

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

DHHR - Finance

JUL - 3 2013

Date Received

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ROTH & WHITE, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
202 Tunnelton Street
Kingwood, WV 26537
(304) 329-1020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Taylor County Collaborative Family Resource Network, Inc.
Grafton, West Virginia

We have audited the accompanying statement of financial position of Taylor County Collaborative Family Resource Network, 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 Network's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Taylor County Collaborative Family Resource Network, 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 June 28, 2013 on our consideration of Taylor County Collaborative 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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Taylor County Collaborative Family Resource Network, Inc. taken as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the West Virginia Department of Health and Human Resources, and is not a required part of 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 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.

Roth & White, A. C.

Kingwood, West Virginia
June 28, 2013

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TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.**STATEMENT OF FINANCIAL POSITION****June 30, 2011**

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 7 519
Prepayments	2 093

TOTAL CURRENT ASSETS	9 612

PROPERTY AND EQUIPMENT	
Office equipment	5 151
Less accumulated depreciation	2 733

TOTAL PROPERTY AND EQUIPMENT	2 418

TOTAL ASSETS	\$ 12 030
	=====
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 2 853
Accrued expenses	4 218

TOTAL CURRENT LIABILITIES	7 071

NET ASSETS	
Unrestricted	4 959
Temporarily restricted	-0-

TOTAL NET ASSETS	4 959

TOTAL LIABILITIES AND NET ASSETS	\$ 12 030
	=====

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

**STATEMENT OF ACTIVITIES
Year Ended June 30, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
State government grants	\$	\$ 85 000	\$ 85 000
Other revenue		4 590	4 590
	-----	-----	-----
Total revenue and support		89 590	89 590
	-----	-----	-----
Net assets released from usage restrictions			
Restrictions satisfied by payments	93 375	(93 375)	
	-----	-----	-----
Total public support and revenue	93 375	(3 785)	89 590
	-----	-----	-----
EXPENSES			
Program services	68 746		68 746
General and administrative	24 061		24 061
	-----	-----	-----
Total expenses	92 807		92 807
	-----	-----	-----
Changes in net assets	568	(3 785)	(3 217)
	-----	-----	-----
NET ASSETS -			
BEGINNING OF YEAR	4 391	3 785	8 176
	-----	-----	-----
NET ASSETS - END OF YEAR	\$ 4 959	\$ -0-	\$ 4 959
	=====	=====	=====

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2011

	<u>Total</u>	<u>Program Services</u>	<u>General & Administrative</u>
PAYROLL			
Staff wages	\$ 48 089	\$ 32 485	\$ 15 604
Payroll taxes	4 155	2 807	1 348
	<hr/>	<hr/>	<hr/>
Total payroll	52 244	35 292	16 952
OTHER EXPENSES			
Rent	5 120	5 120	
Professional fees	3 040		3 040
Contractual	5 000	5 000	
Supplies and materials	10 732	10 732	
Utilities	1 569	1 569	
Telephone	2 689	2 689	
Training	2 438	2 438	
Advertising and public relations	348	348	
Insurance	1 458	1 458	
Office expense	2 419		2 419
Travel and transportation	4 100	4 100	
Dues and subscription	970		970
Depreciation	680		680
	<hr/>	<hr/>	<hr/>
	\$ 92 807	\$ 68 746	\$ 24 061
	<hr/>	<hr/>	<hr/>

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.**STATEMENT OF CASH FLOWS
Year Ended June 30, 2011****CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in net assets	\$ (3 217)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	680
Increase in prepayments	(2 093)
Decrease in accounts payable	(6 482)
Increase in accrued expenses	2 945

Net cash provided by operating activities	(8 167)

 NET DECREASE IN CASH	 (8 167)
 CASH AND CASH EQUIVALENTS - BEGINNING	 15 686

 CASH AND CASH EQUIVALENTS - ENDING	 \$ 7 519
	=====

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011****Note 1. Summary of Significant Accounting Policies****Organization**

Taylor County Collaborative Family Resource Network, Inc. is a nonprofit organization, formed on March 3, 2008.

The mission of this Organization is to bring together resources to improve conditions for all children and families.

The Organization is supported primarily through grant funding from the West Virginia Department of Health and Human Resources Bureau for Children and Families under programs for Taylor County Collaborative Family Resource Network, Inc. The Organization is dependent on grant funding and any change in funding will have a significant impact on their operations.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-implied restrictions as follows:

Unrestricted: Net assets, which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted: Net assets used by the Organization are limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled or removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted: Net assets used by the Organization are limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the actions of the Organization. The Organization had no permanently restricted net assets as of June 30, 2011.

Cash Equivalents

All highly liquid cash investments with original maturities of three months or less are considered to be cash equivalents.

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents (Continued)

Cash and cash equivalents presented on the statement of financial position and cash flows include the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Interest Rate</u>
Checking accounts	\$ 7 519	\$ 11 259	0%

All cash accounts were fully insured by the Federal Depository Insurance Corporation (FDIC).

Interest Rate Risk

The Organization does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, and gains and losses during the reporting periods. Accordingly, actual results could differ from those estimates.

Contributed Goods and Services

Contributed goods and services are reflected in the financial statements at their estimated fair value, if reasonably determined. The contributions of services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. For the year ended June 30, 2011, there were no significant non-cash contributions of goods or services requiring recognition in the financial statements.

However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORKS, INC.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

Note 1. Summary of Significant Accounting Policies (Continued)

Grants, Contracts and Other Receivables

Grants, contract and other receivables consist principally of amounts due from grantor agencies pursuant to the terms of the respective grant agreements. Grants, contracts and other receivables are stated at net realizable value. Allowances are provided for amounts estimated to be uncollectible based on historical experience and any specific collection issues that the Organization has identified. It is the Organization's policy to charge uncollectible receivables against the allowance when management determines that the related balance will not be collected. Management determined that an allowance for doubtful accounts was not necessary at June 30, 2011.

Fixed Assets

Fixed assets are recorded at cost or, if donated, at fair value at the date of donation. Major renewals and improvements are capitalized, while repairs and maintenance expenditures are expensed as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation or amortization are removed from the accounts, and any resulting gains or losses are recognized. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the lesser of the useful life or the term of the lease.

The estimated useful lives of each asset group is as follows;

<u>Asset Group</u>	<u>Years</u>
Office equipment	7

Grants from Government Agencies

Grants from governmental agencies are recognized as revenue when the grant funds have been expended in accordance with the grant provisions of the respective agreements.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been detailed in the statements of functional expenses and are summarized on a functional basis in the statements of activities. Salaries and other expenses, which are associated with a specific program, are charged directly to that program. Salaries and other expenses, which benefit more than one program, are allocated to the various programs based on the time spent on each specific program.

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011****Note 1. Summary of Significant Accounting Policies (Continued)****Contributions**

Contributions and gifts received with no restrictions or specified uses identified by the donor or grantor are included in unrestricted revenue in the statement of activities when received.

Contributions received with donor or grantor stipulations that limit the use of donated assets are reported as either temporarily or permanently restricted revenue in the statement of activities when received. When donor or grantor restrictions expire or are fulfilled by actions of the Organization, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction. Donor restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted revenue in the accompanying financial statements.

Income Taxes

The Network received a determination from the Internal Revenue Service indicating that it is exempt from Federal income tax on all income except unrelated business income under Internal Revenue Code Section 501(c)(3). It is classified as an organization that is not a private foundation under Internal Revenue Code Section 509(a); accordingly, no provision for income taxes has been recorded in the accompanying financial statements. For the year ended June 30, 2011, the Network had no unrelated business income.

The Organization accounts for uncertainty in income taxes in accordance with GAAP, which requires recognition in the financial statements of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Organization had no material unrecognized tax benefits and no adjustments to its financial position, activities or cash flows were required. The Organization does not expect that unrecognized tax benefits will increase within the next twelve months. The Organization's tax returns for the years ended June 30, 2008 through June 30, 2010 remain subject to examination by Federal and State tax jurisdictions. The Organization recognizes accrued interest and penalties, if any, related to uncertain tax positions as income tax expense.

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

Note 1. Summary of Significant Accounting Policies (Continued)

Advertising

The Organization expenses the cost of advertising and promotion as they are incurred. Advertising costs for the year ended June 30, 2011 were \$ 348.

Prepayments

This account consists of prepaid insurance based on the effective dates of the policies.

Compensated Absences

The Organization has a policy for vacation and sick pay. Vacation and sick pay applies only to salaried full-time employees. Vacation leave cannot be accumulated beyond two times the employee's annual rate. Accumulated sick leave is forfeited upon separation of employment. An accrual for unpaid vacation pay of \$2,545 has been included in accrued expenses.

Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 28, 2013, the date the financial statements were available to be issued.

Note 2. Property and Equipment

Property and equipment consists of the following:

	<u>June 30, 2011</u>
Office equipment	\$ 5 152
Less accumulated depreciation	(2 733)

	<u>\$ 2 419</u>

Depreciation and amortization expense for the year ended June 30, 2011 amounted to \$680.

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

Note 3. Retirement System

Taylor County Collaborative Family Resource Network, Inc. is not a member of any retirement system.

Note 4. 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 the Organization carries general liability and property insurance for these various risks. Amounts of settlements have not exceeded insurance coverage in the past three years.

Note 5. State Government Grants

Taylor County Collaborative Family Resource Network, Inc. received funds from West Virginia Health and Human Resources/Bureau for Children and Families. The funds for these grant agreements were paid from the following federal and/or state sources:

Taylor County Collaborative Family Resource Network, Inc.:	
Federal Funds (CFDA #93.590)	\$ 5 944
State Funds (Account #0403/274)	39 056

	\$ 45 000

Taylor County Collaborative Family Resource Network, Inc.:	
Federal Funds (CFDA # 93.778)	\$ 14 784
State Funds (Account #0403/274)	25 216

	\$ 40 000

Note 6. Commitments

The Organization leases space under a cancellable operating lease. Rent expenses for this lease for the year ended June 30, 2011 amounted to \$5,120.

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

Note 7. Contingencies

The Organization participates in federal and state grant programs that are subject to audit by the respective grantor agencies. Any disallowed funds received or to be received under these programs may constitute a liability in the amount of the disallowed funds.

Management does not believe that any potential disallowed funds would have a significant effect on the financial statements.

Note 8. Temporarily Restricted Revenue

As reported in Note 6, the Organization received state grants-in-aid of \$85,000 during the current year from the West Virginia Health and Human Resources. As of June 30, 2011, all grant funds have been expended.

The accompanying independent auditor's report and notes are an integral part of this statement.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.**SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2011**

<u>State Grantor</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
West Virginia Department of Health and Human Resources Bureau for Children and Families		
Taylor County Collaborative Family Resource Network	\$ 45 000	\$ 45 000
Taylor County Collaborative Family Resource Network	40 000	40 000

Note A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of Taylor County Collaborative Family Resource Network, Inc. and is presented on the accrual basis of accounting.

The accompanying independent auditor's report and notes are an integral part of this statement.

ROTH & WHITE, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
202 Tunnelton Street
Kingwood, WV 26537
(304) 329-1020

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Taylor County Collaborative Family Resource Network, Inc.
Grafton, West Virginia

We have audited the financial statements of Taylor County Collaborative Family Resource Network, Inc (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated June 28, 2013. 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

Management of Taylor County Collaborative Family Resource Network, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Taylor County Collaborative 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 Taylor County Collaborative 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 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 material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our 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. 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 certain deficiency in internal control over financial reporting, described as 11-1 in the accompanying schedule of findings and questioned costs 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 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 Taylor County Collaborative 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 an our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Taylor County Collaborative 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 Taylor County Collaborative Family Resource Network, Inc.'s responses and, accordingly, we express no opinion on it

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

Roth & White, A.C.

Kingwood, West Virginia
June 28, 2013

DHHR - Finance

JUL -3 2013

Date Received

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2011**

11-1

SEGREGATION OF DUTIES

CONDITION:

Responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals. This is a repeat finding from prior 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.

ORGANIZATION'S RESPONSE: Management will try to segregate duties as much as possible with the limited staff available.