

**TAYLOR COUNTY COLLABORATIVE
FAMILY RESOURCE NETWORK, INC.**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

DHHR - Finance

JUL 9 2020

Date Received

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7-13
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of State Awards	14
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 <i>GOVERNMENT AUDITING STANDARDS</i>	15-16
SCHEDULE OF FINDINGS AND RESPONSES	17-18

DHHR - Finance

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Date Received

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
Taylor County Collaborative Family Resource Network, Inc.
Grafton, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Taylor County Collaborative Family Resource Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 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 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 Taylor County Collaborative Family Resource Network, Inc. as of June 30, 2018, 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 22, 2020 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 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 Taylor County Collaborative Family Resource Network, Inc.'s internal control over financial reporting and compliance.

Roth & White, P.C.

Kingwood, West Virginia
June 22, 2020

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2018

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 45 572
Other receivables	1 866

	47 438

PROPERTY AND EQUIPMENT	
Office equipment	12 001
Less accumulated depreciation	(9 039)

	2 962

TOTAL ASSETS	\$ 50 400
	=====
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 1 171
Accrued expenses	1 798

TOTAL CURRENT LIABILITIES	2 969

NET ASSETS	
Unrestricted	47 431

TOTAL NET ASSETS	47 431

TOTAL LIABILITIES AND NET ASSETS	\$ 50 400
	=====

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, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
State government grants	\$	\$ 90 900	\$ 90 900
Fundraising and special events	1 615		1 615
Other grants		17 804	17 804
Donations	29 886		29 886
Other revenue	2 880		2 880
	-----	-----	-----
Total revenue and support	34 381	108 704	143 085
	-----	-----	-----
Net assets released from usage restrictions	108 704	(108 704)	
	-----	-----	-----
Total public support and revenue	143 085		143 085
	-----	-----	-----
EXPENSES			
Program services	72 295		72 295
General and administrative	47 891		47 891
Fundraising	541		541
	-----	-----	-----
Total expenses	120 727		120 727
	-----	-----	-----
Increase in net assets	22 358		22 358
	-----	-----	-----
NET ASSETS - BEGINNING OF YEAR	25 073		25 073
	-----	-----	-----
NET ASSETS - END OF YEAR	\$ 47 431	\$	\$ 47 431
	=====	=====	=====

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, 2018**

	<u>Total</u>	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>
PAYROLL				
Staff wages	\$ 72 182	\$ 34 210	\$ 37 972	\$
Payroll taxes	6 105	2 930	3 175	
	-----	-----	-----	-----
Total payroll	78 287	37 140	41 147	
OTHER EXPENSES				
Rent	5 340	5 340		
Contractual	3 320		3 320	
Supplies and materials	19 974	19 433		541
Telephone and utilities	2 261	2 261		
Advertising and marketing	700	700		
Insurance	4 628	4 628		
Office expense	2 705		2 705	
Travel and conferences	2 793	2 793		
Depreciation	626		626	
Bank service charges	67		67	
Other sundries	26		26	
	-----	-----	-----	-----
	<u>\$ 120 727</u>	<u>\$ 72 295</u>	<u>\$ 47 891</u>	<u>\$ 541</u>

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, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 22 358
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	626
Decrease in accrued expenses	(112)
Decrease in accounts payable	(2 791)
Increase in other receivables	(140)

Net cash provided by operating activities	19 941

NET INCREASE IN CASH	19 941
CASH AND CASH EQUIVALENTS - BEGINNING	25 631

CASH AND CASH EQUIVALENTS - ENDING	\$ 45 572
	=====

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, 2018

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.

For the year ending June 30, 2018, the Organization administered 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. Any decrease of these grants would be detrimental to the Organization.

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-profits (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.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2018

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 assets are 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, 2018.

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, 2018.

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.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Expense Recognition and Allocation

The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and are 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, 2018, 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 as contributed services.

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

	<u>Book</u> <u>Balance</u>	<u>Bank</u> <u>Balance</u>	<u>Interest</u> <u>Rate</u>
Checking accounts	\$ 45 572	\$ 47 206	0%

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

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2018

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 increasing 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, 2018, 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, 2017 through June 30, 2019 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.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2018

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 the straight-line 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>
Office equipment	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, 2018.

Grants from Government Agencies

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

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

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. All vacation time has been used at fiscal year end. Therefore, there is not a liability for compensated absences at June 30, 2018.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 22, 2020, the date the financial statements were available to be issued.

Note 2. Property and Equipment and Depreciation

Property and equipment consist of the following:

Office equipment	\$ 12 001
Less accumulated depreciation	(9 039)

	\$ 2 962
	=====

Depreciation expense for the year ended June 30, 2018 amounts to \$626.

Note 3. Retirement System

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

Note 4. Commitments

The Organization leases space under cancellable operating leases. Rent expenses for these leases for the year ended June 30, 2018 were \$5,340.

Note 5. 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 6. Advertising and Marketing

Advertising and marketing expenses for the year are \$700.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2018

Note 7. 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 #93.778)	\$ 14 800
State Funds (Account #0403/27400)	23 800

	\$ 38 600

Taylor County Starting Points.:

Federal Funds (CFDA #93.556)	\$ 12 658
Federal Funds (CFDA # 93.590)	2 955
State Funds (Account #0403/27400)	16 504
State Funds (Account #0403/95100)	2 426
State Funds (Account #5469/09900)	852
State Funds (Account #0403/13000)	17 605

	53 000
Less amount not received	(700)

	\$ 52 300

Note 8. Contingencies

The Organization participates in 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 9. Concentration of Credit Risk

The Organization's cash is maintained at a financial institution 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, 2018, there was no uninsured amounts.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended June 30, 2018

<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 Starting Points	\$ 52 300	\$ 52 300
Taylor County Collaborative Family Resource Network	38 600	38 600

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
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
Taylor County Collaborative Family Resource Network, Inc.
Grafton, 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 Taylor County Collaborative Family Resource Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Taylor County Collaborative Family Resource Network, 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 Taylor County Collaborative Family Resource Network, Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of the Network'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 deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as 2018-001, that we consider to be a significant deficiency.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2018-002.

Taylor County Collaborative Family Resource Network, Inc.'s Response to Findings

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. Taylor County Collaborative Family Resource Network, 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 22, 2020

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

2018-001

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 is 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.

TAYLOR COUNTY COLLABORATIVE FAMILY RESOURCE NETWORK, INC.

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

2018-002

MAINTENANCE OF ACCOUNTING RECORDS

CONDITION: We determined during our audit that the management of the Taylor County Collaborative Family Resource Network, Inc. did not maintain adequate accounting records. This is a repeat finding from prior years.

Specifically, they did not do the following:

1. Review the recording of journal entries in the general ledger.
2. Allocate all grant revenue in the general ledger to the various sources from which the grants were received.

CRITERIA: To assure proper and complete reporting of financial data, ledgers should be reconciled to source documents on a monthly basis.

CAUSE: Policies and procedures were not in place to ensure adequate records of all transactions were maintained. Management did not review the general ledger to ensure the transactions were recorded in the correct period and properly allocated among the general ledger accounts.

EFFECT: Journal entries were recorded in the wrong accounting year which affected the beginning balances of the accounts.

RECOMMENDATION: Management should establish policies and procedures that provide for the maintenance of adequate accounting records and the proper allocation of grant revenue and expenses.

**ORGANIZATION'S
RESPONSE:** Management will endeavor to correct this situation.