

MID-OHIO VALLEY FELLOWSHIP HOME, INC.

Financial Statements

June 30, 2011 and 2010

DHHR - Finance

JUN 24 2013

Date Received

~~**DHHR - Finance**~~

~~JUN 19 2013~~

~~Date Received~~

MID-OHIO VALLEY FELLOWSHIP HOME, INC.

Financial Statements
June 30, 2011 and 2010

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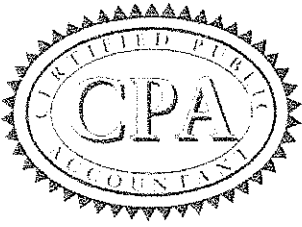
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ALICE M. HARRIS, CPA, A.C.

CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

Board of Directors

Mid-Ohio Valley Fellowship Home, Inc.:

I have audited the accompanying statements of financial position of the Mid-Ohio Valley Fellowship Home, Inc., (a West Virginia non-profit corporation) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. The financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my 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 I 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mid-Ohio Valley Fellowship Home, Inc., as of June 30, 2011 and 2010, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principals generally accepted in the United States of America.

In accordance with *Government Audit Standards*, I have also issued my report dated December 12, 2011 on my consideration of the Mid Ohio Valley Fellowship Home, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. 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. 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 my audit.

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Date Received

Independent Auditor's Report. Continued

My audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules are presented for purposes of additional analysis and are 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 my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Alice M. Harris, CPA

Alice M. Harris, CPA
December 12, 2011

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Statements of Financial Position
June 30, 2011 and 2010

	2011	2010
ASSETS		
Current assets:		
Cash	15,873	41,592
Certificates of Deposit	19,762	19,634
Accounts and grants receivable	46,106	44,088
Other current assets	\$ 4,729	1,159
Total current assets	86,470	106,473
Property, plant, and equipment:		
Land	16,000	16,000
Buildings and improvements	441,834	441,834
Vehicle	12,214	12,214
Furniture and equipment	96,695	85,941
	566,743	555,989
Less accumulated depreciation	(350,000)	(324,218)
Net property, plant, and equipment	216,743	231,771
Total assets	\$ 303,213	338,244
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	1,907	3,668
Accrued payroll	5,538	2,348
Payroll taxes payable	2,268	9,204
Total current liabilities	9,713	15,220
Long-term Liabilities		
Note payable - City of Parkersburg	25,000	25,000
Total liabilities	34,713	40,220
Net Assets:		
Unrestricted	268,500	288,024
Temporarily restricted	-	10,000
Permanently restricted	-	-
Total net assets	268,500	298,024
Total liabilities and net assets	\$ 303,213	338,244

See accompanying notes to financial statements.

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Statements of Activities
Years ended June 30, 2011 and 2010

	2011			2010				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Increases in Net Assets:								
Governmental grants	\$ 271,050	-	-	271,050	260,000	8,883	-	268,883
Other grants and fees	7,951	20,000	-	27,951	17,955	13,000	-	30,955
United Way funding	26,503	-	-	26,503	26,975	-	-	26,975
Contributions	4,601	-	-	4,601	7,035	-	-	7,035
Food stamps	45,057	-	-	45,057	32,428	-	-	32,428
Rental fees	47,152	-	-	47,152	51,522	-	-	51,522
Other income	2,560	-	-	2,560	6,318	-	-	6,318
Interest	144	-	-	144	274	-	-	274
Total revenue before reclassifications	405,018	20,000	-	425,018	402,507	21,883	-	424,390
Reclassifications:								
Net assets released from restrictions	30,000	(30,000)	-	-	11,883	(11,883)	-	-
Total revenue and reclassifications	435,018	(10,000)	-	425,018	414,390	10,000	-	424,390
Decreases in Net Assets:								
Program services	412,628	-	-	412,628	387,666	-	-	387,666
Management and general	41,914	-	-	41,914	42,937	-	-	42,937
Total expenses	454,542	-	-	454,542	430,603	-	-	430,603
Increase (decrease) in net assets	(19,524)	(10,000)	-	(29,524)	(16,213)	10,000	-	(6,213)
Net assets, beginning of year	288,024	10,000	-	298,024	304,237	-	-	304,237
Net assets, end of year	\$ 268,500	-	-	268,500	288,024	10,000	-	298,024

See accompanying notes to financial statements.

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Statements of Functional Expenses
Years ended June 30, 2011 and 2010

	2011			2010		
	Program services	Management and general	Total expenses	Program services	Management and general	Total expenses
Salaries	\$ 204,915	11,463	216,378	200,824	11,275	212,099
Employee benefits	39,949	2,235	42,184	30,395	1,708	32,103
Payroll taxes	19,977	1,118	21,095	20,648	1,160	21,808
Insurance	10,401	1,156	11,557	10,413	1,157	11,570
Professional fees	-	14,232	14,232	-	12,950	12,950
Contracted services	-	5,110	5,110	-	8,575	8,575
Continuing education	346	19	365	489	27	516
Office supplies & expense	1,171	138	1,309	4,897	275	5,172
Occupancy	25,564	2,840	28,404	24,794	2,755	27,549
Telephone & communications	5,320	591	5,911	5,964	663	6,627
Repairs and maintenance	8,412	935	9,347	4,276	475	4,751
Travel, conventions & meetings	9,773	547	10,320	7,187	404	7,591
Household & food	54,134	-	54,134	45,722	-	45,722
Resident services & education	6,837	-	6,837	6,675	-	6,675
Miscellaneous	1,420	158	1,578	1,581	176	1,757
	388,219	40,542	428,761	363,865	41,600	405,465
Depreciation	24,409	1,372	25,781	23,801	1,337	25,138
Total expenses	\$ 412,628	41,914	454,542	387,666	42,937	430,603

See accompanying notes to financial statements.

MID-OHIO VALLEY FELLOWSHIP HOME, INC.

Statements of Cash Flows

Years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ (29,524)	(32,163)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	25,781	25,138
(Increase) decrease in:		
Accounts receivable	(2,018)	(758)
Other current assets	(3,570)	829
Increase (decrease) in:		
Accounts payable	(1,761)	(3,094)
Accrued payroll	3,190	687
Payroll taxes payable	(6,936)	1,993
Net cash provided (used) by operating activities	(14,838)	(7,368)
Cash flows from investing activities:		
Purchase of property and equipment	(10,754)	(5,803)
Changes in certificates of deposit	(128)	10,232
Net cash provided by (used in) investing activities	(10,882)	4,429
Increase (decrease) in cash and cash equivalents	(25,720)	(2,939)
Cash and cash equivalents, beginning of year	41,592	44,531
Cash and cash equivalents, end of year	\$ 15,872	41,592
Supplemental cash flow disclosures:		
Cash paid for:		
Income taxes	\$ -	-
Interest	-	-

See accompanying notes to financial statements.

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Notes to Financial Statements

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Mid-Ohio Valley Fellowship Home, Inc. (the Organization) was incorporated as a nonprofit organization in the State of West Virginia in 1971. The Organization's mission is to provide a well-coordinated system of comprehensive alcoholism services to the residents of Wood County and surrounding areas who are in need of intermediary care and other rehabilitative services.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America.

Basis of Presentation - The Organization has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, an organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization and/or passage of time.

- Permanently restricted net assets - Net assets subject to donor imposed stipulations that they be maintained permanently by the organization. Generally, the donors of the assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

Contributions of cash and other assets are presented 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 to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

Income Tax Status - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

In January 2006, the Financial Accounting Standards Board issued ASC 740-10 (formerly known as FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes), which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Agency adopted ASC 740-10 as of July 1, 2010. There was no impact to the Agency's financial statements as a result of the implementation of ASC 740-10.

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Notes to Financial Statements, Continued

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

Property and Equipment - All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Equipment	5-10
Furniture	5-10
Buildings and improvements	10-20

Depreciation expense for the fiscal year ended June 30, 2011 and 2010 was \$25,781 and \$25,138, respectively.

Donated Services - No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, fundraising activities, and various committee assignments.

Fair Value of Financial Instruments - The Mid-Ohio Valley Fellowship Home, Inc., has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at June 30, 2011 and 2010 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The estimated fair value of all financial instruments has been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

USE OF 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATIONS OF CREDIT RISK

For the fiscal years ended June 30, 2011 and 2010, approximately 75% of the Organization's support came from federal and state grant awards. This concentration of funding increases the credit risk of the program. The Organization is economically dependent on the continuation of this funding for the operation of its programs.

ACCOUNTS AND GRANTS RECEIVABLE

The Organization operates in the Parkersburg, WV area and receives support from various sources, substantially all of whom are local, state or federal government agencies. All Accounts and Grants Receivable balances are deemed collectible, therefore an allowance for doubtful accounts is unnecessary.

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Notes to Financial Statements, Continued

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values of assets and liabilities measured on a recurring basis at June 30, 2011 are as follows:

	Fair Value Measurement At Reporting Date Using:			
	Fair Value	Quoted Prices In Active Markets For Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Securities Available for Sale	\$ 19,762	\$ -0-	\$ 19,762	\$ -0-

The fair value standards established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

NOTE PAYABLE – CITY OF PARKERSBURG

The Organization signed a promissory note payable in the amount of \$25,000 to the City of Parkersburg, WV dated March 11, 1998. The note is non-interest bearing. Repayment is triggered by the sale of certain real estate given by the City of Parkersburg under its Housing Rehabilitation Program before the expiration of the fifteen-year holding period beginning at the above date. At the end of the holding period, the note will be forgiven in full.

RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Organization manages these risks of loss through the purchase of various insurance policies.

CONTINGENT LIABILITIES

The Organization's programs are generally funded from federal, state, and local sources, principal of which are programs of the U.S. Department of Health and Human Services. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, or expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Notes to Financial Statements, Continued

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES

As of June 30, 2011 and 2010, temporarily restricted net assets totaled \$10,000 and \$0 and consisted of donor-restricted contributions which are held in separate accounts to be used as follows:

	<u>2011</u>
Restricted for new beds	<u>\$ 10,000</u>
Total temporarily restricted net assets	<u>\$ 10,000</u>

Net assets released from restriction related to expenditure of restricted funds for their restricted purpose totaled \$10,000 and \$19,098 for the years ended June 30, 2011 and 2010, respectively.

	<u>2011</u>	<u>2010</u>
Capital improvements	\$ -	\$ 5,803
Other programs	<u>-</u>	<u>6,080</u>
Total net assets released from restriction	<u>\$ -</u>	<u>\$ 11,883</u>

EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 12, 2011, the date which 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, CONTINUED***

segregation of duties could increase the risk that misstatements of transactions could go undetected. This situation is typical in an organization of your size. The most effective controls lie in the Board's level of monitoring and oversight of matters relating to the Organization's operations.

The lack of separation of control functions between personnel has the potential for misappropriation of assets, and possible misrepresentation in financial reporting, depending on the level of monitoring and oversight of the Board and its officers.

This situation has been addressed through enhanced Board monitoring and by hiring an outside accounting firm to assist with day to day accounting activities.

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.

My 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, I do not believe the significant deficiency described above is a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mid Ohio Valley Fellowship Home, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 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 audit committee, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Alice M. Harris, CPA

Alice M. Harris, CPA
December 23, 2011

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Schedule of State Funding Status
Years ended June 30, 2011

	<u>BHHF Men's Program</u>	<u>BHHF Women's Program</u>	<u>BHHF Total</u>	<u>Criminal Justice Grant</u>	<u>WV Grant Total</u>
State Assigned Account Number	G110040	G110040	G110040	10-JAG-23	
Amount of Award	132,100	127,900	260,000	11,050	271,050
Amount Earned & Billed to BHHF through year end and qualifying expenses for prior year's (budgetary) deferred revenue.	(132,100)	(127,900)	(260,000)	(11,050)	(271,050)
Budgetary surplus carried to FY 2012	-	-	-	-	-
Amount not earned but billed to BHHF through year-end	-	-	-	-	-
Amount not billed to BHHF through year-end	-	-	-	-	-
Amount collected by year-end	132,100	127,900	260,000	11,050	271,050

MID-OHIO VALLEY FELLOWSHIP HOME, INC.
Schedule of Revenues & Expenses - State Funded Grants
Year ended June 30, 2011

	BHHF Men's Program	BHHF Women's Program	BHHF Totals	Criminal Justice Grant	State Totals
Revenues:					
State awards	130,000	130,000	260,000	11,050	271,050
Other grants and fees	10,281	20,231	30,512	-	30,512
United Fund	13,251	13,251	26,502	-	26,502
Contributions	2,300	2,300	4,600	-	4,600
Food stamps	22,526	22,531	45,057	-	45,057
Resident rent	18,721	28,432	47,153	-	47,153
Interest	64	64	128	-	128
Total revenues	197,143	216,809	413,952	11,050	425,002
Expenses:					
Salaries	82,248	117,933	200,181	6,000	206,181
Employee benefits	26,853	30,266	57,119	5,050	62,169
Contracted services	9,169	9,009	18,178	-	18,178
Direct office supplies and expense	199	199	398	-	398
General program supplies/food	28,312	25,822	54,134	-	54,134
Insurance	5,778	5,778	11,556	-	11,556
Repairs and maintenance	4,017	5,236	9,253	-	9,253
Travel	5,045	5,208	10,253	-	10,253
Utilities	17,835	10,569	28,404	-	28,404
Resident needs	3,413	3,361	6,774	-	6,774
Miscellaneous	14,358	17,264	31,622	-	31,622
Total expenses	197,227	230,645	427,872	11,050	438,922
Excess of revenue over expenses	(84)	(13,836)	(13,920)	-	(13,920)