

EPILEPSY FOUNDATION OF VIRGINIA, INC.

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

**EPILEPSY FOUNDATION
OF VIRGINIA, INC.**

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
EPILEPSY FOUNDATION OF VIRGINIA, INC.
CHARLOTTESVILLE, VIRGINIA**

Opinion

We have audited the accompanying financial statements of Epilepsy Foundation of Virginia, Inc. (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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Epilepsy Foundation of Virginia, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Epilepsy Foundation of Virginia, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Epilepsy Foundation of Virginia, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Epilepsy Foundation of Virginia, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Epilepsy Foundation of Virginia, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Robinson, Farmer, Cox Associates

Staunton, Virginia
October 31, 2023

FINANCIAL STATEMENTS

EPILEPSY FOUNDATION OF VIRGINIA, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$	248,510
Investments		881,538
Accounts receivable		<u>29,950</u>
Total current assets	\$	<u>1,159,998</u>

Property and equipment:

Equipment	\$	8,385
Accumulated depreciation		<u>(8,385)</u>
Net property and equipment	\$	<u>-</u>

Total assets \$ 1,159,998

LIABILITIES

Current liabilities:

Accounts payable	\$	2,995
Accrued payroll taxes		<u>3,989</u>
Total current liabilities	\$	<u>6,984</u>

Total liabilities \$ 6,984

NET ASSETS

Without donor restriction \$ 1,153,014

Total net assets \$ 1,153,014

Total liabilities and net assets \$ 1,159,998

The accompanying notes to financial statements are an integral part of this statement.

EPILEPSY FOUNDATION OF VIRGINIA, INC.

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	WITHOUT DONOR RESTRICTION
REVENUES, GAINS AND OTHER SUPPORT:	
Contribution income	\$ 123,491
Special events and activities	112,848
Workplace gifts	6,160
Investment return	61,543
Interest income	223
In-kind gifts	370,825
Miscellaneous income	1,126
Total revenues, gains and other support	<u>\$ 676,216</u>
 EXPENSES:	
Program services:	
Public health education	\$ 38,939
Professional education and training	390,433
Patient services	120,650
Total program services	<u>\$ 550,022</u>
Supporting services:	
Management and general	\$ 7,397
Total supporting services	<u>\$ 7,397</u>
Total expenses	<u>\$ 557,419</u>
Change in net assets	\$ 118,797
Net assets, beginning of year	<u>1,034,217</u>
Net assets, end of year	<u>\$ 1,153,014</u>

The accompanying notes to financial statements are an integral part of this statement.

EPILEPSY FOUNDATION OF VIRGINIA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	<u>Program Services</u>				<u>Supporting Services</u>	
	<u>Public Health Education</u>	<u>Professional Education and Training</u>	<u>Patient Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Dues and subscriptions	\$ 9,235	\$ -	\$ -	\$ 9,235	\$ -	\$ 9,235
Depreciation	-	-	-	-	328	328
Field office - HR	-	-	12,000	12,000	-	12,000
Field office - NOVANW	1,500	-	-	1,500	-	1,500
Field office - CEVA	-	-	3,250	3,250	-	3,250
Insurance	-	-	5,365	5,365	-	5,365
Medical assistance	-	-	22,649	22,649	-	22,649
Miscellaneous	-	13,477	-	13,477	5,714	19,191
Professional education	-	371,318	-	371,318	-	371,318
Scholarships	-	5,500	-	5,500	-	5,500
Salaries	-	-	56,840	56,840	1,160	58,000
Payroll taxes	-	-	4,646	4,646	95	4,741
Pension	-	-	4,900	4,900	100	5,000
Research	-	138	-	138	-	138
Hispanic outreach	9,942	-	-	9,942	-	9,942
Support group coordinator	-	-	11,000	11,000	-	11,000
Special events	18,262	-	-	18,262	-	18,262
Total expenses	\$ 38,939	\$ 390,433	\$ 120,650	\$ 550,022	\$ 7,397	\$ 557,419

The accompanying notes to financial statements are an integral part of this statement.

EPILEPSY FOUNDATION OF VIRGINIA, INC.

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

Cash flows from operating activities:

Changes in net assets	\$ 118,797
Adjustment to reconcile changes in net assets to net cash provided by (used for) operating activities:	
Depreciation	328
Gain on sale of asset	
Unrealized loss on investments	
(Increase) decrease in accounts receivable	(29,950)
Increase (decrease) in accounts payable	995
Increase (decrease) in accrued payroll taxes	(1)
Investment return	<u>(61,543)</u>
Net cash provided by (used for) operating activities	\$ <u>28,626</u>

Cash flows from investing activities:

Net purchase/sale of investments	\$ <u>(30,655)</u>
Net cash provided by (used for) investing activities	\$ <u>(30,655)</u>
Net increase in cash and cash equivalent	\$ (2,029)
Cash and cash equivalents, beginning of year	<u>250,539</u>
Cash and cash equivalents, end of year	\$ <u><u>248,510</u></u>

The accompanying notes to financial statements are an integral part of this statement.

EPILEPSY FOUNDATION OF VIRGINIA, INC.

Notes to Financial Statements Year Ended June 30, 2023

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Epilepsy Foundation of Virginia, Inc. is a not-for-profit voluntary health Foundation established as an educational and training resource relating to persons with epilepsy. Activities and services include providing information and referrals, distributing informational materials, and educating the public. In addition, the Foundation provides patient and family assistance, professional education, and maintains a list of speakers to fulfill public requests.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with general accepted accounting principles. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The Foundation has prepared its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The two classes are differentiated based on the existence or absence of donor-imposed restrictions, as described below:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, or the net assets that were donated with donor-imposed stipulations and released from restriction within the same fiscal year. Net assets without donor restrictions for the year ended June 30, 2023 amounted to \$1,153,014.

Net assets with donor restrictions - Net assets with donor restrictions are resources whose use by the Foundation is limited by donor-imposed restrictions. This category includes both donor restrictions that are temporary in nature, and those that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The Foundation had no net assets with donor restrictions as of June 30, 2023.

Use of Estimates

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

Cash and Cash Equivalents

The Foundation considers cash in bank, cash on hand, and all highly liquid investments that can be easily converted to cash or with a maturity of three months or less at the date of acquisition to be "cash equivalents."

Accounts Receivable

Accounts receivable consists solely of a reimbursement from a University. Management anticipates this amount to be collected in full, as such no allowance for uncollectible accounts has been recorded.

EPILEPSY FOUNDATION OF VIRGINIA, INC.

**Notes to Financial Statements
Year Ended June 30, 2023 (Continued)**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):**

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Promises to Give

Contributions, including unconditional promise to give, are recorded as made. All contributions are available for use without donor restriction unless specifically restricted by the donor. Conditional promises to give are recognized when conditions on which they depend are substantially met. As of June 30, 2023, there are no unconditional promises to give.

Revenue Recognition - Special Events

Special event revenue is recognized in the period the event occurs.

Property and Equipment

Property and equipment are stated at cost when purchased or at fair market value if donated, less accumulated depreciation. The Foundation capitalizes assets that benefit future periods with a cost of \$1,000 or greater. The straight-line method of depreciation is used over the following ranges of estimated useful lives:

Equipment	3-10 years
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Income Tax Status

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a)(1) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Accordingly, no provision is made for income tax in the financial statements.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK:

The Foundation maintains its cash balances at two financial institutions located in Charlottesville, Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2023, the Foundation had no uninsured cash balances.

NOTE 3 - FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis and are consistently applied. The allocation of expenses between the functional categories is made based on the estimates of time and effort.

EPILEPSY FOUNDATION OF VIRGINIA, INC.

Notes to Financial Statements Year Ended June 30, 2023 (Continued)

NOTE 4 – INVESTMENTS:

The difference between the Foundation's 990 income and audited income is equal to the unrealized gain on investments for a total of \$34,199. Investments are presented in the financial statements at their fair market value. They are held for purposes other than trading. Unrealized gains and losses are included in the change in net assets without donor restrictions. Investments as of June 30, 2023 consist of the following:

	Fair Value
Certificates of Deposit	\$ 438,726
Mutual Funds:	
Equities	316,556
Fixed income	42,304
Other assets	83,952
Totals	<u>\$ 881,538</u>

The following schedule summarizes the investment activities for the year ended June 30, 2023:

Fair value, 7/1/22	\$ 789,340
Interest, dividend, and capital earnings reinvested	27,344
Unrealized gain (loss) on investments	34,199
Transfers from cash equivalents	<u>30,655</u>
Fair value, 6/30/23	<u>\$ 881,538</u>

NOTE 5 – FAIR VALUE MEASUREMENTS:

The Foundation applies generally accepted accounting principles for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy is used that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

EPILEPSY FOUNDATION OF VIRGINIA, INC.

**Notes to Financial Statements
Year Ended June 30, 2023 (Continued)**

NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following information summarizes the Foundation’s fair value measurements:

	Fair Value Measurements at 6/30/23	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ 438,726	\$ 438,726	\$ -	\$ -
Mutual funds	442,812	442,812	-	-
Total	<u>\$ 881,538</u>	<u>\$ 881,538</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 - PROPERTY AND EQUIPMENT:

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

Equipment	\$ 8,385
Accumulated depreciation	<u>(8,385)</u>
Net property and equipment	<u>\$ -</u>

Depreciation expense for the year ended June 30, 2023 amounted to \$328.

NOTE 7 – IN-KIND CONTRIBUTIONS:

The Foundation receives contributed office facilities on a month-to-month basis and with an estimated market value of \$10,000. Other non-cash contributions consist of professional services which total \$360,825. Contribution of in-kind services were valued by multiplying the hourly rate for professional service providers by the hours received from the providers. The Foundation has elected to show this amount in In-Kind Gifts and related expenses in the Statement of Activities. All in-kind contributions were utilized during the fiscal year ended June 30, 2023, and these contributions were not subject to donor imposed restrictions.

NOTE 8 - SPECIAL EVENTS:

The costs for all special events held by the Foundation totaled \$18,262.

NOTE 9 – DATE OF MANAGEMENT’S REVIEW:

In preparing these financial statements, management of the Foundation has evaluated events and transactions for potential recognition or disclosure through October 31, 2023, the date the financial statements were available to be issued.

EPILEPSY FOUNDATION OF VIRGINIA, INC.

**Notes to Financial Statements
Year Ended June 30, 2023 (Continued)**

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES:

The Foundation is greatly supported by contributions, as well as investment income. Because these restrictions require resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors and Board. Thus, financial assets may not be available for general expenditure within one year.

In addition, the Organization’s financial assets available within one year of the statement of financial position for general expenditures are as follows:

Cash and cash equivalents	\$	248,510
Investments		881,538
Accounts Receivable		29,950
Total	\$	<u>1,159,998</u>

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