



March 5, 2008

Attention: Kimberly Merritt
WV Department of Health and Human Resources
Office of Accountability and Management Reporting
1900 Kanawha Blvd East
Building 3, Room 550
Charleston WV 25305

Dear Ms. Merritt:

In accordance with the requirements of our funding, I have enclosed copy of our Audited Financial Statements for Fiscal Year Ending June 30, 2008 for your files.

If you have any questions or need additional information, please let me know.

Sincerely,

Diane Green, BS
Business Manager

CC: Laura L. Jones
Executive Director

Enclosure

ENCLOSURE

APR 10 2009



MILAN PUSKAR HEALTH RIGHT, INC.

**AUDITED FINANCIAL STATEMENTS
& SUPPLEMENTAL INFORMATION**

JUNE 30, 2008

MILAN PUSKAR HEALTH RIGHT, INC.
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2008

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-10
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	11-12
SCHEDULE OF FINDINGS AND RESPONSES	13
SCHEDULE OF GRANTS	14
NOTES TO THE SCHEDULE OF GRANTS	15
SUMMARY OF PRIOR AUDIT FINDINGS	16



Bennett & Dobbins PLLC

CERTIFIED PUBLIC ACCOUNTANTS

317 Cleveland Avenue
Fairmont, WV 26554-1604
Telephone: (304) 366-4295 Fax: (304) 366-4311

GARY K. BENNETT, MBA-CPA
ZACHARY D. DOBBINS, CPA

January 16, 2009

Board of Directors
Milan Puskar Health Right, Inc.
Morgantown, West Virginia

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of Milan Puskar Health Right, Inc. (a nonprofit organization) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the notes to the financial statements, Milan Puskar Health Right, Inc. does not record the physical inventory of donated pharmaceuticals. The accompanying financial statements do not reflect the value of the inventory as of June 30, 2008, which is required by accounting principles generally accepted in the United States of America.

In my opinion, except for the effects of potential misstatements as the result of inventory not being recorded as mentioned in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Milan Puskar Health Right, Inc. as of June 30, 2008, and the changes in its net assets and 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 a report dated January 16, 2009 on our consideration of Milan Puskar Health Right, 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 and important for assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Milan Puskar Health Right, Inc. taken as a whole. The accompanying schedule of grants is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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MILAN PUSKAR HEALTH RIGHT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

ASSETS

CURRENT ASSETS

Cash	\$ 305,306
Certificates of Deposit	153,128
Grants and Contracts Receivable	110,758
Prepaid Assets	<u>10,548</u>
TOTAL CURRENT ASSETS	579,740

RESTRICTED ASSETS

Cash	18,333
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PROPERTY AND EQUIPMENT

Net of Accumulated Depreciation (Note 2)	<u>922,731</u>
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TOTAL ASSETS	\$ <u>1,520,804</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 10,728
Payroll Taxes and Withholdings Payable	218
Grants Payable	<u>85,816</u>
TOTAL CURRENT LIABILITIES	96,762

TOTAL LIABILITIES	<u>96,762</u>
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NET ASSETS

Unrestricted	1,405,709
Temporarily Restricted	-
Permanently Restricted	<u>18,333</u>
TOTAL NET ASSETS	<u>1,424,042</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,520,804</u>
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MILAN PUSKAR HEALTH RIGHT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

SUPPORT AND REVENUE	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Support:				
Contributions - Materials	\$ 4,550,265	\$ -	\$ -	\$ 4,550,265
Contributions - Services	2,541,499	-	-	2,541,499
Contributions- Equipment	11,534	-	-	11,534
WV Dept of Health and Human Resources				
Uncompensated Care	-	505,000	-	505,000
AIDS Prevention	2,221	-	-	2,221
Mental Health Block Grant	16,234	-	-	16,234
Monongalia County	30,000	-	-	30,000
City of Morgantown - CDBG	8,500	-	-	8,500
Hospital Bioterrorism Preparedness Program	-	5,377	-	5,377
United Way-				
Monongalia County	132,202	-	-	132,202
Marion County	7,000	-	-	7,000
Allegheny County	748	-	-	748
H. R. McQuain Trust	35,000	-	-	35,000
Hott/Brown	75,000	-	-	75,000
Homeless Grant	-	40,500	-	40,500
Other Contributions	56,347	514	-	56,861
Fundraising	35,968	-	-	35,968
Benedum Grant	7,100	40,000	-	47,100
TOTAL SUPPORT	<u>7,509,618</u>	<u>591,391</u>	<u>-</u>	<u>8,101,009</u>
Revenue:				
Interest	9,097	-	-	9,097
Handling Fees	20,138	-	-	20,138
Medical Records	2,255	-	-	2,255
Parking	3,879	-	-	3,879
BCCSP Clinic	8,578	-	-	8,578
Family Planning	5,518	-	-	5,518
WVU RC Service Agreement	3,840	-	-	3,840
Other	1,186	-	-	1,186
TOTAL REVENUE	<u>54,491</u>	<u>-</u>	<u>-</u>	<u>54,491</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>591,391</u>	<u>(591,391)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS	<u>\$ 8,155,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,155,500</u>
EXPENSES				
Program Services Expenses	\$ 7,922,793	\$ -	\$ -	\$ 7,922,793
Management and General	188,756	-	-	188,756
Fundraising	31,396	-	-	31,396
TOTAL EXPENSES	<u>8,142,945</u>	<u>-</u>	<u>-</u>	<u>8,142,945</u>
CHANGES IN NET ASSETS	12,555	-	-	12,555
NET ASSETS - BEGINNING OF PERIOD	<u>1,393,154</u>	<u>-</u>	<u>18,333</u>	<u>1,411,487</u>
NET ASSETS - END OF PERIOD	<u>\$ 1,405,709</u>	<u>\$ -</u>	<u>\$ 18,333</u>	<u>\$ 1,424,042</u>

See accompanying notes to the financial statements.



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GARY K. BENNETT, MBA-CPA
ZACHARY D. DOBBINS, CPA

January 16, 2009

To the Board of Directors
Milan Puskar Health Right, Inc
Morgantown, WV

We have audited the financial statements of Milan Puskar Health Right, Inc for the year ended June 30, 2008, and have issued our report thereon dated January 16, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated May 22, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of Milan Puskar Health Right, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Milan Puskar Health Right, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 22, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Milan Puskar Health Right, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007-2008. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of property and equipment is based on the type of asset and the entity's experience with the replacement of similar assets. We have evaluated the key factors and assumptions used to develop the useful lives estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatements detected as a result of audit procedures were corrected by management: See the attached adjusting journal entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 16, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended for the information and use of the audit committee, management, and federal and state awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Very truly yours,

Bennett & Dobbins PLLC

Bennett & Dobbins PLLC

**MILAN PUSKAR HEALTH RIGHT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008**

	Program Services		Supporting Services		Total
	Community Services	Management & General	Fundraising		
Salaries & Wages	\$ 527,252	\$ 51,773	\$ 17,267	\$	596,292
Employee Benefits	42,604	3,830	1,436		47,870
Payroll Taxes	44,532	4,554	1,518		50,604
TOTAL PAYROLL RELATED EXPENSES	<u>614,388</u>	<u>60,157</u>	<u>20,221</u>		<u>694,766</u>
Donated Services	2,541,499	-	-		2,541,499
Donated Materials	4,550,265	-	-		4,550,265
Professional Services	-	2,675	-		2,675
Utilities	9,579	1,796	599		11,974
Telephone	7,669	1,438	479		9,586
Office Supplies & Expense	11,225	2,245	1,497		14,967
Printing	1,782	356	238		2,376
Publications	865	216	-		1,081
Postage	3,008	564	188		3,760
Pharmacy/Medical Supplies	65,081	-	-		65,081
Insurance	-	28,468	-		28,468
Repairs & Maintenance	-	16,462	-		16,462
Cleaning	-	18,000	-		18,000
Staff Travel & Education	3,752	938	-		4,690
Fundraising - General	-	-	8,174		8,174
Dues and Licenses	9,184	-	-		9,184
Miscellaneous	-	2,531	-		2,531
Contract Services	102,777	-	-		102,777
Tax Credits	1,719	-	-		1,719
Loss on Disposal	-	775	-		775
Recruitment	-	11,004	-		11,004
TOTAL EXPENSES BEFORE DEPRECIATION	<u>7,922,793</u>	<u>147,625</u>	<u>31,396</u>		<u>8,101,814</u>
Depreciation	-	41,131	-		41,131
TOTAL EXPENSES	<u>\$ 7,922,793</u>	<u>\$ 188,756</u>	<u>\$ 31,396</u>	<u>\$</u>	<u>8,142,945</u>

See accompanying notes to the financial statements.

**MILAN PUSKAR HEALTH RIGHT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 12,555
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation	41,131
Contributions- Equipment	(11,534)
Loss on Disposal of Assets	775
(Increase) Decrease In:	
Grants and Contracts Receivable	(24,201)
Promises to Give	40,000
Prepaid Assets	3,014
(Decrease) Increase In:	
Accounts Payable	3,674
Payroll Taxes Payable	(345)
Grants Payable	80,439
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>145,508</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of Property and Equipment	(34,520)
Increase in Certificates of Deposit	(5,916)
NET CASH USED BY INVESTING ACTIVITIES	<u>(40,436)</u>
NET INCREASE IN CASH	105,072
CASH - BEGINNING OF PERIOD	<u>218,567</u>
CASH - END OF PERIOD	<u>\$ 323,639</u>

See accompanying notes to the financial statements

**MILAN PUSKAR HEALTH RIGHT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 1 DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Entity

The Milan Puskar Health Right, Inc. (formerly Morgantown Health Right, Inc) is a non-profit corporation located in Morgantown, West Virginia. Milan Puskar Health Right, Inc. was established to provide primary health care without charge to residents of Morgantown and the surrounding area who are unable to afford adequate health care. Also, the Corporation assists low-income persons in making the best use of existing health care services through coordination with local providers of health care and with community agencies and provides public education and promotes improved health care.

Milan Puskar Health Right, Inc. receives a majority of its funding from the WV Department of Health and Human Resources through a Primary Care Grant. The Corporation is also funded by the United Way, small government agencies, and the private donations of corporations and individuals.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standard No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116). The Organization has also adopted Statement of Financial Accounting Standard (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions would be reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets would be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Summary of Significant Accounting Policies

Basis of Accounting and Reporting

Milan Puskar Health Right, Inc. uses the cash basis of accounting throughout the program year but prepares its annual financial statements on the accrual basis.

Cash

Cash is on deposit with BB&T, Centra Bank and Huntington Bank which are insured by the F.D.I.C. At various times throughout the year Milan Puskar Health Right, Inc. had amounts in banks that exceeded the F.D.I.C coverage. This represents a risk for potential loss.

For the purpose of the statement of cash flows, the Organization considers both restricted and unrestricted cash as well as certificates of deposit with original maturity of three months or less to be cash and cash equivalents.

MILAN PUSKAR HEALTH RIGHT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 **DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(CONTINUED)

Cash (Cont)

Cash and equivalents consist of the following:

Unrestricted Cash	\$	305,306
Restricted Cash		<u>18,333</u>
TOTAL CASH	\$	<u>323,639</u>

Property, Plant and Equipment

Property, plant and equipment are carried at cost or at Fair Market Value at date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Revenue Recognition

Unconditional grants and promises to give are recorded when grant or promise is made. Conditional grants and promises to give are recorded when related condition is met. Project income is recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Accrued Annual Leave

Annual leave and accumulated sick time are not accrued because of the impracticability of distributing the leave costs satisfactorily to the affected grants and funds. These amounts were not calculated at the year end.

Donated Materials and Services

Milan Puskar Health Right, Inc. records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and services are reflected as contributions in the accompanying financial statements at their estimated fair market value at date of receipt. No amounts have been reflected in the financial statements for donated services provided by volunteers for concentrated fund-raising campaigns. These services are recognized for program expenses.

Inventory

Inventory of pharmaceutical supplies donated to the organization is not recorded as an asset in these financial statements as required by accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Exemption

The Milan Puskar Health Right, Inc. is a not-for-profit organization and is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code of 1986. The Corporation has also been classified as an entity that is not a public foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(6) (1) (A) (vi).

**MILAN PUSKAR HEALTH RIGHT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1 DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Risks and Uncertainties

The majority of the funding for the operation of Milan Puskar Health Right, Inc. comes as a primary care grant from the West Virginia Department of Health and Human Resources. A loss of or decrease in this funding could adversely affect the operation of the Organization. Also, four major contributors of goods and services represent approximately eighty percent of total support

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2008:

Land & Land Improvements – Spruce Street	\$	60,000
Building and Additions – Spruce Street		918,300
Furniture, Fixtures & Equipment		<u>203,536</u>
 TOTAL PROPERTY AND EQUIPMENT		 1,181,836
 Less Accumulated Depreciation		 <u>(259,105)</u>
 NET PROPERTY AND EQUIPMENT	 \$	 <u><u>922,731</u></u>

The property and equipment are depreciated over their useful lives as follows:

	<u>Useful Life</u>
Buildings & Additions	10 – 40 Years
Furniture, Fixtures & Equipment	5 – 10 Years

The Organization capitalizes property and equipment with a cost or market value at date of donation in excess of \$150

NOTE 3 DONATED MATERIALS AND SERVICES

The value of donated materials and professional services included in the financial statements and the corresponding expenditures for the year ended June 30, 2008 are as follows:

Revenue (Contributions):	
Donated Services	\$ 2,541,499
Donated Materials	4,550,265
Donated Equipment	11,534
	<u>\$ 7,103,298</u>
 Expense:	
Donated Services	\$ 2,541,499
Donated Materials	4,550,265
	<u>\$ 7,091,764</u>

**MILAN PUSKAR HEALTH RIGHT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 4 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are available for the following purposes:

Donated stock converted to cash to be held in perpetuity, the income is expendable to support:

Operations	\$ <u>18,333</u>
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NOTE 5 ADVERTISING COSTS

Milan Puskar Health Right, Inc. expenses advertising costs as incurred

NOTE 6 PREPAID ASSETS

Prepaid assets are based on the effective dates of the policies and contracts:

Liability Insurance	\$ 4,853
Health Insurance	3,684
Brickstreet Insurance	1,462
Service Agreements	<u>549</u>
Total	\$ <u>10,548</u>

NOTE 7 FUNCTIONAL EXPENSES

The operating expenses of the Organization have been classified in the Statement of Functional Expenses on a direct basis whenever possible. Other expenses have been allocated based on personnel time worked, space utilized or some other rational allocation method

NOTE 8 RETIREMENT PLAN

Milan Puskar Health Right, Inc. does not participate in a retirement plan.

NOTE 9 LINE OF CREDIT

On November 6, 2003, Milan Puskar Health Right, Inc. obtained a line of credit loan from Centra Bank, Inc which allows the organization to borrow up to \$75,000 in order to meet working capital needs. The balance on the line of credit as of June 30, 2008 was zero.

MILAN PUSKAR HEALTH RIGHT, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 10 CERTIFICATES OF DEPOSIT

	<u>Amount</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Centra Bank	\$ 111,034	15 months	3/15/09	3.296%
Huntington Bank	42,094	11 months	3/25/09	2.08%
Total	\$ <u>153,128</u>			

**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**



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GARY K. BENNETT, MBA-CPA
ZACHARY D. DOBBINS, CPA

January 16, 2009

Board of Directors
Milan Puskar Health Right, Inc
Morgantown, WV

**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**

We have audited the financial statements of Milan Puskar Health Right, Inc. as of and for the year ended June 30, 2008 and have issued our report thereon dated January 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Milan Puskar Health Right, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Milan Puskar Health Right, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Milan Puskar Health Right, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as item 08-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we considered none to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Milan Puskar Health Right, 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 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.

Milan Puskar Health Right, Inc responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Milan Puskar Health Right, Inc responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the audit committee, management, and federal and state awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Bennett & Dobbins PLLC

Bennett & Dobbins PLLC

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2008**

**MILAN PUSKAR HEALTH RIGHT, INC.
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2008**

08-1

SEGREGATION OF DUTIES

CONDITION:

Responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals. This is a repeat finding from prior years.

CRITERIA:

An internal control system that has appropriate segregation of duties. The Organization has implemented limited controls with the available staff.

CAUSE:

The Organization has limited staff to segregate duties properly.

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.

RESPONSE OF OFFICIALS:

The Board will segregate duties as much as possible with the limited staff available.

SCHEDULE OF GRANTS

**MILAN PUSKAR HEALTH RIGHT, INC.
SCHEDULE OF GRANTS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>EXPENDITURES</u>
Department of Health And Human Services				
Passed Through State of West Virginia:				
	Health Center Grants for Homeless Populations	93.151	N/A \$	40,500
	HIV Prevention Activities Health Department Based	93.940	G080613	2,221
	Block Grants for Community Mental Health Services	93.958	G080056	16,234
	Hospital Bioterrorism Preparedness Program	93.889	G060972	5,377
Department of Housing & Urban Development				
Passed Through City of Morgantown:				
	Community Development Block Grants	14.218	N/A	8,500
State of West Virginia				
Department of Health and Human Resources	Uncompensated Care	N/A	G080346 G080695	505,000
Benedum Grant	N/A	N/A	N/A \$	<u>40,500</u>
			TOTAL GRANTS	\$ <u><u>618,332</u></u>

**MILAN PUSKAR HEALTH RIGHT, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF GRANTS
FOR THE YEAR ENDED JUNE 30, 2008**

Note 1 Basis of Presentation:

The accompanying Schedule of Grants is prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements

APR 10 2009

**MILAN PUSKAR HEALTH RIGHT, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Title</u>	<u>Status</u>
07-1	Segregation of Duties	Not Corrected
07-2	Drafting of Financial Statements	Corrected



April 16, 2009

Reathel Cottrell, Compliance Auditor
State of WV Department of Health and Human Resources
Division of Compliance and Monitoring
Capitol Complex, Building 3, Room 550
Charleston, WV 25305

Dear Ms. Cottrell:

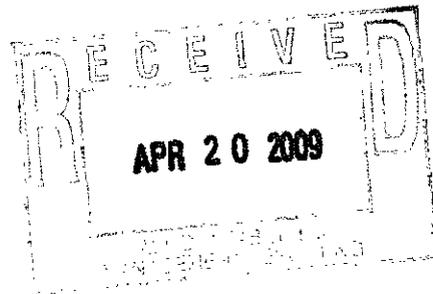
As requested, enclosed are four (4) copies of the additional documents relating to our Audited Financial Statements for Fiscal Year Ending June 30, 2008, in accordance with the requirements of the Division of Primary Care's Audit Guidelines.

If you have any questions or need additional information, please let me know

Sincerely,

Laura L. Jones
Executive Director

LLJ/djg
Enclosures (4)





March 12, 2009

Mr. Zack Dobbins
Bennett and Dobbins PLLC
317 Cleveland Avenue
Fairmont, WV 26554

Dear Mr. Dobbins:

With regard to your letter dated January 16, 2009 in which you outlined issues related to Milan Puskar Health Right's internal controls and other operational matters, we offer the following response:

1 Segregation of Duties

In an effort to address the segregation of duties pointed out in the FY 2007 audit and again in FY 2008, Milan Puskar Health Right (MPHR) continues to maintain the policies and procedures in effect and last updated in January 2008. (See attached copy of fiscal policies) We have segregated the duties to the best of our capabilities. Economic constraints prevent us from separating the duties beyond the current policies. The MPHR Board of Directors will continue to monitor this policy and will revise as other options become available.

Most recently we have contracted with Mr. Homer Ruckle, CPA to work with us on a monthly basis to prepare reports, review financial reports, reconcile checking accounts and prepare our annual financial statement. Mr. Ruckle is also assisting us in the transition to operate on an accrual basis throughout the year

It is the intention of the Milan Puskar Board of Directors and agency management that the addition of Mr. Ruckle's services will create another layer of oversight to ensure that Health Right maintains the highest standards of accountability and transparency given the economic constraints of this non-profit agency

341 Spruce Street
Post Office Box 1519
Morgantown WV 26507 1519

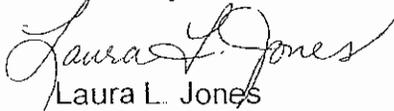
304-292-8234
304-284-0133 (Fax)

304 292-5702 (Adm)



As always, the intention of the Milan Puskar Health Right Board of Directors and agency management is to implement recommendations to the best degree possible and to fulfill our mission to provide vital health care services to the low-income uninsured and underinsured residents of North Central West Virginia

Sincerely

A handwritten signature in cursive script that reads "Laura L. Jones". The signature is written in black ink and is positioned above the printed name.

Laura L. Jones
Executive Director

Enclosure

COPY

MILAN PUSKAR HEALTH RIGHT, INC
P.O. BOX 1519
MORGANTOWN, WEST VIRGINIA 26507

January 16, 2009

Bennett & Dobbins PLLC
Certified Public Accountants
317 Cleveland Avenue
Fairmont, West Virginia 26554

We are providing this letter in connection with your audit of the statement of financial position of Milan Puskar Health Right, Inc. as of June 30, 2008, and the related statement of activities, functional expenses and cash flows for the period then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position and changes in net assets, and cash flows of Milan Puskar Health Right, Inc. in conformity with U.S. generally accepted accounting principles except for inventory valuation. We confirm that we are responsible for the fair presentation in the financial statements of financial position, change in net assets, and cash flows in conformity with U.S. generally accepted accounting principles except for inventory valuation. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

- 1 The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles except for inventory valuation and include all assets except for inventory under the Organization's control
- 2 We have made available to you all -
 - a Financial records and related data.
 - b Minutes of meetings of Milan Puskar Health Right, Inc., or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 3 There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices
- 4 There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements
- 5 We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, you have recommended adjusting journal entries that have been posted to the Organization's accounts. We are in agreement with those adjustments.
- 6 We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud
- 7 We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a Management,
 - b Employees who have significant roles on internal control, or

- 15 Milan Puskar Health Right, Inc has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral except as made known to you
- 16 We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
- 17 As part of your audit, you prepared the draft financial statements, related notes, and depreciation schedule. We have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and depreciation schedule. We have established and maintained internal controls, including monitoring ongoing activities.
18. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations
- 19 We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report
- 20 In regard to the information return preparation and the depreciation schedule services performed by you, we have:
 - a. Made all management decisions and performed all management functions
 - b. Designated a management-level individual with suitable skill, knowledge, or experience to oversee the services.
 - c. Evaluated the adequacy and results of the services performed
 - d. Accepted responsibility for the results of the services
 - e. Established and maintained internal controls, including monitoring ongoing activities
- 21 We understand that as part of your audit, you prepared the adjusting journal entries necessary to convert our cash basis records to the accrual basis of accounting and acknowledge that we have reviewed, approved, and posted those entries

No events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to or disclosure in, the financial statements, in the schedule of findings and responses, or in the schedule of grants and contracts

President

Chief Financial Officer

MILAN PUSKAR HEALTH RIGHT, INC.
UNADJUSTED AUDIT DIFFERENCES
JUNE 30, 2008

ZD
1/15/2009

CENTRA CHECKING	(17.24)
UNITED WAY	747.68
FIXED ASSETS	(267.67)
STATE UNEMPLOYMENT	310.26
TOTAL	<u>773.03</u>

CONCLUSION TOTAL UNADJUSTED AUDIT DIFFERENCES ARE LESS THAN MATERIALITY AND ARE CONSIDERED IMMATERIAL. ALL OTHER KNOWN MISSTATEMENTS HAVE BEEN CORRECTED THROUGH ADJUSTING JOURNAL ENTRIES. NONE OF THE ABOVE DIFFERENCES ARE QUALITATIVELY MISLEADING OR WOULD CAUSE NONCOMPLIANCE.

Prepared by _____

MILAN PUSKAR HEALTH RIGHT INC
Adjusting Journal Entries

MILAN
Page 1

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
1	Adjusting	06/30/08					
		108	CASH - HNB PRIME ACCT	65.13			
		450	INTEREST		65.13		
						65.13	
			ADJUST CASH PER A-1				
2	Adjusting	06/30/08					
		106	HUNTINGTON CD	153.33			
		450	INTEREST	97.95			
		104	CENTRA BANK CD		251.28		
						(97.95)	
			ADJUST CDS PER A-2				
3	Adjusting	06/30/08					
		103	CENTRA BANK	178.17			
		450	INTEREST		178.17		
						178.17	
			ADJUST CENTRA ACCOUNT PER A-4				
4	Adjusting	06/30/08					
		457	WVU RESEARCH CORP	4 380.00			
		413	DON. - OTHER	400.00			
		451	PARKING	35.00			
		450	INTEREST		252.89		
		454	HANDLING FEES	382.95			
		110	CASH - MONEY MARKET ACC		4 945.06		
						(4,945.06)	
			ADJUST MONEY MARKET PER A- 5				
5	Adjusting	06/30/08					
		435	UNITED WAY	1 050.00			
		565	REPAIRS & MAINT		335.00		
		590	PHARMACY/MED SUPPLIES		696.00		
		100	CASH - CHECKING		19.00		
						(19.00)	
			RECLASSIFY				

Prepared by _____

MILAN PUSKAR HEALTH RIGHT INC
Adjusting Journal Entries

MILAN

Page 2

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
6	Adjusting	06/30/08					
		625	WORKERS COMP	2 771.59			
		120	PREPAID BRICKSTREET	25.41			
		615	FICA EXP	6.30			
		214	SUTA PAYABLE	351.38			
		212	STATE W/H	11.00			
		213	PAYROLL WITHHOLDINGS	693.31			
		211	FEDERAL W/H & FICA		6.31		
		621	STATE UNEMPLOYMENT		1,055.68		
		216	WORKERS COMP PAYABLE		2 797.00		
						(1,722.21)	
			ADJUST PAYROLL PER PR-1				
7	Adjusting	06/30/08					
		525	PROPERTY INSURANCE	2 264.00			
		117	PREPAID INSURANCE		2 264.00		
						(2 264.00)	
			ADJUST INSURANCE PER 30-1				
8	Adjusting	06/30/08					
		210	ACCOUNTS PAYABLE	850.00			
		810	CONTRACT SERVICES		850.00		
						850.00	
			RECLASSIFY PER REVIEW OF GENERAL LEDGER				
9	Adjusting	06/30/08					
		580	UTILITIES	40.00			
		590	PHARMACY/MED.SUPPLIES	2 223.00			
		675	STAFF EDUCATION	375.00			
		575	TELEPHONE	459.68			
		555	PUBLICATIONS	299.00			
		680	RECRUITMENT	161.30			
		635	VOLUNTEER APPRECIATION	656.98			
		530	OFFICE SUPPLIES	378.58			
		810	CONTRACT SERVICES	6 136.10			
		210	ACCOUNTS PAYABLE		10,729.64		
						(10 729.64)	
			ADJUST ACCOUNTS PAYABLE PER AA-1				
10	Adjusting	06/30/08					
		210	ACCOUNTS PAYABLE	7 054.95			
		580	UTILITIES		756.34		
		590	PHARMACY/MED.SUPPLIES		218.72		
		530	OFFICE SUPPLIES		309.39		
		810	CONTRACT SERVICES		5 770.50		

Prepared by _____

MILAN PUSKAR HEALTH RIGHT INC
Adjusting Journal Entries

MILAN
Page 3

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
						7,054.95	
			REVERSE PRIOR YEAR A/P PER AA-1				
11	Adjusting	06/30/08					
		167	OFFICE FURN & FIXT.	6,995.97			
		635	VOLUNTEER APPRECIATION	342.84			
		125	PREPAID SERVICE AGREEMI	548.31			
		545	POSTAGE	492.00			
		163	BUILDING SPRUCE ST.	7,791.00			
		520	HEALTH INSURANCE	1,323.52			
		530	OFFICE SUPPLIES		745.81		
		851	MHR RENOVATIONS		4,700.04		
		565	REPAIRS & MAINT		10,724.27		
		116	PREPAID HEALTH INSURANC		1,323.52		
						14,011.76	
			ADJUST EXPENSES PER 30-2				
12	Adjusting	06/30/08					
		530	OFFICE SUPPLIES	587.38			
		565	REPAIRS & MAINT	664.95			
		167	OFFICE FURN. & FIXT.		1,252.33		
						(1,252.33)	
			RECLASSIFY EXPENSES PER F-1				
13	Adjusting	06/30/08					
		410	DONATIONS CAPITAL CAMP/	40,000.00			
		150	PROMISES TO GIVE RECEIV/		40,000.00		
						(40,000.00)	
			RECLASSIFY PY PROMISE TO GIVE C-10				
14	Adjusting	06/30/08					
		130	HIV TESTING RECEIVABLE	325.00			
		436	BCCSP	1,199.53			
		426	FAMILY PLANNING	5,345.50			
		132	WVU RESEARCH RECEIVABL		2,140.00		
		141	FAMILY PLANNING RECEIVA		965.50		
		457	WVU RESEARCH CORP		2,240.00		
		427	HIV TESTING		325.00		
		131	A/R - BCCSP		1,199.53		
						(3,980.03)	
			RECLASSIFY PER REVIEW OF GENERAL LEDGER				

Prepared by _____

MILAN PUSKAR HEALTH RIGHT INC
Adjusting Journal Entries

MILAN
Page 4

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
15	Adjusting	06/30/08					
		142	MON COUNTY RECEIVABLE	15 000.00			
		430	COUNTY GRANT		15 000.00		
			RECLASSIFY MON CO. RECEIVABLE C-2			15 000.00	
16	Adjusting	06/30/08					
		140	UNITED WAY RECEIVABLE	1 451.02			
		435	UNITED WAY		1 451.02		
			RECLASSIFY UNITED WAY RECEIVABLE C-3			1 451.02	
17	Adjusting	06/30/08					
		143	CDBG RECEIVABLE	3,941.50			
		443	CDBG		3 941.50		
			RECLASSIFY CDBG RECEIVABLE C-7			3 941.50	
18	Adjusting	06/30/08					
		217	DEFERRED REVENUES	5 376.60			
		458	THREAT PREPAREDNESS GF		5 376.60		
			RECLASSIFY DEFERRED REVENUES SPENT			5,376.60	
19	Adjusting	06/30/08					
		444	MENTAL HEALTH BLOCK GR	5,711.00			
		135	MENTAL HEALTH BLOCK REC		5 711.00		
			REVERSE PY RECEIVABLE C-8			(5 711.00)	
20	Adjusting	06/30/08					
		440	WV PRIMARY CARE	85 816.00			
		217	DEFERRED REVENUES		85 816.00		
			RECLASSIFY DEFERRED REVENUES C-6			(85 816.00)	

Prepared by _____

MILAN PUSKAR HEALTH RIGHT INC
Adjusting Journal Entries

MILAN
Page 5

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
21	Adjusting	06/30/08					
		655	DONATED MEDICINE - EXP	4,550,265.36			
		660	DONATED SERVICES - EXP	2,541,498.77			
		170	DONATED EQUIP	11,534.00			
		464	DONATIONS - MEDICINE		4,550,265.36		
		462	DONATIONS - SERVICES		2,541,498.77		
		460	IN-KIND DONATED EQUIP.		11,534.00		
						11,534.00	
			RECLASSIFY IN KIND. 10-1				
22	Adjusting	06/30/08					
		134	BPHC RECEIVABLE	13,500.00			
		455	BPHC HOMELESS GRANT		13,500.00		
						13,500.00	
			RECLASSIFY BPHC RECEIVABLE C-9				
23	Adjusting	06/30/08					
		175	ACCUMULATED DEPRECIATI	26,666.82			
		441	LOSS ON DISPOSAL	774.50			
		167	OFFICE FURN. & FIXT.		27,441.32		
						(774.50)	
			ASSET DISPOSITIONS. F-2				
24	Adjusting	06/30/08					
		650	DEPRECIATION	41,131.30			
		175	ACCUMULATED DEPRECIATI		41,131.30		
						(41,131.30)	
			06-30-08 DEPRECIATION. F-1				
			TOTAL	<u>7,399,782.98</u>	<u>7,399,782.98</u>	<u>(125,479.89)</u>	