

**WIRT COUNTY COMMITTEE ON AGING, INC.
WIRT COUNTY, WEST VIRGINIA
Regular Audit
For the Year Ended September 30, 2009**

Perry & Associates
Certified Public Accountants, A.C.

WIRT COUNTY COMMITTEE ON AGING, INC.

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INDEPENDENT ACCOUNTANTS' REPORT

March 25, 2009

Wirt County Committee on Aging, Inc.
P.O. Box 370
Elizabeth, WV 26143

To the Board of Directors:

We have audited the accompanying financial statements of **Wirt County Committee on Aging, Inc.**, (a non-profit organization) (the Organization) as of and for the year ended September 30, 2009, which collectively comprise the Organization's basic financial statements as listed in the table of contents. 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 explained in Note 1 to the financial statements, the Organization expenses the cost of long-lived property and equipment acquired by purchase, donation or capital lease. In our opinion, accounting principles generally accepted in the United States of America require these assets to be capitalized and depreciated over the estimated useful lives of the assets. It was not practical to determine the effects of the unrecorded long-lived property and equipment and related capital lease debt on the financial statements.

In our opinion, except for the effects on not capitalizing and depreciating long-lived property and equipment, the financial statements referred to above present fairly, in all material respects, the financial position of Wirt County Committee on Aging, Inc. as of September 30, 2009, 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 our report dated March 25, 2009, on our consideration of Wirt County Committee on Aging, 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 should be considered in assessing the results of our audit.

Wirt County Committee on Aging, Inc.
Independent Accountants' Report
Page 2

We conducted our audit to opine on the financial statements that collectively comprise the Wirt County Committee on Aging Inc.'s financial statements. The accompanying Schedule of Expenditure of Federal Awards, Schedule of Expenditures of State Awards and the supplemental financial statements presented on pages 10-15 are presented for purposes of additional analysis and are not a required part of the financial statements. We subjected the schedules and supplemental financial statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

WIRT COUNTY COMMITTEE ON AGING, INC.

STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2009

ASSETS

	<u>2009</u>
CURRENT ASSETS:	
Cash and Cash Equivalents	\$ 47,454
Accounts & Grants Receivable	55,340
Other Receivables	416
Prepaid Expenses	<u>3,690</u>
Total Current Assets	<u>106,900</u>
PROPERTY, PLANT AND EQUIPMENT:	
Vehicles	66,232
Building Improvements	<u>41,891</u>
Total Property, Plant and Equipment	108,123
Less: Accumulated Depreciation	<u>(44,300)</u>
Net Property, Plant and Equipment	<u>63,823</u>
Total Assets	<u>\$ 170,723</u>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Accounts Payable	\$ 3,804
Payroll Payable	18,563
Other Payroll Liabilities	2,918
Line of Credit	47,765
Current Portion of Notes Payable	<u>5,662</u>
TOTAL LIABILITIES	<u>78,712</u>
NET ASSETS	
Unrestricted	<u>92,011</u>
Total Liabilities and Net Assets	<u>\$ 170,723</u>

The accompanying notes are an integral part of these financial statements.

WIRT COUNTY COMMITTEE ON AGING, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	2009
	<u>Unrestricted</u>
REVENUE AND SUPPORT:	
Federal Grant Awards	\$ 102,557
State Grant Awards	127,994
Other Grants	12,500
Project Income	24,109
Fare Box Revenues	870
Medicaid	267,900
Legislative Initiative/Elderly	194,842
Other income	<u>15,600</u>
Total Revenue and Support	<u>746,372</u>
EXPENSES:	
Program Expenses:	
Personal Care	335,815
Nutrition	102,696
Transportation	14,395
Adult Day Care	39,118
Other Programs	<u>83,597</u>
Total Program Expenses	<u>575,621</u>
Supporting Services:	
Management and General	<u>175,297</u>
Total Expenses	<u>750,918</u>
Change in Net Assets - Increase/(Decrease)	(4,546)
NET ASSETS, Beginning of Year	<u>96,557</u>
NET ASSETS, End of Year	<u>\$ 92,011</u>

The accompanying notes are an integral part of these financial statements

WIRT COUNTY COMMITTEE ON AGING, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Personal Care	Nutrion	Transportation	Day Care	Other Programs	Total Program Expenses	Management and General	Total Expenses
Personnel	\$ 277,504	\$ 38,584	\$ 5,795	\$ 28,471	\$ 55,334	\$405,688	\$ 104,082	\$ 509,770
Fringe Benefits	43,433	5,976	596	10,609	2,232	62,846	15,325	78,171
Travel and Training	8,874	130	668	-	62	9,734	3,673	13,407
Occupancy	3,517	8,414	252	-	3,189	15,372	9,994	25,366
Equipment	-	540	-	-	-	540	-	540
Food and Disposable Supplies	-	45,857	-	-	-	45,857	-	45,857
Fuel - Automobiles	-	2,047	2,155	-	240	4,442	-	4,442
Insurance	-	-	-	-	7,804	7,804	252	8,056
Other Program Costs	1,412	44	3,994	-	14,736	20,186	18,478	38,664
Supplies	1,075	-	-	38	-	1,113	3,386	4,499
Auto Parts and Maintenance	-	526	935	-	-	1,461	190	1,651
Professional Fees	-	578	-	-	-	578	3,370	3,948
Depreciation Expense	-	-	-	-	-	-	16,547	16,547
Total Expenses	\$ 335,815	\$ 102,696	\$ 14,395	\$ 39,118	\$ 83,597	\$575,621	\$ 175,297	\$ 750,918

The accompanying notes are an integral part of these financial statements

WIRT COUNTY COMMITTEE ON AGING, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>2009</u>
CASH FROM OPERATING ACTIVITIES:	
Increase (Decrease) in Net Assets	\$ (4,546)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operations:	
Depreciation	16,547
(Increase) Decrease in Assets:	
Accounts Receivable	(11,287)
Prepaid Expenses	95
Increase (Decrease) in Liabilities:	
Accounts Payable	(7,582)
Deferred Revenue	(21,691)
Payroll Payable	2,022
Net cash provided/(used)by operating activities	<u>(26,442)</u>
NET CASH FROM FINANCING ACTIVITIES	
Proceeds from of Line of Credit	20,000
Repayment of Line of Credit	(3,845)
Repayment of Long-Term Debt	<u>(4,918)</u>
Net cash used by financing activities	<u>11,237</u>
Increase/(Decrease) in Cash	(15,205)
CASH, Beginning of Year	<u>62,659</u>
CASH, End of Year	<u><u>\$ 47,454</u></u>

The accompanying notes are an integral part of these financial statements

WIRT COUNTY COMMITTEE ON AGING, INC.

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The purpose of Wirt County Committee on Aging, Inc., (a non-profit organization) is to study the social service needs of Wirt County and its contiguous counties; and to unify senior citizens into an organization dedicated to working for a common goal of promoting life and health, honor and dignity to citizens 55 years of age and older in Wirt County, West Virginia.

B. Income Tax

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

C. Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash on hand and cash in checking accounts to be cash and cash equivalents.

D. Property and Equipment

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments are expensed during the year of purchase. This policy is not in accordance with accounting principles generally accepted in the United States of America which require that all acquisitions of property and equipment be capitalized and depreciated over the estimated useful life of the assets. The independent auditor's report has been qualified to reflect the departure from accounting principles accepted in the United States of America.

E. Advertising

It is the policy of the Organization to expense advertising costs as incurred.

F. Financial Statement Presentation

The Organization uses the Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Associations." Under SFAS No. 117 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) based upon the existence or absence of donor-imposed restrictions. For the year ending September 30, 2009, there were no temporary or permanently restricted assets.

G. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts that are restricted for future periods are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor-stipulated restriction ends or a purpose restriction is accomplished, then the restricted net assets released are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

WIRT COUNTY COMMITTEE ON AGING, INC.

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Contributed Property and Equipment

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, then the contributions are recorded as temporarily restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

H. 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.

I. Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America with the exception that the Organization does not capitalize and depreciate the cost of long-lived property and equipment.

J. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. DONATED SERVICES

Several members of the Organization donate significant amounts of time to the Organization in furthering its programs and activities. No amounts have been disclosed in the financial statements for donated member or volunteer services inasmuch as no objective basis is available to measure the value of such services.

3. NOTES PAYABLE

Note Payable to Calhoun County Bank, due in monthly installments of \$496, including interest at 7%, through August 2010, secured by real estate.	\$ 5,662
Less: current portion	5,662
Long Term Liability	<u><u>\$ -</u></u>

Maturity of notes payable outstanding as of September 30, 2009 are as follows:

2010	<u>5,662</u>
Total	<u><u>\$ 5,662</u></u>

The Organization also has a line of credit established with WesBanco Bank in the amount of \$60,000, with a variable interest rate of 1.0% over prime. At September 30, 2009, the balance on this line of credit was \$47,765.50.

WIRT COUNTY COMMITTEE ON AGING, INC.

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2009
(Continued)**

4. RETIREMENT PLAN

The Organization maintains a retirement plan under Internal Revenue Code 403(b). Under the plan employees are permitted to defer a portion of their salaries to be contributed to the retirement plan. Currently, there are no matching provision for the Organization.

5. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 on time and demand deposits. At September 30, 2009, the Association had no uninsured cash balances.

6. CONTINGENCIES

The Organization is economically dependent on grants from various federal, state and local governments for the operation of their programs. The Organization's ability to receive these grants is somewhat dependent on the national, state and local economy.

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - PERSONAL CARE
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Title III B	Title III D	Title III E	Medicaid
REVENUE AND SUPPORT:				
Federal Grant Awards	\$ 25,382	\$ 530	\$ 2,752	\$ -
State Grant Awards	9,242	169	-	-
Project Income	385	-	-	35
Medicaid	-	-	-	51,352
Other income	-	-	-	-
Total Revenue and Support	<u>35,009</u>	<u>699</u>	<u>2,752</u>	<u>51,387</u>
EXPENSES:				
Personnel	5,969	-	-	55,373
Fringe Benefits	968	-	-	8,645
Travel and Training	-	-	-	8,062
Occupancy	3,192	-	325	-
Other Program Costs	-	659	-	745
Supplies	-	-	-	1,075
Total Direct Expenses	<u>10,129</u>	<u>659</u>	<u>325</u>	<u>73,900</u>
Indirect Cost Allocation	2,916	-	-	25,802
Matching Funds Transfers (In)/Out	<u>28,834</u>	<u>(62)</u>	<u>2,615</u>	<u>-</u>
Total Expenses	<u>41,879</u>	<u>597</u>	<u>2,940</u>	<u>99,702</u>
Net Program Income/(Loss)	<u>\$ (6,870)</u>	<u>\$ 102</u>	<u>\$ (188)</u>	<u>\$ (48,315)</u>

The accompanying notes are an integral part of these financial statements.

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - PERSONAL CARE (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Waiver</u>	<u>Lighthouse</u>	<u>FAIR</u>	<u>VA Funds</u>	<u>Totals</u>
REVENUE AND SUPPORT:					
Federal Grant Awards	\$ -	\$ -	\$ -	\$ -	\$ 28,664
State Grant Awards	-	70,742	21,591	-	101,744
Project Income	-	2,969	759	-	4,148
Medicaid	216,548	-	-	-	267,900
Other Income	-	-	-	13,911	13,911
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue and Support	216,548	73,711	22,350	13,911	416,367
EXPENSES:					
Personnel	144,184	47,554	18,082	6,342	277,504
Fringe Benefits	22,553	7,416	2,839	1,012	43,433
Travel and Training	-	-	-	812	8,874
Occupancy	-	-	-	-	3,517
Other Program Costs	8	-	-	-	1,412
Supplies	-	-	-	-	1,075
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Direct Expenses	166,745	54,970	20,921	8,166	335,815
Indirect Cost Allocation	67,313	22,136	8,474	3,019	129,660
Matching Funds Transfers (In)/Out	-	-	-	-	31,387
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	234,058	77,106	29,395	11,185	496,862
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Program Income/(Loss)	<u>\$ (17,510)</u>	<u>\$ (3,395)</u>	<u>\$ (7,045)</u>	<u>\$ 2,726</u>	<u>\$ (80,495)</u>

The accompanying notes are an integral part of these financial statements.

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - NUTRITION PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Totals</u>
REVENUE AND SUPPORT:			
Federal Grant Awards	\$ 30,403	\$ 43,490	\$ 73,893
Project Income	12,701	7,260	19,961
	<hr/>	<hr/>	<hr/>
Total Revenue and Support	43,104	50,750	93,854
	<hr/>	<hr/>	<hr/>
EXPENSES:			
Personnel	16,151	22,433	38,584
Fringe Benefits	2,513	3,463	5,976
Travel and Training	-	130	130
Occupancy	7,240	1,174	8,414
Equipment	-	540	540
Food and Disposable Supplies	18,814	27,043	45,857
Fuel - Automobiles	-	2,047	2,047
Other Program Costs	44	-	44
Auto Parts and Maintenance	350	176	526
Professional Fees	578	-	578
	<hr/>	<hr/>	<hr/>
Total Direct Expenses	45,690	57,006	102,696
	<hr/>	<hr/>	<hr/>
Indirect Cost Allocation	7,554	10,335	17,889
Matching Funds Transfers (In)/Out	(14,169)	(15,271)	(29,440)
	<hr/>	<hr/>	<hr/>
Total Expenses	39,075	52,070	91,145
	<hr/>	<hr/>	<hr/>
Net Program Income/(Loss)	<u>\$ 4,029</u>	<u>\$ (1,320)</u>	<u>\$ 2,709</u>

The accompanying notes are an integral part of these statements.

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - TRANSPORTATION PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Transportation Programs	Totals
REVENUE AND SUPPORT:		
Grant Revenue	\$ 21,423	\$ 21,423
Fare Box	870	870
Total Revenue and Support	22,293	22,293
EXPENSES:		
Personnel	5,795	5,795
Fringe Benefits	596	596
Travel and Training	668	668
Occupancy	252	252
Fuel - Automobiles	2,155	2,155
Other Program Costs	3,994	3,994
Auto Parts and Maintenance	935	935
Total Direct Expenses	14,395	14,395
Indirect Cost Allocation	2,379	2,379
Matching Funds Transfers (In)/Out	-	-
Total Expenses	5,519	5,519
Net Program Income/(Loss)	\$ 16,774	\$ 16,774

The accompanying notes are an integral part of these financial statements.

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - ADULT DAY CARE PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Adult Day Care	Totals
REVENUE AND SUPPORT:		
Adult Day Care Revenue	\$ -	\$ -
Donations	-	-
Total Revenue and Support	-	-
EXPENSES:		
Personnel	28,471	28,471
Fringe Benefits	10,609	10,609
Supplies	38	38
Total Direct Expenses	39,118	39,118
Indirect Cost Allocation	13,319	13,319
Matching Funds Transfers (In)/Out	(64,456)	(64,456)
Total Expenses	(12,019)	(12,019)
Net Program Income/(Loss)	\$ 12,019	\$ 12,019

The accompanying notes are an integral part of these financial statements.

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - OTHER PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>General Fund</u>	<u>Chore</u>	<u>Health Benefits</u>	<u>LD Funds</u>	<u>Life</u>	<u>Totals</u>
REVENUE AND SUPPORT:						
State Grant Awards	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ 12,500
Legislative Initiative/Elderly	-	-	-	-	194,842	194,842
Other Income	1,689	-	-	-	-	1,689
	<u>14,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,842</u>	<u>209,031</u>
EXPENSES:						
Personnel	4,575	3,131	525	-	47,103	55,334
Fringe Benefits	-	509	184	-	1,539	2,232
Travel and Training	-	-	62	-	-	62
Occupancy	2,633	-	-	-	556	3,189
Fuel - Automobiles	-	-	-	-	240	240
Insurance	-	-	-	-	7,804	7,804
Other Program Costs	10,901	-	-	45	3,790	14,736
	<u>18,109</u>	<u>3,640</u>	<u>771</u>	<u>45</u>	<u>61,032</u>	<u>83,597</u>
Total Direct Expenses	<u>18,109</u>	<u>3,640</u>	<u>771</u>	<u>45</u>	<u>61,032</u>	<u>83,597</u>
Indirect Cost Allocation	-	1,520	549	-	4,595	6,664
Matching Funds Transfers (In)/Out	-	(5,837)	-	-	42,096	36,259
	<u>18,109</u>	<u>(677)</u>	<u>1,320</u>	<u>45</u>	<u>107,723</u>	<u>126,520</u>
Total Expenses	<u>18,109</u>	<u>(677)</u>	<u>1,320</u>	<u>45</u>	<u>107,723</u>	<u>126,520</u>
Net Program Income/(Loss)	<u>\$ (3,920)</u>	<u>\$ 677</u>	<u>\$ (1,320)</u>	<u>\$ (45)</u>	<u>\$ 87,119</u>	<u>\$ 82,511</u>

The accompanying notes are an integral part of these financial statements.

Perry & Associates
Certified Public Accountants, A.C.

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Marietta, OH 45750
(740) 373-0056

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

March 25, 2010

Wirt County Committee on Aging, Inc.
P.O. Box 370
Elizabeth, WV 26143

To the Board of Directors:

We have audited the financial statements of **Wirt County Committee on Aging, Inc.** (a non-profit organization) (the Organization) as of and for the year ended September 30, 2009, and have issued our report thereon dated March 25, 2010, which was qualified for not capitalizing the cost of fixed assets. 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 the Organization's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Organization's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Directors, and others within the Organization. We intend it for no one other than these specified parties.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF FINDINGS
SEPTEMBER 30, 2009**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2009-001

Material Weakness

Capital Asset Policy

During the course of our audit we noted the Organization's policy related to capitalization of assets does not comply with generally accepted accounting principles.

Capital assets that are reported on the Statement of Financial Position are said to be capitalized. The monetary criterion used to determine whether a given fixed asset should be reported on the Statement of Financial Position is known as the capitalization threshold amount. Not all capital assets are required to be reported on the Statement of Financial Position.

The Organization's capital asset policy has not designated a capitalization threshold. Attempting to incorporate data on numerous smaller capital assets is often costly and difficult to maintain and operate.

The Organization's principal concern in establishing specific capitalization thresholds ought to be the anticipated information needs of the users of the Organization's external financial reports. While it is essential to maintain control over all of a Organization's capital assets, there exist much more efficient means than capitalization for accomplishing this objective. We recommend the Organization consider the following guidelines in establishing capitalization thresholds:

- Capital assets capitalization thresholds should be applied to individual capital assets rather than to groups of capital assets (e.g., desks, tables);
- In no case should an Organization establish a capitalization threshold of less than \$1,000 for any individual item;
- In establishing capitalization thresholds, Organizations that are recipients of federal awards should be aware of federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts for purposes of federal reimbursement.

We recommend the Organization's policy should also designate the method of depreciation and establish estimated useful lives for buildings, land improvements, equipment, and vehicles for such calculations.

The policy should also address performing inventory over fixed assets and address prescribed method of tracking inventory.

Management's Response – We did not receive a response from officials to this finding.

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>Federal Grantor/Program</u>	<u>Term of Grant</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES:				
<i>Passed Through West Virginia Northwestern Area Agency on Aging:</i>				
Title III B	10/1/08-9/30/09	93.044	\$ 25,382	\$ 25,382
Title III C-1	10/1/08-9/30/09	93.045	30,403	30,403
Title III C-2	10/1/08-9/30/09	93.045	38,495	38,495
Title III C-2 ARRA	3/18/09-9/30/10	93.705	4,995	4,995
Title III D	10/1/08-9/30/09	93.043	419	419
Title III D Medication Management	10/1/08-9/30/09	93.043	111	111
Title III E	10/1/08-9/30/09	93.052	2,755	<u>2,752</u>
Total U.S. Department of Health & Human Services				<u>102,557</u>
Total Federal Awards Expended				<u>\$ 102,557</u>

WIRT COUNTY COMMITTEE ON AGING, INC.

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor/Program</u>	<u>Term of Grant</u>	<u>Award Amount</u>	<u>State Expenditures</u>
West Virginia Northwestern Area Agency on Aging:			
Title III B	10/1/08-9/30/09	\$ 9,242	\$ 9,242
Title III D	10/1/08-9/30/09	169	169
Title III E	10/1/08-9/30/09	106	-
Legislative Initiative for the Elderly	7/1/08-6/30/09	180,576	116,192
Legislative Initiative for the Elderly	7/1/09-6/30/10	180,576	78,650
Alzheimers Respite Grant	7/1/08-6/30/09	33,987	15,515
Alzheimers Respite Grant	7/1/09-6/30/10	33,324	6,076
Lighthouse In Home Services	7/1/08-6/30/09	71,621	43,114
Lighthouse In Home Services	7/1/09-6/30/10	90,399	27,628
Wirt In Home Transportation	7/1/08-6/30/09	11,278	10,145
Wirt In Home Transportation	7/1/09-6/30/10	11,278	11,278
Total West Virginia Northwestern Area Agency on Aging			<u>318,009</u>
Total State Awards Expended			<u><u>\$ 318,009</u></u>