

CALHOUN COUNTY COMMITTEE ON AGING, INC.

**AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

SEPTEMBER 30, 2011

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Calhoun County Committee on Aging, Inc.
Grantsville, West Virginia

We have audited the accompanying statement of financial position of Calhoun County Committee on Aging, Inc. (a nonprofit organization) as of September 30, 2011, and the related statements 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Calhoun County Committee on Aging, Inc. as of September 30, 2011, 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 July 27, 2012 on our consideration of Calhoun County Committee on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Calhoun County Committee on Aging, Inc.'s financial statements as a whole. The schedule of federal and state funds are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of federal and state funds are the responsibility of management and were derived from and relate 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.

Strick & Bartlett, PLLC

July 27, 2012

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011**

ASSETS

CURRENT ASSETS

Cash	\$	28,462
Grants and Contracts Receivable		94,579
Interest Receivable		463
Prepaid Expenses		<u>9,122</u>
TOTAL CURRENT ASSETS		132,626

PROPERTY AND EQUIPMENT

Property and Equipment		1,490,633
Accumulated Depreciation		<u>(621,472)</u>
NET PROPERTY AND EQUIPMENT		869,161

OTHER ASSETS

Certificate of Deposit		<u>112,053</u>
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TOTAL ASSETS	\$	<u>1,113,840</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	19,395
Accrued Payroll		25,505
Payroll Taxes Payable		5,576
Accrued Vacation		9,335
Current Portion of Lease Payable		<u>768</u>
TOTAL CURRENT LIABILITIES		60,579

LONG-TERM LIABILITIES

Accrued Vacation		9,335
Lease Payable (Net of Current Portion)		<u>448</u>
TOTAL LONG-TERM LIABILITIES		<u>9,783</u>

TOTAL LIABILITIES		70,362
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UNRESTRICTED NET ASSETS		<u>1,043,478</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u>1,113,840</u>
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The accompanying independent auditor's report and notes are integral parts of these statements.

CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011

	<u>UNRESTRICTED</u>	<u>TEMPORARILY UNRESTRICTED</u>	<u>TOTAL</u>
SUPPORT			
Medicaid	\$ 474,724	\$ -	\$ 474,724
NSIP	14,642	-	14,642
Title IIIC	72,234	-	72,234
Legislative Digest	15,500	-	15,500
LIFE	176,640	-	176,640
Contributions and Fundraising	65,947	-	65,947
Lighthouse	59,080	-	59,080
Fair	26,082	-	26,082
Veterans	34,023	-	34,023
Title IIIB	-	40,086	40,086
Title IIID	-	1,000	1,000
Title IIIE	-	5,618	5,618
WV DOT	36,598	-	36,598
Other	2,765	-	2,765
Net Assets Released From			
Donor Restrictions	46,704	(46,704)	-
TOTAL SUPPORT	<u>1,024,939</u>	<u>-</u>	<u>1,024,939</u>
REVENUES			
Program Income	36,876	-	36,876
Interest Income	2,183	-	2,183
Gain on Sale	2,003	-	2,003
Rent	990	-	990
TOTAL REVENUES	<u>42,052</u>	<u>-</u>	<u>42,052</u>
TOTAL SUPPORT AND REVENUES	<u>1,066,991</u>	<u>-</u>	<u>1,066,991</u>

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION (CONT'D)
SEPTEMBER 30, 2011**

	UNRESTRICTED	TEMPORARILY UNRESTRICTED	TOTAL
EXPENSES			
Program Expense:			
Other Programs	\$ 601,957	\$ -	\$ 601,957
LIFE	176,640	-	176,640
Lighthouse	59,080	-	59,080
Title III-B	75,534	-	75,534
Title III-D	1,000	-	1,000
Title III-E	5,618	-	5,618
Title III-C - Congregate	63,317	-	63,317
Title III-C - Home Delivered	69,463	-	69,463
Management & General	17,468	-	17,468
Fundraising	52,402	-	52,402
TOTAL EXPENSES	1,122,479	-	1,122,479
CHANGE IN NET ASSETS	(55,488)	-	(55,488)
BEGINNING UNRESTRICTED NET ASSETS	1,098,966	-	1,098,966
ENDING UNRESTRICTED NET ASSETS	\$ 1,043,478	\$ -	\$ 1,043,478

The accompanying independent auditor's report and notes are integral parts of these statements.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Program Services				
	Other Programs	LIFE	Light- house	Title III-B	Title III-D
Wages & Taxes	\$ 389,190	\$ 138,962	\$ 55,439	\$ 43,446	\$ 1,000
Fringe Benefits	44,126	5,545	3,054	4,146	-
Supplies	23,326	950	-	17	-
Repairs & Maintenance	9,678	-	-	12	-
Communications & Utilities	15,197	5,907	-	4,911	-
Other	6,612	1,130	-	-	-
Depreciation	60,755	-	-	-	-
Transportation	21,330	2,500	587	23,002	-
Professional Services	6,572	18,450	-	-	-
Insurance	15,657	1,851	-	-	-
Trips & Supplies	-	-	-	-	-
Taxes & Licenses	-	-	-	-	-
Nutrition Supplies	3,209	-	-	-	-
Rent	4,575	1,345	-	-	-
Dues & Subscriptions	1,730	-	-	-	-
	<u>\$ 601,957</u>	<u>\$ 176,640</u>	<u>\$ 59,080</u>	<u>\$ 75,534</u>	<u>\$ 1,000</u>

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Program Services		Title III-C		Management and General	Fundraising	Totals (Memorandum Only)
	Title III-E	Congregate	Home Delivered				
Wages & Taxes	\$ 4,828	\$ 38,436	\$ 32,494	\$ 10,718	\$ -	\$ 714,513	
Fringe Benefits	340	3,683	3,114	-	-	64,008	
Supplies	447	-	-	-	-	24,740	
Repairs & Maintenance	-	2,320	-	-	-	12,010	
Communications & Utilities	-	3,665	3,110	-	-	32,790	
Other	-	-	-	-	-	7,742	
Depreciation	-	-	-	6,750	-	67,505	
Transportation	3	-	5,231	-	-	52,653	
Professional Services	-	-	-	-	-	25,022	
Insurance	-	-	-	-	-	17,508	
Trips & Supplies	-	125	-	-	52,402	52,527	
Taxes & Licenses	-	-	-	-	-	-	
Nutrition Supplies	-	15,088	25,514	-	-	43,811	
Rent	-	-	-	-	-	5,920	
Dues & Subscriptions	-	-	-	-	-	1,730	
	<u>\$ 5,618</u>	<u>\$ 63,317</u>	<u>\$ 69,463</u>	<u>\$ 17,468</u>	<u>\$ 52,402</u>	<u>\$ 1,122,479</u>	

The accompanying independent auditor's report and notes are integral parts of these statements.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (55,488)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Operating Activities	
Depreciation	67,505
Gain on Sale	(2,003)
In Kind Contributions	(45,823)
(Increase) Decrease In:	
Grants and Contracts Receivable	1,452
Interest Receivable	528
Prepaid Expenses and Deposits	19,885
Increase (Decrease) In:	
Accounts Payable	1,720
Accrued Vacation	(5,340)
Accrued Payroll	(5,264)
Payroll Taxes Payable	<u>(698)</u>
NET CASH (USED IN) OPERATING ACTIVITIES	(23,526)
CASH FLOWS FROM INVESTING ACTIVITIES	
Decrease in Certificates of Deposit	4,517
Acquisition of Property and Equipment	(26,498)
Sale of Property and Equipment	<u>2,003</u>
NET CASH (USED IN) INVESTING ACTIVITIES	(19,978)
CASH FLOWS FROM FINANCING ACTIVITIES	
Lease Payments	<u>(768)</u>
NET CASH (USED IN) FINANCING ACTIVITIES	(768)
NET (DECREASE) IN CASH	(44,272)
CASH - BEGINNING OF PERIOD	<u>72,734</u>
CASH - END OF PERIOD	\$ <u>28,462</u>
SUPPLEMENTARY INFORMATION	
In Kind Services	\$ 9,225
In Kind Vehicle Grant	<u>36,598</u>
TOTAL IN KIND CONTRIBUTIONS	\$ <u>45,823</u>

The accompanying independent auditor's report and notes are integral parts of these statements.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION
AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Entity

The Calhoun County Committee on Aging, Inc. is a non-profit corporation located in Grantsville, West Virginia. The Corporation's operations consist of a variety of social services for the elderly of Calhoun County. The Organization is funded by various federal and state grants and from funds obtained through local fund raising projects.

Financial Statement Presentation

The Organization has adopted FASB Standards Codification 958, Not-for-Profit Entities. There are no permanently restricted assets as of September 30, 2011.

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

Calhoun County Committee on Aging, Inc. uses the cash basis of accounting throughout the program year but prepares its annual financial statements on the accrual basis.

Cash

All cash, except for cash on hand, is on deposit with institutions which are insured by the F.D.I.C.

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

The accompanying independent auditor's report is an integral part of these notes.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Cash and equivalents consist of the following:

Unrestricted Cash		\$	28,462	
	Total Cash	\$	<u>28,462</u>	
Other Assets	Amount		Maturity	
			Date	
Certificate of Deposit	\$ 112,053		11/01/15	

Inventories

The Organization does not maintain an inventory. Supplies are purchased on an as needed basis.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. 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; all fixed assets are capitalized with an original cost of \$500 or more.

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

Accrued compensated absences are included in these financial statements at the employees current hourly rate for September 30, 2011.

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.

The accompanying independent auditor's report is an integral part of these notes.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Donated Services

Donated services are recognized as contributions in accordance with FASB Standards Codification 958-605, 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. The Organization received services that met this criteria during the year of \$9,225.

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 Taxes

The Calhoun County Committee on Aging, 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 Organization owed \$0 in unrelated business income taxes as of September 30, 2011.

All required federal income tax returns for the Organization have been filed up to and including the tax year ended September 30, 2011. The Organization's federal income tax returns for 2010, 2009, and 2008 remain subject to examination by the Internal Revenue Service Center.

Risks and Uncertainties

The majority of the funding for the operation of Calhoun County Committee on Aging, Inc. comes from Medicaid and the Northwestern Area Agency on Aging. A loss of or decrease in this funding could adversely affect the operation of the Organization.

Subsequent Events – Subsequent events have been evaluated through July 27, 2012, which is the date the financial statements were available to be issued.

The accompanying independent auditor's report is an integral part of these notes.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or fair market value at date of donation.

Property and equipment consisted of the following at September 30, 2011:

Land & Land Improvements	\$	192,072
Buildings and Additions		808,910
Vehicles		361,996
Equipment & Furniture		127,655
		1,490,633
TOTAL PROPERTY AND EQUIPMENT		
Less, Accumulated Depreciation		(621,472)
NET PROPERTY AND EQUIPMENT	\$	869,161

Property and equipment are depreciated over their useful lives:

Buildings & Additions	7 – 39 Years
Vehicles	5 Years
Equipment & Furniture	5 – 7 Years

NOTE 3 CONCENTRATION

The Center receives a majority of their monies from third party reimbursements. Any loss or decrease in this funding could be detrimental to the Organization's ongoing activities.

NOTE 4 ADVERTISING COSTS

The Center expenses advertising costs as they are incurred.

The accompanying independent auditor's report is an integral part of these notes.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

NOTE 5 DEPOSITS AND PREPAID EXPENSES

Deposits and prepaid expenses consist of the following at September 30, 2011:

Prepaid Brickstreet	\$ 5,134
Prepaid Insurance	<u>3,988</u>
TOTAL	<u>\$ 9,122</u>

NOTE 6 RETIREMENT SYSTEM

The Calhoun County Committee on Aging, Inc. is not a member of any retirement system.

NOTE 7 OPERATING LEASES

The Organization had the following lease during the year:

<u>Description</u>	<u>Monthly Payment</u>	<u>Term (in years)</u>	<u>Expires</u>
Copier	\$313	4	10/01/12

Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	3,756
2013	313
Totals	<u>\$ 4,069</u>

The accompanying independent auditor's report is an integral part of these notes.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

NOTE 8 CAPITAL LEASES

The Organization has a capital lease for a copier. The lease requires sixty monthly payments of \$64 with a \$1 buyout at the end.

<u>Beginning Balance</u>	<u>Advances</u>	<u>Payments</u>	<u>Ending Balance</u>
\$ <u>1,984</u>	\$ <u>-</u>	\$ <u>768</u>	\$ <u>1,216</u>

Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	768
2013	448
Totals	\$ <u>1,216</u>

The accompanying independent auditor's report is an integral part of these notes.



**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**

The Board of Directors
Calhoun County Committee on Aging, Inc.
Grantsville, West Virginia

We have audited the financial statements of Calhoun County Committee on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated July 27, 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

Management of Calhoun County Committee on Aging, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Calhoun County Committee on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Calhoun County Committee on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Calhoun County Committee on Aging, Inc.'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 and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described as items #11-01 through #11-03 in the accompanying schedule of findings and responses to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

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

Calhoun County Committee on Aging, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Calhoun County Committee on Aging, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Calhoun County Committee on Aging, Inc. and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

J. Patrick Bartlett, Ph.D.

July 27, 2012

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

11-1 Segregation of Duties

Criteria: Responsibilities of approval, execution, recording and custody associated with all financial transactions should be distributed among the accounting staff to the highest degree possible.

Condition: Analysis of the internal control system indicated a lack of segregation of duties.

Cause: The Organization has a limited number of employees who are responsible for the approval, execution, recording and custody associated with all financial transactions. This limits the degree to which these responsibilities can be segregated.

Effect: Because of the lack of segregation of 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, executing, recording and custody associated with all financial transactions should be distributed among the accounting staff to the highest degree possible. We would also recommend that the board of directors continue to take an active role in oversight.

Entity's Response: To the extent possible, the Organization has segregated the responsibilities of approval, execution, recording and custody associated with all financial transactions. Any further segregation of duties would not be economically feasible.

11-2 Checks Written Out of Sequence

Criteria: Analysis of the financial records indicated that the checks were written out of their pre-numbered sequences.

Condition: Control items such as pre-numbered checks should always be used in numerical order.

Cause: The Organization did not write checks in numerical order.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Effect: Because of the failure to write checks in numerical order, 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: The Organization should put certain procedures in place to insure that checks are always written in their pre-numbered sequence and that a check stock is entirely used or voided before using a new check stock.

Entity's Response: The Organization will use checks in their pre-numbered sequence and use or void an entire check stock before starting a new check stock.

11-3 Maintenance of Support Documentation for Credit Card Transactions

Criteria: Documentation should be maintained to support all credit card transactions.

Condition: It was determined during our audit that the Organization failed to maintain documentation supporting the business purpose of some of its credit card transactions.

Cause: The Organization failed to require that documentation be maintained on all credit card transactions before the remittance of the credit card payment.

Effect: Because of the failure to maintain support for all credit card transactions, it was not possible to determine if all transactions were for valid business purposes.

Recommendation: The Organization should require that support documentation be maintained for all credit card transactions. In addition it should be noted on the support documentation the business purpose of the transaction.

Entity's Response: The Organization will require the Board of Directors to approve each monthly statement. All transactions will be listed out with their business purpose.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>FEDERAL AWARDS</u>				
U.S. Department of Health and Human Services of Health and Human Services				
Passed through the WV Bureau of Senior Services and Bel-O-Mar Regional Council:				
	Title III-B - Special Programs for the Aging	93.044	21135	26,838
	Title III-D - Special Programs for the Aging	93.043	21135	831
	Title III-E - National Family Caregiver Support	93.052	21135	5,618
	Title IIIC - Special Programs for the Aging - Nutrition Services	93.045	N/A	25,638
	Nutritional Service Incentive	93.053	N/A	<u>14,642</u>
			TOTAL FEDERAL FUNDS	\$ <u>73,567</u>

See accompanying notes to the schedule of federal and state funds.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>STATE AWARDS</u>				
WV Bureau of Senior Services through the Bel-O-Mar Regional Council:	Title III-B - State	N/A	21135	\$ 13,248
	Title III-D - State	N/A	21135	169
	LIFE	N/A	21102 21202	176,640
	Lighthouse In-Home Services	N/A	21149 21249	59,080
	Alzheimer's Respite/ Fair	N/A	21149 21249	26,082
	Title IIIC - State	N/A	N/A	46,596
	Legislative Digest	N/A	SH21106 SC21163	15,500
WV Department of Transportation through Division of Public Transit:	Section 5310 Grant	N/A	WV-16-0034 2010	<u>36,598</u>
			TOTAL STATE FUNDS	\$ <u>373,913</u>

See accompanying notes to the schedule of federal and state funds.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO THE SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Federal and State Funds is prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements.