

**MARSHALL COUNTY SENIOR  
CITIZEN'S CENTER, INC.  
MOUNDSVILLE, WV**

**FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**MARSHALL COUNTY SENIOR  
CITIZEN'S CENTER, INC.**

**CONTENTS**

Independent Auditor's Report	2 - 3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 11
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12 - 13
Schedule of Findings and Responses	14 - 15

***HARTLEY & STRAUB, PLLC***  
**Certified Public Accountants**  
**522 Seventh Street**  
**Moundsville, WV 26041**  
**(304) 843-2228**

---

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
the Marshall County Senior Citizen's Center, Inc.  
Moundsville, WV

We have audited the accompanying statement of financial position of the Marshall County Senior Citizen's Center, Inc. (a nonprofit organization), as of September 30, 2011 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Marshall County Senior Citizen's Center, 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 May 23, 2012, on our consideration of the Marshall County Senior Citizen's Center, Inc.'s internal control over financial reporting and on our tests of its compliance with

certain provisions of laws, regulations, contracts, 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.

*Wentley & SA, PLLC*

Moundsville, WV  
May 23, 2012

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2011**

**Assets**

**Current assets:**

Cash and cash equivalents	\$ 276,513
Grants receivable	87,401
Prepaid expenses	<u>9,662</u>
<b>Total current assets</b>	<b><u>373,576</u></b>

**Property and equipment:**

Land	40,000
Land improvements	22,153
Buildings	510,157
Equipment	70,483
Vehicles	<u>130,485</u>
	773,278
Accumulated depreciation	<u>(362,602)</u>
<b>Total property and equipment</b>	<b><u>410,676</u></b>

**Total assets** **\$ 784,252**

**Liabilities and net assets**

**Current liabilities:**

Accounts payable	\$ 2,989
Accrued liabilities	29,634
Unearned income	<u>32,243</u>
<b>Total current liabilities</b>	<b><u>64,866</u></b>

**Net assets:**

Unrestricted net assets	<u>719,386</u>
<b>Total net assets</b>	<b><u>719,386</u></b>

**Total liabilities and net assets** **\$ 784,252**

See accompanying notes to financial statements

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**Revenues, Gains, and Other Support**

	<b><u>Unrestricted</u></b>
Federal grant revenue	\$ 73,238
Medicaid revenue	27,363
State community partnership	23,903
LIFE revenue	214,183
Lighthouse revenue	148,386
FAIR revenue	29,218
SHIP revenue	8,500
Title III-B revenue	25,296
Other state revenue	474
Program fees	16,835
Contributions	11,752
Contributions - County commission	102,500
Special events	148,178
Rental income	9,879
Interest income	<u>6,015</u>
<b>Total Revenues, Gains, and Other Support</b>	<b><u>845,721</u></b>

**Expenses and Losses**

<b><u>Program Services</u></b>	
Title III-B	76,893
Title III-D	10,141
Title III-E	22,038
Lighthouse	158,456
Medicaid	22,988
LIFE	175,194
FAIR	29,903
Other programs	99,092
<b><u>Support Services</u></b>	
Management and general	<u>226,136</u>
<b>Total Expenses and Losses</b>	<b><u>820,841</u></b>
<b>Changes in Net Assets</b>	<b>24,880</b>
<b>Net Assets - Beginning of Year</b>	<b>694,507</b>
<b>Net Assets - End of Year</b>	<b><u>\$ 719,386</u></b>

See accompanying notes to financial statements

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	←----- Program Services -----→							Support Services	Total	
	<u>Title IIIB</u>	<u>Title IIID</u>	<u>Title IIIE</u>	<u>Lighthouse</u>	<u>Medicaid</u>	<u>LIFE</u>	<u>FAIR</u>	<u>Other Programs</u>		<u>Mngt. &amp; General</u>
<b><u>FUNCTIONAL EXPENSES</u></b>										
Salaries and wages	\$ 41,146	\$ 296	\$ -	\$ 113,033	\$ 16,383	\$ 70,129	\$ 22,324	\$ 68,312	\$ 40,306	\$ 371,927
Payroll taxes & fringes	8,947	62		34,442	4,834	17,079	6,668	18,425	12,993	103,451
Training			118	2,672	456	60	504		10	3,821
Printing and supplies	1,146	3,280	82	144	76	1,921	45		2,033	8,728
Communication & utilities	6,230	885	1,385	1,642	818	5,567	102	143	1,662	18,433
Transportation expenses	14,923	4,624				10,147				29,694
Senior Program Activities		150		5,929		4,513		124	1,947	12,662
Contract services		150	19,999	160		56,461			74	76,844
Advertising	38	214		15		2,789	38		269	3,363
Liability insurance	3,006	222	222	222	222	4,565	222	2,659		11,340
Professional fees									6,620	6,620
Repairs & maintenance	1,015	224	197	197	197	1,928		31	3,546	7,336
Special events									120,210	120,210
Depreciation									34,646	34,646
Payments to satellites								9,400		9,400
Miscellaneous	<u>443</u>	<u>34</u>	<u>34</u>	<u>0</u>	<u>0</u>	<u>34</u>	<u>0</u>	<u>0</u>	<u>1,822</u>	<u>2,367</u>
<b>Total</b>	<b><u>\$ 76,893</u></b>	<b><u>\$ 10,141</u></b>	<b><u>\$ 22,038</u></b>	<b><u>\$ 158,456</u></b>	<b><u>\$ 22,988</u></b>	<b><u>\$ 175,194</u></b>	<b><u>\$ 29,903</u></b>	<b><u>\$ 99,092</u></b>	<b><u>\$ 226,136</u></b>	<b><u>\$ 820,841</u></b>

See accompanying notes to financial statements

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<b>Operating activities</b>	
Change in net assets	\$24,880
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	34,646
(Increase) Decrease in accounts receivable	900
(Increase) Decrease in grant receivable	(42,507)
(Increase) Decrease in prepaid expenses	(881)
Increase (Decrease) in accounts payable	(6,049)
Increase (Decrease) in accrued liabilities	5,847
Increase (Decrease) in unearned income	32,243
Net cash provided by operating activities:	<u>49,078</u>
<b>Investing activities</b>	
Purchase of equipment, building improvements and vehicles	<u>(6,138)</u>
Net cash used in investing activities	<u>(6,138)</u>
Net increase in cash and cash equivalents	42,940
Cash and cash equivalents as of beginning of year	<u>233,574</u>
Cash and cash equivalents as of end of year	<u>\$276,513</u>

See accompanying notes to financial statements



**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Agency

The Marshall County Senior Citizen's Center, Inc. is the administrator of the project funded under Title III, Part B of the Older Americans Act of 1965, as amended. The purpose of the program is to staff and operate a senior center to be available to older Americans (age 60 and over) residing in Marshall County, West Virginia. In general, the program attempts to correspond its services to the needs and wishes of these Americans. Social Services currently being provided by the program include information and referral services, transportation and educational services, health related services and various recreational activities.

The Marshall County Senior Citizen's Center, Inc. is a nonprofit organization as described in Section 501(c)(4) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Accounting

The financial statements of the Marshall County Senior Citizen's Center, Inc. (The Center) have been prepared on the accrual basis of accounting. Consequently revenues from grants and other income sources are recognized in the financial statements for the period when the income is earned by the Center as opposed to when the income is actually received. Expenses are recognized in the financial statements for the period when incurred by the Center regardless of when funds are dispensed for payment of the expense.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

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.

Advertising

The Center expenses all advertising costs when incurred.

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED**

Property and Equipment

Property and equipment is stated at cost. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets, which range from five to thirty-one and one half years. The Center capitalizes acquisitions of property and equipment in excess of \$500. Lesser amounts are expensed.

Unearned Revenue

Unearned revenue consists of grant revenue received in advance of the performance of the required services to entitle the Center to the rights to the designed grant funds. Upon the performance of the required services amounts originally recorded as unearned revenue are reclassified to the appropriate grant income revenue accounts and recognized as revenue in the period for which the revenue was earned.

Public Support and Revenue

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their values in the period received.

Financial Statement Presentation

The Center 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. At September 30, 2011, the Center had no restricted assets.

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,**  
**CONTINUED**

Risk Management

The Center obtained general, property and casualty, and liability coverage for itself and its employees thru a third party insurance company for its insurable risks. Any loss in excess of the \$1,000,000 policy limit will be borne by the Center. The Center obtained workers' compensation coverage thru a private insurance company for job related injuries. The private insurance company retains the risk related to the compensation of injured employees under the coverage.

**NOTE 2 - CONCENTRATIONS**

The Marshall County Senior Citizen's Center, Inc. receives a substantial amount of its support from Federal and State governments. A significant reduction in this support would have a major effect on the Center's programs and activities.

**NOTE 3 – SIGNIFICANT CONCENTRATION OF CREDIT RISK**

The Marshall County Senior Citizen's Center, Inc. maintains deposit accounts in two commercial banks.

The deposit accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2011 deposits in these accounts did not exceed the \$250,000 limit.

**NOTE 4 – LEASES**

The Center is the lessor of space classified as an operating lease. The lease is renewable annually. The leased space is a small portion of the Center's overall facilities.

The Center is the lessee of space on a month to month basis to conduct its bingo and raffle activities. Rent expense paid for the rental of the facility to conduct this special event activity totaled \$12,650 for the year ended September 30, 2011.

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**NOTE 5 – DONATED SERVICES**

The Center receives donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958 (formerly, SFAS No. 116 *Accounting for Contributions Received and Contributions Made*) have not been satisfied.

**NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities by the Center have been summarized on a functional basis in the statement of activities and are accounted for in greater detail in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur during the subsequent event period, which is the period subsequent to the date of the statement of financial position, but before financial statements are issued or are available to be issued. The Center has evaluated subsequent events through May 23, 2012, the date for which the financial statement were available to be issued and determined that no adjustments were necessary to the financial statements due to subsequent events.

# ***HARTLEY & STRAUB, PLLC***

**Certified Public Accountants**

**522 Seventh Street**

**Moundsville, WV 26041**

**(304) 843-2228**

---

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

To the Board of Directors of  
the Marshall County Senior Citizen's Center, Inc.  
Moundsville, WV

We have audited the financial statements of the Marshall County Senior Citizen's Center, Inc. (a nonprofit organization) as of and for the year ended September 30, 2011 and have issued our report thereon dated May 23, 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 the Marshall County Senior Citizen's Center, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Marshall County Senior Citizen's Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Marshall County Senior Citizen's Center, Inc.'s internal control over financial reporting. Accordingly, we 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 *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a

misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2011-01, and 2011-02 to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, we believe that the significant deficiencies described above to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marshall County Senior Citizen's Center, 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*.

We noted certain matters that we reported to management of the Marshall County Senior Citizen's Center, Inc. in a separate letter dated May 23, 2012.

The Marshall County Senior Citizen's Center, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Marshall County Senior Citizen's Center, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of directors, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Moundsville, WV  
May 23, 2012

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<b>2011-01</b>	<b>Approval for Disbursement of Funds</b>
<b>Condition:</b>	During testing of cash disbursements one instance was found where the invoice did not contain the required information for approval of payment before a check was wrote for payment of the particular goods or services. This condition was also reported to exist during the Center's prior year audit.
<b>Criteria:</b>	Invoices should be reviewed for accuracy and then signed or initialed by the executive director or other designated employee before a check is prepared for payment of the invoice. This assures that all goods or services contained on the invoice were received and the charges contained on the invoice are valid, before payment is made to the particular vendor.
<b>Cause:</b>	The Center failed to follow the adopted procedures for approval of invoices prior to the preparation of checks for payment of invoices.
<b>Effect:</b>	A lack of the required written documented approval for payment on an invoice can lead to erroneous payments, duplicate payments, and an appearance of a lack of oversight for purchases made by the Center.
<b>Recommendation:</b>	Invoices should contain written approval for payment by containing the signature or initials of the Center's personnel responsible for purchasing oversight for that particular area of the Center's operations.
<b>Management's Response/Views Of Responsible Officials:</b>	<i>Invoices will contain all of the required written confirmation prior to the preparation of checks to vendors</i>

**MARSHALL COUNTY SENIOR CITIZEN'S CENTER, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**2011-02**

**Segregation of Duties**

**Condition:** During the testing of cash receipts and cash disbursements and analysis of the Center's administrative staff's duties, it was noted that the responsibilities for approving, executing and recording transactions and custody of assets arising from transactions are not assigned to different individuals. This condition was also reported to exist during the Center's prior year audit.

**Criteria:** An integral part of an entity's internal control structure is effective segregation of duties, which involves assigning responsibilities for authorizing transactions, recording transactions, and maintaining custody of assets to different individuals, thus reducing the risk of errors or fraud occurring and not being detected.

**Cause:** The size of the Center's administrative staff precludes adequate segregation of duties.

**Effect:** The Center's internal control structure elements do not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements, may occur and not be detected in a timely manner.

**Recommendation:** The Center should distribute among the administrative staff the duties of approving, executing, recording and maintaining custody of assets to the extent that is feasible and economically practical. The Center's Board of Directors should remain involved in the financial affairs of the Center to provide oversight and independent review functions of the administrative staff's duties.

**Management's  
Response/Views  
of Responsible  
Officials:**

*The Center will distribute duties as effectively as possible among the administrative staff and the Board of Directors will continue their oversight procedures of financial affairs.*



**MARSHALL COUNTY SENIOR  
CITIZEN'S CENTER, INC.**

**COMMUNICATION REGARDING INTERNAL  
CONTROL AND COMMUNICATION WITH  
THOSE CHARGED WITH GOVERNANCE**

**SEPTEMBER 30, 2011**

**MARSHALL COUNTY SENIOR  
CITIZEN'S CENTER, INC.  
MOUNDSVILLE, WV**

**COMMUNICATION REGARDING  
INTERNAL CONTROL**

**SEPTEMBER 30, 2011**

***HARTLEY & STRAUB, PLLC***  
**Certified Public Accountants**  
**522 Seventh Street**  
**Moundsville, WV 26041**  
**(304) 843-2228**

---

May 23, 2012

To the Senior Management and  
and the Board of Directors of  
the Marshall County Senior Citizen's Center, Inc.  
Moundsville, WV

In planning and performing our audit of the financial statements of the Marshall County Senior Citizen's Center, Inc. as of and for the year ended September 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Marshall County Senior Citizen's Center, Inc. internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The information that follows summarizes our comments and suggestions regarding this matter. A separate report titled *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* dated May 23, 2012 contains our communication of significant deficiencies and material weaknesses in the Marshall County Senior Citizen's Center, Inc.'s internal control. This letter does not affect our report dated May 23, 2012, on the financial statements of the Marshall County Senior Citizen's Center, Inc.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Organization personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

## Allocation of Expenses

Payments made throughout the year for workers compensation and payroll taxes are not allocated between the various programs that the Marshall County Senior Citizen's Center, Inc. provides. Nearly all other invoices paid throughout the year are allocated among expense accounts for the various programs, when practical. Workers compensation and payroll taxes should be allocated based on wages that are allocated amongst the various programs.

We wish to thank the Executive Director and her staff for their support and assistance during the audit.

This report is intended solely for the information and use of management, the Board of Directors of the Marshall County Senior Citizen's Center, Inc. and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

*Wentley & J... PLLC*

Moundsville, WV  
May 23, 2012

**MARSHALL COUNTY SENIOR  
CITIZEN'S CENTER, INC.**

**MOUNDSVILLE, WV**

**COMMUNICATION WITH THOSE  
CHARGED WITH GOVERNANCE**

**SEPTEMBER 30, 2011**

# ***HARTLEY & STRAUB, PLLC***

**Certified Public Accountants**

**522 Seventh Street**

**Moundsville, WV 26041**

**(304) 843-2228**

---

May 23, 2012

To the Board of Directors of the  
the Marshall County Senior Citizen's Center, Inc.

We have audited the financial statements of the Marshall County Senior Citizen's Center, Inc. for the year ended September 30, 2011 and have issued our report thereon dated May 23, 2012. Professional standards require that we provide you with the following information related to our audit.

## Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 30, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

## Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 7, 2012.

## Significant Auditing Findings

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Marshall County Senior Citizen's Center, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2011. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and

The Marshall County Senior Citizen's Center, Inc.

Page Two

May 23, 2012

current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

#### Difficulties Encountered in Performing the Audit

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

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. See attached schedule of adjustments, both material and immaterial that were made.

#### Disagreements with Management

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

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 23, 2012

#### Management Consultations with Other Independent Accountants

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

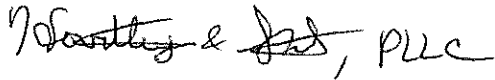
The Marshall County Senior Citizen's Center, Inc.  
Page Three  
May 23, 2012

Other Audit Findings or Issues

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

This information is intended solely for the use of the Board of Directors and management of the Marshall County Senior Citizen's Center, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script, appearing to read "Hartley & Straub, PLLC".

Hartley & Straub, PLLC



**MARSHALL COUNTY SENIOR CENTER, INC**  
**Custom Transaction Detail Report**  
 September 30, 2011

Type	Date	Num	Memo	Account	Amount	Balance
<b>Sep 30, 11</b>						
General Journal	9/30/2011	AJE 1	To reverse 9-30-10 A/E	100 · Cash in Bank - General Fund	1,055.19	1,055.19
General Journal	9/30/2011	AJE 1	To reverse 9-30-10 A/E	210 · Payroll Liabilities	-1,055.19	0.00
General Journal	9/30/2011	AJE 2	To record interest on CD	126 · CD - United	1,441.60	1,441.60
General Journal	9/30/2011	AJE 3	To record interest on CD	702 · Interest Revenue	-1,441.60	0.00
General Journal	9/30/2011	AJE 3	To reverse prior year's grants receivable	410 · State Revenue	18,716.57	18,716.57
General Journal	9/30/2011	AJE 3	To reverse prior year's grants receivable	410 · State Revenue	3,057.00	21,773.57
General Journal	9/30/2011	AJE 3	To reverse prior year's grants receivable	415 · Medicaid Programs	1,622.40	23,395.97
General Journal	9/30/2011	AJE 3	To reverse prior year's grants receivable	410 · State Revenue	14,392.00	37,787.97
General Journal	9/30/2011	AJE 3	To reverse prior year's grants receivable	410 · State Revenue	3,136.00	40,923.97
General Journal	9/30/2011	AJE 3	To reverse prior year's grants receivable	410 · State Revenue	3,970.02	44,893.99
General Journal	9/30/2011	AJE 3	To reverse prior year's grants receivable	140 · Grants Receivable	-44,893.99	0.00
General Journal	9/30/2011	AJE 4	To record grants receivable	140 · Grants Receivable	87,401.49	87,401.49
General Journal	9/30/2011	AJE 4	To record grants receivable	410 · State Revenue	-56,447.56	30,953.93
General Journal	9/30/2011	AJE 4	To record grants receivable	420 · Program Fees	-878.00	30,075.93
General Journal	9/30/2011	AJE 4	To record grants receivable	460 · Revenue from Other Sources	-15.00	29,885.93
General Journal	9/30/2011	AJE 4	To record grants receivable	425 · Program Contributions	-1,175.00	28,885.93
General Journal	9/30/2011	AJE 4	To record grants receivable	415 · Medicaid Programs	-1,257.36	27,628.57
General Journal	9/30/2011	AJE 4	To record grants receivable	400 · Federal Revenue	-7,000.00	20,628.57
General Journal	9/30/2011	AJE 4	To record grants receivable	701 · Rent Income	-697.57	19,931.00
General Journal	9/30/2011	AJE 4	To record grants receivable	410 · State Revenue	-15,136.00	4,795.00
General Journal	9/30/2011	AJE 5	To adjust A/R at 9-30-11	410 · State Revenue	-4,795.00	0.00
General Journal	9/30/2011	AJE 5	To adjust A/R at 9-30-11	420 · Program Fees	899.50	899.50
General Journal	9/30/2011	AJE 5	To adjust A/R at 9-30-11	141 · Accts Receivable	-899.50	0.00
General Journal	9/30/2011	AJE 6	To adj. credit card payable at 9-30-11	206 · Credit Card Payable	388.28	388.28
General Journal	9/30/2011	AJE 6	To adj. credit card payable at 9-30-11	586 · Printing Expense	-236.00	152.28
General Journal	9/30/2011	AJE 6	To adj. credit card payable at 9-30-11	586 · Printing Expense	-28.62	123.66
General Journal	9/30/2011	AJE 6	To adj. credit card payable at 9-30-11	647 · Aide Mileage Reimbs	-123.66	0.00
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	211 · Unpaid Payroll	12,090.74	12,090.74
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67572 · Salaries - Lighthouse	-33.30	12,057.44
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67512 · Salaries - IIB	-1,702.44	10,355.00
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67522 · Salaries - IIB	-52.20	10,302.80
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67532 · Salaries - fair	-701.44	9,601.36
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67542 · Salaries - State Fed Match	-1,538.15	8,063.21
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67572 · Salaries - Lighthouse	-3,433.06	4,630.15
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67582 · Salaries - Comm Care M...	-623.34	4,006.81
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67592 · Salaries - Miscellaneous	-539.21	3,467.60
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67600 · Salaries - County Commi...	-1,351.45	2,116.15
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67800 · Salaries - Life	-1,993.71	122.44
General Journal	9/30/2011	AJE 7	To reverse prior year's accrued wages	67592 · Salaries - Miscellaneous	-122.44	0.00
General Journal	9/30/2011	AJE 8	To reverse prior year's accrued vacation	259 · Accrued Leave Benefits	8,542.56	8,542.56
General Journal	9/30/2011	AJE 8	To reverse prior year's accrued vacation	67582 · Salaries - Comm Care M...	-186.00	8,356.56
General Journal	9/30/2011	AJE 8	To reverse prior year's accrued vacation	67512 · Salaries - IIB	-1,935.20	6,421.36
General Journal	9/30/2011	AJE 8	To reverse prior year's accrued vacation	67800 · Salaries - Life	-1,787.20	4,634.16
General Journal	9/30/2011	AJE 8	To reverse prior year's accrued vacation	67600 · Salaries - County Commi...	-898.56	3,735.60
General Journal	9/30/2011	AJE 8	To reverse prior year's accrued vacation	67542 · Salaries - State Fed Match	-607.68	3,127.92
General Journal	9/30/2011	AJE 8	To reverse prior year's accrued vacation	67572 · Salaries - Lighthouse	-2,611.92	516.00
General Journal	9/30/2011	AJE 8	To reverse prior year's accrued vacation	67532 · Salaries - fair	-516.00	0.00
General Journal	9/30/2011	AJE 9	To record depreciation	520 · Depreciation	-4,058.50	-4,058.50

**MARSHALL COUNTY SENIOR CENTER, INC**  
**Custom Transaction Detail Report**  
September 30, 2011

Type	Date	Num	Memo	Account	Amount	Balance
General Journal	9/30/2011	AJE 9	To record depreciation	160 · Accumulated Depreciation	4,058.50	0.00
General Journal	9/30/2011	AJE 10	To reverse prior year prepaid expenses	546 · General Liability Insurance	2,835.00	2,835.00
General Journal	9/30/2011	AJE 10	To reverse prior year prepaid expenses	550 · WV Workers' Comp Insura...	1,140.50	3,975.50
General Journal	9/30/2011	AJE 10	To reverse prior year prepaid expenses	549 · Group Health Insurance	4,805.30	8,780.80
General Journal	9/30/2011	AJE 10	To reverse prior year prepaid expenses	175 · Prepaid Expenses	-8,780.80	0.00
General Journal	9/30/2011	AJE 11	To record accrued wages	67572 · Salaries - Lighthouse	97.50	97.50
General Journal	9/30/2011	AJE 11	To record accrued wages	67512 · Salaries - IIB	1,302.40	1,399.90
General Journal	9/30/2011	AJE 11	To record accrued wages	67532 · Salaries - fair	797.50	2,197.40
General Journal	9/30/2011	AJE 11	To record accrued wages	67542 · Salaries - State Fed Match	853.88	3,051.28
General Journal	9/30/2011	AJE 11	To record accrued wages	67572 · Salaries - Lighthouse	4,544.79	7,596.07
General Journal	9/30/2011	AJE 11	To record accrued wages	67582 · Salaries - Comm Care M...	373.82	7,969.89
General Journal	9/30/2011	AJE 11	To record accrued wages	67592 · Salaries - Miscellaneous	142.84	8,112.73
General Journal	9/30/2011	AJE 11	To record accrued wages	67600 · Salaries - County Commi...	1,383.84	9,496.57
General Journal	9/30/2011	AJE 11	To record accrued wages	67700 · Salaries - Ship	1,052.80	10,549.37
General Journal	9/30/2011	AJE 11	To record accrued wages	67592 · Salaries - Life	2,680.15	13,555.52
General Journal	9/30/2011	AJE 11	To record accrued wages	67592 · Salaries - Miscellaneous	326.00	13,849.92
General Journal	9/30/2011	AJE 11	To record accrued wages	67542 · Salaries - IIB	294.40	14,151.28
General Journal	9/30/2011	AJE 11	To record accrued wages	67592 · Salaries - State Fed Match	77.60	13,927.52
General Journal	9/30/2011	AJE 11	To record accrued wages	67592 · Salaries - Miscellaneous	70.00	13,997.52
General Journal	9/30/2011	AJE 11	To record accrued wages	67600 · Salaries - County Commi...	153.76	14,151.28
General Journal	9/30/2011	AJE 11	To record accrued wages	211 · Unpaid Payroll	-14,151.28	0.00
General Journal	9/30/2011	AJE 12	To record accrued vacation	67512 · Salaries - IIB	1,886.00	1,886.00
General Journal	9/30/2011	AJE 12	To record accrued vacation	67800 · Salaries - Life	1,102.40	2,988.40
General Journal	9/30/2011	AJE 12	To record accrued vacation	67600 · Salaries - County Commi...	1,537.60	4,526.00
General Journal	9/30/2011	AJE 12	To record accrued vacation	67542 · Salaries - State Fed Match	288.16	4,814.16
General Journal	9/30/2011	AJE 12	To record accrued vacation	67572 · Salaries - Lighthouse	3,289.20	8,103.36
General Journal	9/30/2011	AJE 12	To record accrued vacation	67532 · Salaries - fair	64.00	8,167.36
General Journal	9/30/2011	AJE 12	To record accrued vacation	259 · Accrued Leave Benefits	-8,167.36	0.00
General Journal	9/30/2011	AJE 13	To record prepaid expenses	175 · Prepaid Expenses	9,662.27	9,662.27
General Journal	9/30/2011	AJE 13	To record prepaid expenses	546 · General Liability Insurance	7,021.27	16,683.54
General Journal	9/30/2011	AJE 13	To record prepaid expenses	550 · WV Workers' Comp Insura...	-2,436.88	14,246.66
General Journal	9/30/2011	AJE 13	To record prepaid expenses	549 · Group Health Insurance	-4,584.39	9,662.27
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	210 · Payroll Liabilities	13,090.12	13,090.12
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	221 · 941 Payroll Tax Liabilities	-590.42	12,499.70
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	222 · Federal Withheld Tax	-2,210.16	10,289.54
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	223 · FICA Withheld (Employee)	142.82	10,432.36
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	225 · WV Withheld	1,956.00	12,388.36
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	233 · Colonial Life	153.54	12,541.90
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	234 · PrePaid Legal Services:Em...	-188.30	12,353.60
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	235 · Wage Garnishments	-1,132.61	11,220.99
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	241 · FICA Accrued (Employer)	242.70	11,463.69
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	244 · Social Unemployment Pay...	-4,813.77	6,649.92
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	576 · Federal Security Tax (Compa...	-5,252.93	1,396.99
General Journal	9/30/2011	AJE 14	To adjust accrued payroll taxes	577 · Medicare Tax (Company)	-1,396.99	0.00
General Journal	9/30/2011	AJE 15	To adjust for misposting in July 2011	520 · Depreciation	5,804.54	5,804.54
General Journal	9/30/2011	AJE 15	To adjust for misposting in July 2011	555 · Interest Expense	-5,804.54	0.00

3:16 PM

05/08/12

Accrual Basis

**MARSHALL COUNTY SENIOR CENTER, INC**  
**Custom Transaction Detail Report**  
 September 30, 2011

Type	Date	Num	Memo	Account	Amount	Balance
General Journal	9/30/2011	AJE 15	To adjust for misposting in July 2011	520 - Depreciation	5,804.54	5,804.54
General Journal	9/30/2011	AJE 15	To adjust for misposting in July 2011	160 - Accumulated Depreciation	-5,804.54	0.00
<b>Sep 30, 11</b>					<b>0.00</b>	<b>0.00</b>