

**WEST VIRGINIA FOUNDATION FOR
RAPE INFORMATION AND SERVICES, INC.**

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2010

**WEST VIRGINIA FOUNDATION FOR
RAPE AND INFORMATION SERVICES, INC.**

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3803 Swallowtail Drive
Morgantown, WV 26508
(304) 594-9199

INDEPENDENT AUDITOR'S REPORT

To the Board of
***West Virginia Foundation for
Rape Information and Services, Inc.***
Fairmont, WV

I have audited the accompanying statement of financial position of ***West Virginia Foundation for Rape Information and Services, Inc.*** (a not-for-profit 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 ***West Virginia Foundation for Rape Information and Services, Inc.***'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ***West Virginia Foundation for Rape Information and Services, Inc.*** as of June 30, 2010, and the changes in 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*, I have also issued my report dated October 15, 2010 on my consideration of ***West Virginia Foundation for Rape Information and Services, Inc.***'s internal control over financial reporting and my 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 my 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 my audit.

My audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The statement of functional expenses and summary schedule of prior audit findings is presented for purpose of additional analysis and is not a required part of the financial statements of the Organization. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

HARILL, CPA

October 15, 2010

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION SERVICES, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2010

ASSETS

	<u>Total</u>
Current assets	
Cash	\$ 180,631
Grants receivable	189,312
Prepaid insurance	1,333
Total current assets	<u>371,276</u>
Property and equipment	
Furniture and equipment	51,122
Less: accumulated depreciation	<u>(49,015)</u>
Net property and equipment	2,107
Total assets	<u><u>373,383</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	117,410
Accrued compensated absences	<u>13,783</u>
Total current liabilities	131,193
Net assets	
Unrestricted	34,723
Temporarily restricted	<u>207,467</u>
Total net assets	242,190
Total liabilities and net assets	<u><u>\$ 373,383</u></u>

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION SERVICES, INC.

STATEMENT OF ACTIVITIES

Year ended June 30, 2010

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Grants to Encourage Arrest Policies	\$ 340,929	\$ 174,293	\$ 515,222
End Violence Against Women with Disabilities Grant	275,426	-	275,426
Injury Prevention and Control Research and State and Community Based Programs	227,183	29,094	256,277
Rural Domestic Violence, Sexual Assault, and Stalking Assistance Program	237,911	-	237,911
Grants to State Sexual Assault Coalitions	99,844	-	99,844
Sexual Assault Program Services Grant	55,190	-	55,190
Stop Violence Against Women Grants	52,279	-	52,279
Preventative Health Block Grant	44,356	4,080	48,436
Symposium and training	27,519	-	27,519
WV DHHR Grants	25,304	-	25,304
Recovery Act Justice Assistance Grant	25,134	-	25,134
Shelter Alliance	1,053	-	1,053
Dues	225	-	225
Interest income	27	-	27
Total support and revenue	<u>1,412,380</u>	<u>207,467</u>	<u>1,619,847</u>
Net assets released from restrictions	37,790	(37,790)	-
Total support, revenue, and reclassifications	<u>1,450,170</u>	<u>169,677</u>	<u>1,619,847</u>
Expenses			
Program services	1,316,670	-	1,316,670
Supporting activities:			
Management and general	135,875	-	135,875
Total expenses	<u>1,452,545</u>	<u>-</u>	<u>1,452,545</u>
Change in net assets	(2,375)	169,677	167,302
Net assets - beginning of year	<u>37,098</u>	<u>37,790</u>	<u>74,888</u>
Net assets - end of year	<u><u>\$ 34,723</u></u>	<u><u>\$ 207,467</u></u>	<u><u>\$ 242,190</u></u>

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2010

	Program Services	Management and General	Total
Expenses			
Contractual services and grants	\$ 777,294	\$ -	\$ 777,294
Salaries and wages	273,531	66,055	339,586
Training and education	80,344	14,178	94,522
Program support	62,459	-	62,459
Employee benefits	31,014	8,653	39,667
Payroll taxes and related	24,024	5,053	29,077
Office supplies and expense	-	28,513	28,513
State awareness	21,959	-	21,959
Printing	19,722	-	19,722
Travel	14,765	2,606	17,371
Telephone	10,166	3,388	13,554
Professional fees	-	2,850	2,850
Insurance	-	2,760	2,760
Postage	1,242	138	1,380
Service charges and misc.	-	10	10
Total expenses before depreciation	1,316,520	134,204	1,450,724
Depreciation	150	1,671	1,821
	<u>\$ 1,316,670</u>	<u>\$ 135,875</u>	<u>\$ 1,452,545</u>

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION SERVICES, INC.

STATEMENT OF CASH FLOWS

Year ended June 30, 2010

Cash flows from operating activities	
Change in net assets	\$ 167,302
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	1,821
Change in:	
Grants receivable	(67,328)
Accounts payable	55,986
Accrued compensated absences	2,960
Net cash used by operating activities	<u>160,741</u>
Net change in cash	160,741
Cash - beginning of year	<u>19,890</u>
Cash - end of year	<u><u>\$ 180,631</u></u>
Supplemental disclosure of cash flow information	
Cash paid for interest	\$ -

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

1. Organization and Nature of Business

West Virginia Foundation for Rape Information and Services, Inc. (Organization) was established on June 22, 1982 to provide a comprehensive coordination of statewide rape information services, to educate and train persons on the issues surrounding sexual violence, and to promote and implement sexual violence prevention and intervention activities. The Organization's programs and projects are funded mainly through federal and state grants.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting as contemplated by generally accepted accounting principles, and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization's financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Codification Section 958.205 *Not-for-Profit Entities Presentation of Financial Statements* (ASC 958.205). Under ASC 958.205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets based on the existence or absence of donor restrictions. The Organization's net assets and changes therein are classified and reported as follows:

Unrestricted net assets: represent resources whose use is not limited or restricted by donors.

Temporarily restricted net assets: represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled or otherwise removed by the organization's actions.

Permanently restricted net assets: represent resources whose use is limited by donor-imposed stipulations that neither expire or can be fulfilled or otherwise removed by the organization's actions.

For the year ended June 30, 2010, the Organization had no permanently restricted net assets.

Additionally, the Organization has adopted FASB Codification Section 958.605 *Not-for-Profit Entities Revenue Recognition* (ASC 958.605). In accordance with ASC 958.605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions expire in the same reporting period in which the support is received. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

2. Summary of Significant Accounting Policies (continued)

Contributions

Unconditional promises to give are recognized as revenue and included in grants, contracts, and allocations receivable, in the period the promise is given. Such unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year.

Contributions of long-lived assets are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how those long-lived assets are to be used, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents

Cash consists of cash in a checking account. The Organization considers all highly liquid investments with a remaining maturity date of three months or less at the time of purchase to be cash equivalents. For the year ended June 30, 2010, the Organization did not hold any cash equivalents.

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 reported amounts of assets and liabilities and disclosures of any contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from these estimates.

Grants Receivable

Grants receivable and the related revenues are recorded when expenses applicable to grants operating on a cost reimbursement basis have been incurred. The Organization's grants receivable consist primarily of receivables from federal and state granting agencies and are deemed fully collectible; consequently, no provision for uncollectible accounts is considered necessary.

Donated Services

In accordance with ASC 905.605, donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the year ending June 30, 2010 no services were received that met the criteria for recognition as donated services.

Functional Expenses

The costs of providing program and supporting activities have been presented on a functional basis in the statement of functional expenses, and are summarized in the statement of activities. Expenses are charged to program or supporting activities as incurred or allocated using a statistical basis.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

FASB Codification Section 825 (ASC 825) *Financial Instruments* permits an entity to elect fair value as the initial and subsequent measurement attribute for certain financial statement assets and liabilities. Entities electing the fair value option would be required to recognize changes in fair value earnings. The adjustment to reflect the difference between fair value and the carrying amount is accounted for as cumulative effect adjustment to net assets as of the date of the adoption. The adoption of this pronouncement did not have an effect on the Organization's financial statements. The Organization did not elect the fair value methodology permitted under ASC 825 for any financial instrument or other item that is not currently required to be measured at fair value.

FASB Codification Section 820 (ASC 820) *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Under ASC 820, various inputs are used in determining the fair value of assets and liabilities. These inputs are summarized in a hierarchy that segregates fair value measurement in the three levels (levels 1, 2, and 3), determined by the nature of input as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted market price in an active market provides the most reliable evidence of fair value.
- Level 2 – Other significant observable inputs, including quoted prices of similar securities in active markets, quoted prices for identical securities in markets that are not active, and other market-corroborated inputs.
- Level 3 – Significant unobservable inputs, including the Organization's own assumptions in determining the fair value of investments, based on the best information available in the circumstances.

Valuation levels are not necessarily an indication of the risk associated with investing in those securities.

The adoption of ASC 820 did not have a significant impact on the Organization's financial statements. The fair value of the Organization's cash and cash equivalents, grants receivable, accounts payable, and accrued expenses approximate their carrying amounts due to the short-term nature of these instruments.

Income Taxes

For Federal tax purposes the Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, and was determined not to be a private foundation by the Internal Revenue Service; however, the Organization remains subject to tax on any business income unrelated to its tax-exempt purpose.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

3. Property and Equipment

Purchases of property and equipment are capitalized at cost. Donated assets are capitalized, in accordance with Organization guidelines, at the estimated fair value at the date of receipt. The Organization capitalizes purchased or donated property and equipment based on an assessment of the individual asset's useful life and cost or fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Class of property</u>	<u>Useful life in years</u>
Furnishings and equipment	5 - 7

4. Concentration of Risk

The Organization maintains its cash account in a financial institution located in West Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization monitors its cash balance as well as the strength of the financial institution thereby mitigating its exposure to concentrations of credit risk.

During the year ended June 30, 2010, the Organization received approximately 48% of its grant funding from one grantor agency. A loss or substantial reduction in this funding may have a significant impact on the Organization.

5. Accrued Compensated Absences

Accrued vacation is included in these financial statements at the employee's current hourly rate at June 30, 2010. In accordance with FASB Codification Section 710 *Compensation*, amounts accrued for future absences include amounts that are attributable to the employees' services already rendered, and only amounts that may be carried forward to periods subsequent to that in which they were earned.

6. Retirement Plan

The Organization established a Simplified Employee Pension plan (Plan) under Section 408(k) of the Internal Revenue Code. The Plan is non-contributory and is administered by Prudential. To be eligible an employee must, be 21 years of age, have worked at least 3 of the immediately preceding 5 years, and not be covered under a collective bargaining agreement. Under the Plan, a predetermined contribution is made to the individual retirement account of each eligible employee, based on a percentage of their annual compensation. During the year ended June 30, 2010, the Organization contributed \$8,819 toward the Plan.

7. Related Party Transactions

The Organization's board of directors includes directors and members of management of certain subrecipient and contractually obligated organizations (related parties). The amount distributed to these related parties was approximately \$689,444 for the year ended June 30, 2010. At June 30, 2010, there is approximately \$102,995 due to these related parties included in accounts payable.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

8. Temporarily Restricted Net Assets

Certain grants allow for disbursement requests in advance of related expenses, and certain other grants disburse awards based on a schedule of payments rather than as related expenses are incurred. At June 30, 2010, temporarily restricted net assets consisted of grant funding received in advance of related expenses. These grant funds will be reclassified to unrestricted net assets as expenses are incurred that satisfy the purpose restrictions.

9. Subsequent Events

FASB Codification Section 855 *Subsequent Events* (ASC 855) establishes general accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or available to be issued. ASC 855 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. The Organization adopted ASC 855 for year ended June 30, 2010. In preparing these financial statements, the Organization has evaluated transactions for potential recognition or disclosure through October 15, 2010, the date the financial statements were available to be issued. During this period no material subsequent events were noted that require recognition or disclosure under ASC 855.

***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***



3803 Swallowtail Drive
Morgantown, WV 26508
(304) 594-9199

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of
***West Virginia Foundation of
Rape Information Services, Inc.***

I have audited the financial statements of ***West Virginia Foundation of Rape Information Services, Inc.*** (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued my report thereon dated October 15, 2010. I conducted my 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 my audit, I considered ***West Virginia Foundation of Rape Information Services, Inc.***'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ***West Virginia Foundation of Rape Information Services, Inc.***'s internal control over financial reporting. Accordingly, I 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.

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 10-01 and 10-02 that I consider to be significant deficiencies 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 *West Virginia Foundation of Rape Information Services, Inc.*'s financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 entity, and 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.

HARILL, CPA

Morgantown, WV

October 15, 2010

***INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133***



3803 Swallowtail Drive
Morgantown, WV 26508
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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of
**West Virginia Foundation for
Rape Information Services, Inc.**
Fairmont, WV

Compliance

I have audited the compliance of **West Virginia Foundation for Rape Information Services, Inc.** (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. **West Virginia Foundation for Rape Information Services, Inc.**'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of **West Virginia Foundation for Rape Information Services, Inc.**'s management. My responsibility is to express an opinion on **West Virginia Foundation for Rape Information Services, Inc.**'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **West Virginia Foundation for Rape Information Services, Inc.**'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of **West Virginia Foundation for Rape Information Services, Inc.**'s compliance with those requirements.

In my opinion, **West Virginia Foundation for Rape Information Services, Inc.** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of *West Virginia Foundation for Rape Information Services, Inc.* is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered *West Virginia Foundation for Rape Information Services, Inc.*'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of *West Virginia Foundation for Rape Information Services, Inc.*'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

West Virginia Foundation for Rape Information Services, Inc.'s responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit *West Virginia Foundation for Rape Information Services, Inc.*'s responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management, the board of directors, others within the entity, 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.

HARILL, CPA

October 15, 2010

***SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS***

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year ended June 30, 2010

<u>Grantor Agency</u>	<u>Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
<u>Passed through:</u>				
WV Department of Health and Human Resources	Injury Prevention & Control Research & State & Community Based Programs	93.136	G090644 & G100644	\$ 237,899
WV Department of Health and Human Resources	Preventive Health & Health Services Block Grant	93.991	G090644 & G100644	44,225
<u>U.S. Department of Justice</u>				
	Grants to States Sexual Assault and Domestic Violence Coalitions (ARRA)	16.556	2007-SW-AX-0015 & 2009-ES-S6-0020	99,844
	Grants to End Violence Against Women with Disabilities	16.529	2006-FW-AX-K00L	275,426
	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	2007-SR-AX-0012	237,911
<u>Passed through:</u>				
WV Department of Health and Human Resources	Grants to Encourage Arrest Policies	16.590	G090637 & G100554	368,166
WV Division of Criminal Justice Services	Justice Assistance Grant (ARRA)	16.803	2009-SU-B9-0034	25,134
WV Division of Criminal Justice Services	Stop Violence Against Women Grants (ARRA)	16.588	07-VAW-002 & 08-VAW-001 & 09-VAWR-01	52,280
WV Division of Criminal Justice Services	Sexual Assault Program Services Grant	16.017	09-SASP-01	55,190
				<u>Total Federal Expenditures</u> <u>\$ 1,396,074</u>

See accompanying notes to the financial statements.

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year ended June 30, 2010

<u>Grantor Agency</u>	<u>Program Title</u>	<u>CFDA Number</u>	<u>Fund / Activity</u>	<u>Expenditures</u>
<u>WV Department of Health and Human Resources</u>				
	Tobacco Education Program	N/A	0407 / 906	4,256
	Block Grant	N/A	8753 / 096	<u>21,048</u>
			Total State Expenditures	<u>\$ 25,304</u>

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION AND SERVICES, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2010

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of *West Virginia Foundation for Rape Information and Services, Inc.* and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

SUPPLEMENTAL INFORMATION

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2010

I. Summary of auditor's results

Financial statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that is(are) not considered to be material weakness(es)? X Yes _____ None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that is(are) not considered to be material weakness(es)? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders
16.529	Grants to End Violence Against Women With Disabilities
16.803	Justice Assistance Grant
16.017	Sexual Assault Program Services Grant

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ Yes X No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

Year ended June 30, 2010

I. Financial statement findings

10-01 Segregation of duties

Condition: The Organization has a limited number of personnel with responsibility for accounting and financial reporting matters. As a result, there is a lack of segregation of duties over the initiation, authorization, recording, and reporting of transactions and the preparation and review of financial reports by persons sufficiently independent of the transactions.

Criteria: Segregation of duties is a critical piece of the internal control framework. This key internal control element dictates that duties should be aligned so that no one individual controls too many critical aspects of a process or transaction.

Cause: Limited staff decreases the ability to provide for segregation of some accounting processes.

Effect: Increased potential that fraud and abuse could occur.

Recommendation: Responsibility for initiation, authorization, recording, and reporting of transactions should be segregated to the extent possible. I recommend continued review and assessment in this area of internal control, as this key internal control is vital to ensure errors or irregularities are detected and prevented in a timely basis in the normal course of business. It is incumbent upon the board to remain strong and active; additionally, the board should recognize that its scope of oversight of the internal control system applies to all three major areas of control: operations, compliance with laws and regulations, and financial reporting. Although complete segregation of duties is not feasible given the limited staff available, management has been mindful and resourceful in its efforts to segregate duties and is commended for its efforts.

Management Response: See supplemental management response.

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION AND SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

Year ended June 30, 2010

I. Financial statement findings (continued)

10-02 Drafting of financial statements

Condition: The Organization does not have adequate staff to prepare the financial statements in accordance with generally accepted accounting principles (GAAP).

Criteria: Reliable financial reporting requires that financial statements conform with GAAP. Preparing financial statements is the culminating step of financial reporting.

Cause: Limited staff and time decreases the ability to prepare financial statements in conformity with GAAP.

Effect: Increased potential that fraud and abuse could occur.

Recommendation: The Organization should engage the services of a certified public accountant or other professional with the expertise and ability to prepare financial statements in conformity with GAAP, with the understanding that preparing the financial statements in conformity with GAAP includes not only the broad guidelines of general application, but also detailed practices and procedures. GAAP includes pronouncements of authoritative bodies designated by the AICPA to establish accounting principles.

Management Response: See supplemental management response.

II. Federal award findings and questioned costs

None

WEST VIRGINIA FOUNDATION FOR RAPE INFORMATION AND SERVICES, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended June 30, 2010

There were no federal award findings and questioned costs that were required to be reported in accordance with section 510(a) of Circular A-133 in the prior audit.

The references below reflect prior internal control items noted based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

Reference Number:

09-1 Segregation of Duties: Uncorrected

09-2 Drafting of Financial Statements: Uncorrected



West Virginia Foundation for Rape Information and Services, Inc.

112 Braddock Street, Fairmont, WV 26554 304-366-9500 FAX 304-366-9501

October 15, 2010

U.S. Department of Justice:

The West Virginia Foundation for Rape Information and Services, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2010. Name and address of independent accounting firm: H. A. Ruckle, CPA, 3803 Swallowtail Drive, Morgantown, WV 26508. Audit period: July 1, 2009 through June 30, 2010.

The findings from the June 30, 2010 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of auditor's results, does not included findings and is not addressed.

II. Financial statement findings

Reportable conditions

1. Finding 10-01 – Segregation of duties

The Organization understands internal control as being broadly defined as a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations.

Furthermore, these objectives are achieved through—

- The control environment (which sets the tone for the entire organization)
- Risk assessment
- Control activities
- Information and communication, and
- Monitoring

1. Finding 10-01 – Segregation of duties (continued)

Although a complete segregation of duties is not possible given the limited number of personnel available, duties will be divided such that no one person has the responsibility for authorization, recording, and reporting transactions to the extent possible. Monitoring will be a procedure at all levels, but ultimate responsibility will reside with the board of directors. Monitoring will be the major mitigating control to compensate for the lack of personnel to adequately segregate duties.

Specific procedures implemented to mitigate the lack of segregation of duties:

Project Supervisor – recording transactions

- Record general ledger entries
- Reconcile bank statements
- Receive cash
- Review bills for payment
- Co-sign checks

Administrative assistant - fund distribution

- Write checks
- Mail checks
- Make deposits

Project Coordinators – authorization

- Submit employee timesheets
- Approve vendor invoices related to respective projects

State Coordinator – authorization

- Sign checks
- Review bank reconciliations
- Receive and open mail
- Approve vendor payments
- Approve grant reimbursement requests
- Approve employee timesheets

Board of directors - monitoring

- Ongoing monitoring is built into operations through regular board meetings where internal controls are considered and evaluated through inquiries with management and staff.
- Open and timely communication with management and staff is encouraged. Such communication is received with an understanding that no retributive actions will be taken.
- Results and reports from granting authorities, independent auditors, and any other independent party who has evaluated the effectiveness of the Organization's internal controls will be reviewed and evaluated by the board of directors. Any changes to controls to address changes in assessed risk will be communicated timely and in writing to management and staff.

2. Finding 10-02 - Drafting of financial statements

The Organization understands that permitting an independent auditor to draft the financial statements is considered technical assistance and does not impair the auditor's independence, and is not considered a control deficiency provided the Organization is capable of preparing the financial statements, and has the skills and competencies necessary to prevent, detect, and correct a material misstatement. Again, monitoring will be the mitigating control to compensate for a lack of the specific skills necessary to prepare the financial statements in accordance with generally accepted accounting principles.

Project Supervisor

- Will possess the necessary understanding of all transactions underlying the financial statements such that she will be able to identify, prevent, detect, and correct a material misstatement in the financial statements. Additionally, she will possess or obtain the skills necessary to review, assess, and approve the financial statements, to include the related disclosures; however, final approval for release of the annual audited financial statements will not be made at this level.

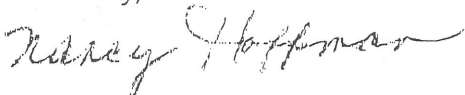
State Coordinator

- Will possess the necessary understanding of the Organizations financial position and operation such that she will be able to identify, prevent, detect, and correct a material misstatement in the financial statements. However, final approval for release of the annual audited financial statements will not be made at this level.

Board of directors

- The board of directors will have sufficient knowledge and skills to assess the reasonableness of the presentation of the financial statements, to include the related disclosures.
- All members of the board of directors will have sufficient understanding of the Organization's financial position and operations through regular review of interim financial reports, such that they will possess the necessary knowledge to identify potential material misstatements in the audited financial statements.
- Final approval for release of the annual audited financial statements will be provided by the board of directors through vote or acclamation after receiving input from the Project Supervisor and State Coordinator.

Sincerely,



Nancy Hoffman

State Coordinator