

**KEYSTONE FAMILY ALLIANCE**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2024  
AND  
INDEPENDENT AUDITOR'S REPORT

**HAMILTON & MUSSER, P.C.**  
*Certified Public Accountants*

**KEYSTONE FAMILY ALLIANCE**  
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For the Year Ended December 31, 2024

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# HAMILTON & MUSSER, PC

*Certified Public Accountants • Consultants to Management*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Keystone Family Alliance  
Millheim, Pennsylvania

### Opinion

We have audited the accompanying financial statements of Keystone Family Alliance (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2024, and the related statements of support, revenue, and expenses – modified cash basis and functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Keystone Family Alliance as of December 31, 2024, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Keystone Family Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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*Members of the American and Pennsylvania Institutes of CPAs*

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Keystone Family Alliance ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Keystone Family Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Keystone Family Alliance's ability to continue as a going concern for a reasonable period of time.

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

November 14, 2025

Mechanicsburg, Pennsylvania



*Certified Public Accountants*

**KEYSTONE FAMILY ALLIANCE**  
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis  
December 31, 2024

Assets	
Cash and Cash Equivalents	\$ 80,755
Investments (Note 5)	<u>129,499</u>
Total Assets	<u>\$ 210,254</u>
Liabilities	
Total Liabilities	\$ <u>          -</u>
Net Assets	
Without Donor Restrictions	205,154
With Donor Restrictions (Note 3)	<u>5,100</u>
Total Net Assets	<u>210,254</u>
Total Liabilities and Net Assets	<u>\$ 210,254</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**KEYSTONE FAMILY ALLIANCE**  
Statement of Support, Revenue, and Expenses – Modified Cash Basis  
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Contributions	\$ 568,952	\$ 17,857	\$ 586,809
Fundraising	228,686	-	228,686
Grants	25,776	-	25,776
Investment Income (Note 5)	2,425	-	2,425
Net Assets Released from Restrictions	<u>12,757</u>	<u>(12,757)</u>	<u>-</u>
Total Operating Revenue	<u>838,596</u>	<u>5,100</u>	<u>843,696</u>
Expenses			
Program Services	362,137	-	362,137
Supporting Services			
Management and General	215,448	-	215,448
Fundraising	<u>186,381</u>	<u>-</u>	<u>186,381</u>
Total Operating Expenses	<u>763,966</u>	<u>-</u>	<u>763,966</u>
Change in Net Assets	74,630	5,100	79,730
Net Assets, Beginning of Year	<u>130,524</u>	<u>-</u>	<u>130,524</u>
Net Assets, End of Year	<u>\$ 205,154</u>	<u>\$ 5,100</u>	<u>\$ 210,254</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**KEYSTONE FAMILY ALLIANCE**  
Statement of Functional Expenses – Modified Cash Basis  
For the Year Ended December 31, 2024

	Supporting Services			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and Wages	\$ 194,678	\$ 162,847	\$ 100,517	\$ 458,042
Payroll Tax	21,985	19,261	12,055	53,301
Professional Services	13,620	10,593	1,815	26,028
Insurance	48	3,839	48	3,935
Fees	-	8,437	-	8,437
Administrative	11,951	10,471	2,163	24,585
Travel	24,970	-	-	24,970
Professional Development	48,597	-	-	48,597
Employee Expense	5,859	-	-	5,859
Awareness & Outreach	<u>40,429</u>	<u>-</u>	<u>69,783</u>	<u>110,212</u>
Total	<u>\$ 362,137</u>	<u>\$ 215,448</u>	<u>\$ 186,381</u>	<u>\$ 763,966</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**KEYSTONE FAMILY ALLIANCE**  
Notes to Financial Statements  
For the Year Ended December 31, 2024

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities:**

Pennsylvania Orphan Care Alliance d/b/a Keystone Family Alliance (the Alliance) is a non-profit organization that was created to educate, motivate, and equip every Christian in the state of Pennsylvania on the needs of orphans and vulnerable children, both locally and globally. The Alliance's significant activities include recruiting and raising awareness for families to meet the foster, adoptive, and supportive needs of orphaned and vulnerable children. The Alliance is primarily supported through the contributions of private individuals.

**Basis of Accounting:**

The Alliance prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under this method of accounting, certain revenue is recognized when received and certain expenses are recognized when paid. The Alliance has elected to record investments.

**Basis of Presentation:**

Financial statement presentation follows the *Not-for-Profit Entities* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) which requires the Alliance to report information regarding its assets, liabilities, net assets, support, revenue, and expenses according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Contributions:**

Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Support, Revenue, and Expenses – Modified Cash Basis as net assets released from restrictions.

**Cash and Cash Equivalents:**

For the purpose of the Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis, cash and cash equivalents include all highly liquid investments with an initial maturity of three months or less.

**Use of Estimates:**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Taxation:**

The Alliance is exempt from federal income tax as provided by Code Section 501(c)(3) of the Internal Revenue Code. Donors are entitled to deductions for federal income tax purposes for contributions made to the Alliance in accordance with the Internal Revenue Code. Accordingly, no income tax is incurred unless the Alliance earns income considered to be unrelated business income. The Alliance conducted no activities which were subject to income taxes.

**KEYSTONE FAMILY ALLIANCE**  
Notes to Financial Statements  
For the Year Ended December 31, 2024

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Taxation (Continued):**

Management evaluated the tax positions taken and concluded that the Alliance had taken no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, the Alliance is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before December 31, 2021.

**Investments:**

Investments are valued at their fair market value on a recurring basis in the Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis.

Fair Value Reporting requires an establishment of a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets and liabilities
- Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
- Level 3 – Unobservable inputs not corroborated by market data

For investments that have quoted market prices in active markets, the Alliance uses the quoted market prices as fair values and includes those investments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value of investments that are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs that are unobservable and include the Organization's own determinations of the assumptions that a market participant would use in pricing the asset. The Alliance considers its investments to be Level 1.

Investment income, including realized and unrealized gains restricted by donors, is reported as an increase in net assets without donor restrictions if the restrictions are met (either a stipulated time period or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible changes in risks in the near term would materially affect investment assets reported in the Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis and the Statement of Support, Revenue, and Expenses – Modified Cash Basis.

**Functional Allocation of Expenses:**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Support, Revenue, and Expenses – Modified Cash Basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**KEYSTONE FAMILY ALLIANCE**  
Notes to Financial Statements  
For the Year Ended December 31, 2024

**NOTE 2 – AVAILABILITY AND LIQUIDITY**

The following represents the Alliance’s financial assets at December 31, 2024:

Financial Assets:	
Cash and Cash Equivalents	\$ 80,755
Investments	<u>129,499</u>
Total Financial Assets	<u>210,254</u>
Less Amounts Not Available to be Used Within One Year	
Net Assets with Donor Restrictions	<u>5,100</u>
Total Not Available to be Used Within One Year	<u>5,100</u>
Financial Assets Available to Meet Expenses Over the Next Year	<u>\$ 205,154</u>

The Alliance’s plan is generally to maintain financial assets to meet 90 days of operating expenses.

**NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS**

Time and purpose restricted net assets are available for the following purposes at December 31, 2024:

MTE Matching Grant	\$ 100
CAFO 2025	<u>5,000</u>
Total	<u>\$ 5,100</u>

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

The Alliance maintains its bank deposits in local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. The Alliance’s bank balances may periodically exceed these limits, which management considers to be a normal business risk. There were no amounts in excess of the FDIC limit as of December 31, 2024.

As of December 31, 2024, the Alliance had \$36,667 in a bank account not insured by the FDIC.

**NOTE 5 – INVESTMENTS**

Investments at December 31, 2024 are as follows:

	<u>Cost</u>	<u>Market Value</u>
Exchange Traded Funds	<u>\$ 130,526</u>	<u>\$ 129,499</u>
Total	<u>\$ 130,526</u>	<u>\$ 129,499</u>

**KEYSTONE FAMILY ALLIANCE**  
Notes to Financial Statements  
For the Year Ended December 31, 2024

**NOTE 5 – INVESTMENTS (CONTINUED)**

Investment income consists of the following for the year ended December 31, 2024:

Interest and Dividends	\$ 4,047
Unrealized Loss on Investments	(1,109)
Investment Fees	<u>(513)</u>
Total	<u>\$ 2,425</u>

**NOTE 6 – RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2024, a member of the Board of Directors contributed \$7,256 to the Alliance in support of a mission trip. The contribution was made in the ordinary course of the Organization's fundraising activities and was subject to the same terms and conditions as those applicable to other donors.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 14, 2025, which is the date the financial statements were available to be issued.