

**PRESTON COUNTY CARING COUNCIL, INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2008**

DHHR - Finance

JUL 06 2010

Date Received

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**ROTH & WHITE, A.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
202 Tunnelton Street  
Kingwood, WV 26537  
(304) 329-1020

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Preston County Caring Council, Inc.  
Kingwood, West Virginia

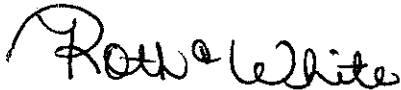
We have audited the accompanying statement of financial position of Preston County Caring Council, Inc. (a nonprofit organization) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. 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 Preston County Caring Council, 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 June 16, 2010 on our consideration of Preston County Caring Council, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 an opinion on the basic financial statements of Preston County Caring Council, Inc. taken as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the West Virginia Department of Health and Human Resources, and is not a required part of basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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.



Kingwood, West Virginia  
June 16, 2010

**DHHR - Finance**

JUL 06 2010

**Date Received**

**PRESTON COUNTY CARING COUNCIL, INC.**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2008**

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 13 443
Prepaid expenses	1 551
	-----
	14 994
	-----
PROPERTY AND EQUIPMENT	
Office equipment	25 207
Less accumulated depreciation	18 650
	-----
	6 557
	-----
	\$ 21 551
	=====
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 4 781
	-----
NET ASSETS	
Unrestricted	13 630
Temporarily restricted	3 140
	-----
	\$ 16 770
	=====

The Notes to Financial Statements are an integral part of these statements.

**PRESTON COUNTY CARING COUNCIL, INC.**

**STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT</b>			
State government grants	\$	\$ 170 000	\$ 170 000
Fundraising and special events	5 380		5 380
	-----	-----	-----
Total public support	5 380	170 000	175 380
	-----	-----	-----
Net assets released from usage restrictions	166 860	(166 860)	
	-----	-----	-----
Total public support and revenue	172 240	3 140	175 380
	-----	-----	-----
<b>EXPENSES</b>			
Program services	145 591		145 591
General and administrative	21 740		21 740
Fundraising	2 476		2 476
	-----	-----	-----
Total expenses	169 807		169 807
	-----	-----	-----
Increase in net assets	2 433	3 140	5 573
	-----	-----	-----
<b>NET ASSETS -</b>			
BEGINNING OF YEAR	11 197		11 197
	-----	-----	-----
NET ASSETS - END OF YEAR	\$ 13 630	\$ 3 140	\$ 16 770
	=====	=====	=====

The Notes to Financial Statements are an integral part of these statements.

**PRESTON COUNTY CARING COUNCIL, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2008**

	<u>Total</u>	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>
<b>PAYROLL</b>				
Staff wages	\$ 73 045	\$ 73 045	\$	\$
Employee benefits	16 555	16 555		
Payroll taxes	8 987	8 987		
	-----	-----	-----	-----
Total payroll	98 587	98 587		
<b>OTHER EXPENSES</b>				
Rent	8 855	8 855		
Professional fees	1 985		1 985	
Contractual	15 341	10 541	4 800	
Supplies and materials	9 867	7 391		2 476
Utilities	1 705	1 705		
Telephone	6 146	6 146		
Training	294	294		
Advertising and public relations	1 267	1 267		
Insurance	1 530	1 530		
Office expense	11 754		11 754	
Travel and transportation	5 491	5 491		
Dues and licenses	572		572	
Meeting expenses	1 105	1 105		
Depreciation	2 629		2 629	
Subscriptions	167	167		
Other sundries	2 512	2 512		
	-----	-----	-----	-----
	<u>\$ 169 807</u>	<u>\$ 145 591</u>	<u>\$ 21 740</u>	<u>\$ 2 476</u>

The Notes to Financial Statements are an integral part of these statements.

**PRESTON COUNTY CARING COUNCIL, INC.**

**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2008**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 5 573
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2 629
Decrease in receivables	668
Decrease in accrued expenses	(681)
Increase in prepaid expenses	(1 551)
	-----
Net cash provided by operating activities	6 638
	-----
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Equipment purchases	(3 121)
	-----
Net cash (used) in capital and related financing activities	(3 121)
	-----
<b>NET INCREASE IN CASH</b>	<b>3 517</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>9 926</b>
	-----
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 13 443</b>
	=====

The Notes to Financial Statements are an integral part of these statements.



## PRESTON COUNTY CARING COUNCIL, INC.

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Summary of Significant Accounting Policies

##### Organization

Preston County Caring Council, Inc. is a nonprofit organization, formed in 1994.

The mission of this Organization is to bring together resources to improve conditions for all children and families.

For the year ending June 30, 2008, the Council administered grant funding from the West Virginia Department of Health and Human Resources Bureau for Children and Families under programs for Preston and Taylor County Starting Points, Taylor County Family Resource Network and Preston County Caring Council.

##### Basis of accounting

The financial statements have been prepared on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when the obligation is incurred.

##### Financial statement presentation

The Council adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Council is required to present a statement of cash flows.

##### Contributions

The Council also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions.

##### Income taxes

The Council is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

##### Functional expenses

Expenses are charged to each functional area based on direct expenditures incurred. Expenditures not directly chargeable are allocated based upon the results of periodic time studies and management's estimates.

**PRESTON COUNTY CARING COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Cash and cash equivalents

Cash and cash equivalents presented on the statement of financial position and cash flows include the following:

	<u>Carrying Value</u>	<u>Interest Rate</u>
Petty Cash	\$ 326	N/A
Checking	13 117	0%

All cash accounts were fully insured by the Federal Depository Insurance Corporation (FDIC).

Interest Rate Risk

The organization does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Estimates

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

**Note 2. Property and Equipment and Depreciation**

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their fair value at the date of the gift. Depreciation is computed using an accelerated method and is based on the estimated useful lives of the assets.

**Note 3. Retirement System**

Preston County Caring Council, Inc. is not a member of any retirement system.

**PRESTON COUNTY CARING COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 4. Restricted Net Assets**

All of the restrictions on net assets relate to State of West Virginia grant funds received by the organization that were restricted for use by the grantor.

**Note 5. Risk Management**

The Council is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets, errors and omissions; and natural disasters for which the Council carries general liability and property insurance for these various risks. Amounts of settlements have not exceeded insurance coverage in the past three years.

**Note 6. State Government Grants**

Preston Caring Council, Inc. received funds from West Virginia Health and Human Resources/Bureau for Children and Families. The funds for these grant agreements were paid from the following federal and/or state sources:

Preston County Starting Points:	
Federal Funds (CFDA #93.590)	\$ 5 944
State Funds (Account #0403/274)	39 056
	-----
	\$ 45 000
	-----
Taylor County Starting Points:	
Federal Funds (CFDA # 93.590)	\$ 5 944
State Funds (Account #0403/274)	39 056
	-----
	\$ 45 000
	-----
Preston County Caring Council:	
Federal Funds (CFDA # 93.778)	\$ 15 419
State Funds (Account #0403/274)	24 581
	-----
	\$ 40 000
	-----
Taylor County Family Resource Network:	
State Funds (Account #0403/274)	\$ 40 000
	=====

**PRESTON COUNTY CARING COUNCIL, INC.**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
For the Year Ended June 30, 2008**

<b><u>State Grantor</u></b>	<b><u>Revenue Recognized</u></b>	<b><u>Expenditures</u></b>
West Virginia Department of Health and Human Resources Bureau for Children and Families		
Preston County Starting Points	\$ 45 000	\$ 45 000
Taylor County Starting Points	45 000	45 000
Preston County Caring Council	40 000	40 000
Taylor County Family Resource Network	40 000	36 860

**Note A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state awards includes the state grant activity of Preston Caring Council, Inc. and is presented on the accrual basis of accounting.

The Notes to Financial Statements are an integral part of these statements.

**ROTH & WHITE, A.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
202 Tunnelton Street  
Kingwood, WV 26537  
(304) 329-1020

**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  
Preston County Caring Council, Inc.  
Kingwood, West Virginia

We have audited the financial statements of Preston County Caring Council, Inc (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated June 16, 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 Preston County Caring Council, 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 Preston County Caring Council, Inc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council'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 a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 Council's financial statements that is more than inconsequential will not be prevented or detected by the Council's internal control. We consider the deficiency described as 08-01 in the accompanying schedule of findings and responses to be significant deficiency in internal control over financial reporting.

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 Council's internal control.

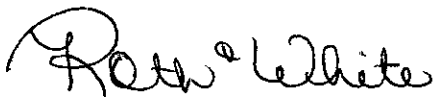
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Preston County Caring Council, 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.

Preston County Caring Council, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Preston County Caring Council, Inc.'s responses and, accordingly, we express no opinion on it.

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



Kingwood, West Virginia  
June 16, 2010

**DHHR - Finance**

JUL 06 2010

**Date Received**

**PRESTON COUNTY CARING COUNCIL INC.**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2008**

**08-1**

**SEGREGATION OF DUTIES**

**CONDITION:**

Responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals.

**CRITERIA:**

Analysis of the internal control system indicated a lack of segregation of duties.

**EFFECT:**

Because of the failure to segregate duties, internal control elements do not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

**RECOMMENDATION:**

Responsibilities of approval, execution, recording and custody should be distributed among the office staff to the best degree possible. However, we recognize that complete segregation of duties is not economically feasible for the Organization.

**CORRECTIVE ACTION:**

Management will try to segregate duties as much as possible with the limited staff available.