

PRESTON COUNTY CARING COUNCIL, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

DHHR - Finance

MAY 31 2012

Date Received

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ROTH & WHITE, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
202 Tunnelton Street
Kingwood, WV 26537
(304) 329-1020

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of Preston County Caring Council, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. 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 audit provides 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 Preston County Caring Council, Inc. as of June 30, 2010, 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.

In accordance with Government Auditing Standards, we have also issued a report dated May 11, 2012 on our consideration of Preston County Caring Council, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 Preston County Caring Council, Inc taken 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 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.



Kingwood, West Virginia
May 11, 2012

DHHR - Finance

MAY 31 2012

Date Received

PRESTON COUNTY CARING COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2010

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 18 867
Prepayments	3 211

	22 078

PROPERTY AND EQUIPMENT	
Office equipment	24 506
Less accumulated depreciation	21 514

	2 992

TOTAL ASSETS	\$ 25 070
	=====
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 5 574

TOTAL ASSETS	5 574

NET ASSETS	
Unrestricted	18 195
Temporarily restricted	1 301

TOTAL ASSETS	19 496

TOTAL LIABILITIES AND NET ASSETS	\$ 25 070
	=====

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

PRESTON COUNTY CARING COUNCIL, INC.

**STATEMENT OF ACTIVITIES
Year Ended June 30, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
State government grants	\$	\$ 135 000	\$ 135 000
Fundraising and special events	4 992		4 992
Other grants	11 000		11 000
Donations	7 651		7 651
	-----	-----	-----
Total revenue and support	23 643	135 000	158 643
	-----	-----	-----
Net assets released from usage restrictions	133 699	(133 699)	
	-----	-----	-----
Total public support and revenue	157 342	1 301	158 643
	-----	-----	-----
EXPENSES			
Program services	130 528		130 528
General and administrative	15 198		15 198
Fundraising	3 616		3 616
	-----	-----	-----
Total expenses	149 342		149 342
	-----	-----	-----
Increase in net assets	8 000	1 301	9 301
	-----	-----	-----
NET ASSETS - BEGINNING OF YEAR	10 195	-0-	10 195
	-----	-----	-----
NET ASSETS - END OF YEAR	<u>\$ 18 195</u>	<u>\$ 1 301</u>	<u>\$ 19 496</u>

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

PRESTON COUNTY CARING COUNCIL, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2010

	<u>Total</u>	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>
PAYROLL				
Staff wages	\$ 69 165	\$ 69 165	\$	\$
Employee benefits	18 599	18 599		
Payroll taxes	7 019	7 019		
	-----	-----	-----	-----
Total payroll	94 783	94 783		
OTHER EXPENSES				
Rent	5 150	5 150		
Professional fees	2 063		2 063	
Contractual	8 740	5 000	3 740	
Supplies and materials	15 636	12 020		3 616
Telephone and utilities	3 164	3 164		
Training	2 468	2 468		
Advertising and public relations	813	813		
Insurance	717	717		
Office expense	8 053		8 053	
Travel and transportation	3 991	3 991		
Dues and licenses	250		250	
Meeting expenses	619	619		
Depreciation	1 555	463	1 092	
Subscriptions	132	132		
Other sundries	1 208	1 208		
	-----	-----	-----	-----
	<u>\$ 149 342</u>	<u>\$ 130 528</u>	<u>\$ 15 198</u>	<u>\$ 3 616</u>

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

PRESTON COUNTY CARING COUNCIL, INC.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 9 301
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1 555
Increase in accrued expenses	965
Increase in prepaid expenses	(3 211)

Net cash provided by operating activities	8 610

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Equipment purchases	(460)

Net cash (used) in capital and related financing activities	(460)

NET INCREASE IN CASH	8 150
CASH AND CASH EQUIVALENTS - BEGINNING	10 717

CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 18 867</u>

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

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization

Preston County Caring Council, Inc. is a nonprofit organization, formed in 1994.

The mission of this Organization is to bring together resources to improve conditions for all children and families

For the year ending June 30, 2010, the Council administered grant funding from the West Virginia Department of Health and Human Resources Bureau for Children and Families under programs for Preston County Starting Points and Preston County Caring Council.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when the obligation is incurred.

Financial statement presentation

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

Contributions

The Council also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions.

Income taxes

The Council is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Functional expenses

Expenses are charged to each functional area based on direct expenditures incurred. Expenditures not directly chargeable are allocated based upon the results of periodic time studies and management's estimates.

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents

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

	<u>Carrying Value</u>	<u>Interest Rate</u>
Petty Cash	\$ 200	N/A
Checking	18 667	0%

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

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.

Estimates

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

Note 2. Property and Equipment and Depreciation

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their fair value at the date of the gift. Depreciation is computed using an accelerated method and is based on the estimated useful lives of the assets.

Note 3. Retirement System

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

PRESTON COUNTY CARING COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. Restricted Net Assets

All of the restrictions on net assets relate to State of West Virginia grant funds received by the organization that were restricted for use by the grantor.

Note 5. Risk Management

The Council is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets, errors and omissions; and natural disasters for which the Council carries general liability and property insurance for these various risks. Amounts of settlements have not exceeded insurance coverage in the past three years.

Note 6. State Government Grants

Preston Caring Council, Inc. received funds from West Virginia Health and Human Resources/Bureau for Children and Families. The funds for these grant agreements were paid from the following federal and/or state sources:

Preston County Starting Points:	
Federal Funds (CFDA #93.590)	\$ 5 944
State Funds (Account #0403/274)	39 056

	\$ 45 000

Preston County Caring Council Parents as Teachers:	
Federal Funds (CFDA # 93 590)	\$ 1 783
State Funds (Account #0403/688)	48 217

	\$ 50 000

Preston County Caring Council:	
Federal Funds (CFDA #93 778)	\$ 14 784
State Funds (Account #0403/274)	25 216

	\$ 40 000

PRESTON COUNTY CARING COUNCIL, INC.

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended June 30, 2010

<u>State Grantor</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
West Virginia Department of Health and Human Resources Bureau for Children and Families		
Preston County Starting Points	\$ 45 000	\$ 45 000
Preston County Caring Council	40 000	40 000
Preston County Caring Council Parents as Teachers	50 000	48 699

Note A. BASIS OF PRESENTATION

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

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

ROTH & WHITE, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
202 Tunnelton Street
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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**

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

We have audited the financial statements of Preston County Caring Council, Inc (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated May 11, 2012. 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 Preston County Caring Council, 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 the Preston County Caring Council, Inc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

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

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

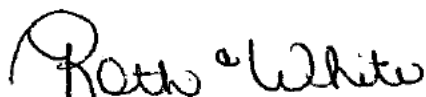
reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Preston County Caring Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of an our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Preston County Caring Council, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Preston County Caring Council, Inc.'s responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, management, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Kingwood, West Virginia
May 11, 2012

DHHR - Finance

MAY 31 2012

Date Received

PRESTON COUNTY CARING COUNCIL INC.

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010**

10-1

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.

CRITERIA:

Analysis of the internal control system indicated a lack of 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.

COUNCIL'S RESPONSE:

Management will try to segregate duties as much as possible with the limited staff available.