

SHACK NEIGHBORHOOD HOUSE, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2011

DHHR - Finance

DEC 19 2012

Date Received

H. A. Ruckle, CPA
3803 Swallowtail Drive
Morgantown, WV 26508

SHACK NEIGHBORHOOD HOUSE, INC.

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
<i>Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis</i>	<i>3</i>
<i>Statement of Support, Revenue, Expenses, and Changes in Net Assets – Modified Cash Basis</i>	<i>4</i>
<i>Statement of Functional Expenses – Modified Cash Basis</i>	<i>5</i>
<i>Notes to Financial Statements</i>	<i>6 – 10</i>
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	11 – 12
SCHEDULE OF FINDINGS AND RESPONSES	13
SUPPLEMENTARY SCHEDULE	
<i>Schedule of West Virginia State Grant Receipts and Expenditures</i>	<i>14</i>



3803 Swallowtail Drive
Morgantown, WV 26508
(304) 594-9199

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Shack Neighborhood House, Inc.
Pursglove, WV 26546

I have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis of **Shack Neighborhood House, Inc.** (a not-for-profit organization) as of December 31, 2011, and the related statements of support, revenue, expenses, and changes in net assets – modified cash basis, and functional expenses – modified cash basis for the year then ended. These financial statements are the responsibility of **Shack Neighborhood House, Inc.**'s management. My responsibility is to express an opinion on these financial statements based on my audit.

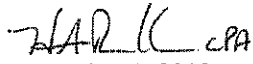
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and 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. I believe my audit provides a reasonable basis for my opinion.

As described in Note 2, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets – modified cash basis of **Shack Neighborhood House, Inc.** as of December 31, 2011, and its support, revenue, expenses, and changes in net assets – modified cash basis for the year then ended, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 1, 2012 on my consideration of **Shack Neighborhood House, Inc.**'s internal control over financial reporting and my 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 my 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of **Shack Neighborhood House, Inc.** taken as a whole. The accompanying schedule of West Virginia state grant receipts and expenditures is presented for purposes of additional analysis, and is not a required part of the basic 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 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


September 1, 2012

DHHR - Finance

DEC 19 2012

Date Received

SHACK NEIGHBORHOOD HOUSE, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -
MODIFIED CASH BASIS

At December 31, 2011

ASSETS

Current assets	
Cash and cash equivalents	\$ 145,654
Certificates of deposit	105,014
Total current assets	<u>250,668</u>
Other assets	
Certificate of deposit	27,500
Total assets	<u><u>278,168</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Withholdings and accrued payroll taxes	11,089
Net assets	
Unrestricted	119,158
Board restricted	6,291
Total unrestricted net assets	<u>125,449</u>
Temporarily restricted	114,130
Permanently restricted	27,500
Total net assets	<u>267,079</u>
Total liabilities and net assets	<u><u>\$ 278,168</u></u>

SHACK NEIGHBORHOOD HOUSE, INC.
STATEMENT OF SUPPORT, REVENUE, EXPENSES, AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS

Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Support				
WVDHHR - Starting Points grant	\$ 62,324	\$ 20,176	\$ -	\$ 82,500
United Way grants and allocations	65,500	3,500	-	69,000
Donations - public and corporations	52,651	10,725	-	63,376
WVDHHR - Parents as Teachers grant	44,625	11,875	-	56,500
Local Foundations and trusts	35,000	-	-	35,000
WVDOE - Summer Nutrition support	31,639	-	-	31,639
WV Presbytery funding	20,625	-	-	20,625
County Commission grants	13,939	-	-	13,939
In-kind contribution (rent)	12,000	-	-	12,000
WVDHHR - Child Care Provider support	10,842	-	-	10,842
Special events (less \$3,069 direct expenses)	7,541	-	-	7,541
WVDOE - Child Care Food Program	4,782	-	-	4,782
	<u>361,468</u>	<u>46,276</u>	<u>-</u>	<u>407,744</u>
Revenue				
Festival of Fun	50,895	-	-	50,895
Facilities usage	26,756	-	-	26,756
Before and after school care	8,147	-	-	8,147
Public swimming and skating	4,997	-	-	4,997
Concessions (less \$8,256 direct costs)	3,568	-	-	3,568
Work and youth camps	3,277	-	-	3,277
Interest income	2,217	590	-	2,807
Other income	8,023	3,114	-	11,137
	<u>107,880</u>	<u>3,704</u>	<u>-</u>	<u>111,584</u>
Net assets released from restrictions	40,021	(40,021)	-	-
Total support and revenue	<u>509,369</u>	<u>9,959</u>	<u>-</u>	<u>519,328</u>
Expenses (see statement)				
Program services	392,563	-	-	392,563
Supporting activities:				
Management and general	81,182	-	-	81,182
Fundraising	6,017	-	-	6,017
Total expenses	<u>479,762</u>	<u>-</u>	<u>-</u>	<u>479,762</u>
Change in net assets	29,607	9,959	-	39,566
Net assets - beginning of year	<u>95,842</u>	<u>104,171</u>	<u>27,500</u>	<u>227,513</u>
Net assets - end of year	<u>\$ 125,449</u>	<u>\$ 114,130</u>	<u>\$ 27,500</u>	<u>\$ 267,079</u>

SHACK NEIGHBORHOOD HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES -
MODIFIED CASH BASIS

Year Ended December 31, 2011

	Program Expenses	Management and General	Fundraising	Total
Expenses				
Salaries and wages	\$ 200,017	\$ 46,174	\$ 4,615	\$ 250,806
Youth program and work camp expense	41,004	-	-	41,004
Employee benefits	28,856	5,630	704	35,190
Food and nutrition supplies	22,529	-	-	22,529
Payroll taxes and related expenses	17,520	3,419	427	21,366
Utilities	13,718	3,430	-	17,148
Rent	13,192	3,298	-	16,490
Pool repairs and maintenance	11,253	2,813	-	14,066
Before and after school care supplies	11,349	-	-	11,349
Building repairs and maintenance	7,319	1,830	-	9,149
Insurance	6,312	1,578	-	7,890
Office supplies and expense	1,570	6,282	-	7,852
Community program expense	6,921	-	-	6,921
Contracted services	3,816	954	-	4,770
Building supplies	3,141	785	-	3,926
Vehicle maintenance and operation	2,561	640	-	3,201
Telephone and internet	1,354	1,083	271	2,708
Professional fees	-	2,100	-	2,100
Training and education	-	947	-	947
Miscellaneous	131	219	-	350
	<u>\$ 392,563</u>	<u>\$ 81,182</u>	<u>\$ 6,017</u>	<u>\$ 479,762</u>

SHACK NEIGHBORHOOD HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

1. Organization and Nature of Business

Shack Neighborhood House, Inc. (Organization), a not-for-profit organization, was incorporated in West Virginia on April 27, 1983 and is registered as a West Virginia charitable organization. It was created by, and receives significant funding through, the governing bodies of the Presbyterian Church (U.S.A.).

The Shack Neighborhood House provides an inclusive, safe, and fun environment for learning and recreation Programs strengthen families by nurturing children, youth, and community members of all ages in Monongalia County, WV and the surrounding areas. Through the initiatives of its Board of Directors, staff, and volunteers, the Organization fosters personal growth and self-confidence, and promotes social responsibility. The Organization receives support and revenue through a wide variety of sources, including grants, reimbursement contracts, program service fees, as well as direct and indirect public donations

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis method of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, with the exception of payroll withholdings and related employer payroll taxes due, revenues are recognized when received rather than earned, and expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Additionally, the Organization recognizes certain non-cash in-kind donations (see Note 7). These statements do not present transactions that would be included in the financial statements of the Organization if presented on the accrual basis of accounting, as contemplated by generally accepted accounting principles.

Basis of Presentation

The Organization's financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Codification Section 958.205 *Not-for-Profit Entities Presentation of Financial Statements* (ASC 958.205). Under ASC 958.205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets based on the existence or absence of donor restrictions. The Organization's net assets and changes therein are classified and reported as follows:

Unrestricted net assets: represent resources whose use is not limited or restricted by donors

Board restricted net assets: represent net assets not limited or restricted by donors, but restricted by the board for the purpose of assuring long-term stability and sustainability, while allowing for planning and implementation of longer term initiatives.

Temporarily restricted net assets: represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled or otherwise removed by the organization's actions.

Permanently restricted net assets: represent resources whose use is limited by donor-imposed stipulations that neither expire or can be fulfilled or otherwise removed by the organization's actions

SHACK NEIGHBORHOOD HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions expire in the same reporting period in which the support is received. All other donor restricted support is 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 support, revenue, expenses and changes in net assets – modified cash basis as net assets released from restrictions.

Property and Equipment

All purchases of property and equipment are recorded as expenses in the period cash is disbursed; consequently, no depreciation is provided for in these financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in checking and savings accounts. The Organization considers all highly liquid investments with a remaining maturity date of three months or less at the time of purchase to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

Certificates of Deposit

Certificates of deposit are reported in the accompanying statement of financial position at fair value. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon liquidation or maturity.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts and disclosures at the date of the financial statements. Such estimates may also affect the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from these estimates.

Income Taxes

For Federal tax purposes the Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, and was determined not to be a private foundation by the Internal Revenue Service; however, the Organization remains subject to tax on any business income unrelated to its tax-exempt purpose.

SHACK NEIGHBORHOOD HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

3. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the year ending December 31, 2011 no services were received that met the criteria for recognition as donated services.

4. Permanently Restricted Net Assets

In 1987, the Council of Grafton Presbytery provided \$27,500, and stipulated that this amount be permanently restricted for a maintenance endowment. Income earned on the permanently restricted maintenance endowment is available to the Organization, however, the use of such income is restricted for facilities maintenance; accordingly, the income earned during the year ended December 31, 2010 is reported as an increase in temporarily restricted net assets on the statement of support, revenue, expenses and changes in net assets – modified cash basis. At December 31, 2011, the permanently restricted maintenance endowment and income earned thereon totaled approximately \$28,717, and is invested in a certificate of deposit bearing an interest rate of 1.7%, maturing on October 31, 2013. The permanently restricted portion of this certificate of deposit is not included as part of current assets.

In 2008, West Virginia enacted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to endowment funds existing on or established after the date of enactment. The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result of the Organization's interpretation of UPMIFA, the Organization classifies as permanently restricted net assets the original value of the gift donated to the maintenance endowment fund. The remaining portion of the endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for its intended use by the Organization.

The composition and reconciliation of the Organization's endowment by net asset class for the year ended December 31, 2011 is as follows:

	Permanently restricted	Temporarily restricted	Total
Endowments at December 31, 2010	\$ 27,500	\$ 627	\$ 28,127
2011 endowment activity:			
Interest	-	590	590
Amount appropriated for expenditure	-	-	-
Endowments at December 31, 2011	\$ 27,500	\$ 1,217	\$ 28,717

SHACK NEIGHBORHOOD HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

5. Concentration of Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents, and certificates of deposit. The Organization maintains its cash and cash equivalents and certificates of deposit in financial institutions located in West Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash and cash equivalent balances at various times throughout the year may be in excess of amounts insured.

The Organization receives a significant amount of support through direct and indirect public donations. Indirect public donations include United Way allocations, and amounts received from various Presbyteries mainly located within West Virginia. A loss or substantial reduction in this funding may have a significant impact on the Organization.

6. Restricted Use Grant

In 2010, the Organization received a grant from the West Virginia Department of Health and Human Resources (WVDHHR) to purchase two (2) multi-function school activity buses (Buses) that conform to the standards established by the National Highway Traffic Safety Administration to transport children. As a condition of the funding, the Organization agreed to arrange for transfer of the vehicle to another center providing transportation in the event the Organization stops transporting children, is no longer licensed as a Child Care Center under CSR 78-1 or CSR 78-21, or the Organization child care center closes within ten (10) years of obtaining the vehicle.

The Organization considers the above noted transfer restricted support. The grant funds to acquire the Buses were recorded as revenue in the year received in accordance with the Organization's modified cash basis of accounting, and classified as an increase in temporarily restricted net assets. As restrictions expire (that is, when stipulated time restrictions end and purpose restrictions are accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenue, expenses and changes in net assets – modified cash basis as net assets released from restrictions.

In an effort to appropriately report the remaining value of the temporarily restricted net assets related to these Buses, the Organization reclassifies to unrestricted net assets a portion of the related temporarily restricted net assets in proportion to the elapsed restricted period of use.

7. In-kind Contribution

The Organization is provided free use of its building and facilities through the generosity of the Presbytery of West Virginia. The estimated fair value of this contribution was \$12,000 for the year ended December 31, 2011.

SHACK NEIGHBORHOOD HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

8. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31, 2011:

Purpose restriction	
Multi-function Buses	\$ 60,707
Starting Points Program	20,176
Parents as Teachers Program	14,989
Food Pantry Program	10,000
Community Repair Partners Program	3,500
Other purpose restricted net assets	4,758
	<u>\$ 114,130</u>

9. Pension

The Organization participates in The Benefits Plan of the Presbyterian Church (Benefits Plan) established by the Presbyterian Church (U.S.A.) and administered by the Board of Pensions of the Presbyterian Church (U.S.A.). The Benefits Plan covers eligible employees of the Organization and includes a pension plan, medical plan, death and disability plan, and optional dental plan. For the year ended December 31, 2011, pension expense paid by the Organization totaled \$10,392.

10. Subsequent Events

FASB Codification Section 855 *Subsequent Events* (ASC 855) establishes general accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or available to be issued. ASC 855 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. In preparing these financial statements, the Trust has evaluated transactions for potential recognition or disclosure through September 1, 2012, the date the financial statements were available to be issued.

***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***



3803 Swallowtail Drive
Morgantown, WV 26508
(304) 594-9199

**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
Shack Neighborhood House, Inc.
Pursglove, WV 26546

I have audited the financial statements of **Shack Neighborhood House, Inc.** (a not-for-profit organization) as of and for the year ended December 31, 2011, and have issued my report thereon dated September 1, 2012. I conducted my 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 my audit, I considered **Shack Neighborhood House, Inc.**'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Shack Neighborhood House, Inc.**'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

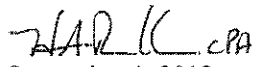
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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

My consideration of the 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 11-01 and 11-02, that I consider to be significant deficiencies in internal control over financial reporting. 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 *Shack Neighborhood House, Inc.*'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board, management, others within the organization and the federal and West Virginia awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


September 1, 2012

SHACK NEIGHBORHOOD HOUSE, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

11-01 Segregation of Duties

Condition: The Organization has a limited number of personnel with responsibility for accounting and financial reporting matters. As a result, there is a lack of segregation of duties over the initiation, authorization, recording, and reporting of transactions and the preparation and review of financial reports by persons sufficiently independent of the transactions

Criteria: Segregation of duties is a critical piece of the internal control framework. This key internal control element dictates that duties should be aligned so that no one individual controls too many critical aspects of a process or transaction.

Cause: Limited staff decreases the ability to provide for segregation of some accounting processes.

Effect: Increased potential that fraud and abuse could occur.

Recommendation: Responsibility for initiation, authorization, recording, and reporting of transactions should be segregated to the extent possible. Although complete segregation of duties is not feasible given the limited staff available, management has been mindful and resourceful in its efforts to segregate duties and is commended for its efforts. I recommend continued review and assessment in this area of internal control, as this key internal control is vital to ensure errors or irregularities are detected and prevented in a timely basis in the normal course of business. It is incumbent upon the board to remain strong and active; additionally, the board should recognize that its scope of oversight of the internal control system applies to all major areas of control, to include: operations, compliance with laws and regulations, and financial reporting

Management Response: Management and the board will remain vigilant in their efforts to consider the control environment, assess risks, monitor activities, and improve policies and procedures when deficiencies are identified

11-02 Drafting Financial Statements

Condition: The Organization does not have adequate staff to prepare the financial statements in accordance with generally accepted accounting principles (GAAP).

Criteria: Reliable financial reporting requires that financial statements conform with GAAP. Preparing financial statements is the culminating step of financial reporting.

Cause: Limited staff and time decreases the ability to prepare financial statements in conformity with GAAP.

Effect: Increased potential that fraud and abuse could occur.

Recommendation: The Organization should engage the services of a certified public accountant or other professional with the expertise and ability to prepare financial statements in conformity with GAAP, with the understanding that preparing the financial statements in conformity with GAAP includes not only the broad guidelines of general application, but also detailed practices and procedures. GAAP includes pronouncements of authoritative bodies designated by the AICPA to establish accounting principles.

Management Response: It is not cost efficient to hire additional professionals to prepare financial statements in accordance with GAAP.

SUPPLEMENTARY SCHEDULE

SHACK NEIGHBORHOOD HOUSE, INC.

SUPPLEMENTARY SCHEDULE

December 31, 2011

1. Schedule of West Virginia State Grant Receipts and Expenditures

<u>State Spending Unit</u>	<u>Agreement Number / Commitment Number</u>	<u>Receipts</u>	<u>Expenditures</u>
WVDHHR / Bureau for Children and Families (Starting Points Program)	G110229 / C341836	\$ 22,500	\$ 32,439
WVDHHR / Bureau for Children and Families (Starting Points Program)	G120302 / C364701	60,000	39,824
WVDHHR / Bureau for Children and Families (Parents as Teachers Program)	G110194 / C347085	22,500	28,237
WVDHHR / Bureau for Children and Families (Parents as Teachers Program)	G120441 / C366698	34,000	22,125
		<u>\$ 139,000</u>	<u>\$ 122,625</u>

Basis of Presentation

The accompanying schedule of West Virginia state grant receipts and expenditures includes the state grant activity of Shack Neighborhood House, Inc. and is presented on the modified cash basis of accounting as described in Note 2 of the accompanying financial statements.