

**PRESTON COUNTY CARING COUNCIL, INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

DHHR - Finance

JUN 29 2011

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, 2009, 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, 2009, 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 17, 2011 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.

A handwritten signature in cursive script that reads "Reto White".

Kingwood, West Virginia  
June 17, 2011

**PRESTON COUNTY CARING COUNCIL, INC.**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2009**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 10 717
	-----
	10 717
	-----
<b>PROPERTY AND EQUIPMENT</b>	
Office equipment	24 046
Less accumulated depreciation	19 959
	-----
	4 087
	-----
	<u><u>\$ 14 804</u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 4 609
	-----
<b>NET ASSETS</b>	
Unrestricted	10 195
	-----
	<u><u>\$ 14 804</u></u>

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

**PRESTON COUNTY CARING COUNCIL, INC.**

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
State government grants	\$	\$ 125 000	\$ 125 000
Fundraising and special events	13 989		13 989
Administration fee income	4 000		4 000
	-----	-----	-----
Total revenue and support	17 989	125 000	142 989
	-----	-----	-----
Net assets released from usage restrictions	128 140	(128 140)	
	-----	-----	-----
Total public support and revenue	146 129	(3 140)	142 989
	-----	-----	-----
<b>EXPENSES</b>			
Program services	123 316		123 316
General and administrative	15 943		15 943
Fundraising	5 268		5 268
	-----	-----	-----
Total expenses	144 527		144 527
	-----	-----	-----
Increase (decrease) in net assets	1 602	(3 140)	(1 538)
	-----	-----	-----
<b>NET ASSETS -</b>			
<b>BEGINNING OF YEAR,</b>			
as restated	8 593	3 140	11 733
	-----	-----	-----
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 10 195</u>	<u>\$ -0-</u>	<u>\$ 10 195</u>

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, 2009**

	<u>Total</u>	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>
<b>PAYROLL</b>				
Staff wages	\$ 62 700	\$ 62 700	\$	\$
Employee benefits	15 678	15 678		
Payroll taxes	6 541	6 541		
	-----	-----	-----	-----
Total payroll	84 919	84 919		
<b>OTHER EXPENSES</b>				
Rent	5 215	5 215		
Professional fees	3 913		3 913	
Contractual	4 392		4 392	
Supplies and materials	18 727	13 459		5 268
Utilities	555	555		
Telephone	3 547	3 547		
Training	3 202	3 202		
Advertising and public relations	787	787		
Insurance	3 025	3 025		
Office expense	5 811		5 811	
Travel and transportation	3 638	3 638		
Dues and licenses	332		332	
Meeting expenses	1 113	1 113		
Depreciation	1 755	260	1 495	
Subscriptions	117	117		
Other sundries	3 479	3 479		
	-----	-----	-----	-----
	<u>\$ 144 527</u>	<u>\$ 123 316</u>	<u>\$ 15 943</u>	<u>\$ 5 268</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, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (1 538)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1 755
Increase in accrued expenses	3 118
Decrease in prepaid expenses	1 551
	-----
Net cash provided by operating activities	4 886
	-----
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Equipment purchases	(1 961)
	-----
Net cash (used) in capital and related financing activities	(1 961)
	-----
NET INCREASE IN CASH	2 925
CASH AND CASH EQUIVALENTS - BEGINNING, as restated	7 792
	-----
CASH AND CASH EQUIVALENTS - ENDING	\$ 10 717
	=====

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, 2009, the Council administered grant funding from the West Virginia Department of Health and Human Resources Bureau for Children and Families under programs for Preston County Starting Points 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	\$ 200	N/A
Checking	10 517	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
	-----
Preston County Caring Council Parents as Teachers:	
Federal Funds (CFDA # 93.590)	\$ -0-
State Funds (Account #0403/688)	40 000
	-----
	\$ 40 000
	-----
Preston County Caring Council:	
Federal Funds (CFDA #93.778)	\$ 15 419
Federal Funds (CFDA #93.569)	322
State Funds (Account #0403/274)	24 259
	-----
	\$ 40 000
	-----

**PRESTON COUNTY CARING COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 7. Restatement of Opening Balances**

Opening balances have been restated eliminating balances of Taylor County Starting Points and Taylor County Family Resource Network. Taylor County Starting Points and Taylor County Family Resource Network became part of a newly-formed, independent nonprofit organization, Taylor County Collaborative Family Resource Network, beginning July 1, 2008. All assets and liabilities of the Taylor County activities were transferred at book value to the new organization.

**PRESTON COUNTY CARING COUNCIL, INC.**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
For the Year Ended June 30, 2009**

<u>State Grantor</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
West Virginia Department of Health and Human Resources Bureau for Children and Families		
Preston County Starting Points	\$ 45 000	\$ 45 000
Preston County Caring Council	40 000	40 000
Preston County Caring Council Parents as Teachers	40 000	40 000

**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, 2009, and have issued our report thereon dated June 17, 2011. 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.

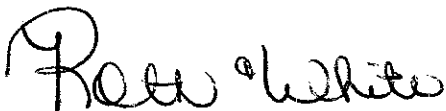
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose 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 an 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 17, 2011

**PRESTON COUNTY CARING COUNCIL INC.**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009**

**09-1**

**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.

**COUNCIL'S RESPONSE:**

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