

STOP ABUSIVE FAMILY ENVIRONMENTS (S.A.F.E.), INC.

FINANCIAL REPORT

JUNE 30, 2011 AND 2010



PERSINGER COMPANY CPAs, INC.
Certified Public Accountants

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PERSINGER COMPANY CPAs, INC.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Stop Abusive Family Environments, Inc.
P.O. Box 234
Welch WV, 24801

We have audited the accompanying statements of financial position of Stop Abusive Family Environments, Inc. as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Stop Abusive Family Environments, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stop Abusive Family Environments, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2012, on our consideration of Stop Abusive Family Environments, Inc. internal control over financial reporting and on 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Stop Abusive Family Environments, Inc. taken as a whole. The accompanying schedule of expenditure of federal awards and the schedule of expenditure of West Virginia state awards is presented for purposes of additional analysis and is not a required part of the financial statements of the Organization. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Persinger Company CPAs, Inc.

Covington, Virginia
February 28, 2012

STOP ABUSIVE FAMILY ENVIRONMENTS, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2011 and 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,173,794	\$ 1,209,626
Temporarily restricted cash (Note 5)	41,609	39,036
Other current assets	7,533	11,695
Housing Development Property (Note 2)	25,500	140,958
Current maturity of notes receivable (Note 4)	10,937	10,761
Total current assets	1,259,373	1,412,076
 PROPERTY AND EQUIPMENT (Note 3)		
Transitional Housing, net	2,007,601	2,008,699
SAFE Housing and Economic Development, net	3,467,920	3,580,123
Total fixed assets	5,475,521	5,588,822
 OTHER ASSETS		
Notes receivable (Note 4)	237,262	248,240
Escrow (Note 5)	28,047	57,345
Total other assets	265,309	305,585
 TOTAL ASSETS	 \$ 7,000,203	 \$ 7,306,483
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 68,346	\$ 40,360
Current maturity of long term debt (Note 6)	1,553	1,460
Total current liabilities	69,899	41,820
LONG TERM DEBT (Note 6)	1,685,000	1,686,427
 NET ASSETS		
Temporarily restricted net assets (Note 5)	87,656	115,381
Unrestricted net assets	5,157,648	5,462,855
Total net assets	5,245,304	5,578,236
 TOTAL LIABILITIES AND NET ASSETS	 \$ 7,000,203	 \$ 7,306,483

See Notes to Financial Statements.

STOP ABUSIVE FAMILY ENVIRONMENTS, INC.
STATEMENT OF ACTIVITIES
For The Years Ended June 30, 2011 and 2010

	2011	2010
UNRESTRICTED NET ASSETS		
SUPPORT		
Grants	\$ 870,617	\$ 826,453
Medicaid	-	-
Donations (Note 8)	33,352	61,144
Donated office space (Note 8)	1,356	1,601
Total support	905,325	889,198
REVENUE		
Rent	126,649	128,225
Gain on sale of housing	-	-
Loan subsidy (Note 6)	15,464	15,464
Interest income	5,861	8,573
Other income	12,587	3,640
Total revenue	160,561	155,902
Total Unrestricted Support and Revenue	1,065,886	1,045,100
Net assets released from restriction:		
Satisfaction of program restrictions	27,725	327
Total Unrestricted Support, Revenue, and Reclassifications	1,093,611	1,045,427
EXPENSES		
Transitional housing	793,147	771,874
SAFE Housing & Economic Development	448,444	402,296
General and administrative	157,227	149,664
Total expenses	1,398,818	1,323,834
Increase (decrease) in total net assets	(305,207)	(278,407)
TEMPORARILY RESTRICTED NET ASSETS		
Security deposit and reserve cash activity	2,573	2,730
Health reimbursement arrangement activity	(1,000)	(5,000)
WV Housing fund escrow activity	(29,298)	1,943
Increase (decrease) in temporarily restricted net assets	(27,725)	(327)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(332,932)	(278,734)
NET ASSETS, beginning of year	5,578,236	5,856,970
NET ASSETS, end of year	\$ 5,245,304	\$ 5,578,236

See Notes to Financial Statements.

STOP ABUSIVE FAMILY ENVIRONMENTS, INC.
STATEMENT OF CASH FLOWS
For The Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ (332,932)	\$ (278,734)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	194,365	187,498
Escrow	29,298	(1,943)
(Increase) decrease in:		
Grant receivable	-	-
Other current assets	4,162	(3,124)
Housing Development Property	115,458	110,625
Notes receivable - Housing	922	10,210
Increase (decrease) in:		
Accounts payable	27,986	(3,734)
Total adjustments	372,191	299,532
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	39,259	20,798
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(71,184)	(25,846)
NET CASH (USED) BY INVESTING ACTIVITIES	(71,184)	(25,846)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments on notes payable	(1,334)	(1,366)
NET CASH (USED) BY FINANCING ACTIVITIES	(1,334)	(1,366)
NET INCREASE (DECREASE) IN CASH	(33,259)	(6,414)
Cash and Equivalents, Beginning	1,248,662	1,255,076
Cash and Equivalents, End	\$ 1,215,403	\$ 1,248,662
Cash and equivalents consists of the following on the balance sheet:		
Unrestricted cash	\$ 1,173,794	\$ 1,209,626
Temporarily restricted cash	41,609	39,036
Total cash and equivalents	\$ 1,215,403	\$ 1,248,662
Supplemental Information		
Interest paid	\$ 22,981	\$ 22,949
Non-Cash Transactions		
Donated revenue and expense	\$ 30,511	\$ 58,980
Forgiveness of debt	\$ -	\$ -

See Notes to Financial Statements.

STOP ABUSIVE FAMILY ENVIRONMENTS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2011

	TRANSITIONAL HOUSING	SAFE HOUSING AND ECONOMIC DEVELOPMENT	GENERAL AND ADMINISTRATIVE	TOTAL
Salaries and wages	\$ 379,656	\$ 96,290	\$ 74,281	\$ 550,227
Employee benefits	59,245	13,455	10,380	83,080
Payroll taxes	41,736	10,585	8,166	60,487
Depreciation	67,899	112,203	14,263	194,365
Grants to SHED	-	145,590	-	145,590
Maintenance	25,935	23,771	5,523	55,229
Utilities	45,464	14,880	5,957	66,301
Donated goods/services	29,155	-	-	29,155
Housing and client supplies	53,633	-	-	53,633
Interest	-	22,980	-	22,980
Contract labor	12,761	-	3,500	16,261
Insurance	10,980	4,382	2,200	17,562
Travel	23,612	934	-	24,546
Professional fees	10,377	1,500	6,000	17,877
Consulting	8,897	-	8,897	17,794
Office supplies	-	-	9,170	9,170
Telephone	8,802	848	1,072	10,722
Rent	7,099	-	-	7,099
Printing	5,644	-	-	5,644
Training	1,588	-	-	1,588
Advertising	-	-	3,316	3,316
Dues, subscriptions and licenses	-	-	2,801	2,801
Program supplies	438	-	-	438
Postage	-	-	1,391	1,391
Miscellaneous	226	1,026	310	1,562
Total	\$ 793,147	\$ 448,444	\$ 157,227	\$ 1,398,818

See Notes to Financial Statements.

STOP ABUSIVE FAMILY ENVIRONMENTS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2010

	TRANSITIONAL HOUSING	SAFE HOUSING AND ECONOMIC DEVELOPMENT	GENERAL AND ADMINISTRATIVE	TOTAL
Salaries and wages	\$ 335,509	\$ 85,050	\$ 65,440	\$ 485,999
Employee benefits	53,317	13,515	10,399	77,231
Payroll taxes	35,110	8,900	6,848	50,858
Depreciation	60,896	110,030	16,572	187,498
Grants to SHED	22,500	111,450	-	133,950
Maintenance	38,915	24,777	5,459	69,151
Utilities	40,236	16,419	4,264	60,919
Donated goods/services	57,379	-	-	57,379
Housing and client supplies	39,494	-	-	39,494
Interest	-	22,949	-	22,949
Contract labor	16,654	-	3,500	20,154
Insurance	10,680	5,628	3,000	19,308
Travel	16,961	973	-	17,934
Professional fees	7,185	1,500	8,000	16,685
Consulting	5,359	-	5,359	10,718
Office supplies	-	-	10,634	10,634
Telephone	7,888	798	876	9,562
Rent	7,277	-	-	7,277
Printing	7,107	-	-	7,107
Training	5,155	100	-	5,255
Management fees	2,500	-	2,500	5,000
Advertising	-	-	3,019	3,019
Dues, subscriptions and licenses	-	-	2,089	2,089
Program supplies	1,752	207	-	1,959
Postage	-	-	1,271	1,271
Miscellaneous	-	-	434	434
	<u>\$ 771,874</u>	<u>\$ 402,296</u>	<u>\$ 149,664</u>	<u>\$ 1,323,834</u>
Total	<u>\$ 771,874</u>	<u>\$ 402,296</u>	<u>\$ 149,664</u>	<u>\$ 1,323,834</u>

See Notes to Financial Statements.

STOP ABUSIVE FAMILY ENVIRONMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities:

Stop Abusive Family Environments, Inc., also known as S.A.F.E., is a non-profit corporation organized under the laws of the State of West Virginia and is operated to provide services and transitional housing facilities for victims of domestic violence in McDowell County and other southern West Virginia counties. The organization also participates in the Community Housing Development program which provides single housing to eligible home buyers, and has constructed low income rental units which are subsidized by HUD.

S.A.F.E. is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an entity that is not a private foundation within the meaning of Section 509 (a).

A summary of the Organization's significant accounting policies follows:

Basis of accounting:

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Source of Revenue:

S.A.F.E. receives revenue from federal, state, and other grants along with various individual and corporate donations, sale of single family housing, and rent from tenants in the transitional housing facility, and HUD housing development known as Starland Heights.

Cash and cash equivalents:

S.A.F.E. considers all cash accounts which are not subject to withdrawal restrictions or penalties including checking, savings, and certificates of deposit as cash and cash equivalents.

Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed goods and services:

Contributed services that create or enhance non-financial assets or require specialized skills are recorded as support and expense in the period that the services are performed. No amounts were recorded because these services did not meet the above criteria, and/or could not be reasonably estimated. Contributed goods are recorded as support and expense in the period that they are received and used. The amounts of these goods were recorded at the cost of each specific item.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (continued)

Property and equipment:

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair market value of donated property and equipment at the date of gift is similarly capitalized. Donated property and equipment for which it is impracticable to determine a value is not capitalized. Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the property.

Functional allocation of expenses:

The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting service benefited.

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 and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Note 2. Housing Development Property

S.A.F.E. is involved with a program with the West Virginia Housing Development Fund through HUD-HOMECHDO to develop and sell single family housing units to individuals and families who may not be able to purchase a house by any other means. S.A.F.E. had purchased, renovated, or received by donation property for development and/or resale at fair market value of \$ 25,500 and \$ 140,958, respectively, as of June 30, 2011 and 2010.

Note 3. Property and Equipment

Property and equipment at June 30, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Transitional Housing:		
Land	\$ 500	\$ 500
Land improvements	20,500	20,500
Buildings and improvements	2,768,213	2,715,036
Office equipment and furniture	92,922	84,670
Vehicles	89,884	89,884
Program equipment and furniture	<u>62,694</u>	<u>43,059</u>
	3,034,713	2,953,649
Less accumulated depreciation	<u>1,027,112</u>	<u>944,950</u>
Total transitional housing	<u>\$ 2,007,601</u>	<u>\$ 2,008,699</u>

NOTES TO FINANCIAL STATEMENTS

Note 3. Property and equipment (continued)

	<u>2011</u>	<u>2010</u>
SAFE Housing & Economic Development Managed:		
Land – Kimball Office	\$ 10,000	\$ 10,000
Land – Starland Heights	357,322	357,322
Land improvements – Starland Heights	435,076	435,076
Building – Kimball Office	86,923	86,923
Building – Starland Heights	3,555,019	3,555,019
Office furniture and equipment	<u>18,906</u>	<u>18,906</u>
	4,463,246	4,463,246
Less accumulated depreciation	<u>995,326</u>	<u>883,123</u>
 Total SAFE Housing & Economic Development	 <u>\$ 3,467,920</u>	 <u>\$ 3,580,123</u>

Note 4. Notes Receivable and Contingencies

One source of revenue for S.A.F.E. is the sale of single family housing to families that could not afford their own house by any other means. In regards thereto, S.A.F.E. has taken notes, with the first deed of trust, from the purchasers of these units. There are a total of 24 individual notes outstanding. Terms of these notes vary from 1% to 3% and from 15 years to 33 years. Notes receivable at June 30, 2011 amounted to \$ 248,199. These notes are collectible as follows:

<u>June 30,</u>	<u>Amount</u>
2011	\$ 10,937
2012	11,118
2013	11,303
2014	11,224
2015	10,714
Later years	<u>192,903</u>
	 <u>\$ 248,199</u>

Note 5. Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Cash:		
Security deposits	\$ 3,631	\$ 5,427
USDA-RD Section 515 Reserve	<u>37,978</u>	<u>33,609</u>
Total Temporarily Restricted Cash	41,609	39,036
 Employee Benefit Plan (See Note 12):		
Health Reimbursement Arrangement (HRA)	<u>18,000</u>	<u>19,000</u>
 Escrow:		
WV Housing Development Fund		
Replacement/Insurance reserve	<u>28,047</u>	<u>57,345</u>
 Temporarily Restricted Assets	 <u>\$ 87,656</u>	 <u>\$ 115,381</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Long Term Debt and Contingencies

S.A.F.E. has entered into agreements for funds to renovate property to be used for transitional housing. The following funds are considered a non-interest bearing promissory note, secured by certain real property, used for transitional housing. No payment on the notes will be required if the organization continues to use the property to serve this purpose for no less than 20 years, or converts the property to other agreed upon use. If there is a breach or default in the performance of these agreements, which expire June 30, 2016, the entire unpaid balances shall at once become due in full. Accordingly, revenue will be recognized as the debt is forgiven. At June 30, the balances were as follows:

	<u>2011</u>	<u>2010</u>
WVHDF	\$ 878,628	\$ 878,628
FHLB	120,000	120,000
HUD	<u>350,000</u>	<u>350,000</u>
	<u>\$ 1,348,628</u>	<u>\$ 1,348,628</u>

During the year ended June 30, 2003 the United States Department of Agriculture Rural Housing Service loaned S.A.F.E. \$ 347,710 with interest fixed at 6.75%, secured by rental property and land known as Starland Heights, payable over 50 years in monthly payments of \$ 2,026, including principal and interest. Of the monthly payments, \$738 shall be paid by S.A.F.E. and \$ 1,288 will be applied as a subsidy from the lending agency. The balance at June 30, 2011 and 2010 was \$ 337,925 and \$ 339,259, respectively.

At June 30, 2011, the loan subsidy amount of \$15,464 reflected on the Statement of Activities consists entirely of the agreement with USDA as mentioned above.

Maturities of all long term debt are as follows:

<u>June 30,</u>	<u>Amount</u>
2012	\$ 1,553
2013	1,670
2014	1,786
2015	1,911
2016	1,350,672
Later years	<u>328,961</u>
	<u>\$ 1,686,553</u>

Note 7. Concentrations of Credit Risk

The organization maintains its cash in bank deposit accounts, including checking, savings, and certificates of deposit. In the past, the organization has exceeded federally insured limits for a brief period of time due to short timing differences between receiving large grants and dispensing those funds. S.A.F.E. is extremely cautious about the insured limit and has taken proper measures to reduce the risk. At the year end June 30, 2011, the organization did not have any account balances that exceeded the federally insured limit.

NOTES TO FINANCIAL STATEMENTS

Note 8. Donated Materials, Facilities, and Property

The organization received donated office space and donated materials during the years ended June 30, 2011 and 2010. The following amounts are reported in the accompanying financial statements as donations and expenses at June 30:

	<u>2011</u>	<u>2010</u>
Supplies, food, clothing, etc.	\$ 29,155	\$ 57,379
Office space	<u>1,356</u>	<u>1,601</u>
	<u>\$ 30,511</u>	<u>\$ 58,980</u>

Note 9. Compensated Absences

In accordance with the organization's personnel policies, its employees earn vacation leave and sick leave throughout the year. Up to 2 weeks (80 hours) can be carried over at the end of each year. Employees are paid any annual leave that is due to them upon termination. As of the end of each fiscal year, all unpaid leave expense is accrued under the rules of a vested plan. At June 30, 2011 and 2010 the balance in unpaid leave was \$ 26,692 and \$ 32,339, respectively.

Note 10. Commitments and Contingencies

The organization leases office space from Bluefield State College in Mercer County, WV and from the U.S. Postal Service in Wyoming County, WV. S.A.F.E. pays Bluefield State College \$ 233 per month, a reduced rate, with the lease expiring August 31, 2013. S.A.F.E. pays the Postal Service in Wyoming County \$ 270 per month, with the lease expiring November 30, 2014. The difference in the market rate and the rate charged by Bluefield State is booked as donated office space. Rental expense for the year ended June 30, 2011 and 2010 amounted to \$ 5,743 and \$ 5,665, respectively. At June 30, 2011 the organization is committed to non-cancelable operating leases as follows:

<u>June 30,</u>	<u>Amount</u>
2012	\$ 6,036
2013	6,036
2014	3,706
2015	<u>1,350</u>
	<u>\$ 17,128</u>

Note 11. Retirement Plan

Stop Abusive Family Environments, Inc. takes part in a 403 (b) pension plan that is available to all full time employees. The organization contributes 3% of each full time employee's salary to the plan and the employee has the option of making any other contributions. Employees are given the option to cash in, roll over, or leave the money in this fund upon termination. Pension expense for the year ended June 30, 2011 and 2010 was \$ 14,832 and \$ 12,596, respectively.

Note 12. Health Reimbursement Arrangement (HRA)

Due to the rising cost of health insurance and the high employee deductible, as of July 1, 2007 the organization has adopted an employer funded HRA program to encourage employees to receive preventive and necessary health care. This account will have \$ 1,000 per year for each full time job position that can be used to meet the first \$ 1,000 of the \$ 2,500 deductible. The portion of each employee's unused reimbursement amount available at the end of each plan year is replenished and/or carried forward for use in subsequent plan years. At any time each employee account is limited to \$ 1,000 whether they use it or not. During the year ended June 30, 2011 and 2010, respectively, \$ 6,192 and \$ 7,148 was reimbursed to employees for medical expenses. The plan had a total of 18 participants with the potential liability at June 30, 2011 being \$ 18,000.



PERSINGER COMPANY CPAs, INC.
Certified Public Accountants

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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
Stop Abusive Family Environments, Inc.
P.O. Box 234
Welch WV, 24801

We have audited the financial statements of Stop Abusive Family Environments, Inc. as of and for the year ended June 30, 2011 and 2010, and have issued our report thereon dated February 28, 2012 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 Stop Abusive Family Environments, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stop Abusive Family Environments, 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 management, the Board of Directors, others within the organization, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Persinger Company CPAs, Inc.
Covington, Virginia
February 28, 2012

(12)

STOP ABUSIVE FAMILY ENVIRONMENTS, INC.
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AWARDS EXPENDED</u>	<u>PASS THROUGH NUMBER</u>	<u>PASS THROUGH AGENCY</u>
<u>Department of Housing and Urban Development</u>				
ESG 2010/2011	14.231	\$ 48,000	S-07-DC-54-001	WV Office of Econ. Opp.
HUD/SHP	14.235	130,031	WV0024B3E080801	HUD
<u>Department of Justice</u>				
VOCA	16.575	60,684	09-VA-009	WV Div. of Criminal Justice
VOCA - RA	16.575	22,441	09-VAR-003	WV Div. of Criminal Justice
LAV	16.524	12,005	2004-WL-AX-0040	WV Coalition Against DV
VAWA (Pass Through to Mercer PA)	16.588	6,817	07-VAW-009	WV Div of Criminal Justice
VAWA-RA (Pass Through to Mercer PA)	16.588	16,329	09-VAWR-10	WV Div of Criminal Justice
JAG	16.803	34,244	09-RAJ-97	WV Div of Criminal Justice
DOJ - Transitional Housing	16.805	68,434	2009-EH-S6-0049	US Department of Justice
<u>Department of Health and Human Services</u>				
FVP	93.671	66,064	5074-3113	WVDHHR
<u>Federal Emergency Management Agency</u>				
EFSG	83.523	1,995	900400-006	Emer. Food & Shelter Pro.
<u>Department of Agriculture</u>				
USDA Community Facilities	10.766	<u>27,969</u>	N/A	US Department of Agriculture
Total Federal Awards Expended		<u>\$ 495,013</u>		

STOP ABUSIVE FAMILY ENVIRONMENTS, INC.
 SCHEDULE OF EXPENDITURE OF WEST VIRGINIA STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>AWARDS EXPENDED</u>	<u>GRANT OR PASS THROUGH NUMBER</u>	<u>PASS THROUGH AGENCY</u>
<u>WV Department of Health and Human Resources</u>			
TITLE XX	\$ 71,053	5074-3138	WV Division of Criminal Justice
WV BUDGET	179,932	0403-3174	WV Division of Criminal Justice
FPSB	<u>29,526</u>	5057-2559	WV Division of Criminal Justice
 Total State Awards Expended	 <u>\$ 280,511</u>		