

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

DHHR - Finance

SEP 21 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
Monongalia County Family Resource Network, Inc
Morgantown, West Virginia

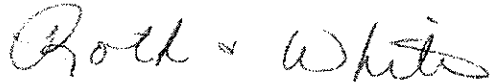
We have audited the accompanying statement of financial position of Monongalia County Family Resource Network, Inc (a nonprofit organization) as of June 30, 2008, and the related statements of activities and changes in net assets and functional expenses for the year then ended. These financial statements 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 Monongalia County Family Resource Network, Inc. as of June 30, 2008,, and the changes in its net assets and functional expenses 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 September 17, 2010 on our consideration of Monongalia County Family Resource Network, 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 read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements, of Monongalia County Family Resource Network, Inc taken as a whole. The accompanying schedule of expenditures of state awards is presented for the purposes of additional analysis as required by the West Virginia Department of Health and Human Resources, and is not a required part of the basic financial statements. Information presented in the schedule of expenditures of 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

A handwritten signature in cursive script that reads "Roth & White".

Kingwood, West Virginia
September 17, 2010

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2008

ASSETS

CURRENT ASSETS

Cash	\$ 2 339
Certificates of deposit	24 373
Other receivable	1 024
Prepaid rent	1 507
	<hr/>
	29 243
	<hr/>

PROPERTY AND EQUIPMENT

Office equipment and furniture	39 439
Less accumulated depreciation	28 784
	<hr/>
	10 655
	<hr/>

\$ 39 898

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 209
Accrued payroll liabilities	1 754
	<hr/>
	1 963
	<hr/>

NET ASSETS

Restricted	0
Unrestricted	37 935
	<hr/>

37 935

\$ 39 898

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

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT			
State grants	\$ 40 000	\$ 45 000	\$ 85 000
Other contributions and grants	62 216	5 695	67 911
Miscellaneous	414		414
Interest	837		837
	<hr/>	<hr/>	<hr/>
	103 467	50 695	154 162
Net assets released from usage restrictions	50 695	(50 695)	
	<hr/>	<hr/>	<hr/>
Total public support	154 162		154 162
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program services	136 119		136 119
Administrative and general	33 255		33 255
Fundraising	1 293		1 293
	<hr/>	<hr/>	<hr/>
Total expense	170 667		170 667
	<hr/>	<hr/>	<hr/>
Changes in net assets	(16 505)		(16 505)
NET ASSETS - BEGINNING OF YEAR	54 440		54 440
	<hr/>	<hr/>	<hr/>
NET ASSETS - END OF YEAR	<u>\$ 37 935</u>	<u>\$</u>	<u>\$ 37 935</u>

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

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2008

	<u>Total</u>	<u>Program Services</u>	<u>Administrative & General</u>	<u>Fundraising</u>
Payroll expense	\$ 60 037	\$ 46 589	\$ 13 448	\$
Payroll taxes	8 086	6 010	2 076	
Payroll benefits	4 377	3 502	875	
	-----	-----	-----	-----
	72 500	56 101	16 399	
Contractual services	22 234	22 234		
Office rent	7 800	6 240	1 560	
Telephone	3 230	2 585	646	
Training	1 897	1 897		
Travel	4 962	4 962		
Supplies	21 396	20 103		1 293
Postage and delivery	1 355	1 083	271	
Office expense	5 531		5 531	
Advertising	340	340		
Professional fees	3 928		3 928	
Depreciation	6 194	4 955	1 239	
Insurance	3 656		3 656	
Contributions	12 300	12 300		
Miscellaneous	3 344	3 319	25	
	-----	-----	-----	-----
	<u>\$ 170 667</u>	<u>\$ 136 119</u>	<u>\$ 33 255</u>	<u>\$ 1 293</u>

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

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

STATEMENT OF CASH FLOWS
Year ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (16 505)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	6 194
Increase in accounts payable	169
Decrease in payroll liabilities	(187)
Net cash used by operating activities	<u>(10 329)</u>
NET DECREASE IN CASH	(10 329)
CASH AND EQUIVALENTS - BEGINNING	37 041
CASH AND EQUIVALENTS - ENDING	<u><u>\$ 26 712</u></u>

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

NONCASH INVESTING ACTIVITIES:

It was determined that fully depreciated assets with a cost of \$ 37,307 had been donated to other not-for-profit organizations or discarded. The cost of these assets was written off during the current year.

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization

Monongalia County Family Resource Network, Inc. is a nonprofit organization, incorporated in June, 1996. The Organization is a coalition of citizens and agencies formed for the purpose of improving programs and services for children, youth, and families in Monongalia County, West Virginia. Through involvement with service providers, service consumers, and local citizens, the Organization works to improve existing services and assess the need for services which do not currently exist. Funding for these services is provided primarily by the West Virginia Department of Health and Human Resources.

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.

Cash

Cash and certificates of deposit include the following:

	<u>Carrying Value</u>	<u>Interest Rate</u>
Checking accounts	\$ 2 339	N/A
Certificates of deposit	\$ 24 773	.75% - 4.402%

All cash accounts were held at one local financial institution and were fully insured by the Federal Depository Insurance Corporation (FDIC). Maturities of certificates of deposit range from three months to twelve months.

Financial statement presentation

The Organization adopted 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, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows.

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

Contributions

The Organization 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 the time or purpose restrictions.

Income taxes

The Organization 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 management's estimates.

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.

Interest Rate Risk

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

Note 2. Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their fair market value at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Note 3. Compensated Absences

The Organization has accrued vacation leave at year end according to its policy on the same. This amount is included in accrued payroll liabilities.

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. In-Kind Donations

The value of in-kind services received by the Organization and used as local match for its grants is not recognized in these financial statements

Note 5. Retirement Contributions

The Organization has established a SIMPLE IRA plan for its eligible employees. Employer matching contributions totaling \$900 during the current year is included in payroll benefits.

Note 6. Risk Management

The Organization is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors an omissions; and natural disasters for which general liability and property insurance is carried.

Note 7. Subsequent Event

As of July 1, 2009, Monongalia County Family Resources Network became a part of the United Way of Monongalia and Preston Counties and began operating as the United Way Family Resources Network of Monongalia County

ROTH & WHITE, A.C.
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**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
Monongalia County Family Resource Network, Inc
Morgantown, WV

We have audited the financial statements of Monongalia County Family Resource Network, Inc (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated September 17, 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 Monongalia 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 Monongalia 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.

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 a 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 Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We consider the deficiencies described as 08-01 and 08-02 in the accompanying schedule of findings and responses to be significant deficiencies 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 Organization's internal control.

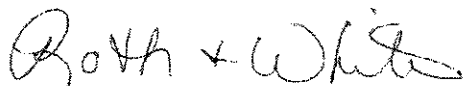
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monongalia County Family Resource Network, 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.

Monongalia County Family Resource Network, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Monongalia County Family Resource Network, Inc.'s responses and, accordingly, we express no opinion on them.

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
September 17, 2010

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended June 30, 2008

<u>State Grantor</u>	<u>Revenue</u>	<u>Expenditures</u>
West Virginia Department of Health and Human Resources <u>Bureau for Children and Families</u> Starting Points Center (including pass-through funds from the U S Department of Health and Human Services; CFDA No 93 590)	\$ 45 000	\$ 45 000
Planning and Coordination Grant (includes pass-through funds from the U.S Department of Health and Human Services; CFDA No. 93 778 and 93.590)	\$ 40 000	\$ 40 000

Note A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of Monongalia County Family Resource Network, Inc. and is presented on the accrual basis of accounting.

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

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

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

08-01

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. This is a repeat finding from previous years.

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.

08-02

ACCOUNTING FOR CAPITAL ASSET DISPOSITIONS

CONDITION:

It was determined during the year that capital assets consisting primarily of office equipment had been donated to other not-for-profit agencies or discarded, but no records were maintained of the dispositions.

CRITERIA:

There was a lack of adequate documentation and retention of documents.

EFFECT:

Capital assets that the Organization no longer had in its possession were still being carried on the balance sheet. Any gains or losses on dispositions of assets were not recognized in the statement of activity.

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

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

08-02

**ACCOUNTING FOR CAPITAL ASSET DISPOSITIONS
(CONTINUED)**

RECOMMENDATION:

The Organization should maintain a record of all donated assets, along with a written acknowledgment from the donee organization. A physical inventory of assets should be made each year and reconciled to the capital asset schedule.

CORRECTIVE ACTION:

Certain equipment that was fully depreciated and no longer functional was discarded over the years, but was not removed from the accounting records. In addition, certain assets that were replaced with more efficient models or models with greater functionality were donated to other agencies. All such donations were made to qualified not-for-profit agencies and were reported to the Board of Directors of Monongalia County Family Resource Network.

Management will put procedures in place to ensure that all dispositions are approved by the Board of Directors, properly documented with a receipt from the donee agency, and entered in the accounting records in a timely manner. Management will also reconcile the capital asset schedule with the physical inventory of assets on an annual basis.