

PRESTON COUNTY CARING COUNCIL, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

DHHR - Finance

JUL 5 2017

Date Received

Preston County Caring Council Family Resource Network
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Kingwood, WV 26537
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Board of Directors
President: Karen Bright
Treasurer: Rochelle Layman
Mental Health:
Family Rep: Amanda McCeary
Community Rep: David Hartley

Vice President: Kim Riley
Sec. & Health Rep: Jeannie Welch
Family Rep. Marsha Wolfe
Health Rep. Kim Liston
Family Rep. Shelly Morland

Education: Susie Huggins
Family Rep: Brenda Griffith
Senior Citizen: Deborah Smith
Family Rep: Melanie Bentz

July 3, 2017

Enclosed is the Audit for fiscal year ending June 30, 2015 for Preston County Caring Council INC. DBA Preston Family Resource Network.

Sincerely



Barbara Thorn
Director

DHHR - Finance

JUL 5 2017

Date Received

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ROTH & WHITE, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 67
Kingwood, WV 26537
(304) 329-1020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Preston County Caring Council, Inc.
Kingwood, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Preston County Caring Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, 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 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 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 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 Preston County Caring Council, Inc. as of June 30, 2015, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements 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 or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2017 on our consideration of Preston County Caring Council, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering Preston County Caring Council, Inc.'s internal control over financial reporting and compliance.

Roth & White, P.C.

Kingwood, West Virginia
June 29, 2017

DHHR - Finance

JUL 5 2017

Date Received

PRESTON COUNTY CARING COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 62 808
Grant receivable	10 228
Other receivables	356
Prepayments	4 511

	77 903

PROPERTY AND EQUIPMENT

Leasehold improvement	1 953
Office equipment	49 256
Less accumulated depreciation	(42 429)

	8 780

TOTAL ASSETS

\$ 86 683

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 10 869
Accrued expenses	7 264

TOTAL LIABILITIES

18 133

NET ASSETS

Unrestricted	68 550

TOTAL NET ASSETS

68 550

TOTAL LIABILITIES AND NET ASSETS

\$ 86 683

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

PRESTON COUNTY CARING COUNCIL, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
State government grants	\$	\$ 270 650	\$ 270 650
Fundraising and special events	2 911		2 911
Other grants		19 756	19 756
Donations	16 744		16 744
Other income	4 495		4 495
	-----	-----	-----
Total revenue and support	24 150	290 406	314 556
	-----	-----	-----
Net assets released from usage restrictions	290 406	(290 406)	
	-----	-----	-----
Total public support and revenue	314 556	-0-	314 556
	-----	-----	-----
EXPENSES			
Program services	227 677		227 677
General and administrative	74 735		74 735
Fundraising	1 793		1 793
	-----	-----	-----
Total expenses	304 205		304 205
	-----	-----	-----
Change in net assets	10 351	-0-	10 351
	-----	-----	-----
NET ASSETS -			
BEGINNING OF YEAR	58 199	-0-	58 199
	-----	-----	-----
NET ASSETS - END OF YEAR	<u>\$ 68 550</u>	<u>\$ -0-</u>	<u>\$ 68 550</u>

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

PRESTON COUNTY CARING COUNCIL, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2015

	<u>Total</u>	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>
PAYROLL				
Staff wages	\$ 161 471	\$ 126 840	\$ 34 631	\$
Employee benefits	15 623	8 852	6 771	
Payroll taxes	13 975	11 141	2 834	
	-----	-----	-----	-----
Total payroll	191 069	146 833	44 236	
OTHER EXPENSES				
Rent	3 320	3 320		
Professional fees	4 687		4 687	
Contractual	14 371	5 200	9 171	
Supplies and materials	23 753	21 960		1 793
Telephone and utilities	14 394	14 394		
Training	11 009	11 009		
Advertising and public relations	472	472		
Insurance	1 695	1 695		
Office expense	13 594		13 594	
Travel and transportation	16 770	16 770		
Dues, subscriptions and licenses	2 451		2 451	
Meeting expenses	1 007	1 007		
Depreciation	5 017	5 017		
Interest expense	596		596	
	-----	-----	-----	-----
	<u>\$ 304 205</u>	<u>\$ 227 677</u>	<u>\$ 74 735</u>	<u>\$ 1 793</u>

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

PRESTON COUNTY CARING COUNCIL, INC.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 10 351
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5 017
Increase in accounts payable	6 425
Decrease in accrued expenses	(638)
Increase in prepayments	(1 797)
Increase in grant receivables	(1 014)
Decrease in other receivables	156
Decrease in employee receivable	76

Net cash provided by operating activities	18 576

CASH FLOWS FROM INVESTING ACTIVITIES:

Equipment purchases	(583)

Net cash (used in) investing activities	(583)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on line of credit loan	(8 000)
Proceeds from line of credit loan	8 000

Net cash provided by (used in) financing activities	-0-

NET INCREASE IN CASH 17 993

CASH AND CASH EQUIVALENTS - BEGINNING 44 815

CASH AND CASH EQUIVALENTS - ENDING \$ 62 808

SUPPLEMENTAL INFORMATION:

Interest expense of \$596 was paid on the line of credit loan.

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

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies

Organization

Preston County Caring Council, Inc. is a nonprofit organization, formed in 1994. The mission of this Organization is to bring together resources to improve conditions for all children and families.

For the year ending June 30, 2015, the Council administered grant funding from the West Virginia Department of Health and Human Resources Bureau for Children and Families under programs for Preston County Starting Points, Preston County Caring Council, and Preston County Parents as Teachers. Any decrease of these grants would be detrimental to the Council.

General and administrative activities include the functions necessary to provide support for the organization's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations (NFPs). The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

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: Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of accounting (Continued)

Temporarily Restricted: Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use. The organization had no temporarily restricted net assets as of June 30, 2015.

Permanently Restricted: Permanently restricted net assets are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. The Organization had no permanently restricted net assets as of June 30, 2015.

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 consolidated 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 consolidated statement of activities as net assets released from restriction.

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

Expense Recognition and Allocation

The cost of providing the various programs and other activities has been detailed in the statement of functional expenses and is summarized on a functional basis in the statement 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.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization does not conduct its fundraising activities in conjunction with its other activities.

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, 2015, there were no significant non-cash contributions of goods or services. However, many individuals volunteer their time and perform a variety of tasks that may assist the Organization, but these services do not meet the criteria for recognition in the financial statements.

Cash and cash equivalents

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

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

	Bank Balance	Carrying Value	Interest Rate
Petty Cash	\$	\$ 300	N/A
Checking	73 105	62 508	0%

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

PRESTON COUNTY CARING COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015**

Note 1. Summary of Significant Accounting Policies (Continued)

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 changing interest rates.

Income Taxes

The Organization received a determination from the Internal Revenue Service indicating that it is exempt for 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, 2015, the Organization 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 statement 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, 2014 through June 30, 2016 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.

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 consolidated financial statements and the reported amounts of revenues and expenses, and gains and losses during the reported periods. Accordingly, actual results could differ from those estimates.

Prepayments

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

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

Fixed Assets

Fixed assets are capitalized. 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 and amortization are removed from the accounts and any resulting gains or losses are recognized. Depreciation is computed using straight-line and an accelerated method over the estimated lives of the respective assets. Leasehold improvements are amortized over their useful lives.

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

<u>Asset Group</u>	<u>Years</u>
Leaschold improvements	5
Office equipment	5-7

Grants, Contracts and Other Receivables

Grants, contracts 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, 2015.

Fund-Raising Activities

The Organization's financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, formerly known as Statement of Position 98-2, "Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Government Entities that Include Fund-Raising". FASB ASC 958 establishes criteria for accounting and reporting for any entity that solicits contributions.

Compensated Absences

It is the Organization's policy that employees must use their vacation and sick days by year end, or they forfeit the days. Therefore, there is not a liability for compensated absences at June 30, 2015.

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 29, 2017, the date the financial statements were available to be issued.

Note 2. Property and Equipment and Depreciation

Property and equipment consist of the following:

Leasehold improvements	\$ 1 953
Office equipment	49 256

	51 209
Less accumulated depreciation	(42 429)

	\$ 8 780
	=====

Depreciation expense for the year ended June 30, 2015 amounts to \$5,017.

Note 3. Retirement System

Preston County Caring Council, Inc. is not a member of any retirement system.

Note 4. Office Rent

The Organization's offices are located in a building owned by the Wesley United Methodist Church. The Church does not charge the Organization rent; however, the Organization is responsible for the utilities and upkeep. The Church considers the Organization as performing a mission similar to the Church. The fair value of the rent is not reasonably determined and is not included in these financial statements. The loss of this arrangement may result in the decrease of services by the Council.

Note 5. Risk Management

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

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

Note 6. Advertising

Advertising and public relation expenses for the year are \$472.

Note 7. State Government Grants

Preston Caring Council, 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:

Preston County Starting Points:

Federal Funds (CFDA #93.590)	\$ 5 332
Federal Funds (CFDA #93.556)	10 000
State Funds (Account #0403/274)	24 032
State Funds (Account #0403/196)	47 455
State Funds (Account #0403/951)	4 484
State Funds (Account #5365/274)	6 697
State Funds (Account #5365/951)	9 200

	\$ 107 200

Preston County Caring Council Parents
as Teachers:

Federal Funds (CFDA # 93.590)	\$ 1 783
State Funds (Account #0403/195)	19 193
State Funds (Account #0403/688)	39 080
State Funds (Account #5365/688)	7 944

	\$ 68 000

Preston County Caring Council:

Federal Funds (CFDA #93.778)	\$ 14 784
State Funds (Account #0403/274)	22 788
State Funds (Account #5365/274)	1 028

	\$ 38 600

Preston County Caring Council Parents
as Teachers Expansion:

Federal Funds (CFDA #93.505)	\$ 56 850

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

Note 8. Child Advocacy Center

For the year ended June 30, 2014, the Organization received grants to support a Child Advocacy Center for Preston, Taylor, and Barbour Counties, West Virginia. A new organization, Tygart Valley Regional Child Advocacy Center, took over activities for the Child Advocacy Center after establishment and receiving the determination on their non-profit status from the Internal Revenue Service. All activities were turned over in September, 2015.

Note 9. 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 10. Concentration of Credit Risk

The Organization's cash is maintained at financial institutions in North Central West Virginia. The organization has exposure to credit risk to the extent cash exceeds \$250,000 in one institution, the amounts covered by Federal Deposit Insurance Corporation (FDIC). As of June 30, 2015, there was not any uninsured amounts.

Note 11. Line of Credit

The Organization executed an unsecured line of credit agreement, due on demand, at a local financial institution.

The Organization borrowed and repaid \$8,000 against the line of credit during the year, ending June 30, 2015.

PRESTON COUNTY CARING COUNCIL, INC.

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2015**

<u>State Grantor</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
West Virginia Department of Health and Human Resources Bureau for Children and Families		
Preston County Starting Points	\$ 107 200	\$ 107 200
Preston County Caring Council	38 600	38 600
Preston County Caring Council Parents as Teachers	68 000	68 000
Preston County Caring Council Parents as Teachers Expansion	56 850	56 850

Note A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of Preston Caring Council, Inc. and is presented on the accrual basis of accounting.

The Notes to Financial Statements are an integral part of these statements.

ROTH & WHITE, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 67
Kingwood, WV 26537
(304) 329-1020

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

To the Board of Directors
Preston County Caring Council, Inc.
Kingwood, West Virginia

We have audited, 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, the financial statements of Preston County Caring Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Preston County Caring Council, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Preston County Caring Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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. *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.

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 that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as 2015-01, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Preston County Caring Council, 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*.

Preston County Caring Council, Inc.'s Response to Findings

Preston County Caring Council, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Preston County Caring Council, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Roth & White, P.C.

Kingwood, West Virginia
June 29, 2017

DHHR - Finance

JUL 5 2017

Date Received

PRESTON COUNTY CARING COUNCIL INC.

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

2015-01

SEGREGATION OF DUTIES

CONDITION:

Analysis of the internal control system indicated a lack of segregation of duties. This is a repeat finding from prior years.

CRITERIA:

Proper internal control dictates that the responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction be assigned to separate individuals.

CAUSE:

The organization has limited staff and has not implemented policies and procedures to ensure proper 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.