

Mingo County Family Resource Network, Inc.

Financial Statements

June 30, 2006

**MINGO COUNTY FAMILY RESOURCE NETWORK, INC.
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Jessie & Jessie, A.C.
P.O. Box 1437
Williamson, WV 25661
304-235-1410

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mingo County Family Resource Network, Inc.

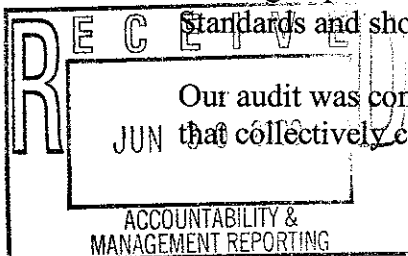
We have audited the accompanying statements of financial position of Mingo County Family Resource Network, Inc. (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Mingo County Family Resource Network, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

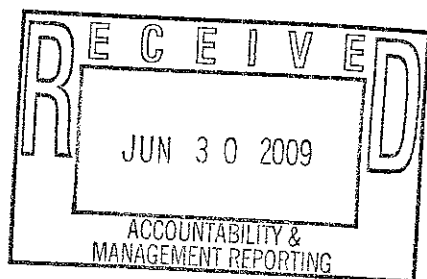
In accordance with Government Auditing Standards, we have also issued our report dated May 19, 2009, on our consideration of Mingo County Family Resource Network, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mingo County Family Resource Network's basic financial



statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the West Virginia Department of Health and Human Resources, and is also not a required part of the basic financial statements of Mingo County Family Resource Network. The schedule of expenditures of federal and state awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Jessie & Jessie, A.C.
Williamson, WV
May 19, 2009



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mingo County Family Resource Network, Inc.

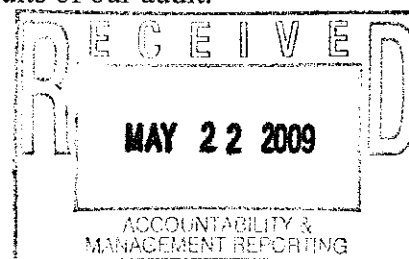
We have audited the accompanying statements of financial position of Mingo County Family Resource Network, Inc (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Mingo County Family Resource Network, Inc as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Jessie & Jessie, PC
Jessie & Jessie, A C
Williamson, WV
May 19, 2009



Mingo County Family Resource Network, Inc.
Statement of Financial Position
June 30, 2006

Assets	
Cash and Cash Equivalents	\$ 19,934.91
State Withholding Receivable	49.34
Property & Equipment	3,723.39
Less: Accumulated Depreciation	<u>(595.75)</u>
Total Assets	<u>\$ 23,111.89</u>
Liabilities	
FICA Payable	\$ 342.08
Unemployment Tax Payable	<u>36.93</u>
Total Liabilities	379.01
Net Assets	
Unrestricted	\$ 12,657.88
Fund Balance	<u>10,075.00</u>
Total Net Assets	22,732.88
Total Liabilities and Net Assets	<u>\$ 23,111.89</u>

SEE ACCOMPANYING NOTES

Mingo County Family Resource Network, Inc.
Statement of Activities
Year Ended June 30, 2006

Government Support	\$ 101,623.00	
Total Unrestricted Revenues and Gains		\$ 101,623.00
Expenses		
Program Services	\$ 80,537.85	
Management Services	<u>8,427.27</u>	
Total Expenses		<u>88,965.12</u>
Increase/(Decrease) in Unrestricted Net Assets		\$ 12,657.88
Net Assets Beginning of Year		<u>10,075.00</u>
Net Assets at End of Year		<u><u>\$ 22,732.88</u></u>

SEE ACCOMPANYING NOTES

Mingo County Family Resource Network, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2006

	Program	Management	Total
Unrestricted Net Assets			
Unrestricted Revenues and Gains			
Grants	<u>101,623.00</u>	-	
Total Unrestricted Revenues and Gains			\$ 101,623.00
 Expenses			
Depreciation Expense		595.75	
Programs	46,437.50		
Rent		2,410.00	
Office Expense		1,538.51	
Travel	1,648.95		
Insurance	9,520.29	1,043.33	
Internet		197.45	
Telephone		2,233.92	
Dues/Subscriptions		192.00	
Salaries/Wages	20,569.90		
Meetings	10.00		
Meals	241.39		
Workers Compensation	167.09		
Unemployment Tax Expense	369.21		
Penalties & Fines		191.31	
General Taxes/Licenses		25.00	
FICA Tax Expense	<u>1,573.52</u>	-	
Total Expenses	80,537.85	<u>8,427.27</u>	<u>88,965.12</u>
 Increase/(Decrease) in Unrestricted Net Assets			\$ 12,657.88
 Net Assets Beginning of Year			<u>10,075.00</u>
 Net Assets at End of Year			<u>\$ 22,732.88</u>

SEE ACCOMPANYING NOTES

Mingo County Family Resource Network, Inc.
Statement of Cash Flow
For the Period Ended June 30, 2006

Cash Flows from Operating Activities	
Increase in Net Assets	\$ 12,657.88
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	595.75
Increase in Receivables	(49.34)
Increase in Current Liabilities	379.01
Cash Flows from Investing Activities	
Purchase of Equipment	<u>(1,798.39)</u>
Increase in Cash and Cash Equivalents	\$ 11,784.91
Beginning Cash and Cash Equivalents	<u>8,150.00</u>
Ending Cash and Cash Equivalents	\$ 31,719.82

SEE ACCOMPANYING NOTES

MINGO COUNTY FAMILY RESOURCE NETWORK

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2006

1. Summary of significant accounting policies:

a. Organization:

Mingo County Family Resource Network, Inc comprised of community leaders, providers of services, and concerned citizens, has as its purpose to identify resources and establish community collaboration in order to enhance the lives of all citizens of Mingo County and potential resources collaboratively developed between public agencies and the private sector.

b. Basis of Accounting:

The Organization's policy is to prepare its financial statements on the accrual basis. Under this basis of accounting, revenue is recognized when earned rather than received and expenses are recorded when incurred.

c. Cash and Cash Equivalents:

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

d. Property and Equipment:

The Organization currently does not have a policy to capitalize/expense property and equipment. The fixed assets consist of furniture and equipment purchased since the Organization began in 1994.

e. Funding:

The majority of the Organization's funding is from governmental agencies. The Organization has in the past received funding from private foundations and other similar entities.

f. Income Taxes:

The Organization is a non-profit organization that is exempt from income taxes under the Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

g. Accounting Estimates:

The preparation financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported

amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates

2 Property and Equipment:

The amount purchased in the current fiscal year is \$1,798.39. The amount purchased in prior years is \$1,925.00

3. Credit Risk:

The Organization maintains cash balances at a financial institution

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*

To the Board of Directors
Mingo County Family Resource Network, Inc.

We have audited the financial statements of Mingo County Family Resource Network, Inc. (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated May 4, 2009. We conducted our audit 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 in the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Mingo County Family Resource Network, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mingo County Family Resource Network, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

1. Lack of controls over non-routine transactions.
 - a. The Corporate License was revoked due to failure of completing and filing the Annual Report to the State of West Virginia in 2007 and 2008.
Recommendation: controls should be in place to make certain that the Annual Corporate License Return is prepared accurately and filed timely.
 - b. A Federal Form 990, annual return for an organization exempt from income tax, has never been filed.
Recommendation: The Organization should be in compliance with filing of all reports to authorities.

2. Inadequate documentation of control over significant process
 - a. Recommendation: travel reimbursement should be approved by member of the Board of Directors. Approval should be noted by signature of the board member.
3. Inadequate segregation of duties within accounting process
 - a. Recommendation: continue to have invoices reviewed by member of Board of Directors and continue to require dual signatures

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that the following deficiencies constitute a material weakness:

1. Inadequate design of internal control over preparation of financial statements.
 - a. Recommendation: cash receipts and cash disbursement journals should be maintained. Each of the journals should be posted to a general ledger in order to arrive at a trial balance. The staff member responsible for the financial statement preparation should receive adequate training.
2. Inadequate control over a significant process – reconciling the bank account.
 - a. Recommendation: the bank account should be reconciled on a monthly basis.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mingo County Family Resource Network, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 compliance or other matters that are required to be reported under Government Auditing Standards.

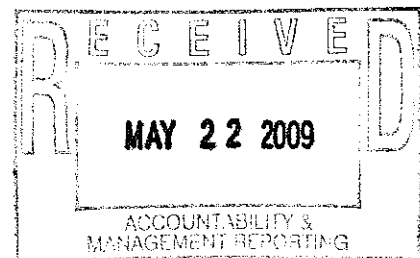
We noted certain matters that we reported to management of Mingo County Family Resource Network, Inc. in a separate letter dated May 4, 2009.

This report is intended solely for the information and use of management, others within the entity, and the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jessie & Jessie, A.C.

Jessie & Jessie, A.C.

Williamson, West Virginia
May 19, 2009



Mingo County Family Resource Network
Schedule of Grants Received and Grants Expenditures
July 1, 2005 to June 30, 2006

Grant Received:	WVFIMS Encumbrance Number	Amount Received
August 26 ,2005		
West Virginia Department of Health and Human Resources	C238391	\$ 10,000.00
West Virginia Department of Health and Human Resources	C238595	11,250.00
October 19,2005		
West Virginia Department of Health and Human Resources	C238391	10,000.00
West Virginia Department of Health and Human Resources	C238595	11,250.00
January 19, 2006		
West Virginia Department of Health and Human Resources	C238391	10,000.00
West Virginia Department of Health and Human Resources	C238595	11,250.00
May 3, 2006		
West Virginia Department of Health and Human Resources	C238391	10,000.00
West Virginia Department of Health and Human Resources	C238595	11,250.00
Total Grant Received		\$ 85,000.00
Executive Director Salary	\$ 20,569.90	
Fringe Benefits	9,520.29	
Program Expenses	46,437.50	
Travel	1,648.95	
Other Administrative Expenses	6,823.36	
Total Grant Expenditures		85,000.00

Expenditure Report to
The Bureau for Children and Families

Grantee: Mingo County FRN Grant # 6060385

Grant Category: Starting Points _____ FRN _____ Early Parent Education

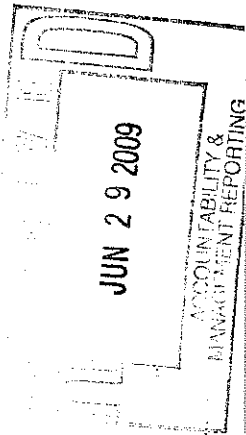
For the Quarter Beginning 4-1-06 and Ending 6-30-06

Cost Category	Grant Budget	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date TOTAL
Personnel	23,874	6,609.64	6,295.13	7,090.30	4,878.93	23,874
Fringe Benefits	4,000	1,216.95	1,426.41	940.48	2,16.13	4,000
Travel						
Project Coordinator						
Equipment						
Office Expense	2,000	605.40	625.90	276.36	492.34	2,000
Other (list):						
1. Conslnv.	2,876	591.61	401.71	732	150.57	2,876
2. Contractual	10,000	2,000	2,000	3,000	3,000	10,000
3. FRN-Admin	2,250	562.50	562.50	562.50	562.50	2,250
4.						
5.						
6.						
Grant Total	45,000	11,586.15	11,511.74	12,401.64	9,300.47	45,000

Certification: I HEREBY CERTIFY THE ABOVE TO BE A TRUE AND ACCURATE STATEMENT OF EXPENDITURES AND LOCAL MATCH.

Prepared by: Della Marcum/Amy Martha
Preparer's phone # 393-4987

Authorized Signature: [Signature]



Expenditure Report to
The Bureau for Children and Families

Grantee: Mingo County ERN

Grant # 600358

Grant Category: Starting Points FRN Early Parent Education
 For the Quarter Beginning 4-1-06 and Ending 6-30-06

Cost Category	Grant Budget	Fiscal Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date TOTAL
Personnel	33,240	9,018.51	8,625.96	8,173.07	11,841.45	34,280.99
Fringe Benefits						
Travel	1,500	500	-0-	-0-	531.84	1,031.84
Project Coordinator						
Equipment						
Office Expense	4,700	1,866.95	1,213.05	53.85	2,843.99	4,897.84
Other (list):						
1. Cons Inv	500	120.38	125.23	172.94	81.45	500
2. Rent	2,400	810.00	400.00	800.00	400.00	2,410
3. Other - Misc	300	50.00	-0-	80	-0-	130
4. Bd of Risk	1,000	1,043.33	-0-	-0-	-0-	1,043.33
5.						
6.						
Grant Total	43,700	12,389.17	10,344.24	9,838.86	11,107.13	43,700

Certification: I HEREBY CERTIFY THE ABOVE TO BE A TRUE AND ACCURATE STATEMENT OF EXPENDITURES AND LOCAL MATCH.

Prepared by: _____
 Authorized Signature: [Signature]
 Preparer's phone # _____

