

**FAMILY AND COMMUNITY SERVICES, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Family and Community Services, Inc. and Subsidiaries  
Ravenna, Ohio

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Family and Community Services, Inc. and Subsidiaries (an Ohio nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Family and Community Services, Inc. and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2, *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2022, on our consideration of Family and Community Services, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Family and Community Services, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family and Community Services, Inc. and Subsidiaries' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Akron, Ohio  
March 21, 2022

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	2021	2020
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 13,629,377	\$ 8,937,879
Custodial Cash	173,626	415,982
Accounts Receivable, Net	3,972,627	3,650,164
Investments	1,334,764	1,015,939
Prepaid Expenses and Other Assets	497,081	487,749
Total Current Assets	19,607,475	14,507,713
<b>LONG-TERM ASSETS</b>		
Replacement Reserve	267,000	267,436
Restricted Cash	16,021	15,644
Note Receivable	275,000	275,000
Property and Equipment, Net of Accumulated Depreciation	20,375,004	19,796,462
Total Long-Term Assets	20,933,025	20,354,542
Total Assets	\$ 40,540,500	\$ 34,862,255
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Short-Term Borrowings	\$ -	\$ 250,000
Current Maturities of Long-Term Debt	610,240	466,840
Accounts Payable and Employee Withholdings	619,020	900,381
Custodial Cash Obligation	173,626	415,982
Accrued Expenses	1,538,599	1,295,142
Deferred Revenue	1,425,074	1,318,040
CARES Act Paycheck Protection Program Loan	3,732,160	-
Total Current Liabilities	8,098,719	4,646,385
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt, Net of Current Maturities	4,929,838	4,848,453
CARES Act Paycheck Protection Program Loan	-	3,306,260
Total Long-Term Liabilities	4,929,838	8,154,713
Total Liabilities	13,028,557	12,801,098
<b>NET ASSETS</b>		
Without Donor Restriction:		
Operating	25,414,748	20,803,944
Board Designated	1,406,273	652,290
With Donor Restriction	690,922	604,923
Total Net Assets	27,511,943	22,061,157
Total Liabilities and Net Assets	\$ 40,540,500	\$ 34,862,255

See accompanying Notes to Consolidated Financial Statements.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	Without Donor Restriction	With Donor Restriction	2021 Total
<b>SUPPORT AND REVENUE</b>			
United Way	\$ 384,369	\$ -	\$ 384,369
Government/State/Local Grants	17,773,087	-	17,773,087
Contributions	1,690,262	510,837	2,201,099
Program Service Fees	15,096,419	-	15,096,419
Emergency Grant Revenues	1,273,823	-	1,273,823
Interest Income	32,978	-	32,978
Miscellaneous	1,389,375	-	1,389,375
Total Support and Revenue	37,640,313	510,837	38,151,150
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	424,838	(424,838)	-
Total	38,065,151	85,999	38,151,150
<b>EXPENSES</b>			
Program Expenses:			
Clothing Center	100,980	-	100,980
Community Centers	475,011	-	475,011
Consumer Credit Counseling Service	65,252	-	65,252
Counseling	6,594,219	-	6,594,219
Developmentally Disabled Services	4,012,825	-	4,012,825
Domestic Violence Shelters	1,285,682	-	1,285,682
Family Adoption Services	4,372,723	-	4,372,723
Food Services	3,448,985	-	3,448,985
Homeless Shelters	767,273	-	767,273
Housing and Emergency Services	712,441	-	712,441
Rental Units	1,251,459	-	1,251,459
Senior Services	1,880,743	-	1,880,743
Transportation	279	-	279
Veteran's Services	3,266,229	-	3,266,229
Visitation Services	306,706	-	306,706
Vista	321,788	-	321,788
Youth Services	924,697	-	924,697
Total Program Expenses	29,787,292	-	29,787,292
Management and General Expenses	2,136,160	-	2,136,160
Total Expenses Prior to Depreciation	31,923,452	-	31,923,452
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE DEPRECIATION AND INVESTMENT GAIN</b>	6,141,699	85,999	6,227,698
<b>INVESTMENT GAIN</b>	286,561	-	286,561
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>	(1,063,473)	-	(1,063,473)
Total	(776,912)	-	(776,912)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	5,364,787	85,999	5,450,786
Net Assets - Beginning of Year	21,456,234	604,923	22,061,157
<b>NET ASSETS - END OF YEAR</b>	\$ 26,821,021	\$ 690,922	\$ 27,511,943

See accompanying Notes to Consolidated Financial Statements.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

	Without Donor Restriction	With Donor Restriction	2020 Total
<b>SUPPORT AND REVENUE</b>			
United Way	\$ 389,714	\$ -	\$ 389,714
Government/State/Local Grants	17,759,281	196,465	17,955,746
Contributions	2,515,988	204,648	2,720,636
Program Service Fees	14,194,931	-	14,194,931
Interest Income	43,396	-	43,396
Miscellaneous	563,021	-	563,021
Total Support and Revenue	35,466,331	401,113	35,867,444
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	235,753	(235,753)	-
Total	35,702,084	165,360	35,867,444
<b>EXPENSES</b>			
Program Expenses:			
Clothing Center	102,002	-	102,002
Community Centers	474,898	-	474,898
Consumer Credit Counseling Service	202,036	-	202,036
Counseling	6,815,253	-	6,815,253
Developmentally Disabled Services	3,289,281	-	3,289,281
Domestic Violence Shelters	1,470,617	-	1,470,617
Family Adoption Services	4,490,084	-	4,490,084
Food Services	3,544,919	-	3,544,919
Homeless Shelters	850,497	-	850,497
Housing and Emergency Services	660,548	-	660,548
Rental Units	1,341,253	-	1,341,253
Senior Services	2,085,765	-	2,085,765
Transportation	47,642	-	47,642
Veteran's Services	2,989,425	-	2,989,425
Visitation Services	299,211	-	299,211
Vista	317,608	-	317,608
Youth Services	1,046,479	-	1,046,479
Total Program Expenses	30,027,518	-	30,027,518
Management and General Expenses	1,980,194	-	1,980,194
Total Expenses Prior to Depreciation	32,007,712	-	32,007,712
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE DEPRECIATION AND INVESTMENT GAIN</b>	3,694,372	165,360	3,859,732
<b>INVESTMENT GAIN</b>	24,837	-	24,837
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>	(1,038,950)	-	(1,038,950)
Total	(1,014,113)	-	(1,014,113)
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE ACQUISITIONS</b>	2,680,259	165,360	2,845,619
<b>FAIR VALUE OF NET ASSETS ACQUIRED IN ACQUISITIONS</b>	894,400	-	894,400
<b>EXCESS OF REVENUES OVER EXPENSES</b>	3,574,659	165,360	3,740,019
Net Assets - Beginning of Year	17,881,575	439,563	18,321,138
<b>NET ASSETS - END OF YEAR</b>	\$ 21,456,234	\$ 604,923	\$ 22,061,157

See accompanying Notes to Consolidated Financial Statements.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH COMPARATIVE TOTALS FOR 2020)**

	Clothing Center	Community Centers	Consumer Credit Counseling Service	Developmentally Disabled Services	Domestic Violence Shelters	Family Adoption Services	Food Services	Homeless Shelters	Housing & Emergency Services	Rental Units	Senior Services	
Salaries	\$ 36,115	\$ 214,407	\$ 21,577	\$ 4,164,606	\$ 2,871,043	\$ 822,764	\$ 2,103,800	\$ 1,022,375	\$ 473,811	\$ 168,817	\$ 136,433	\$ 891,141
Payroll Taxes	3,013	21,753	2,072	357,541	233,290	71,616	202,721	105,327	46,853	13,983	13,693	75,723
Employee Benefits	5,146	17,193	4,749	372,461	200,658	75,131	182,625	68,331	39,690	17,709	12,242	58,602
Total Salaries and Related Expense	44,274	253,353	28,398	4,894,608	3,304,991	969,511	2,489,146	1,196,033	560,354	200,509	162,368	1,025,466
Professional Fees	9,829	13,446	4,448	662,863	68,661	9,811	1,543,312	29,214	11,543	1,995	51,716	48,598
Supplies	1,505	57,530	237	68,850	24,215	115,642	19,084	1,557,370	17,744	532	78,828	33,174
Telephone	3,169	17,676	2,306	153,807	25,148	26,656	76,395	61,400	13,230	3,554	27,241	44,036
Postage	-	1,308	599	13,751	788	456	7,319	3,599	186	219	760	5,047
Conferences and Conventions	-	-	25	10,917	3,425	1,216	202	-	444	(35)	-	1,553
Occupancy Costs	27,982	98,552	2,336	358,459	225,692	98,201	209,350	206,999	86,098	7,862	589,666	146,636
Equipment Maintenance	346	17,579	10,928	224,207	61,064	32,270	25,294	36,994	14,888	102	210,010	22,584
Journals and Publications	-	65	-	15,777	36,028	2,415	272	2,108	1,281	-	697	5,190
Promotions	-	1,093	53	16,814	-	474	906	287	-	-	423	2,660
Dues	-	4,408	4,116	12,200	6,359	1,256	1,235	4,248	1,575	475	3,520	3,761
Transportation and Travel	10,210	5,020	282	102,390	229,024	14,739	70,959	160,905	8,940	1,504	43,837	24,537
Bad Debt	-	-	-	-	-	-	(121,273)	109,222	-	-	-	-
Specific Assistance to Individuals	-	90	-	17,671	771	6,080	36,496	-	50,588	494,853	4,580	2,078
Interest	3,665	177	11,524	38,919	20,377	495	388	5,070	-	471	77,813	638
Volunteer	-	-	-	-	-	-	-	1,599	-	-	-	503,160
Miscellaneous	-	4,714	-	2,986	6,282	6,460	13,638	73,937	402	400	-	11,625
Total	100,980	475,011	65,252	6,594,219	4,012,825	1,285,682	4,372,723	3,448,985	767,273	712,441	1,251,459	1,880,743
Depreciation and Amortization	25,295	47,917	-	53,417	66,256	46,474	-	51,421	21,724	-	267,006	158
Total Functional Expenses	<u>\$ 126,275</u>	<u>\$ 522,928</u>	<u>\$ 65,252</u>	<u>\$ 6,647,636</u>	<u>\$ 4,079,081</u>	<u>\$ 1,332,156</u>	<u>\$ 4,372,723</u>	<u>\$ 3,500,406</u>	<u>\$ 788,997</u>	<u>\$ 712,441</u>	<u>\$ 1,518,465</u>	<u>\$ 1,880,901</u>



**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(WITH COMPARATIVE TOTALS FOR 2020)**

	Transportation	Veteran's Services	Visitation Services	Vista	Youth Services	Total Program Services	Management and General	2021 Total Program and Management Expenses	2020 Total Program and Management Expenses
Salaries	\$ -	\$ 1,715,434	\$ 232,571	\$ 297,960	\$ 697,494	\$ 15,870,348	\$ 986,062	\$ 16,856,410	\$ 16,587,887
Payroll Taxes	210	147,419	21,976	4,670	65,169	1,387,029	129,424	1,516,453	1,577,638
Employee Benefits	-	137,271	1,249	9,737	42,285	1,245,079	135,112	1,380,191	1,340,137
Total Salaries and Related Expense	210	2,000,124	255,796	312,367	804,948	18,502,456	1,250,598	19,753,054	19,505,662
Professional Fees	527	98,004	24,678	7,464	13,023	2,599,132	148,503	2,747,635	2,852,559
Supplies	-	130,425	1,068	-	19,760	2,125,964	93,199	2,219,163	2,192,409
Telephone	-	83,142	3,432	-	13,429	554,621	64,906	619,527	548,540
Postage	-	523	-	-	1,670	36,225	8,149	44,374	50,777
Conferences and Conventions	-	883	-	1,750	39	20,419	1,882	22,301	30,423
Occupancy Costs	-	321,843	19,788	16	37,554	2,437,034	174,284	2,611,318	2,524,201
Equipment Maintenance	-	92,927	563	141	4,860	754,757	126,149	880,906	924,034
Journals and Publications	-	4,090	804	-	5,259	73,986	8,882	82,868	61,739
Promotions	-	-	16	50	7,928	30,704	4,890	35,594	27,367
Dues	-	5,179	225	-	9,925	58,482	6,450	64,932	68,918
Transportation and Travel	-	52,101	193	-	1,650	726,291	62,417	788,708	971,105
Bad Debt	-	-	-	-	-	(12,051)	-	(12,051)	190,149
Specific Assistance to Individuals	-	471,806	-	-	556	1,085,569	8,317	1,093,886	922,137
Interest	(458)	682	25	-	193	159,979	129,767	289,746	308,212
Volunteer	-	227	-	-	-	504,986	-	504,986	486,875
Miscellaneous	-	4,273	118	-	3,903	128,738	47,767	176,505	342,605
Total	279	3,266,229	306,706	321,788	924,697	29,787,292	2,136,160	31,923,452	32,007,712
Depreciation and Amortization	53,361	165,503	-	-	-	798,532	264,941	1,063,473	1,038,950
Total Functional Expenses	\$ 53,640	\$ 3,431,732	\$ 306,706	\$ 321,788	\$ 924,697	\$ 30,585,824	\$ 2,401,101	\$ 32,986,925	\$ 33,046,662

See accompanying Notes to Consolidated Financial Statements.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	Clothing Center	Community Centers	Consumer Credit Counseling Service	Developmentally Disabled Services	Domestic Violence Shelters	Family Adoption Services	Food Services	Homeless Shelters	Housing & Emergency Services	Rental Units	Senior Services	
Salaries	\$ 31,228	\$ 237,095	\$ 54,916	\$ 4,337,871	\$ 2,136,006	\$ 978,515	\$ 2,060,257	\$ 1,105,852	\$ 522,416	\$ 149,452	\$ 203,219	\$ 1,012,137
Payroll Taxes	3,083	23,706	4,677	364,092	233,149	95,191	188,626	112,072	54,254	14,906	18,323	92,166
Employee Benefits	1,256	7,291	5,837	464,274	67,296	64,967	200,365	54,782	49,819	16,647	27,352	65,326
Total Salaries and Related Expense	35,567	268,092	65,430	5,166,237	2,436,451	1,138,673	2,449,248	1,272,706	626,489	181,005	248,894	1,169,629
Professional Fees	7,097	11,028	4,404	632,484	171,784	22,277	1,460,611	126,980	6,498	857	56,732	60,246
Supplies	3,350	42,166	3,158	55,917	22,010	66,811	27,498	1,533,881	15,145	1,264	58,412	48,824
Telephone	3,704	16,418	1,761	138,101	30,444	27,235	64,625	45,428	12,672	3,809	24,706	49,156
Postage	-	1,138	7,341	8,790	1,141	1,009	6,724	3,674	578	337	335	6,858
Conferences and Conventions	-	-	-	4,959	4,858	2,453	4,239	2,424	942	294	-	2,382
Occupancy Costs	34,517	78,904	11,057	332,644	229,441	102,567	201,717	196,573	62,449	6,651	587,861	167,173
Equipment Maintenance	311	13,255	26,526	251,558	36,489	48,431	31,699	40,835	20,045	987	228,417	23,485
Journals and Publications	139	130	110	11,995	30,673	1,501	293	337	200	-	245	4,179
Promotions	-	713	1,971	1,168	1,169	2,746	1,003	84	-	-	95	7,750
Dues	-	3,696	3,136	14,386	9,871	1,330	2,644	4,689	1,917	475	3,120	3,822
Transportation and Travel	9,686	10,406	1,035	130,799	303,422	23,542	97,807	172,172	14,018	4,650	45,904	37,760
Bad Debt	-	-	-	-	-	-	94,421	95,728	-	-	-	-
Specific Assistance to Individuals	-	2,999	-	20,604	4,303	1,900	29,516	2,552	89,267	459,483	1,790	9,419
Interest	7,555	180	2,146	40,034	2,429	601	1,842	7,870	-	736	84,742	225
Volunteer	-	7	-	-	-	202	-	1,658	-	-	-	484,045
Miscellaneous	76	25,766	73,961	5,577	4,796	29,339	16,197	37,328	277	-	-	10,812
Total	102,002	474,898	202,036	6,815,253	3,289,281	1,470,617	4,490,084	3,544,919	850,497	660,548	1,341,253	2,085,765
Depreciation and Amortization	23,120	50,203	-	47,248	40,700	46,565	-	61,876	23,284	-	274,100	3,656
Total Functional Expenses	\$ 125,122	\$ 525,101	\$ 202,036	\$ 6,862,501	\$ 3,329,981	\$ 1,517,182	\$ 4,490,084	\$ 3,606,795	\$ 873,781	\$ 660,548	\$ 1,615,353	\$ 2,089,421

See accompanying Notes to Consolidated Financial Statements.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

	Transportation	Veteran's Services	Visitation Services	Vista	Youth Services	Total Program Services	Management and General	2020 Total Program and Management Expenses
Salaries	\$ 14,531	\$ 1,627,601	\$ 220,084	\$ 295,712	\$ 756,363	\$ 15,743,255	\$ 844,632	\$ 16,587,887
Payroll Taxes	846	142,345	23,250	4,276	77,101	1,452,063	125,575	1,577,638
Employee Benefits	188	128,201	5,329	9,777	38,905	1,207,612	132,525	1,340,137
Total Salaries and Related Expense	15,565	1,898,147	248,663	309,765	872,369	18,402,930	1,102,732	19,505,662
Professional Fees	3,723	119,123	18,619	4,530	13,534	2,720,527	132,032	2,852,559
Supplies	38	138,154	1,256	1	64,554	2,082,439	109,970	2,192,409
Telephone	578	68,029	3,060	-	10,321	500,047	48,493	548,540
Postage	-	1,141	-	76	2,944	42,086	8,691	50,777
Conferences and Conventions	-	4,483	75	586	95	27,790	2,633	30,423
Occupancy Costs	2,452	288,158	23,851	12	32,523	2,358,550	165,651	2,524,201
Equipment Maintenance	688	79,497	1,397	-	8,809	812,429	111,605	924,034
Journals and Publications	-	3,088	421	170	2,523	56,004	5,735	61,739
Promotions	-	364	-	-	5,263	22,326	5,041	27,367
Dues	-	3,988	225	-	9,408	62,707	6,211	68,918
Transportation and Travel	16,675	49,278	1,369	2,326	8,950	929,799	41,306	971,105
Bad Debt	-	-	-	-	-	190,149	-	190,149
Specific Assistance to Individuals	-	282,800	2	-	-	904,635	17,502	922,137
Interest	7,868	2,127	13	-	220	158,588	149,624	308,212
Volunteer	-	204	-	142	617	486,875	-	486,875
Miscellaneous	55	50,844	260	-	14,349	269,637	72,968	342,605
Total	47,642	2,989,425	299,211	317,608	1,046,479	30,027,518	1,980,194	32,007,712
Depreciation and Amortization	58,419	145,970	-	-	-	775,141	263,809	1,038,950
Total Functional Expenses	\$ 106,061	\$ 3,135,395	\$ 299,211	\$ 317,608	\$ 1,046,479	\$ 30,802,659	\$ 2,244,003	\$ 33,046,662

See accompanying Notes to Consolidated Financial Statements.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of Revenues Over Expenses	\$ 5,450,786	\$ 3,740,019
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:		
Noncash Items Included in Excess of Revenues Over Expenses:		
Realized and Unrealized Gains on Investments	(286,561)	(24,837)
Interest and Dividends Reinvested	(33,035)	(50,197)
Depreciation	1,052,126	1,027,244
Inherent Consideration Related to Acquisition, Net of Cash Received	-	(894,400)
Changes in Assets and Liabilities:		
Accounts Receivable	(322,463)	63,110
Prepaid Expenses and Other Assets	(9,332)	(107,745)
Increase in Replacement Reserve	436	6,567
Debt Issuance Costs	7,943	8,302
Discount on Bond	3,404	3,404
Accounts Payable and Employee Withholdings	(281,361)	216,609
Accrued Expenses	243,457	212,698
Deferred Revenue	107,034	95,446
Net Cash Provided by Operating Activities	5,932,434	4,296,220
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(32,031)	(1,988)
Proceeds from Sale of Investments	32,802	45,615
Purchase of Property and Equipment	(1,630,668)	(1,826,076)
Disposal of Property and Equipment	-	1,400
Cash Acquired in the Business Acquisition	-	221,104
Net Cash Used by Investing Activities	(1,629,897)	(1,559,945)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short-Term Borrowings, Net	(250,000)	250,000
CARES Act Paycheck Protection Program Loan	425,900	3,306,260
Proceeds from Long-Term Debt	853,666	66,202
Repayment of Long-Term Debt	(640,228)	(665,670)
Net Cash Provided by Financing Activities	389,338	2,956,792
<b>NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	4,691,875	5,693,067
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	8,953,523	3,260,456
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	\$ 13,645,398	\$ 8,953,523

See accompanying Notes to Consolidated Financial Statements.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Payments for Interest	\$ 289,746	\$ 308,212
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisition of Business Assets:		
Accounts Receivable, Net	\$ -	\$ (1,600)
Investments	-	(98,519)
Prepays and Other	-	(2,606)
Property and Equipment, Net	-	(722,700)
Accounts Payable	-	2,129
Long-Term Debt	-	150,000
Assets and Liabilities Acquired in Business Acquisition	\$ -	\$ (673,296)

*See accompanying Notes to Consolidated Financial Statements.*

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Family and Community Services, Inc. and Subsidiaries is a nonprofit organization. The mission of Family and Community Services, Inc. and Subsidiaries (the Agency) is to marshal community resources to support, strengthen, and empower individuals and families through a broad continuum of community-based services that meet the needs and values of the community. This mission is to be achieved through service, advocacy, and broad community volunteerism.

Portage Industries, Inc. (Portage) is a nonprofit organization that provides employment, services, and support to persons who qualify under the state of Ohio guidelines and who are eligible to receive developmental disability services. Portage is a 100% owned subsidiary of Family and Community Services, Inc.

Residential Resources for the Developmentally Challenged, Inc. (Residential) is a nonprofit organization that provides living expense financial assistance to developmentally challenged individuals. Residential is a 100% owned subsidiary of Family and Community Services, Inc.

P.O.M Group, Inc. dba: Emerald Transportation Services, Inc. (Emerald) is a for-profit organization which provides local passenger transportation to local and suburban locations. Emerald is a 100% owned subsidiary of Family and Community Services, Inc.

VTC Member Corp. was formed by the Agency. VTC Member Corp., an Ohio Corporation, is a controlled entity in that 100% of its stock is owned by Family and Community Services, Inc. VTC Member Corp. is a 0.025% managing member and project member of The Village of Town Center, LLC, an Ohio for-profit organization organized for the purpose of constructing, owning, and operating a 48-unit project dedicated to low-income households and senior housing.

The consolidated financial statements reflect the application of certain accounting policies described in this note.

**Basis of Accounting**

The consolidated financial statements of the Agency have been prepared on the accrual basis.

**Net Assets**

Net assets and related revenues, expenses, gains and losses are classified based on the existence or absence of donor restrictions as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor stipulations and which are available for use in general operations, including any funds designated by the board of directors for specific purposes.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (Continued)**

*Net Assets With Donor Restrictions* – Net assets subject to donor restrictions that will be satisfied either by the passage of time or by actions of the Agency. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Agency reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated asset.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Donor-imposed restrictions are released when a restriction expires; that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Principles of Consolidation**

The consolidated financial statements include the accounts of Family and Community Services, Inc. and its wholly owned subsidiaries, Emerald, Residential, Portage, and VTC Member Corp. All material intercompany accounts and transactions have been eliminated in consolidation.

**Concentration of Credit Risk**

The Agency maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Agency considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting for Custodial Cash**

The Agency is a Representative Payee for resident client bank accounts. A separate checking account is maintained for this purpose. Since this account does not belong to the Agency, income and expense transactions that relate to this account are not included in the consolidated statement of activities. Additionally, an equal and offsetting liability is maintained to remove the value of this asset from the net assets of the Agency.

**Receivables and Allowance for Doubtful Accounts**

Receivables for counseling fees and grants are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying delinquent accounts and by using historical experience. These receivables are written off when deemed uncollectible. Recoveries of receivables for amounts previously written off are recorded when received.

**Investments**

The Agency's investments in debt and equity securities are recorded at fair market value based on published quotations, except estimates are used when such quotations are not available (Note 4). Realized and unrealized gains and losses on investments are reflected in the statement of activities and are calculated based on specific identification (Note 5).

**Long-Term Assets Associated with Bond Issuance**

The Agency entered into a bond agreement with the Development Finance Authority of Summit County to finance a renovation project at for one of the Agency's buildings. Funds received but not used for the project are recorded as restricted cash.

The Agency is also required to maintain a replacement reserve to pay debt service costs.

**Property and Equipment**

Property and equipment are stated at cost, or if donated, at estimated fair value at the date of donation, less accumulated depreciation. The Agency's threshold for capitalization is \$5,000. The cost of maintenance and repairs is expensed as incurred; significant renewals and betterments are generally capitalized. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period.

Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets.

**Revenue Recognition**

The Agency recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. 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 met.



**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

A portion of the Agency's revenue is derived from reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue over time when the Agency has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Agency received cost reimbursable grants of \$12,752,245 that have not been recognized at June 30, 2021 because qualifying expenditures have not yet been incurred.

Program service fee revenue are recognized over time and are reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing client care and are recorded at a point in time. These amounts are due from clients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Agency bills the clients and third-party payors several days after the services are performed and/or the client is discharged from the program. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Agency. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Agency believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to clients in our programs receiving chemical dependency treatment. The Agency measures the performance obligation from admission into the program to the point when it is no longer required to provide services to that client.

Because all of its performance obligations relate to contracts and fee for services with a duration of less than one year, the Agency has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts are generally completed when the clients are discharged from a program, which generally occurs within days or weeks of the end of the reporting period.

The Agency determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured clients in accordance with the Agency's policy, and/or implicit price concessions provided to uninsured clients. The Agency determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy(ies), and historical experience. The Agency determines its estimate of implicit price concessions based on its historical collection experience with this class of clients.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Clients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Agency also provides services to uninsured clients, and offers those uninsured clients a discount, either by policy or law, from standard charges. The Agency estimates the transaction price for clients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to fee for services revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended June 30, 2021 and 2020. Subsequent changes that are determined to be the result of an adverse change in the client's ability to pay are recorded as bad debt expense.

Consistent with the Agency's mission, care is provided to clients regardless of their ability to pay. Therefore, the Agency has determined it has provided implicit price concessions to uninsured clients and clients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to clients and the amounts the Agency expects to collect based on its collection history with those clients.

The Agency has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, client) have different reimbursement/payment methodologies
- Length of the client's service/episode of care
- Geography of the service location
- Method of reimbursement
- Program that the service relates to

**Contributed Services and Facilities**

During the years ended June 30, 2021 and 2020, the value of contributed services meeting the requirements for recognition in the consolidated financial statements was \$9,013 and \$6,750, respectively. The Agency pays for most services requiring specific expertise. However, individuals volunteer their time and perform certain services in various programs throughout the Agency. The Agency received approximately 282,131 and 343,337 volunteer hours during the years ended June 30, 2021 and 2020, respectively.

Contributed facilities include the difference between the amount of rent paid at various locations and the approximate fair value of such rentals. Donated rents amounted to \$14,978 and \$48,268 for 2021 and 2020, respectively.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Advertising**

Advertising costs are generally charged to operations in the year incurred and totaled \$35,594 and \$27,367 in 2021 and 2020, respectively.

**Income Taxes**

The Agency is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes pursuant to Section 501(a) of the IRC.

Emerald is a corporation and is subject to U.S. federal income tax under the IRC.

The Agency has determined that it is not required to record a liability related to uncertain tax positions.

**Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis on the consolidated schedule of functional expenses. Expenses are charged directly to programs, and management and general categories based on specific identification. Indirect expenses are allocated among the programs and activities benefited based on estimates of time and effort as well as management judgement.

**Emergency Grant Revenues**

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit. At June 30, 2021, the Agency also recorded \$151,612 of PRF as a contract liability (deferred revenue) in the consolidated statements of financial position. At June 30, 2021, the Agency recognized \$1,273,823 of other emergency grant revenue in the consolidated statements of activities. Management believes the amounts have been recognized appropriately as of June 30, 2021.

**Adoption of New Accounting Standards**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. During 2021, the Agency has adopted this standard with no material impact on the consolidated financial statements.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recent Accounting Pronouncements**

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance required lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The accounting for lessors will remain relatively unchanged. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standards. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The amendments in the guidance are effective for the Agency for 2023. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Agency's consolidated financial statements.

**Risks and Uncertainty**

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is continuing to have significant effects on global markets, supply chains, businesses, and communities. Specific to the Agency, COVID-19 has impacted various parts of its operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages in personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Agency is taking appropriate actions to mitigate negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2021.

**Subsequent Events**

Subsequent to year end, in August 2021 and October 2021, Family and Portage Industries received full forgiveness for the CARES Act Paycheck Protection Program Loans. See Note 9.

Subsequent to year end, in December 2021, NFH Member Corp., an Ohio Corporation, was formed by the Agency. NFH Member Corp. is a controlled entity in that 100% of its stock is owned by Family and Community Services, Inc. NFH Member Corp. is a 51% member of NFH Manager, LLC. NFH Manager, LLC, is a .1% managing member of New Frontier Homes, LLC. Ohio Equity Fund for Housing Limited Partnership, an Ohio for-profit organization organized for the purpose of constructing, owning, and operating a 45-unit project dedicated to low-income households in the cities of Akron and Barberton in Summit County is a 99.9% investor member in New Frontier Homes, LLC.

Subsequent to year end, in January 2022, Portage Industries, Inc. entered into a loan agreement with a bank in the amount of \$600,000.

Subsequent events have been evaluated through March 21, 2022, which is the date the consolidated financial statements were available to be issued.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 2 BUSINESS ACQUISITION**

During July 2019, the Agency acquired Residential Resources which provides financial assistance to developmentally challenged for living expenses, as a wholly owned subsidiary.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition.

Consideration	<u><u>\$ -</u></u>
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed:	
Cash and Cash Equivalents	\$ 122,838
Accounts Receivable	1,600
Investments	98,519
Property and Equipment	722,700
Long-Term Debt	<u>(150,000)</u>
Total Identifiable Net Assets	795,657
Inherent Contribution Received	<u>(795,657)</u>
Total	<u><u>\$ -</u></u>

On the statement of activities, the inherent contribution received is recorded as the excess of fair value of net assets acquired over consideration paid in acquisition of Residential Resources for the Developmentally Challenged, Inc. and increases net assets without donor restriction.

Also, during July 2019 the Agency acquired Big Brothers & Big Sisters of Mahoning Valley, Inc. whose mission is to make a difference in the lives of children.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition.

Consideration	<u><u>\$ -</u></u>
Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed:	
Cash and Cash Equivalents	\$ 98,266
Prepays and Other Assets	2,606
Accounts Payable	<u>(2,129)</u>
Total Identifiable Net Assets	98,743
Inherent Contribution Received	<u>(98,743)</u>
Total	<u><u>\$ -</u></u>

On the statement of activities, the inherent contribution received is recorded as the excess of fair value of net assets acquired over consideration paid in acquisition of Big Brothers & Big Sisters of Mahoning Valley, Inc. and increases net assets without donor restriction.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 3 RECEIVABLES**

**Accounts Receivable**

Receivables as of June 30 are as follows:

	2021	2020
Grants Receivable, Net of Allowance for Doubtful Accounts of \$143,253 and \$245,296 in 2021 and 2020, Respectively	\$ 686,616	\$ 420,786
Fees for Service, Net of Allowance for Doubtful Accounts of \$185,750 and \$164,913 in 2021 and 2020, Respectively	3,286,011	3,229,378
Total	\$ 3,972,627	\$ 3,650,164

**Note Receivable**

The note receivable in the amount of \$275,000 represents noninterest bearing funds advanced to The Village at Town Center, LLC, for the development of low income housing in Summit County. There are no monthly payments as the entire balance is due on or before December 31, 2037. In connection with the note receivable, the Agency had also recorded a liability in the amount of \$275,000 (See Note 8).

**NOTE 4 FAIR VALUE MEASUREMENTS**

The FASB's guidance on fair value measurements establishes a framework for measuring fair value and expands disclosure about fair value measurements. This guidance enables the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

*Level 1* – Quoted market prices in active markets for identical assets or liabilities.

*Level 2* – Observable market-based inputs or unobservable inputs that are corroborated by market data.

*Level 3* – Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Agency performs a detailed analysis of the assets and liabilities that are measured and reported on a fair value basis.

The Agency holds investments in debt and equity securities which are classified as investments. These securities are publicly traded on the National Stock Exchange and are considered a Level 1 item. For the years ended June 30, 2021 and 2020, the application of valuation techniques applied to similar assets and liabilities have been consistent.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	June 30, 2021			
	Total	Level 1	Level 2	Level 3
Equity Securities:				
Common Stocks	\$ 87,830	\$ 87,830	\$ -	\$ -
Mutual Funds	1,150,382	1,150,382	-	-
Fixed Income	96,552	96,552	-	-
Total	<u>\$ 1,334,764</u>	<u>\$ 1,334,764</u>	<u>\$ -</u>	<u>\$ -</u>
	June 30, 2020			
	Total	Level 1	Level 2	Level 3
Equity Securities:				
Common Stocks	\$ 97,376	\$ 97,376	\$ -	\$ -
Mutual Funds	843,802	843,802	-	-
Fixed Income	74,761	74,761	-	-
Total	<u>\$ 1,015,939</u>	<u>\$ 1,015,939</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 5 INVESTMENTS**

The composition of the Agency's investments at June 30 is set forth in the following table. Investments are stated a fair value.

	June 30, 2021		June 30, 2020	
	Fair Value	Cost	Fair Value	Cost
Equity Securities:				
Common Stocks	\$ 87,830	\$ 57,633	\$ 97,376	\$ 78,776
Mutual Funds	1,150,382	785,447	843,802	679,921
Fixed Income	96,552	83,101	74,761	73,890
Total	<u>\$ 1,334,764</u>	<u>\$ 926,181</u>	<u>\$ 1,015,939</u>	<u>\$ 832,587</u>

Investment income and net realized and unrealized gains relating to unrestricted investments is summarized at June 30 as follows:

	2021	2020
Interest Income	\$ 32,978	\$ 43,396
Net Realized and Unrealized Gains	286,561	24,837
Total	<u>\$ 319,539</u>	<u>\$ 68,233</u>

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment as of June 30 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Land and Land Improvements	\$ 2,012,658	\$ 2,000,375
Building	22,887,565	22,214,527
Equipment	220,546	214,297
Furniture and Fixtures	541,499	519,904
Leasehold Improvements	3,915,107	3,549,814
Vehicles	1,444,879	1,247,697
Construction in Progress	809,087	454,821
Total	<u>31,831,341</u>	<u>30,201,435</u>
Less: Accumulated Depreciation	<u>11,456,337</u>	<u>10,404,973</u>
Total Property and Equipment	<u>\$ 20,375,004</u>	<u>\$ 19,796,462</u>

Depreciation expense amounted to \$1,052,126 and \$1,027,244 for the years ended June 30, 2021 and 2020, respectively.

**NOTE 7 SHORT-TERM BORROWINGS**

The Agency has a \$1,200,000 line of credit agreement with a financial institution. Interest is payable monthly at the bank's prime lending rate (3.25% at June 30, 2021) and is collateralized by certain investments of the Agency. There were no borrowings on the line of credit as of June 30, 2021. The outstanding balance under this agreement amounted to \$250,000 at June 30, 2020.

**NOTE 8 LONG-TERM DEBT**

The Agency was obligated on the following notes as of June 30:

	<u>2021</u>	<u>2020</u>
<u>Forgivable Debt</u>		
Interest-free note paid off April 2021; debt forgiven \$1,336 per month as long as property used for mental health activities; collateralized by land, building, and equipment; included in the contributions line in the consolidated statements of activities.	\$ -	\$ 13,364



**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

	2021	2020
<u>Forgivable Debt (Continued)</u>		
Interest-free note due March 2026; debt forgiven \$877 per month as long as property used for mental health activities; collateralized by land, building, and equipment; included in the contributions line in the consolidated statements of activities.	\$ 49,996	\$ 60,520
Interest-free note due June 2045; debt forgiven \$764 per month as long as the organization performs the acts required under the contract entered into on June 1, 2015; collateralized by land and building; included in the contributions line in the consolidated statements of activities.	219,235	228,402
Interest free note due December 2037; debt forgiven at due date as long as property used for low income housing project; collateralized by land, building, and equipment.	275,000	275,000
<u>Bank</u>		
Note dated January 2006; due December 2025; payable in monthly installments of \$2,349 including interest at 7.00%; collateralized by certain real estate.	104,616	124,577
Note dated June 2006; due May 2026; payable in monthly installments of \$2,654 including interest of 4.37%; collateralized by certain real estate.	-	157,421
Note dated February 2007; renegotiated in 2017 and now due February 2027; payable in monthly installments of \$1,192 including variable interest of 4.56% at June 30, 2021; collateralized by certain real estate.	81,070	95,376
2021; due April 2031; payable in monthly installments of \$3,830 including interest of 3.99%; collateralized by certain real estate.	369,601	388,514
Note dated April 2015; due April 2025 ; payable in monthly payments of \$1,006 including interest of 5.75%; collateralized by certain real estate.	41,944	51,263

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

	<u>2021</u>	<u>2020</u>
<u>Bank (Continued)</u>		
Note dated January 2017; due January 2027; beginning interest-only payments of 5.75% starting February 2017, followed by monthly payments of \$1,145 including interest of 5.75%; collateralized by certain real estate.	\$ 65,352	\$ 74,951
Note dated May 2017; due May 2022; payable in monthly installments of \$290 including interest of 7.5%; collateralized by a certain vehicle.	3,077	6,196
Note dated March 1, 2016; refinanced in July 2021; due April 2031; payable in monthly installments of \$2,994 and a final payment of \$285,003 including interest of 3.98%; collateralized by certain real estate.	279,295	299,113
Note dated November 2017; due October 2022; payable in monthly installments of \$760 including interest of 6%; collateralized by certain equipment.	11,652	19,787
Note dated January 2018; due December 2022; payable in monthly installments of \$389 including interest of 6.25%; collateralized by a certain vehicle.	6,658	10,753
Note dated November 2017; paid off in August 2020; payable in monthly installments of \$1,248 including interest of 6%; collateralized by certain vehicles.	-	19,163
Note dated February 2018; paid off in January 2021; payable in monthly installments of \$581 including interest of 8%; collateralized by a certain vehicle.	-	3,961
Note dated February 2018; due January 2023; payable in monthly installments of \$483 including interest of 8%; collateralized by a certain vehicle.	8,583	13,463
Note dated April 2018; paid off in March 2021; payable in monthly installments of \$292 including interest of 8%; collateralized by a certain vehicle.	-	2,546
Note dated April 2018; paid off in March 2021; payable in monthly installments of \$322 including interest of 8%; collateralized by a certain vehicle.	-	2,806
Note dated January 2019; due February 2024; payable in monthly installments of \$6,310 including interest of 5%; collateralized by certain real estate.	881,886	912,025

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

	2021	2020
<u>Bank (Continued)</u>		
Note dated August 2019; paid off in August 2020; payable in monthly installments of \$1,291 including interest of 5.25%; collateralized by a certain vehicle.	\$ -	\$ 31,646
Note dated August 2019; due August 2022; payable in monthly installments of \$703 including interest of 5.25%; collateralized by a certain vehicle.	9,521	17,226
Note dated April 2021; due April 2027; payable in monthly installments of \$904 including interest of 2.90%; collateralized by a certain vehicle.	57,919	-
Note dated September 2020; due December 2040; payable in monthly installments of \$4,703 including interest of 4%; collateralized by a certain real estate.	649,494	-
Note dated September 2020; due September 2023; payable in monthly installments of \$332 including interest of 5%; collateralized by a certain vehicle.	8,446	-
<u>Portage County Commissioners c/o Neighborhood Development Services</u>		
Note dated May 2016; interest free; payable on sale or transfer of collateral located at 2338 and 2340 Ravenna Road Ravenna, Ohio 44266.	150,000	150,000
<u>Development Finance Authority of Summit County</u>		
Development Revenue Bonds, Series 2016E dated November 2016; due November 2036; payable in increasing monthly installments including interest of 3.57%; collateralized by certain real estate.	2,290,833	2,391,667
<u>City of Kent</u>		
Note dated May 2001; renegotiated in 2013 and paid off in May 2021; interest free; payable in annual principal payments of \$1,000; collateralized by certain real estate.	-	1,000
<u>Akron Community Foundation</u>		
Note payable on demand, including interest of 5%; collateralized by certain equipment.	100,000	100,000
Total	5,664,178	5,450,740
Less: Unamortized Debt Issuance Costs and Bond Discount	124,100	135,447
Total Long-Term Debt, Net Unamortized Debt Issuance Costs and Bond Discount	5,540,078	5,315,293
Less: Current Maturities	610,240	466,840
Total Long-Term Liabilities	\$ 4,929,838	\$ 4,848,453

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

Maturities of the notes payable for the five years subsequent to 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 610,240
2023	341,273
2024	1,117,632
2025	302,615
2026	276,487
Thereafter	<u>3,015,931</u>
Total Long-Term Debt	5,664,178
Unamortized Debt Issuance Costs and Bond Discount	<u>124,100</u>
Total	<u><u>\$ 5,540,078</u></u>

**NOTE 9 CARES ACT PAYCHECK PROTECTION PROGRAM**

On April 21, 2020, Family received a loan from Huntington National Bank in the amount of \$2,914,160 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program Flexibility Act of 2020 (the "PPP Loan"). Additionally, on April 13, 2020 and February 12, 2021, Portage Industries received loans from Hometown Bank in the amount of \$392,100 and \$425,900, respectively, to fund payroll, rent, utilities, and interest on mortgages and existing debt through the PPP loan. The original loan agreements written prior to the PPP Flexibility Act of 2020 (June 5) were due over 24 months with the initial payments deferred six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreements. The PPP Loans bears interest at a fixed rate of 1.0% per annum, have a term of two years, and are unsecured and guaranteed by the U.S. Small Business Administration.

Payment of principal and interest is deferred until the date on which the amount of forgiveness is determined by the lender or, if the Agency fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. Subsequent to year-end, on October 8, 2021, the SBA formally approved forgiveness in the full amount of Family's PPP loan. Additionally, on August 6, 2021, Portage Industries' first PPP loan was formally approved for forgiveness in the full amount by the SBA and on October 29, 2021, the SBA formally approved forgiveness in the full amount of Portage Industries' second PPP loan.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 10 NET ASSETS**

Net assets consist of the following as of June 30 and are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restriction:		
General Operating	\$ 25,414,748	\$ 20,803,944
Designated by the Governing Board:		
KSS Capital Project	-	91,444
Capital Property Improvements	<u>1,406,273</u>	<u>560,846</u>
Total Designated by the Governing Board	<u>1,406,273</u>	<u>652,290</u>
Total Net Assets Without Donor Restriction	26,821,021	21,456,234
Net Assets With Donor Restriction:		
Purpose Restrictions:		
Fankhauser Scholarships	64,202	50,325
Mobile Meals	-	196,647
Lorain Valor II and III Capital Project	468,884	218,566
KSS Capital Project	<u>157,836</u>	<u>139,385</u>
Total Net Assets With Donor Restriction	<u>690,922</u>	<u>604,923</u>
Total Net Assets	<u>\$ 27,511,943</u>	<u>\$ 22,061,157</u>

Board restrictions made by the board of trustees designate a portion of the Agency's net assets for future major repairs and replacement of Agency owned property and equipment.

*Net Assets Without Donor Restriction* – The Net Assets Designated by the Governing Board are for future major repairs and replacements of Agency owned property and equipment and are being accumulated over the lives of those assets.

*Net Assets With Donor Restriction* – Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets released from restriction totaled \$424,838 in 2021 and \$235,753 in 2020.

**NOTE 11 LEASE COMMITMENTS**

The Agency leases various vehicles, copiers, and office and storage space under noncancelable leases expiring in various years through 2026. Rent expense totaled \$628,593 and \$717,767 in 2021 and 2020, respectively.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 11 LEASE COMMITMENTS (CONTINUED)**

The following is a schedule by years of future minimum lease payments required under all lease agreements having initial noncancelable lease terms in excess of one year from June 30, 2021:

Year Ending June 30,	Amount
2022	\$ 161,339
2023	93,629
2024	14,118
2025	13,032
2026	33
Total	\$ 282,151

**NOTE 12 LEASE AGREEMENTS**

The Agency leases real property to tenants through operating leases. The future minimum rental income receivable under noncancelable operating leases at June 30, 2021 is as follows:

Year Ending June 30,	Amount
2022	\$ 160,312
2023	160,312
2024	160,312
2025	160,312
2026	160,312
Thereafter	2,017,440
Total	\$ 2,819,000

**NOTE 13 PENSION PLAN**

The Agency maintains a Section 403(b) flexible annuity program that covers employees who meet certain age and length-of-service requirements. The Agency's contribution level for the years ended June 30, 2021 and 2020 is up to 3.5% of participating employees' salaries. Pension expense for the years ended June 30, 2021 and 2020 amounted to \$172,057 and \$158,883, respectively.

**NOTE 14 GOVERNMENT FUNDING**

The Agency received approximately 50% of its funding for 2021 and 2020 through government grants and purchase of service agreements. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Agency's activities.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 15 FUNDS HELD FOR OTHERS**

The Agency is custodian for funds used for various expenditures of certain individuals in its payee and debt service management programs. Because these funds do not belong to the Agency, they are included as an asset and a liability in the accompanying consolidated financial statements. At June 30, 2021 and 2020, the payee and debt service management programs maintained funds totaling \$173,626 and \$415,982, respectively.

**NOTE 16 DEFERRED REVENUE**

The Agency entered into a 30-year lease agreement with the Ravenna School District Board of Education (the School District) during 2008. Under this agreement, the Agency received payment of \$135,000 for the full term of the lease in advance. This amount will be amortized over the life of the lease. Amortization for 2021 and 2020 was \$4,500. As of June 30, 2021 and 2020, \$76,125 and \$80,625, respectively, is included in deferred revenue relating to this agreement. If the School District remains in the building for the full term of the lease, the Agency will refund \$75,000 to the School District.

The Agency received \$750,000 in 2017 from a lessee, AxessPointe, Inc., to help fund specific renovations to the Goulger Building. This contribution will be allocated over the life of the lease. The term of the lease began the month following completion of the construction project and continues for 20 years. As of June 30, 2021 and 2020, \$37,500 of revenue was recorded during each fiscal year.

**NOTE 17 LIQUIDITY**

The Agency regularly monitors liquidity required to meet its operating needs and other commitments. As of June 30, the following assets could be made readily available within one year:

	2021	2020
Cash and Cash Equivalents	\$ 13,629,377	\$ 8,937,879
Accounts Receivable	3,972,627	3,650,164
Investments	1,334,764	1,015,939
Less: Net Assets With Donor Restriction Held in Cash and Investments	<u>(690,922)</u>	<u>(604,923)</u>
Total	<u>\$ 18,245,846</u>	<u>\$ 12,999,059</u>

The Agency has a goal to maintain financial assets on hand to meet approximately six months of normal operating expenses. As part of the Agency's liquidity plan, they maintain a \$1,200,000 line of credit. Management could draw upon this resource in the event of unanticipated liquidity need.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 18 LITIGATION**

The Agency, from time to time, is involved in various employment and other legal claims and disputes arising in the ordinary course of business. Although it is not possible to predict the outcome of these matters, it is management's opinion that the outcomes will not have a material effect on the financial condition of the Agency and the Agency has adequate insurance coverage for any potential outcomes.



**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through/Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Direct Program				
Supportive Housing	14.235	OH0379L5E071806		\$ 5,332
	14.235	OH0379L5E071907		6,856
	14.235	OH0196L5E071912		77,906
				<u>90,094</u>
Pass-Through Department of Veteran Affairs	14.235	FAC0451-1051-541-CM-20		<u>152,639</u>
				152,639
Pass-Through Ohio Housing Finance				
COVID-19 Emergency Solutions Grant	14.231	N/A		28,838
COVID-19 Emergency Solutions Grant	14.231	N/A		50,240
COVID-19 Emergency Solutions Grant	14.231	N/A		7,934
				<u>87,012</u>
Pass-Through Ohio Domestic Violence Network				
COVID-19 Someplace Safe	14.231	N/A		<u>24,272</u>
				24,272
Pass-Through Ohio Development Services Agency				
COVID-19 Emergency Shelter Grant	14.231	N-L-20-7EF-4		<u>63,992</u>
				63,992
Pass-Through City of Barberton				
Community Development Block Grant	14.218	N/A		2,500
	14.218	N/A		<u>2,315</u>
				4,815
Pass-Through City of Kent				
Community Development Block Grant	14.218	N/A		1,250
Community Development Block Grant	14.218	N/A		13,750
COVID-19 Community Development Block Grant	14.218	N/A		29,633
COVID-19 Community Development Block Grant	14.218	N/A		17,731
COVID-19 Community Development Block Grant	14.218	N/A		27,636
COVID-19 Community Development Block Grant	14.218	N/A		40,105
Community Development Block Grant	14.218	N/A		<u>2,881</u>
				132,986
Pass-Through City of Warren				
COVID-19 Community Development Block Grant	14.218	N/A		7,282
COVID-19 Community Development Block Grant	14.218	N/A		11,200
Community Development Block Grant	14.218	N/A		<u>6,000</u>
				24,482
Total U.S. Department of Housing and Urban Development				<u>580,292</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through/Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Justice</b>				
Pass-Through State Department of Attorney General Crime Victim Assistance	16.575	2021-VOCA-134143929		\$ 113,501
	16.575	2020-VOCA-132923478		20,627
	16.575	2021-VOCA-134144370		272,036
	16.575	2020-VOCA-132923552		109,099
	16.575	2021-VOCA-134145815		243,801
	16.575	2020-VOCA-132923528		42,681
				<u>801,745</u>
Pass-Through Ohio Office of Criminal Justice Services Violence Against Women Violence Against Women Act - ARRA	16.588	2020-WF-VA2-8222		9,760
	16.588	2019-WF-VA2-8222		2,481
	16.588	2019-WF-VA2-8222a		7,994
	16.588	2019-WF-VA5-8170		26,812
	16.588	2019-WF-VA5-8170a		20,800
				<u>67,847</u>
Pass-Through Community Legal Aid Someplace Safe Safer Futures	16.021	N/A		135,074
	16.021	N/A		1,412
				<u>136,486</u>
Total U.S. Department of Justice				1,006,078
<b>U.S. Department of Health and Human Services</b>				
Pass-Through Area Agency on Aging, 10B, Inc. Senior Nutrition Program - Farmers Market	93.044	N/A		21,022
	93.044	N/A		372
				<u>21,394</u>
Pass-Through Direction Home of Eastern Ohio Senior Centers	93.044	N/A		7,063
				<u>7,063</u>
Pass-Through Title III C1 Congregate Income Meal Program - Portage Meal Program - Summit	93.044	N/A		22,564
	93.044	N/A		75,438
				<u>98,002</u>
Pass-Through Title III C1 Congregate Income COVID-19 Meal Program - Portage	93.052	N/A		3,391
				<u>3,391</u>
Pass-Through Title III C2 Home-Delivered Meal Income Meal Program - Portage Meal Program - Portage Meal Program - Summit Meal Program - Summit	93.044	N/A		253,077
	93.044	N/A		34,844
	93.044	N/A		396,335
	93.044	N/A		32,860
				<u>717,116</u>
Pass-Through Title III C2 Home-Delivered Meal Income COVID-19 Meal Program - Portage COVID-19 Meal Program - Portage COVID-19 Meal Program - Summit COVID-19 Meal Program - Summit	93.052	N/A		26,236
	93.052	N/A		23,997
	93.052	N/A		24,917
	93.052	N/A		20,079
				<u>95,229</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through/Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Health and Human Services (Continued)</b>				
Pass-Through Title III C2				
Home-Delivered Meal Income				
COVID-19 Meal Program - Portage	93.045	N/A		\$ 14,001
COVID-19 Meal Program - Summit	93.045	N/A		32,070
COVID-19 Meal Program - Summit	93.045	N/A		<u>67,124</u>
				113,195
Pass-Through Portage County Department of Jobs and Family Services				
Café Program	93.558	20200460		917
Domestic Violence Shelter Services	93.558	20200230		3,259
Domestic Violence Shelter Services	93.558	N/A		88,783
Homeless Services	93.558	20200472		53,393
Homeless Services	93.558	N/A		8,942
Big Brothers Big Sisters	93.558	N/A		<u>19,505</u>
				174,799
Pass-Through Portage County Board of Commissioners				
Hotel and Rental Assistance	93.558	N/A		5,974
Hotel and Rental Assistance	93.558	N/A		<u>2,986</u>
				8,960
Pass-Through Summit County Veterans Homeless Prevention				
Valor Home Summit	93.558	P1903746		19,611
Valor Home Summit	93.558	P2003283		<u>42,886</u>
				62,497
Pass-Through The Ohio Office of Criminal Justice				
Family Violence Program	93.671	2020-VP-001-4005		40,000
COVID-19	93.671	2020-CA-001-424		15,695
Family Violence Program	93.671	2020-VP-003-4013		37,500
COVID-19	93.671	2020-CA-003-407		<u>13,199</u>
				106,394
Pass-Through Trumbull Mental Health and Recovery Board				
COVID-19 Valley Counseling	93.982	N/A		54,016
COVID-19 Valley Counseling	93.982	N/A		<u>180,305</u>
				234,321
Pass-Through Title XX				
Education				
Chargin Falls Park	93.667	N/A		44,220
	93.667	N/A		<u>8,400</u>
				52,620
Case Manager				
Chargin Falls Park	93.667	N/A		23,323
	93.667	N/A		<u>10,999</u>
				34,322
Pass-Through Mental Health and Recovery Board				
MAT PDOA First Responder	93.243	20190468		902
	93.243	N/A		<u>1,085</u>
				1,987
Direct				
COVID-19 Valley Counseling-Stimulus Funds	93.498	N/A		<u>14,807</u>
				14,807
Total U.S. Department of Health and Human Services				<u>1,746,097</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through/Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Labor</b>				
Pass-Through Ohio Department of Jobs and Family Services				
Paid and Unpaid Work Experience	17.259	20190241		\$ 142,341
Paid and Unpaid Work Experience	17.259	20210183		234,141
Mentoring	17.259	20190241		7,440
Mentoring	17.259	20210183		19,363
Financial Literacy	17.259	20190241		172
Financial Literacy	17.259	20210183		457
Tutoring and Study Skills	17.259	20190241		6,346
Tutoring and Study Skills	17.259	20210183		20,889
Total U.S. Department of Labor				431,149
<b>U.S. Department of Veterans Affairs</b>				
Direct Program				
Veterans Affairs Homeless Providers	64.024	FACS451-0659-541-SI-18-0		235,968
Veterans Affairs Homeless Providers	64.024	FACS451-0659-541-BH-18-0		4,916
Veterans Affairs Homeless Providers	64.024	FACS451-1395-541-PD-21		1,471,764
Veterans Affairs Homeless Providers	64.024	FACS451-1394-541-SC-21		1,477
VA IOP	64.024	VA250-17-D-0089		59,664
VA Contract Beds-Stark	64.024	36C25019D0015		40,219
VA Contract Beds-Stark	64.024	36C25019D0015		121,684
VA TIP - Trumbull	64.024	FACS451-0715-541-TP-19		13,507
VA TIP - Mahoning	64.024	FACS451-0716-541-TP-19		69,541
VA TIP	64.024	FACS451-1617-541-TP-21		193,450
				2,212,190
Veterans Affairs Supportive Services for Veteran Families	64.033	14-OH-262		431,670
	64.033	14-OH-262		607,024
COVID-19 Veterans Affairs Supportive Services for Veteran Families	64.033	2014-OH-262-CA		71,601
				1,110,295
Total U.S. Department of Veterans Affairs				3,322,485
<b>Corporation for National and Community Service</b>				
Direct Program				
Retired and Senior Volunteer Program	94.002	18SRNOH002		399,839
	94.002	21SRCOH002		121,530
				521,369
Foster Grandparent Program	94.011	20SFNOH001		459,177
	94.011	17SFNOH001		44,612
				503,789
VISTA	94.013	17VSNOH006		325,408
				325,408
Senior Companion Program	94.016	19SCNOH004		295,266
	94.016	17SCNOH001		25,945
				321,211
Total Corporation for National and Community Service				1,671,777

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through/Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Homeland Security</b>				
Direct Program				
EFSP Phase 37 Next Step	97.024	N/A		\$ 3,131
EFSP Phase 37 Mobile Meals	97.024	N/A		11,250
EFSP Phase 37/38	97.024	N/A		147,006
COVID-19 EFSP Cares Next Step	97.024	N/A		5,339
COVID-19 EFSP Cares Mobile Meals	97.024	N/A		8,333
Total U.S. Department of Homeland Security				<u>175,059</u>
<b>U.S. Department of Agriculture</b>				
Pass-Through The Ohio Department of Education				
Summer Food Service Program for Children	10.559	N/A		3,890
	10.559	N/A		<u>3,320</u>
Total U.S. Department of Agriculture				7,210
<b>U.S. Department of Education</b>				
Pass-Through Portage County Board of Commissioners				
Special Education-Grants for Infants and Families	84.181	20200457		<u>290,447</u>
Total U.S. Department of Education				290,447
<b>U.S. Department of Treasury</b>				
Pass-Through the City of Lorain				
COVID-19 Veterans Assistance Programs	21.019	N/A		<u>25,000</u>
				25,000
Pass-Through Nimishillen Township Trustees				
COVID-19 Honor Home	21.019	N/A		<u>10,000</u>
				10,000
Pass-Through Title III C2				
HDM Income				
COVID-19 Meal Program	21.019	N/A		<u>42,128</u>
				42,128
Pass-Through the Ohio Department of Aging				
COVID-19 Senior Centers	21.019	N/A		25,000
COVID-19 Senior Centers	21.019	N/A		80,000
COVID-19 Safer Futures	21.019	COVID-19 Relief 2020-CARES-41		41,870
COVID-19 Someplace Safe	21.019	COVID-19 Relief 2020-CARES-10		<u>44,789</u>
				191,659
Pass-Through Direction Home of Eastern Ohio				
COVID-19 Kentway	21.019	N/A		<u>80,544</u>
				80,544
Total U.S. Department of Treasury				349,331
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 9,579,925</u>
<b>Cluster Titles (Reported Above)</b>				
CNC	10.559			\$ 7,210
CDBG	14.218			162,283
WIOA	17.259			431,149
AGING	93.044/93.045			956,770
FGSC	94.011/94.016			<u>825,000</u>
Total Cluster (Also Reported Above)				<u>\$ 2,382,412</u>

N/A = Not Available

CFDA = Catalog of Federal Domestic Assistance

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2021**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (schedule) includes the federal grant activity of Family and Community Services, Inc. and Subsidiaries and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

The Agency has elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.



**INDEPENDENT AUDITORS' 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  
Family and Community Services, Inc. and Subsidiaries  
Ravenna, Ohio

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 consolidated financial statements of Family and Community Services, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, and cash flows for the year then ended, the consolidated statement of functional expenses for the year ended June 30, 2021, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 21, 2022.

**Internal Control Over Financial Reporting**

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Family and Community Services, Inc. and Subsidiaries' consolidated 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 consolidated 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Akron, Ohio  
March 21, 2022





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Family and Community Services, Inc. and Subsidiaries  
Ravenna, Ohio

**Report on Compliance for Each Major Federal Program**

We have audited Family and Community Services, Inc. and Subsidiaries' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Family and Community Services, Inc. and Subsidiaries' major federal programs for the year ended June 30, 2021. Family and Community Services, Inc. and Subsidiaries' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Family and Community Services, Inc. and Subsidiaries' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Family and Community Services, Inc. and Subsidiaries' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Family and Community Services, Inc. and Subsidiaries' compliance.

***Opinion on Each Major Federal Program***

In our opinion, Family and Community Services, Inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

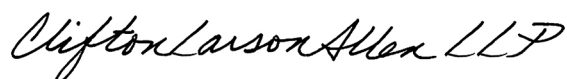
**Report on Internal Control Over Compliance**

Management of Family and Community Services, Inc. and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Family and Community Services, Inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Family and Community Services, Inc. and Subsidiaries' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Akron, Ohio  
March 21, 2022

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516(a)? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

**Assistance Listing Number(s)**

**Name of Federal Program or Cluster**

64.033

Supportive Services for Veteran Families

94.011/94.016

Foster Grandparent/Senior Companion Program

21.019

Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$   750,000  

Auditee qualified as low-risk auditee?

  x   yes      \_\_\_\_\_ no

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with the Uniform Guidance.

**FAMILY AND COMMUNITY SERVICES, INC. AND SUBSIDIARIES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021**

There were no findings that were required to be reported on herein for the year ended June 30, 2020.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

