

**Tucker County Family
Resource Network, Inc.**

AUDITED FINANCIAL STATEMENTS

June 30, 2013

DHHR - Finance

JUL 07 2015

Date Received

~~DHHR - Finance~~

~~JUL 6 2015~~

~~Date Received~~

~~JC~~

Audited by
Williams & Associates, A.C.
204 Davis Avenue, PO Box 2727
Elkins, West Virginia 26241

Tucker County Family Resource Network, Inc.
For the Year Ended June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To Board of Directors
Tucker County Family Resource Network, Inc.
501 Chestnut Street
Parsons, WV 26287

Report on the Financial Statements

We have audited the accompanying financial statements of Tucker County Family Resource Network, Inc. which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

Independent Auditor's Report
Page 2

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tucker County Family Resource Network, Inc. as of June 30, 2013, and the results of their activities and 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.

Williams & Associates, A. C.

Elkins, West Virginia
October 17, 2013

Tucker County Family Resource Network, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2013

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 56,256
Grants Receivable	1,813
Prepaid Expenses	914

Total Current Assets	\$ 58,983
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Fixed Assets

Office Furniture & Equipment, net	7,695
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Total Fixed Assets	7,695
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TOTAL ASSETS

\$ 66,678

LIABILITIES & NET ASSETS

Liabilities

Current Liabilities

Payroll Tax Liabilities	4,938
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Total Current Liabilities	\$ 4,938
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Total Liabilities

4,938

Net Assets

Unrestricted	61,740
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Total Net Assets	61,740
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TOTAL LIABILITIES & NET ASSETS

\$ 66,678

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

Tucker County Family Resource Network, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

REVENUE & SUPPORT		
Grants	\$ 233,724	
Donations	111	
Miscellaneous Income	<u>3,267</u>	
Total Revenue & Support		\$ 237,102
EXPENSES		
Program Expenses	221,694	
Other Expenses	<u>3,685</u>	
Total Expenses		<u>225,379</u>
Total Increase(Decrease) in Net Assets		\$ 11,723
Net Assets, 7/1/12		<u>50,017</u>
Net Assets, 6/30/13		<u><u>\$ 61,740</u></u>

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

Tucker County Family Resource Network, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2013

OPERATING ACTIVITIES

Net Income	\$	11,723	
Adjustments to reconcile Net Income to net cash provided(used) by operations:			
Depreciation		2,042	
Accounts Receivable		1,653	
Employee Advances		200	
Prepaid Expenses		(350)	
Payroll Tax Liabilities		(134)	
Net cash provided(used) by Operating Activities	\$		15,134

FINANCING ACTIVITIES

Purchases of Fixed Assets		(2,840)	
Net cash provided(used) by Financing Activities			(2,840)
Net cash increase(decrease) for the fiscal year			12,294
Cash, 7/1/12			43,962
Cash, 6/30/13	\$		56,256

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

Tucker County Family Resource Network, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

EXPENSES	PROGRAM EXPENSES					Subtotal	General Fund	TOTAL
	SP	DHHR	PIP	BHFF	Others			
Personnel Expenses								
Salaries & Wages	98036	33111	1229	9648	7628	149,652		149,652
Fringe Benefits	11450	3433	122	1185	1167	17,357		17,357
Contractual/Professional								
Contract Labor			1450			1,450		1,450
Travel Expenses								
Mileage	7704	2380	466	1368	995	12,913	54	12,967
Lodging	716				802	1,518		1,518
Meals	374	21	29	86	107	617		617
Supplies								
Office	5506	660	281	989	3281	10,717	1,107	11,824
Postage	246	4	18			268		268
Other Expenses								
Advertising			586	150	48	784		784
Consumer/Community Involvement	4143	515	1962	215	789	7,624		7,624
Public Awareness		1214	218	1128	39	2,599		2,599
Insurance	1432	781				2,213	457	2,670
Rent	3150					3,150	3,600	6,750
Telephone	1491	823			231	2,545		2,545
Other	5763	2064	460			8,287	25	8,312
Depreciation						-	2,042	2,042
TOTAL EXPENSES	\$ 140,011	\$ 45,006	\$ 6,821	\$ 14,769	\$ 15,087	\$ 221,694	\$ 7,285	\$ 228,979

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

Tucker County Family Resource Network, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

Note 1. Summary of Significant Accounting Policies

Tucker County Family Resource Network, Inc. (TCFRN) is a nonprofit organization whose purpose is to facilitate a seamless system of services to the family of the county by identifying family needs, identifying resources to meet family needs, sharing plans and information, and planning joint actions.

The summary of significant accounting policies of TCFRN is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

Basis of Accounting

The financial statements of TCFRN 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 Statements of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, 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.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures 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.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Tucker County Family Resource Network, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

Grants Receivable

Grants are recognized when the grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily net assets are reclassified to unrestricted net assets. As of June 30, 2013, all grants receivable are deemed collectible.

Property and Equipment

The Organization currently capitalizes all equipment purchased at cost and all donated equipment at fair market value and is depreciating these costs using the accelerated method over the asset's estimated useful life.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

Grant Monies

Grant monies are received in two ways:

- 1 – On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent.
- 2 – On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future. Upon completion of a grant year, any unexpended money must be approved for carryover to the next year, but if approval is denied, the money must be reimbursed to the grantor.

Total grant revenues for the year ended June 30, 2013 was \$233,724.

Donated Facilities/Contractual Services

The TCFRN's office space is provided by the Tucker County Board of Education. Donations equal to the value of the office space are recorded as income and an offsetting expense for rent is also recorded in the accompanying financial statements.

Tucker County Family Resource Network, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

Advertising

Advertising is expensed when incurred and totaled \$784 for the year ended June 30, 2013.

Subsequent Events

Management has evaluated subsequent events through the date of this report.

Note 2. Grants Receivable

Grants receivable consisted of the following on June 30, 2013:

BHHF	<u>1,813</u>
Total Grants Receivable	<u>\$ 1,813</u>

Note 3. Property & Equipment

Property and equipment on June 30, 2013 consisted of the following:

Office Equipment	\$12,752
Office Furniture	<u>1,412</u>
Total Fixed Assets	\$14,164
Less Accumulated Depreciation	<u>(6,469)</u>
Fixed Assets, net	<u>\$ 7,695</u>

Note 4. Grant Revenues

Grants revenues for the fiscal year ended June 30, 2013 included:

Starting Points (SP)	\$140,000
Department of Health & Human Resources (DHHR)	45,000
Bureau of Health & Health Facilities (BHHF)	12,724
Partners in Prevention (PIP)	7,500
Sisters of St. Josephs	25,000
Promise Place	2,500
Tucker County Endowment Grants (TCEG)	<u>1,000</u>
Total Grant Revenues for the year ended June 30, 2013	<u>\$233,724</u>

Tucker County Family Resource Network, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

Note 5. In-Kind Contributions

Office space valued at \$3,600 was donated by the Tucker County Board of Education and is recorded as both In-Kind Revenue and In-Kind Rent Expense in the Statement of Activities.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Tucker County Family Resource Network, Inc.
Parsons, West Virginia

My report on my audit of the basic financial statements of Tucker County Family Resource Network, Inc., for the year ended June 30, 2013, appears on page one (1). I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The Statement of Activities by Grant is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Williams & Associates, A.C.

Elkins, West Virginia
October 17, 2013

Tucker County Family Resource Network, Inc.
STATEMENT OF ACTIVITIES BY GRANT
For the Year Ended June 30, 2013

	PROGRAMS							TOTAL
	SP	DHHR	PIP	BHFF	Others	Total Programs	General Fund	
REVENUE & SUPPORT								
Grant Revenues	\$ 140,000	\$ 45,000	\$ 7,500	\$ 12,724	\$ 28,500	\$ 233,724	\$ -	\$ 233,724
Donations				\$	111	111	\$ 3,600	\$ 3,711
Other Revenues					2,705	2,705	562	3,267
TOTAL REVENUE & SUPPORT	140,000	45,000	7,500	12,724	31,316	236,540	4,162	240,702
EXPENSES								
Personnel Expenses								
Salaries & Wages	98036	33111	1229	9648	7628	149,652		149,652
Fringe Benefits	11450	3433	122	1185	1167	17,357		17,357
Contractual/Professional								
Contract Labor			1450			1,450		1,450
Travel Expenses								
Mileage	7704	2380	466	1368	995	12,913	54	12,967
Lodging	716				802	1,518		1,518
Meals	374	21	29	86	107	617		617
Supplies								
Office	5506	660	281	989	3281	10,717	1,107	11,824
Postage	246	4	18			268		268
Other Expenses								
Advertising			586	150	48	784		784
Consumer/Community Involvement	4143	515	1962	215	789	7,624		7,624
Public Awareness		1214	218	1128	39	2,599		2,599
Insurance	1432	781				2,213	457	2,670
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Telephone	1491	823			231	2,545		2,545
Other	5763	2064	460			8,287	25	8,312
Depreciation							2,042	2,042
TOTAL EXPENSES	140,011	45,006	6,821	14,769	15,087	221,694	7,285	228,979
INCREASE/(DECREASE) IN NET ASSETS	\$ (11)	\$ (6)	\$ 679	\$ (2,045)	\$ 16,229	\$ 14,846	\$ (3,123)	\$ 11,723

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

Tucker County Family Resource Network, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL & STATE AWARDS
For the Year Ended June 30, 2013

Federal & State Grantor/Pass-Through			
<u>Grantor/Program or Cluster Title</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<i>Federal Awards</i>			
Pass-Through Awards			
Department of Health & Human Resources			
Starting Points	130246	93.556	\$ 56,250
		93.590	5,944
		93.505	20,000
Department of Health & Human Resources			
Family Resource Network	130146	93.778	<u>14,784</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 96,978</u>
<i>State Awards</i>			
Department of Health & Human Resources			
Starting Points	130246		57,806
Department of Health & Human Resources			
Family Resource Network	130146		25,216
Pass-Through Awards			
Department of Health & Human Resources			
Bureau for Behavioral Health & Health Facilities			<u>14,769</u>
<i>Total Expenditures of State Awards</i>			<u>\$ 97,791</u>
<i>Total Expenditures of Federal & State Awards</i>			<u><u>\$ 194,769</u></u>

The accompanying notes are an integral part of this schedule.

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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

Board of Directors
Tucker County Family Resource Network, Inc.
Parsons, West Virginia

We have audited the financial statements of Tucker County Family Resource Network Inc. as of and for the year ended June 30, 2013, and have issued our report thereon dated October 17, 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

In planning and performing our audit, we considered Tucker County 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 Tucker County Family Resource Network, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Tucker County Family Resource Network, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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 entity's internal control.

Our consideration of 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 internal control that might be 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 noted certain matters that we have reported to management of Tucker County Family Resource Network, Inc., in a separate letter dated October 17, 2013, and included in this audit report on page 16.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tucker County 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 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*.

This report is intended solely for the information and use of the audit committee, management, the Department of Health and Human Resources and other funders, and is not intended to be and should not be used by anyone other than these specified parties.

Williams & Associates, A.C.
Williams & Associates, A.C.
October 17, 2013

Tucker County Family Resource Network Inc
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2013

SIGNIFICANT DEFICIENCIES

2013-1 LACK OF SEGREGATION OF DUTIES

Criteria: Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

Condition: Financial coordinator is responsible for recording accounts receivable, reconciling the bank statements and for posting journal entries.

Cause: The organization has limited staff and responsibilities for approving, executing, and recording transactions and custody of the resulting assets arising from financial transactions are not assigned to different individuals because the organization does not employ enough administrative staff members to make the necessary segregation possible.

Effect: More than a remote likelihood exists that a material misstatement of the financial statements will not be prevented or detected by the organization's internal controls.

Recommendation: We recommend responsibilities of approval, execution, recording and custody should be distributed among employees, management and the board of directors to the degree possible. However, we recognize that full and complete segregation of duties is not economically feasible.

Response: We concur with the finding and recommendation.

2013-2 LACK OF CAPITALIZATION POLICY

Criteria: A capitalization policy should be adopted and implemented requiring the recording of purchase of items (equipment, furniture, computers, etc) with useful lives of greater than one year as assets and depreciating them accordingly.

Condition: The organization currently has no capitalization policy.

Cause: Management has not adopted a capitalization policy.

Tucker County Family Resource Network Inc
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2013

Effect: Accounting staff have no procedure to follow regarding the capitalization of fixed assets resulting in expensing of fixed assets with useful lives of greater than one year rather than depreciating the assets over their useful lives as required by generally accepted accounting principles.

Recommendation: Management should adopt a capitalization policy immediately.

Response: We concur with the finding and recommendation.

**2013-3 FAILURE TO ACCRUE GRANT REVENUE AND RECORD
CORRESPONDING GRANT RECEIVABLE**

Criteria: Revenue should be recognized and corresponding receivables recorded when earned.

Condition: The organization currently uses the cash basis for recording revenue and, thus, does not record the appropriate receivables.

Cause: The organization currently uses the cash basis for recording revenues.

Effect: Revenues are recorded in the wrong periods and grants receivable are not recorded at all.

Recommendation: The accrual basis should be used for recognizing revenue and recording receivables.

Response: We concur with the finding and recommendation.