under finance leases were $92,538 ($98,812 net of accumulated amortization associated with the leases of $6,274).

The components of lease expense were as follows as of June 30:

	2023
Finance lease cost:	
Amortization of right to use assets	$ 6,274
Interest on lease liabilities	1,351
Total finance lease costs	$ 7,625

Other information related to leases was as follows:

	2023
Supplemental Cash Flows information	
Cash paid for amounts included in the measurement of lease liabilities:	
Financing cash flows from finance leases	$ 7,000
Right-of-use assets obtained in exchange for lease obligations:	
Finance leases	$ 98,812
Weighted average remaining lease term:	
Finance leases	4.92 years
Weighted average discount rate:	
Finance leases	4.19%

Future minimum lease payments under non-cancellable leases as of June 30, 2023 were as follows:

Year Ending June 30,	Finance Leases
2024	$ 21,000
2025	21,000
2026	21,000
2027	21,000
2028	19,250
Total future minimum lease payments	103,250
Less: interest	(10,087)
Total	$ 93,163

In August 2023, AFN entered into a 5-year operating lease agreement for office space. In November 2023, AFN entered into a 10-year operating lease agreement for office space. In addition, in December 2023, AFN entered into 5-year finance lease agreement for a copier.

5. Accounts and Grants Receivable

Accounts receivable is primarily comprised of amounts due to AFN under program funded contracts with Allegheny County and other agencies. Contract revenue is considered to be fully collectible; accordingly, no allowance for doubtful accounts has been provided for the receivables.

Beginning and ending accounts receivable balances consist of the following at June 30, 2023 and 2022:

	As of July 1,		As of June 30,	
	2022	2021	2023	2022
Allegheny County agencies	$ 415,834	$ 482,064	$ 499,876	$ 415,834
Washington County agencies	4,550	-	163,002	4,550
CCBH	61,455	11,963	157,265	61,455
Other agencies	50,412	132,516	186,545	50,412
Total accounts receivable	$ 532,251	$ 626,543	$ 1,006,688	$ 532,251

Grants receivable of $0 and $135,000 existed at June 30, 2023 and 2022, respectively. All grants receivable are considered to be fully collectible; accordingly, no allowance has been provided for these receivables.

6. Commitments and Contingencies

AFN's financial and program records are subject to examination by appropriate government authorities in accordance with terms of the various grant awards and contracts. The government authorities are authorized to review actual expenditures and to make necessary adjustments in subsequent reimbursements or request refunds of grant amounts, if warranted. Management believes these amounts, if any, would be immaterial.

7. Line of Credit

AFN has a line of credit with a local bank in the amount of $400,000, at a variable rate, with interest due monthly, and principal on demand, with the renewal subject to periodic review. This line of credit is for operating cash flow purposes. The line of credit had a balance of $298,989 and $250,000 for the fiscal years ended June 30, 2023 and 2022, respectively.

AGREED-UPON PROCEDURES

MaherDuessel

Independent Accountant's Report on Applying Agreed-Upon Procedures – Allegheny County

Board of Directors
Allegheny Family Network

We have performed the procedures enumerated below, on the supplemental schedules of Allegheny Family Network (AFN), required by the Allegheny County Department of Human Services (ACDHS) and the Commonwealth of Pennsylvania Department of Human Services (DHS) provider audit guidelines, as of and for the year ended June 30, 2023. AFN management is responsible for the supplemental schedules.

The management of AFN has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting ACDHS and DHS in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are as follows:

a. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to ACDHS and DHS for fiscal year ended June 30, 2023, have been accurately compiled and reflect the audited books and records of AFN. We have also verified, by comparison to the example schedules, that these schedules are presented, at a minimum, at the level of detail and in the format required by the ACDHS and DHS provider audit guidelines pertaining to this period.

   Program Name

   Mental Health
   Children, Youth, and Families
   Analytics, Technology, and Planning
   Family and Community Services

b. We have inquired of management regarding adjustments to reported revenues, expenditures, or units, which were not reflected on the reports, submitted to ACDHS and DHS for the period in question.

c. The processes detailed in paragraphs (a) and (b) above disclosed a $20,000 adjustment to reflect additional costs for the Tango program that were not previously reported.

We were engaged by the management of AFN to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of AFN and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of ACDHS and the Board of Directors and management of AFN, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Maher Duessel

Pittsburgh, Pennsylvania
April 29, 2024

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNCTIONAL EXPENDITURES, REVENUES, AND CONTRACT AMOUNTS RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

ALL PROGRAMS
CONTRACT NO. 270235

	Mental Health Programs	CYF Programs	Analytics, Technology, and Planning Programs	Family and Community Services Programs	Total DHS Programs
Expenditures:					
Personnel expenses	$ 416,681	$ 1,498,852	$ -	$ 281	$ 1,915,814
Operating costs	179,988	521,197	251,845	27,468	980,498
Fixed assets	-	967,419	-	-	967,419
Purchased treatment and services	-	-	-	-	-
Administrative costs	46,948	137,655	-	32,181	216,784
Total expenditures	643,617	3,125,123	251,845	59,930	4,080,515
Less: ineligible expenditures	-	-	-	-	-
Gross eligible expenditures	643,617	3,125,123	251,845	59,930	4,080,515
Revenue and Income:					
Other	-	-	-	-	-
Total revenue and income	-	-	-	-	-
Net eligible expenditures	643,617	3,125,123	251,845	59,930	4,080,515
Retained revenues	-	-	-	-	-
Total reimbursable expenditures	643,617	3,125,123	251,845	59,930	4,080,515
Allegheny County contract amounts	643,617	3,118,984	251,845	59,930	4,074,376
Surplus (Deficit) of Contract Amounts Over Total Reimbursable Expenditures	$ -	$ (6,139)	$ -	$ -	$ (6,139)

ALLEGHENY FAMILY NETWORK

SCHEDULE OF ADMINISTRATIVE COSTS
ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

ALL PROGRAMS
CONTRACT NO. 270235

Personnel Expenses:		
Wages and salaries	$	-
Employee benefits		-
Other personnel services		216,784
Total personnel services		216,784
Operating Expenses:		
Occupancy		-
Communications		-
Administrative supplies		-
Administrative staff travel		-
Other operating expenses		-
Total operating expenses		-
Fixed Assets:		
Equipment		-
Total fixed assets		-
Gross administrative costs		216,784
Revenues:		
Interest income		-
Other revenue/income (specify)		-
Total revenues		-
Net Eligible Administrative Costs	$	216,784
Distribution of Costs:		
MH - Family Support Services	$	46,948
CYF		137,655
ATP		-
FCS		32,181
Total Administrative Costs	$	216,784

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNDING SOURCES RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

MENTAL HEALTH PROGRAMS
CONTRACT NO. 270235

Funding Sources	Total Amount
State/County Funds:	
HSBG - MH CMHBG	$ 643,617
Allegheny County contract amount	$ 643,617

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNCTIONAL EXPENDITURES, REVENUES, AND CONTRACT AMOUNTS RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

MENTAL HEALTH PROGRAMS
CONTRACT NO. 270235

	Community Services
Expenditures:	
Personnel expenses	$ 416,681
Operating costs	179,988
Fixed assets	-
Purchased treatment and services	-
Administrative costs	46,948
Total expenditures	643,617
Less: ineligible expenditures	-
Gross eligible expenditures	643,617
Revenue and Income:	
Other	-
Total revenue and income	-
Net eligible expenditures	643,617
Retained revenues	-
Total reimbursable expenditures	643,617
Allegheny County contract amounts	643,617
Surplus (Deficit) of Contract Amounts Over Total Reimbursable Expenditures	$ -

ALLEGHENY FAMILY NETWORK

SCHEDULE OF UNITS OF SERVICE RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

MENTAL HEALTH PROGRAMS
CONTRACT NO. 270235

Cost Center	Budgeted Units of Service	Actual Units of Service
Family Support Services:		
Families enrolled	**	746
Encounters	**	9,044

** Budget was not established by Allegheny County for this program

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNDING SOURCES RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

CYF PROGRAMS
CONTRACT NO. 270235

Funding Sources	Total Amount
State/County Funds:	
CYF Programs	$ 3,118,984
Allegheny County contract amount	$ 3,118,984

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNCTIONAL EXPENDITURES, REVENUES,
AND CONTRACT AMOUNTS RELATING TO GRANTS FROM
ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

CYF PROGRAMS
CONTRACT NO. 270235

	Family Support Partners	Father Engagement	Focus on Family Acceptance	High Fidelity Wrap	Family Counseling	Foster Care	Facility Renovation	Total
Expenditures:								
Personnel expenses	$ 540,823	$ 331,127	$ 31,381	$ 357,641	$ 130,912	$ 106,968	$ -	$ 1,498,852
Operating costs	214,671	104,210	8,289	111,484	54,657	27,886	-	521,197
Fixed assets	-	-	-	-	-	-	967,419	967,419
Purchased treatment and services	-	-	-	-	-	-	-	-
Administrative costs	40,370	35,944	3,919	38,331	10,029	9,062	-	137,655
Total expenditures	795,864	471,281	43,589	507,456	195,598	143,916	967,419	3,125,123
Less: ineligible expenditures	-	-	-	-	-	-	-	-
Gross eligible expenditures	795,864	471,281	43,589	507,456	195,598	143,916	967,419	3,125,123
Revenue and Income:								
Other	-	-	-	-	-	-	-	-
Total revenue and income	-	-	-	-	-	-	-	-
Net eligible expenditures	795,864	471,281	43,589	507,456	195,598	143,916	967,419	3,125,123
Retained revenues	-	-	-	-	-	-	-	-
Total reimbursable expenditures	795,864	471,281	43,589	507,456	195,598	143,916	967,419	3,125,123
Allegheny County contract amounts	789,725	471,281	43,589	507,456	195,598	143,916	967,419	3,118,984
Surplus (Deficit) of Contract Amounts Over Total Reimbursable Expenditures	$ (6,139)	$ -	$ -	$ -	$ -	$ -	$ -	$ (6,139)

ALLEGHENY FAMILY NETWORK

SCHEDULE OF DETAILED FUNCTIONAL EXPENDITURES
FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

CYF PROGRAMS
CONTRACT NO. 270235

	Family Support Partners	Father Engagement	Focus on Family Acceptance	High Fidelity Wrap	Family Counseling	Foster Care	Facility Renovation	Total
Expenditures:								
Personnel expenses:								
Wages and salaries	$ 417,410	$ 258,091	$ 22,241	$ 270,241	$ 103,908	$ 80,139	$ -	$ 1,152,030
Employee benefits	116,663	67,199	8,624	82,134	25,110	24,651	-	324,381
Staff development	6,750	5,837	516	5,266	1,894	2,178	-	22,441
Total personnel expenses	540,823	331,127	31,381	357,641	130,912	106,968	-	1,498,852
Administrative costs	40,370	35,944	3,919	38,331	10,029	9,062	-	137,655
Operating expenses:								
Travel	5,218	4,594	-	3,834	4,739	532	-	18,917
Communications	39,557	22,994	2,268	25,233	8,695	7,611	-	106,358
Supplies	6,595	10,564	477	5,259	5,484	2,075	-	30,454
Occupancy	75,418	33,045	2,838	46,778	19,923	8,048	-	186,050
Other	87,883	33,013	2,706	30,380	15,816	9,620	-	179,418
Total operating expenses	214,671	104,210	8,289	111,484	54,657	27,886	-	521,197
Purchased treatment and services	-	-	-	-	-	-	-	-
Fixed assets	-	-	-	-	-	-	967,419	967,419
Total Expenditures	$ 795,864	$ 471,281	$ 43,589	$ 507,456	$ 195,598	$ 143,916	$ 967,419	$ 3,125,123

ALLEGHENY FAMILY NETWORK

SCHEDULE OF UNITS OF SERVICE RELATING TO GRANTS
FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

CYF PROGRAMS
CONTRACT NO. 270235

	Contract Rate Reimbursement				Actual Rate Analysis	
Cost Center	Budgeted Units of Service	Actual Units of Service	Contract Billing Rates	Unit Reimbursement	Gross Eligible Expenditures	Actual Rate
CYF	**	2,461	N/A	$ 3,118,984	$ 3,125,123	N/A
Grand Totals			N/A	$ 3,118,984	$ 3,125,123	

** Budget was not established by Allegheny County for this program

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNDING SOURCES RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

ANALYTICS, TECHNOLOGY, AND PLANNING PROGRAMS
CONTRACT NO. 270235

Funding Sources	Total Amount
State/County Funds:	
Act 148	$ 118,475
HSDF	133,370
Allegheny County contract amount	$ 251,845

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNCTIONAL EXPENDITURES, REVENUES, AND CONTRACT AMOUNTS RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

ANALYTICS, TECHNOLOGY, AND PLANNING PROGRAMS
CONTRACT NO. 270235

	Administrative Support
Expenditures:	
Personnel expenses	$ -
Operating costs	251,845
Fixed assets	-
Purchased treatment and services	-
Administrative costs	-
Total expenditures	251,845
Less: ineligible expenditures	-
Gross eligible expenditures	251,845
Revenue and Income:	
Other	-
Total revenue and income	-
Net eligible expenditures	251,845
Retained revenues	-
Total reimbursable expenditures	251,845
Allegheny County contract amounts	251,845
Surplus (Deficit) of Contract Amounts Over Total Reimbursable Expenditures	$ -

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNDING SOURCES RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

FAMILY AND COMMUNITY SERVICES PROGRAMS
CONTRACT NO. 270235

Funding Sources	Total Amount
State/County Funds:	
CYF Programs	$ 59,930
Allegheny County contract amount	$ 59,930

ALLEGHENY FAMILY NETWORK

SCHEDULE OF FUNCTIONAL EXPENDITURES, REVENUES, AND CONTRACT AMOUNTS RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS

YEAR ENDED JUNE 30, 2023

FAMILY AND COMMUNITY SERVICES PROGRAMS
CONTRACT NO. 270235

	Teen Programing
Expenditures:	
Personnel expenses	$ 281
Operating costs	27,468
Fixed assets	-
Purchased treatment and services	-
Administrative costs	32,181
Total expenditures	59,930
Less: ineligible expenditures	-
Gross eligible expenditures	59,930
Revenue and Income:	
Other	-
Total revenue and income	-
Net eligible expenditures	59,930
Retained revenues	-
Total reimbursable expenditures	59,930
Allegheny County contract amounts	59,930
Surplus (Deficit) of Contract Amounts Over Total Reimbursable Expenditures	$ -

1. Contracts with Allegheny County Department of Human Services

Programs funded by the Allegheny County (County) Department of Human Services (DHS) include the following:

Mental Health (MH) – Family Support Services – Contract #270235

This contract in the amount of $694,500 was for the period of July 1, 2022 to June 30, 2023. $643,617 of the contract was expended during the current fiscal year. As the remaining balance of the contract was not drawn in the current fiscal year, no excess amounts are due back to the County.

Children, Youth, and Families (CYF) – Contract #270235

This contract in the amount of $3,850,621 was for the period of July 1, 2022 to June 30, 2023. $3,118,984 of the contract was expended during the current fiscal year. As the remaining balance of the contract was not drawn in the current fiscal year, no excess amounts are due back to the County.

Analytics, Technology, and Planning (ATP) – Contract #270235

This contract in the amount of $694,500 was for the period of July 1, 2022 to June 30, 2023. $251,845 of the contract was expended during the current fiscal year. As the remaining balance of the contract was not drawn in the current fiscal year, no excess amounts are due back to the County.

Family and Community Services (FCS) – Contract #270235

This contract in the amount of $99,598 was for the period of July 1, 2022 to June 30, 2023. $59,930 of the contract was expended during the current fiscal year. As the remaining balance of the contract was not drawn in the current fiscal year, no excess amounts are due back to the County.

2. Indirect Cost Allocation

Indirect costs are expenses that must be shared by all cost centers of Allegheny Family Network (AFN) but cannot be directly identified with any one cost center or centers. These expenses are allocated per AFN's cost allocation plan. AFN uses full-time equivalents and other sources as a basis in developing their cost allocation plan. Indirect costs are distributed among the various cost centers: CYF and Mental Health – Family Support Services Funding.

3. Funds Due To/From Allegheny County

	Contract No. 270235 MH	Contract No. 270235 CYF	Contract No. 270235 ATP	Contract No. 270235 FCS
Total contract amount	$ 643,617	$ 3,118,984	$ 251,845	$ 59,930
Amount paid by Allegheny County prior to June 30, 2023	629,324	2,769,543	217,245	46,366
Due from (to) Allegheny County at June 30, 2023 as reflected in the statements of financial position	14,293	349,441	34,600	13,564
Amounts paid by Allegheny County subsequent to June 30, 2023	14,293	349,441	14,600	13,564
Due from (to) Allegheny County at June 30, 2023 as reflected in the Final Allocation	$ -	$ -	$ 20,000	$ -

MH, CYF, ATP, and FCS contracts were not fully expended by AFN during the fiscal year ended June 30, 2023, and contract amounts presented above represent the portion of the contract spent during fiscal year 2023.

4. Fixed Assets

AFN's County grant contracts stipulate that the County maintains an interest in fixed assets purchased with contract funds. Cost of fixed assets financed by the County totaled $979,414 and $11,995 at June 30, 2023 and 2022, respectively. Upon disposition of the related assets or termination of activities, the County may be entitled to reimbursement for a proportionate interest in the sales proceeds that is based on the County's original participation.

Allegheny Family Network

Independent Auditor's Reports
in Accordance with
Government Auditing Standards

Year Ended June 30, 2023

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Allegheny Family Network

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Allegheny Family Network (AFN), a nonprofit organization, which comprise the statement of financial position as of June 30, 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 April 29, 2024.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether AFN'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maher Duessel

Pittsburgh, Pennsylvania
April 29, 2024