

**FAMILY CRISIS CENTER, INC.
KEYSER, WEST VIRGINIA**

**FINANCIAL STATEMENTS
(WITH SUPPLEMENTARY INFORMATION)**

FOR THE YEAR ENDED JUNE 30, 2008

DHHR - Finance

APR -1 2010

Date Received

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J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

To The Board of Directors
Family Crisis Center, Inc.
Keyser, West Virginia

We have audited the accompanying statement of financial position of Family Crisis Center, Inc. (a nonprofit organization) as of June 30, 2008, 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 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 Family Crisis Center, Inc. as of June 30, 2008, 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 a report dated March 31, 2010, on our consideration of Family Crisis Center, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Family Crisis Center, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards and schedule of state grant revenues and expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

J. C. Kunkle + Associates, A.C.

Martinsburg, West Virginia
March 31, 2010

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MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Family Crisis Center, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2008

ASSETS

Current Assets

| | |
|-------------------|---------------|
| Cash | \$ 120,729 |
| Grants receivable | <u>12,692</u> |

Total current assets 133,421

Property and equipment, net 105,415

Total assets \$ 238,836

LIABILITIES

Current Liabilities

| | |
|-----------------------|---------------|
| Accounts payable | \$ 706 |
| Accrued payroll taxes | 4,861 |
| Deferred compensation | <u>12,552</u> |

Total current liabilities 18,119

NET ASSETS

Unrestricted 220,717

Total net assets 220,717

Total liabilities and net assets \$ 238,836

The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2008

| | <u>Unrestricted</u> |
|---|---------------------------------|
| REVENUES AND SUPPORT | |
| Federal financial assistance | \$ 169,218 |
| State financial assistance | 143,739 |
| Local financial assistance | 1,375 |
| Federated agencies | 6,645 |
| Donations - individual and corporate | 3,858 |
| Interest and investment income | 1,403 |
| Other income | <u>2,254</u> |
| Total revenues and support | <u>328,492</u> |
| EXPENSES | |
| Program services | |
| Protective Services for Adults and Children - Domestic Violence Services | 207,143 |
| STOP Violence Against Women | 37,460 |
| Victims of Crime Assistance | 30,142 |
| Emergency Shelter Grants Program | 18,013 |
| Legal Assistance to Victims | 10,944 |
| Other | <u>22,516</u> |
| Total program services | <u>326,218</u> |
| Supporting services | |
| Management and general | 11,554 |
| Fundraising | <u>-</u> |
| Total supporting services | <u>11,554</u> |
| Total expenses | <u>337,772</u> |
| Change in net assets | (9,280) |
| Net assets, beginning of year | <u>229,997</u> |
| Net assets, end of year | <u><u>\$ 220,717</u></u> |

The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2008

| | Protective Services for Adults and Children - Domestic Violence Services | STOP Violence Against Women | Victims of Crime Assistance | Emergency Shelter Grants Program | Legal Assistance to Victims | Other Programs | Total Program Services | Management and General | Fundraising | Total |
|---------------------|---|--------------------------------------|-----------------------------------|--|-----------------------------------|-------------------|------------------------------|------------------------------|-------------|-------------------|
| Personnel | \$ 156,328 | \$ 37,460 | \$ 29,015 | \$ 5,582 | \$ 10,899 | \$ 18,845 | \$ 258,129 | \$ - | \$ - | \$ 258,129 |
| Awareness | 3,234 | - | - | - | - | - | 3,234 | - | - | 3,234 |
| Client expense | - | - | - | 504 | - | - | 504 | - | - | 504 |
| Supplies | 2,186 | - | - | 120 | - | 80 | 2,386 | - | - | 2,386 |
| Occupancy | 17,492 | - | - | 9,383 | - | - | 26,875 | - | - | 26,875 |
| Training and travel | 5,041 | - | 127 | - | 45 | - | 5,213 | - | - | 5,213 |
| Other | 22,862 | - | 1,000 | 2,424 | - | 3,591 | 29,877 | - | - | 29,877 |
| Depreciation | - | - | - | - | - | - | - | 11,554 | - | 11,554 |
| Total | \$ 207,143 | \$ 37,460 | \$ 30,142 | \$ 18,013 | \$ 10,944 | \$ 22,516 | \$ 326,218 | \$ 11,554 | \$ - | \$ 337,772 |

The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2008

| | |
|--|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Change in net assets | \$ (9,280) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | |
| Depreciation | 11,554 |
| Changes in current assets and liabilities: | |
| Grants receivable | (602) |
| Accounts payable and accrued expenses | (3,092) |
| Deferred compensation | <u>856</u> |
| Net cash used in operating activities | <u>(564)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of property and equipment | <u>-</u> |
| Net cash used in investing activities | <u>-</u> |
| Decrease in cash and cash equivalents | (564) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>121,293</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 120,729</u></u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | |
| Interest paid | <u>\$ 1,138</u> |
| Income taxes paid | <u>\$ -</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES: | |
| None | <u><u>\$ -</u></u> |

The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Family Crisis Center, Inc. is a non-stock, non-profit corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax-exempt organization under Internal Revenue Service Code Section 501(c) (3).

The Center's mission is to serve as a community resource center for victims of domestic and sexual violence, providing counseling, education, shelter, support and advocacy services. The Center serves Mineral, Hampshire, Grant, Hardy and Pendleton Counties in West Virginia.

The Center relies on federal and state financial assistance to provide for its continuing operations.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Organization receives a substantial amount of services donated by its volunteers in carrying out the Organization's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

Grants

Grants received by the Organization to provide for operations represent exchange transactions whereby the Organization must provide services as outlined in the related grant agreements. As such, these grants are not considered contributions and are not subject to FAS No. 116 provisions.

Family Crisis Center, Inc.
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is carried at cost or, if donated, at the approximate fair market value at the date of donation. All property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

The Organization's policy is to capitalize all property and equipment costs in excess of \$500.

When material in amount, interest related to construction projects is capitalized as a cost of the project.

Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

CASH

Cash consists of the following:

| | |
|---------------------|-------------------|
| Task Force checking | \$ 55,436 |
| General checking | 65,289 |
| Fundraiser checking | <u>4</u> |
| Total | <u>\$ 120,729</u> |

All accounts are FDIC insured.

The Organization deposits at financial institutions are fully insured by FDIC insurance at June 30, 2008.

PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

| | |
|-----------------------------------|-------------------|
| Buildings and improvements | \$ 174,344 |
| Equipment, furniture and fixtures | 134,325 |
| Accumulated depreciation | <u>(203,254)</u> |
| Net property and equipment | <u>\$ 105,415</u> |

Family Crisis Center, Inc.
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

CONCENTRATION

The Organization receives over 50 percent of its total support and revenues from various grants from or through the West Virginia Department of Health and Human Resources. These grants are awarded annually subject to applicable federal and state appropriation and have historically been funded based on past funding levels.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

RISK MANAGEMENT

Board of Risk and Insurance Management (BRIM)

The Center participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool. The Center pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The costs of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$2 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

SUPPLEMENTARY INFORMATION

Family Crisis Center, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2008

| <u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u> | <u>Federal CFDA Number</u> | <u>Federal Expenditures</u> |
|---|----------------------------|-----------------------------|
| Department of Justice/WV Division of Criminal Justice Services Victims of Crime Assistance | 16.575 | \$ 32,647 |
| Department of Justice/WV Division of Criminal Justice Services Stop Violence Against Women | 16.588 | 38,305 |
| Emergency Food and Shelter National Board Emergency Food and Shelter Program | 97.024 | 2,746 |
| Department of Health and Human Services/WV Department of Health and Human Resources Family Violence Prevention | 93.671 | 66,671 |
| Department of Housing and Urban Development/WV Office of Economic Opportunity Emergency Shelter Program | 14.231 | 17,906 |
| Department of Justice/WV Coalition Against Domestic Violence Legal Assistance for Victims | 16.524 | <u>10,943</u> |
| Total | | \$ <u>169,218</u> |

The accompanying notes are an integral part of the financial statements.
Family Crisis Center, Inc.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2008

NOTE 1:

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards include the Federal financial expenditures of Family Crisis Center, Inc. and is prepared in accordance with U.S. generally accepted accounting principles. Amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Family Crisis Center, Inc.
SCHEDULE OF STATE GRANT REVENUES AND EXPENDITURES
For the year ended June 30, 2008

| <u>State Grantor/ Program Title</u> | <u>State Grant Number</u> | <u>State Account Number (Fund)</u> | <u>State Receipts</u> | <u>State Expenditures</u> |
|--|-------------------------------|--|---------------------------|-------------------------------|
| WV Department of Health and Human Resources/ State General | 080133 | 0403-195 | \$ 45,525 | \$ 45,525 |
| WV Department of Health and Human Resources/ Budget Digest | 080133 | 0403-750 | 77,641 | 77,641 |
| WV Department of Health and Human Resources/ FPS | 080133 | 5057-099 | <u>20,573</u> | <u>20,573</u> |
| Total | | | <u>\$ 143,739</u> | <u>\$ 143,739</u> |

The accompany notes are an integral part of the financial statements.

Family Crisis Center, Inc.
NOTES TO SCHEDULE OF STATE GRANT REVENUES AND EXPENDITURES
For the year ended June 30, 2008

NOTE 1:

BASIS OF PRESENTATION

The accompanying Schedule of State Grant Revenues and Expenditures include the State financial revenue and expenditures of Family Crisis Center, Inc. and is prepared in accordance with U.S. generally accepted accounting principles. Amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.



J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Family Crisis Center, Inc.
Keyser, West Virginia

We have audited the financial statements of Family Crisis Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated March 31, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Family Crisis Center, 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 Family Crisis Center, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 Organizations' financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting and are listed as 2008-1 and 2008-2

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 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 internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Crisis Center, Inc.'s financial statements are free of 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 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Family Crisis Center in a separate letter dated March 31, 2010.

Family Crisis Center, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Family Crisis Center, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, management, others within the organization 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.

f. c. Kunkle & Associates, A.C.

Martinsburg, West Virginia
March 31, 2010

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Date Received

Family Crisis Center
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

**FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS**

Financial Statements Finding 2008-1:

The Organization currently does not prepare its financial statements, complete with footnote disclosures, and record certain transactions in accordance with accounting principles generally accepted in the United States of America.

Management's Response Finding 2008-1:

Because of cost/benefit considerations, the Organization deems it impractical to conduct these functions internally.

Financial Statements Finding 2008-2:

The Organization does not provide for general segregation of duties.

Management's Response Finding 2008-2:

The Organization is small and because of the limited number of Organization employees/contractors, it is not practical to provide greater segregation of duties from a cost/benefit standpoint. Management oversight mitigates this condition.



J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

March 31, 2010

Board of Directors
Family Crisis Center, Inc.
Keyser, West Virginia

In planning and performing our audit of the financial statements of Family Crisis Center, Inc. for the year ended June 30, 2008, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, we noted certain matters involving internal control and financial operations that we believe could be addressed by the Board of Directors to help the Organization increase operating efficiency and effectiveness.

Organizational Structure

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

Payroll

Certain errors were noted with the Organization's payroll tax reporting for the year. Although the errors were not significant, procedures should be evaluated to prevent these errors in future years. Also, tax payments were not filed in a timely fashion resulting in penalties being assessed to the Organization.

Financial Reporting

Reimbursement requests should ideally be prepared from the computerized general ledger accounting system to assure that cost reimbursements match the official accounting system. Expense allocations among functional areas should be reviewed and evaluated annually.

Fiscal Year 2008 Deficit

The Organization had an operating deficit for the year ended June 30, 2008. Although reserves adequately provided for this deficit, the Organization must evaluate the causes of it in planning and budgeting for future years. The deficit may be a indicator of limited funding resources and that certain Organizational structural changes must occur.

Credit Card Transactions

The Organization is not recording credit card transactions properly. Individual charges should be recorded to appropriate expense accounts.

Audits

Audits should be completed in a timely fashion.

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MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

We wish to thank the Executive Director for her support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A. C. Kunkle & Associates, A.C.

Martinsburg, West Virginia

DHHR - Finance

APR -1 2010

Date Received