

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

DHHR - Finance

FEB 13 2012

Date Received

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FEB 13 2012

Date Received

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, 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 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, 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 January 24, 2012 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.

Ross & White

Kingwood, West Virginia
January 24, 2012

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FEB 13 2012

Date Received

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

STATEMENT OF FINANCIAL POSITION
June 30, 2009

ASSETS	
CURRENT ASSETS	
Cash	\$ 17 489
Other receivable	1 024
	<hr/>
	18 513
	<hr/>
PROPERTY AND EQUIPMENT	
Office equipment and furniture	37 511
Less accumulated depreciation	31 893
	<hr/>
	5 618
	<hr/>
	\$ 24 131
	<hr/> <hr/>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 1 109
Accrued payroll liabilities	5 546
	<hr/>
	6 655
	<hr/>
NET ASSETS	
Restricted	0
Unrestricted	17 476
	<hr/>
	17 476
	<hr/>
	\$ 24 131
	<hr/> <hr/>

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

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT			
State grants	\$ 40 000	\$ 90 000	\$ 130 000
Other contributions and grants	60 275	9 205	69 480
Miscellaneous	4 254		4 254
Loss on disposal of equipment	(252)		(252)
	-----	-----	-----
	104 277	99 205	203 482
 Net assets released from usage restrictions	 99 205	 (99 205)	
	-----	-----	-----
 Total public support	 203 482		 203 482
	-----	-----	-----
 EXPENSES			
Program services	191 640		191 640
Administrative and general	32 301		32 301
	-----	-----	-----
 Total expense	 223 941		 223 941
	-----	-----	-----
 Changes in net assets	 (20 459)		 (20 459)
 NET ASSETS - BEGINNING OF YEAR	 37 935		 37 935
	-----	-----	-----
 NET ASSETS - END OF YEAR	 \$ 17 476	 \$	 \$ 17 476
	=====	=====	=====

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, 2009

	<u>Total</u>	<u>Program Services</u>	<u>Administrative & General</u>
Payroll expense	\$ 65 494	\$ 52 928	\$ 12 566
Payroll taxes	11 778	9 423	2 355
Payroll benefits	2 067	1 654	413
	-----	-----	-----
	79 339	64 005	15 334
Contractual services	60 261	58 823	1 438
Office rent	8 007	6 406	1 601
Telephone	3 068	2 454	614
Training	402	402	
Travel	4 703	4 703	
Supplies and materials	38 835	38 835	
Postage and delivery	1 010	808	202
Office expense	9 121		9 121
Advertising	826	826	
Professional fees	450		450
Depreciation	4 785	3 828	957
Insurance	1 977		1 977
Americorp Vista	10 550	10 550	
Miscellaneous	607		607
	-----	-----	-----
	<u>\$ 223 941</u>	<u>\$ 191 640</u>	<u>\$ 32 301</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, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (20 459)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4 785
Increase in accounts payable	900
Increase in payroll liabilities	3 792
Decrease in prepaid rent	1 507
Loss on disposal of equipment	252
Net cash used by operating activities	<u>(9 223)</u>
NET DECREASE IN CASH	(9 223)
CASH AND EQUIVALENTS - BEGINNING	<u>26 712</u>
CASH AND EQUIVALENTS - ENDING	<u><u>\$ 17 489</u></u>

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

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 consists of the following:

	<u>Carrying Value</u>	<u>Interest Rate</u>
Checking accounts	\$ 17 489	N/A

All checking accounts were held at one local financial institution and were fully insured by the Federal Depository Insurance Corporation (FDIC).

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 no accrued vacation or sick leave at year end and, therefore, no liability for compensated absences is included in these financial statements.

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 \$300 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 and 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, 2009, and have issued our report thereon dated January 24, 2012. 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.

A deficiency in internal control 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 material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial

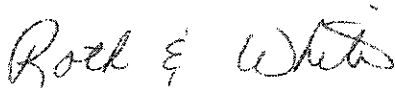
reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described as 09-01 in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency or a combination of deficiencies, in internal control less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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, federal 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
January 24, 2012

MONONGALIA COUNTY FAMILY RESOURCE NETWORK, INC.

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended June 30, 2009

<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 Family Resource Center, Grant No. G#90238 (includes \$5,944 in 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, Grant No. G#090173 (includes \$15,420 in pass-through funds from the U.S. Department of Health and Human Services; CFDA No 93.778)	\$ 40 000	\$ 40 000
In Home Family Education, Parents As Teachers (PAT) Grant No. G#090511	\$ 45 000	\$ 45 000

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, 2009**

09-01

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.