

**FAMILY CRISIS CENTER, INC.
KEYSER, WEST VIRGINIA**

**FINANCIAL STATEMENTS
(WITH SUPPLEMENTARY INFORMATION)**

FOR THE YEAR ENDED JUNE 30, 2011

DHHR - Finance

JUL 31 2012

Date Received

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J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

To The Board of Directors
Family Crisis Center, Inc.
Keyser, West Virginia

We have audited the accompanying statement of financial position of Family Crisis Center, Inc. (a nonprofit organization) as of June 30, 2011, 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 Family Crisis Center, Inc. as of June 30, 2011, 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 April 27, 2012, on our consideration of Family Crisis Center, Inc.'s internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed 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 financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of state grant revenues and expenditures are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

J.C. Kunkle & Associates, A.C.

Martinsburg, West Virginia 164 Lina Lane ■ Martinsburg, WV 25405
April 27, 2012

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DHHR - Finance

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Family Crisis Center, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2011

ASSETS

Current Assets

Cash	\$ 105,626
Grants receivable	<u>10,458</u>

Total current assets	<u>116,084</u>
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Property and equipment, net	<u>95,950</u>
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Total assets	<u><u>\$ 212,034</u></u>
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LIABILITIES

Current Liabilities

Accounts payable	\$ 1,783
Accrued payroll taxes	1,358
Deferred compensation	<u>3,436</u>

Total current liabilities	<u>6,577</u>
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NET ASSETS

Unrestricted	<u>205,457</u>
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Total net assets	<u>205,457</u>
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Total liabilities and net assets	<u><u>\$ 212,034</u></u>
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The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2011

	<u>Unrestricted</u>
REVENUES AND SUPPORT	
Federal financial assistance	\$ 155,639
State financial assistance	184,214
Local financial assistance	2,000
Federated agencies	535
Donations - individual and corporate	9,624
Interest and investment income	29
Other	411
	<u>352,452</u>
EXPENSES	
Program services	
Protective Services for Adults and Children - Domestic Violence Services	302,838
STOP Violence Against Women	43,881
Victims of Crime Assistance	35,310
Legal Assistance to Victims	8,263
Other	18,109
	<u>408,401</u>
Supporting services	
Management and general	15,809
Fundraising	-
	<u>15,809</u>
Total expenses	<u>424,210</u>
Change in net assets	(71,758)
Net assets, beginning of year	<u>277,215</u>
Net assets, end of year	<u>\$ 205,457</u>

The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2011

	Protective Services for Adults and Children - Domestic Violence Services	STOP Violence Against Women	Victims of Crime Assistance	Legal Assistance to Victims	Other Programs	Total Program Services	Management and General	Fundraising	Total
Personnel	\$ 204,870	\$ 43,881	\$ 34,810	\$ 8,263	\$ -	\$ 291,824	\$ -	\$ -	\$ 291,824
Client expense	-	-	-	-	579	579	-	-	579
Supplies	12,470	-	-	-	-	12,470	-	-	12,470
Occupancy	40,204	-	-	-	-	40,204	-	-	40,204
Professional fees	8,430	-	-	-	-	8,430	-	-	8,430
Telephone	17,452	-	-	-	-	17,452	-	-	17,452
Training and travel	7,808	-	-	-	-	7,808	-	-	7,808
Other	11,604	-	500	-	17,530	29,634	-	-	29,634
Depreciation	-	-	-	-	-	-	15,809	-	15,809
Total	\$ 302,838	\$ 43,881	\$ 35,310	\$ 8,263	\$ 18,109	\$ 408,401	\$ 15,809	\$ -	\$ 424,210

The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc
STATEMENT OF CASH FLOWS
For the year ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (71,758)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	15,809
Changes in current assets and liabilities:	
Grants receivable	121,662
Accounts payable and accrued expenses	(60,275)
Deferred compensation	<u>(3,613)</u>
Net cash provided by operating activities	<u>1,825</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(4,090)</u>
Net cash used in investing activities	<u>(4,090)</u>
 Decrease in cash and cash equivalents	 (2,265)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>107,891</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u><u>\$ 105,626</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Interest paid	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:	
None	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Family Crisis Center, Inc. is a non-stock, non-profit corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax-exempt organization under Internal Revenue Service Code Section 501(c)(3).

The Center's mission is to serve as a community resource center for victims of domestic and sexual violence, providing counseling, education, shelter, support and advocacy services. The Center serves Mineral, Hampshire, Grant, Hardy and Pendleton Counties in West Virginia.

The Center relies on federal and state financial assistance to provide for its continuing operations.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification. The Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Organization receives a substantial amount of services donated by its volunteers in carrying out the Organization's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

Grants

Grants received by the Organization to provide for operations represent exchange transactions whereby the Organization must provide services as outlined in the related grant agreements. As such, these grants are not considered contributions under FASB ASC 958.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Family Crisis Center, Inc.
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment is carried at cost or, if donated, at the approximate fair market value at the date of donation. All property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

The Organization's policy is to capitalize all property and equipment costs in excess of \$500.

When material in amount, interest related to construction projects is capitalized as a cost of the project.

Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2: CASH

Cash consists of the following:

General checking	\$ 62,416
Money market	<u>43,210</u>
Total	<u>\$ 105,626</u>

All accounts are FDIC insured.

The Organization deposits at financial institutions are fully insured by FDIC insurance at June 30, 2011.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Buildings and improvements	\$ 178,704
Equipment, furniture and fixtures	141,124
Vehicles	23,785
Accumulated depreciation	<u>(247,663)</u>
Net property and equipment	<u>\$ 95,950</u>

Family Crisis Center, Inc.
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2011

NOTE 4: CONCENTRATION

The Organization receives over 70 percent of its total support and revenues from various grants from or through the West Virginia Department of Health and Human Resources. These grants are awarded annually subject to applicable federal and state appropriation and have historically been funded based on past funding levels.

NOTE 5: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 6: RISK MANAGEMENT

Board of Risk and Insurance Management (BRIM)

The Center participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool. The Center pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The costs of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$2 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

NOTE 7: SUBSEQUENT EVENTS

The Center has evaluated all subsequent events through April 27, 2012, the date the financial statements were available to be issued. The Center has determined there are no additional subsequent events that require recognition or disclosure.

SUPPLEMENTARY INFORMATION

Family Crisis Center, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Department of Justice/WV Division of Criminal Justice Services Victims of Crime Assistance	16.575	\$ 35,310
Department of Justice/WV Division of Criminal Justice Services Stop Violence Against Women	16.588	43,881
Emergency Food and Shelter National Board Emergency Food and Shelter Program	97.024	2,121
Department of Health and Human Services/WV Department of Health and Human Resources Family Violence Prevention	93.671	66,064
Department of Justice/WV Coalition Against Domestic Violence Legal Assistance for Victims	16.524	<u>8,263</u>
Total		\$ <u>155,639</u>

The accompanying notes are an integral part of the financial statements.

Family Crisis Center, Inc.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2011

NOTE 1:

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards include the Federal financial expenditures of Family Crisis Center, Inc. and is prepared in accordance with U.S. generally accepted accounting principles. Amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Family Crisis Center, Inc.
SCHEDULE OF STATE GRANT REVENUES AND EXPENDITURES
 For the year ended June 30, 2011

<u>State Grantor/ Program Title</u>	<u>State Grant Number</u>	<u>State Account Number (Fund)</u>	<u>State Receipts</u>	<u>State Expenditures</u>
WV Department of Health and Human Resources/ Social Services	110170	0403-195	\$ 41,687	\$ 41,687
WV Department of Health and Human Resources/ Grants for Licensed DV Shelters & Statewide Prevention	110170	0403-750	97,740	97,740
WV Department of Health and Human Resources/ Unclassified	110170	5057-099	<u>44,787</u>	<u>44,787</u>
Total			<u><u>\$ 184,214</u></u>	<u><u>\$ 184,214</u></u>

The accompany notes are an integral part of the financial statements

Family Crisis Center, Inc.
NOTES TO SCHEDULE OF STATE GRANT REVENUES AND EXPENDITURES
For the year ended June 30, 2011

NOTE 1:

BASIS OF PRESENTATION

The accompanying Schedule of State Grant Revenues and Expenditures include the State financial revenue and expenditures of Family Crisis Center, Inc. and is prepared in accordance with U.S. generally accepted accounting principles. Amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.



J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

**INDEPENDENT AUDITOR'S 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
Family Crisis Center, Inc.
Keyser, West Virginia

We have audited the financial statements of Family Crisis Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated April 27, 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 Family Crisis 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 Family Crisis Center, 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a 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 was not designed to 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 certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. The deficiencies are listed as 2011-1 through 2011-2. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is 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 Family Crisis 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 noted certain matters that we reported to management of Family Crisis Center in a separate letter dated April 27, 2012.

Family Crisis Center, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Family Crisis Center, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

J. C. Kunkle & Associates, A.C.

Martinsburg, West Virginia
April 27, 2012

DHHR - Finance

JUL 31 2012

Date Received

Family Crisis Center
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

**FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS**

SIGNIFICANT DEFICIENCIES

Financial Statements Finding 2011-1:

- Condition: The Organization currently does not prepare its financial statements, complete with footnote disclosures, and record certain transactions in accordance with accounting principles generally accepted in the United States of America.
- Criteria: The Organization should prepare its full disclosure statements in accordance with generally accepted accounting principles.
- Cause: The Organization has limited staff with limited financial expertise.
- Effect: The auditor prepares the Organization's full disclosure financial statements under the supervision of the Organization.
- Recommendation: Full disclosure financial statements should be prepared by the Organization, if practical.
- Corrective Action: Because of cost/benefit considerations, the Organization deems it impractical to conduct these functions internally.

Financial Statements Finding 2011-2:

- Condition: The Organization does not provide for general segregation of duties.
- Criteria: General segregation of duties provide for enhanced internal control over the Organization's financial operations.
- Cause: The Organization has limited staff.
- Effect: Limited segregation of duties provides increased risk exposure for errors and irregularities.
- Recommendation: The Organization should provide for enhanced segregation of duties, if practical.
- Corrective Action: The Organization is small and because of the limited number of Organization employees/contractors, it is not practical to provide greater segregation of duties from a cost/benefit standpoint. Management oversight mitigates this condition.