REACHH - FAMILY RESOURCE CENTER, INC.

FINANCIAL REPORT

June 30, 2009

TABLE OF CONTENTS

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Certified Public Accountants

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The Board of Directors
REACHH - Family Resource Center, Inc.
Hinton, West Virginia

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheets of REACHH - Family Resource Center, Inc. as of June 30, 2009 and 2008, and the related statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide 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 REACHH - Family Resource Center, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years 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 our report dated November 6, 2009, on our consideration of REACHH - Family Resource Center, Inc.'s internal control over financial reporting and 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 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 audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and is 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.

KUNIZ & ASSOCIATES, PLLC

Kuntz + Associates, PLLC

Bridgeport, West Virginia
November 6, 2009

DHHR - Finance

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Date Received

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ACCOUNTABILITY & MANAGEMENT REPORTING

REACHH - FAMILY RESOURCE CENTER, INC.
BALANCE SHEETS
JUNE 30, 2009 AND 2008

		2009		2008
ASSETS				
Cash and equivalents	$	56,306	$	99,660
Grants receivable		12,903		3,500
Prepaids and deposits		1,075		1,075
Total current assets		70,284		104,235
PROPERTY AND EQUIPMENT, at cost				
Land		45,000		45,000
Building improvements		152,532		152,532
Computers		28,919		28,919
Equipment		22,571		22,571
		249,022		249,022
Less accumulated depreciation		83,469		71,620
		165,553		177,402
Total assets	$	235,837	$	281,637
LIABILITIES AND NET ASSETS				
Accounts payable	$	318	$	119
Accrued salaries and benefits		3,774		4,171
Total current liabilities		4,092		4,290
NET ASSETS				
Temporarily restricted net assets		5,651		40,000
Unrestricted net assets		226,094		237,347
		231,745		277,347
Total liabilities and net assets	$	235,837	$	281,637

See Accompanying Notes to Financial Statements

REACHH - FAMILY RESOURCE CENTER, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
REVENUE		
Grants	$ 187,066	$ 148,682
Service income	6,197	13,951
Donations	25,887	18,131
Rent	6,650	6,520
Fundraising	7,673	722
Reimbursements	-	3,024
Interest	1,169	1,815
Other revenue	1,152	458
Total revenue	235,794	193,303
EXPENSES		
Salaries	142,439	123,149
Contract workers	22,583	22,573
Employee benefits	13,326	13,068
Food	2,268	1,506
Depreciation and amortization	11,849	12,332
Repairs and maintenance	10,112	3,826
Utilities and telephone	9,952	8,441
Insurance	5,200	8,020
Supplies	5,631	26,551
Conferences and training	4,554	6,661
Travel expense	8,224	6,621
Other	10,909	5,324
Total expenses	247,047	238,072
Changes in unrestricted net assets	$ (11,253)	$ (44,769)

REACHH - FAMILY RESOURCE CENTER, INC.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
UNRESTRICTED		
Unrestricted net assets, beginning	$ 237,347	$ 282,116
Change in unrestricted net assets	(11,253)	(44,769)
Unrestricted net assets, ending	$ 226,094	$ 237,347
TEMPORARILY RESTRICTED		
Temporarily restricted net assets, beginning	$ 40,000	$ -
Change in temporarily restricted net assets	(34,349)	40,000
Temporarily restricted net assets, ending	$ 5,651	$ 40,000

See Accompanying Notes to Financial Statements

REACHH - FAMILY RESOURCE CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in unrestricted net assets	$ (11,253)	$ (44,769)
Adjustments to reconcile changes in unrestricted net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	11,849	12,332
Changes in operating assets and liabilities:		
Grants receivable	(9,403)	4,134
Prepaids and deposits	-	1,830
Accounts payable	199	65
Accrued salaries and benefits	(397)	(107)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(9,005)	(26,515)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in unrestricted net assets	(34,349)	40,000
Net change in line of credit	-	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(34,349)	40,000
Net increase (decrease) in cash	(43,354)	13,485
Cash at the beginning of the year	99,660	86,175
Cash at the end of the year	$ 56,306	$ 99,660
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ -	$ 229
Cash paid for income taxes	$ -	$ -

See Accompanying Notes to Financial Statements

1. NATURE OF OPERATIONS

REACHH - Family Resource Center, Inc. (Company) is a not for profit corporation formed on July 1, 2000. The Company is guided by the beliefs that all children and their families deserve to be protected, supported, empowered and provided with the opportunity to reach their fullest potential and to live free of violence and abuse; and that services should be both community based and family centered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Reporting
These financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

Management's Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Economic Dependency and Geographic Concentration
Funding for operations is primarily from grant funding sources and donations. Amounts received from grant sources are subject to audit by government agencies. Any adjustment resulting from such audits would be reflected in the year of ultimate settlement.

The Company receives a substantial portion of its funding from the West Virginia Department of Health and Human Resources and other State agencies. It is therefore dependent on funding from these agencies for its continued existence.

Cash and Cash Equivalents
For purposes of the balance sheet and statement of cash flows, the Company considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At June 30, 2009 and 2008, management believes that the carrying amount of cash equivalents approximates fair value because of the short maturity of these financial instruments.

Grants Receivable
Accounts receivable represents the estimated net realizable amounts due from funding sources for services rendered. No allowance for uncollectible amounts was deemed necessary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets
Fixed assets are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets. The Company's policy is to capitalize assets whose expected useful life is in excess of one year and have an individual cost in excess of a pre-established threshold. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations. The Company received donated property and equipment on July 1, 2000, and August 1, 2001. These donated assets have been recorded at their estimated fair market value and are being depreciated over their estimated useful lives by the straight-line method.

Net Asset Classification
Net assets and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor/grantor-imposed stipulations.
Temporarily restricted net assets – net assets subject to donor/grantor-imposed stipulations that will be met either by actions of the Company and/or the passage of time.
Permanently restricted net assets – net assets subject to donor/grantor-imposed stipulations that the assets are to be maintained permanently by the Company.

The Company reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. When long-lived assets are placed in service, thus satisfying purpose restrictions, the amount is included as a change in net assets, restricted and unrestricted. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements. The Company reports gifts of equipment (or other long-lived assets) as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

The company had no permanently restricted net assets at June 30, 2009 and 2008. The company had temporarily restricted net assets of $5,651 and $40,000 at June 30, 2009 and 2008, respectively.

Income Taxes
The Company has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Sec. 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to section 501(a) of that code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications
Certain amounts at June 30, 2008, and for the year then ended, have been reclassified to conform to the presentation of amounts for the year ended June 30, 2009. The reclassifications have no effect on the change in net assets for the year ended June 30, 2008.

3. LINE OF CREDIT

The Company has a line of credit with First Century Bank, N.A., with a variable interest rate. The balances as of June 30, 2009 and 2008 were $- and $-, respectively.

4. CLASSIFICATION OF EXPENSES

Expenses are charged to program and support services based on the actual costs incurred. Those expenses which are not directly identifiable with any other specific function, but provide overall support and direction, have been included as General and Administrative.

	2009	2008
General and Administrative	$ 25,515	$ 25,933
Program Services	221,448	212,039
Fundraising	84	100
	$ 247,047	$ 238,072

5. SUBSEQUENT EVENTS

In May 2009, the FASB issued SFAS No. 165 Subsequent Events (SFAS No. 165), which defines further disclosure requirements for events that occur after the balance sheet date but before financial statements are issued. SFAS No. 165 is effective for the Company beginning with the fiscal year ended June 30, 2009. In accordance with SFAS No. 165, the Company's management has evaluated events subsequent from June 30, 2009 through November 6, 2009, which is the issuance date of this report. There has been no material event noted during this period that would either impact the results reflected in this report or the Company's results going forward.

REACHH - FAMILY RESOURCE CENTER, INC.
SCHEDULE OF AWARDS
JUNE 30, 2009

Programs Title	Grant /CFDA Number		Award Amount		Revenue Recognized		Expenditures		Receivable (Deferred Revenue)
State Grantor									
Department of Health and Human Services									
Parents as Teachers	G 090204	$	61,985	$	61,985	$	61,985	$	-
Starting Points	G 090243	$	39,056	$	39,056	$	39,056	$	-
Through Team for WV Children Partners in Prevention	NA	$	7,500	$	7,500	$	7,500	$	-
Division of Criminal Justice									
Child Advocacy Grant	09-104	$	35,000	$	33,217	$	33,217	$	-
		$	143,541	$	141,758	$	141,758	$	-
Federal Grantor									
Department of Health and Human Services									
Parents as Teachers	G 090204 93.590	$	5,015	$	5,015	$	5,015	$	-
Starting Points	G 090243 93.590	$	5,944	$	5,944	$	5,944	$	-
Edvantia									
Parents as Teachers	S-31200-08-005 84.310A	$	40,000	$	34,349	$	34,349	$	(5,651)
		$	50,959	$	45,308	$	45,308	$	(5,651)

NOTE A: The schedule of awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of states, local governments, and Non-Profit Organizations*. Therefore, some amounts presented may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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To the Board of Directors
REACHH - Family Resource Center, Inc.
Hinton, West Virginia

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*

We have audited the financial statements of REACHH - Family Resource Center, Inc. as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 2009. 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 REACHH - Family Resource 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 organization'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 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 in the accompanying schedule of findings and questioned costs as finding(s) 2009-1 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. 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 REACHH - Family Resource 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 also noted certain other matters that we have reported to management of REACHH - Family Resource Center, Inc. in a separate letter dated November 6, 2009.

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

KUNTZ & ASSOCIATES, PLLC

Kuntz + Associates, PLLC

Bridgeport, West Virginia
November 6, 2009

KUNTZ & ASSOCIATES, P.L.L.C.
Certified Public Accountants

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To the Board of Directors
REACHH - Family Resource Center, Inc.
Hinton, West Virginia

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.

Compliance

We have audited the compliance of REACHH - Family Resource Center, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major governmental programs for the year ended June 30, 2009. REACHH - Family Resource Center, Inc.'s major governmental programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major governmental programs is the responsibility of the organization's management. Our responsibility is to express an opinion on REACHH - Family Resource Center, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major governmental program occurred. An audit includes examining, on a test basis, evidence about the organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the organization's compliance with those requirements.

In our opinion, REACHH - Family Resource Center, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major governmental programs for the years ended June 30, 2009 and 2008.

Internal Control Over Compliance

The management of REACHH - Family Resource Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to governmental programs. In planning and performing our audit, we considered the organization's internal control over compliance with requirements that could have a direct and material effect on a major governmental program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over compliance.

A control deficiency in an organization's 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 noncompliance with a type of compliance requirement of a governmental program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a governmental program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a governmental program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over compliance 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 material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

KUNTZ & ASSOCIATES, PLLC

Kuntz + Associates, PLLC

Bridgeport, West Virginia
November 6, 2009

DHHR - Finance

DEC 3 2009

Date Received

REACHH - FAMILY RESOURCE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2008

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified opinion
Internal control of financial reporting:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_X_ Yes ____ None Reported
Noncompliance material to financial statements noted?	____ Yes _X_ None Reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133?	____ Yes _X_ No
Identification of Major Programs:	
Grant	State Portion of Starting Points and PAT
Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ Yes _X_ No

Section II – Financial Statement Findings and Questioned Costs

2009 - 1 - Condition: Segregation of Duties
REACHH - Family Resource Center, Inc. concentrates its accounting functions in a limited number of positions. With this limited segregation of duties, internal controls cannot be relied on because that one person can override the controls. Due to the limited number of accounting staff it is not believed that this condition can be entirely alleviated.

Section III – Governmental Award Findings and Questioned Costs

There were no findings or questioned costs relating to governmental award programs.

Section IV – Corrective Action Plan

2009-1 Due to the size of the Center, management will not be able to properly segregate all duties. However, management will review procedures to determine which changes can be made with limited staff.

Section V – Summary of Prior Audit Findings

Condition: Segregation of Duties
REACHH - Family Resource Center, Inc. has a finding listed as 2009-1 which has been an on going audit finding.

2008 – 1 Prior Year Adjusting Journal Entries
The prior year adjusting journal entries from the audit were not posted to the QuickBooks program. We recommend that the adjusting entries for the current year be reviewed and if acceptable, they should be posted to the books and records of the entity. This was substantially corrected in the current year.

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November 6, 2009

To the Board of Directors
REACHH - Family Resource Center, Inc.
Hinton, WV

We have audited the financial statements of REACHH - Family Resource Center, Inc. for the year ended June 30, 2009, and have issued our report thereon dated November 6, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 8, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by REACHH - Family Resource Center, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was:

> Management's estimate of the grant revenues and receivables are a complex series of calculations and estimates. Including the estimate of how much revenue should be deferred to a subsequent period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

> The disclosure of recognition of income related to grant revenues and temporarily restricted net assets related to grant funds in Note 2 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 6, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of board of directors and management of REACHH - Family Resource Center, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Kuntz + Associates, PLLC

Kuntz & Associates, PLLC