

BROOKE COUNTY COMMITTEE ON AGING

FOLLANSBEE, WEST VIRGINIA

AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2009



SEACHRIST, KENNON & MARLING, A.C.
CERTIFIED PUBLIC ACCOUNTANTS

**BROOKE COUNTY COMMITTEE ON AGING
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SEPTEMBER 30, 2009**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Brooke County Committee on Aging

We have audited the accompanying statement of financial position of Brooke County Committee on Aging (a nonprofit organization) as of September 30, 2009, and the related statements of activities and change in net assets, functional expenses and cash flows for the fiscal year then ended. These financial statements are the responsibility of the Committee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

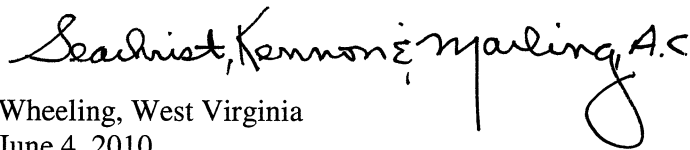
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan 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 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 more fully discussed in Note 2, it is the Committee's policy to expense fixed assets purchased with grant funds. This practice differs from accounting principles generally accepted in the United States of America, which require fixed assets to be capitalized on the statement of financial position and systematic depreciation charges made to operations over the estimated useful lives of the assets. It was not practicable to determine the effect of this departure from accounting principles generally accepted in the United States of America on the financial statements.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Brooke County Committee on Aging as of September 30, 2009, and the change in its net assets and its cash flows for the fiscal 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 June 4, 2010, on our consideration of Brooke County Committee on Aging'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 basic financial statements taken as a whole. The accompanying schedule of expenditures of state awards is shown on page 12 and the supplementary information shown on page 13 are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Brooke County Committee on Aging. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sechrist, Kemmon E. Marling, A.C.

Wheeling, West Virginia
June 4, 2010

**BROOKE COUNTY COMMITTEE ON AGING
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2009**

	2009
Assets	
Current assets:	
Cash and cash equivalents	\$ 143,017
Accounts receivable	83,047
Grants receivable - Note 9	62,664
Inventory	5,054
Funds held as fiscal agent	36,365
Other assets	2,162
Due from special events checking	13,852
Total current assets	346,161
Property and equipment:	
Vehicle	7,253
Less: accumulated depreciation	(1,609)
Property and equipment, net	5,644
Total assets	\$ 351,805
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 33,389
Accrued payroll and payroll taxes	34,667
Accrued vacation	17,109
Agency funds - Note 4	22,514
Grant advances - Note 6	16,000
Deferred revenue	49,772
Other liabilities	290
Due to general checking	13,852
Total liabilities	187,593
Net assets:	
Unrestricted net assets	164,212
Total liabilities and net assets	\$ 351,805

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

**BROOKE COUNTY COMMITTEE ON AGING
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	2009
Revenues and support:	
Grant revenue:	
Federal	\$ 418,951
State	159,235
Total grant revenue	578,186
LIFE match	143,009
Program service fees	411,994
Donated services and facilities - Note 2	158,536
Other grants	48,200
Local	84,513
Local match	25,207
Fundraising	6,128
Gain on sale of equipment	2,200
Other income	50,365
Total revenues and support	1,508,338
Expenses:	
Program services:	
Transportation	92,161
LIFE	84,600
Nutrition	365,352
In-Home	516,538
RSVP	252,001
Total program services	1,310,652
Management and general	147,287
Fundraising	1,566
Total expenses	1,459,505
Change in net assets	48,833
Net assets, beginning of year - Unrestricted	115,379
Net assets, end of year - Unrestricted	\$ 164,212

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

BROOKE COUNTY COMMITTEE ON AGING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Program Services				Total Program Services	Management and General Expenses	Fundraising Expenses	Total Expenses
	Transportation	LIFE	Nutrition	In-Home				
Personnel	\$ 55,631	\$ 57,994	\$ 172,606	\$ 368,819	\$ 70,135	\$ 46,782	\$ -	\$ 771,967
Payroll taxes and benefits	18,571	8,397	31,695	76,487	7,067	7,093	-	149,310
Travel	1,646	11,600	16,217	42,095	4,543	960	-	77,061
Printing and supplies	2,705	96	2,673	5,943	7,355	1,230	-	20,002
Communication and utilities	6,768	2,332	27,050	12,499	10,501	506	-	59,656
Vehicles and equipment	560	-	-	-	-	20,001	-	20,561
Raw food and disposables	-	-	110,106	-	-	-	-	110,106
Other	5,480	-	5,005	10,695	20,424	30,515	-	72,119
Insurance	800	4,181	-	-	-	-	-	4,981
Depreciation	-	-	-	-	-	1,451	-	1,451
Fundraising	-	-	-	-	-	-	1,566	1,566
Greater Weirton Senior Center	-	-	-	-	-	11,989	-	11,989
Donated services and facilities	-	-	-	-	131,976	26,760	-	158,736
	\$ 92,161	\$ 84,600	\$ 365,352	\$ 516,538	\$ 252,001	\$ 147,287	\$ 1,566	\$ 1,459,505

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

**BROOKE COUNTY COMMITTEE ON AGING
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	2009
Cash flows from operating activities:	
Increase (decrease) in net assets	\$ 48,833
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	1,451
Changes in assets and liabilities:	
(Increase) decrease in grants and accounts receivable	(58,332)
(Increase) decrease in inventory	(1,489)
(Increase) decrease in other assets	1,022
Increase (decrease) in accounts payable and accrued liabilities	(12,307)
Increase (decrease) in deferred revenue	9,582
Increase (decrease) in other liabilities	(430)
Net cash provided (used) by operating activities	(11,670)
Cash flows from investing activities:	
Funds held as fiscal agent	(13,851)
Purchase of fixed assets	(2,500)
Net cash (used) by investing activities	(16,351)
Net increase (decrease) in cash and cash equivalents	(28,021)
Cash and cash equivalents at beginning of year	171,038
Cash and cash equivalents at end of year	\$ 143,017
Supplemental disclosure of cash flow information:	
Cash paid during the period for:	
Interest	\$ -
Income taxes	\$ -

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

BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Note 1 - Nature of Organization:

The Brooke County Committee on Aging (a nonprofit organization) is funded primarily by grants awarded under Title III of the Older American's Act, as administered by the Northwestern Area Agency on Aging, the Retired Senior Volunteer Program Grant, and through third party reimbursements; specifically the State of West Virginia Medicaid and Waiver Programs. The Committee also receives various other federal, state, and local funding.

The Committee provides social, nutrition, in-home, and community services. The purpose of these programs is to assist in meeting the needs of older Americans.

Note 2 - Summary of Significant Accounting Policies:

Basis of presentation - The financial statements of Brooke County Committee on Aging (the Committee) have been prepared in conformity with accounting principles generally accepted in the United States of America, with the exception of the capitalization of certain fixed assets.

Basis of accounting - Brooke County Committee on Aging prepares its financial statements using the accrual basis of accounting.

Account classification - Revenue and expense information is maintained separately for each grant funded to Brooke County Committee on Aging as required by the various funding sources.

Financial statement presentation - Brooke County Committee on Aging presents its financial statements in accordance with the disclosure and display requirements of FASB ASC 958-210-50-3. Under FASB ASC 958-210-50-3 Brooke County Committee on Aging is required to present information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. For grants whose program restrictions were met during the year, based on satisfaction of grant requirements, revenues available to meet program expenses were classified as unrestricted net assets. The majority of the Committee's funding are grants and fees for service contracts. These funds are also classified as unrestricted. As of September 30, 2009, Brooke County Committee on Aging had no temporarily or permanently restricted net assets.

Cash and cash equivalents - For the purpose of the Statement of Cash Flows, Brooke County Committee on Aging considers all investments with an original maturity date of three months or less to be cash equivalents.

Inventory - Food inventory is recorded on a first-in first-out basis at cost.

**BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Note 2 - Summary of Significant Accounting Policies (continued):

Accounts receivable - Accounts receivable are considered to be fully collectible, accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Equipment and vehicles - In accordance with grant award budgets approved by the various funding sources, equipment and vehicles purchased with grant funds are charged to expense in the period in which they are purchased rather than being recorded as assets and depreciated over their estimated useful life. As a result, the expenses reflected in the statements of activities and changes in net assets include the cost of equipment and vehicles purchased during the year rather than a provision for depreciation for those assets acquired with grant funds.

The equipment acquired is owned by the Brooke County Committee on Aging while used in the program for which it was purchased or in other future authorized programs. For equipment purchased with federal Title III funds, however, the grantor maintains a reversionary interest; therefore, its disposition, as well as the ownership of any sale proceeds there from, is subject to funding source regulations.

Fixed assets - non-grant expenditures - Fixed assets greater than \$1,000 acquired with non-grant funds are capitalized at cost and depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows: 3 to 5 years for equipment and vehicles.

Brooke County Committee on Aging reviews its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated by the fixed assets and any estimated proceeds from the eventual disposition of the fixed assets. If the fixed assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value of such fixed assets. There were no impairment losses recognized in 2009.

Income tax - The Committee is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Note 2 - Summary of Significant Accounting Policies (continued):

Donated services and facilities - For the fiscal year ended September 30, 2009, donated advertising services totaling \$128,536 have been recognized as revenue and expense in the statement of activities in accordance with FASB ASC 958-605-50-1. For the fiscal year ended September 30, 2009, the amount of in-kind contributions in the RSVP Program not recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605-50-1 had not been satisfied amounted to \$24,679. These contributions were recorded for program reporting purposes only.

The Brooke County Committee on Aging's Follansbee Center is currently leased to the Brooke County Committee on Aging through an agreement with the Brooke County Commission. Lease costs are \$1.00 per year. The use of facilities qualifies as a contributed asset in accordance with FASB ASC 958-605-50-1 and accordingly, \$30,000 has been recognized as revenue and expense in the accompanying financial statements for the fair market value of the donated facilities for the fiscal year ended September 30, 2009.

Cost Allocation - The Committee allocates its program costs based upon direct costs by program to total program costs. All costs that can not be directly charged to a specific grant or contract are allocated based upon a percentage of direct salary costs per program to total direct salaries. Costs that cannot be directly charged or allocated to programs based on direct salaries are accumulated as management and general expenses.

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

Note 3 - Grant and Third Party Commitments and Contingencies:

The Committee receives a substantial amount of its support from federal and state governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Committee's activities.

Additionally, under the terms of federal and state contracts and grants, periodic audits are required and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, will be immaterial.

**BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

Note 4 - Fiscal Agent:

Brooke County Committee on Aging acts as a fiscal agent for several state sponsored activities. These funds are segregated from normal operating cash accounts. The Committee earns administrative fees that it uses to offset program and administrative operating costs.

Balances remaining in the agency accounts are as follows at September 30, 2009. These amounts have been included in the aggregate as "Agency funds" in the liability section of the statement of financial position.

Elder Abuse Summit	\$ 10,996
Jackson Mills	5,693
Veterans Affairs Van	1,172
Administrative	4,753
Other	<u>(100)</u>
	<u>\$ 22,514</u>

Note 5 - Line of Credit:

Brooke County Committee on Aging has a \$25,000 line of credit secured by the Committee's accounts receivable, furniture, fixtures, equipment and inventory. The line of credit is available to be drawn upon as needed and is payable on demand. Interest is payable monthly. The interest rate on the line of credit was 8% at September 30, 2009. The Committee did not use the line of credit during fiscal year 2009.

Note 6 - Grant Advances:

The Brooke County Committee on Aging received \$16,000 for flood damage repairs from the Bureau of Senior Services. These repairs were not performed. As of September 30, 2009, it has not been determined if these funds will need to be repaid.

Note 7 - Concentration of Credit Risk:

The Committee maintains cash accounts at several local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. All cash deposits were within FDIC coverage limits at September 30, 2009.

BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

Note 8 - Operating Lease:

The Committee leases certain office equipment under a 60-month operating lease effective April 2009 through April 2014. Payments on this lease are \$271.29 per month. Current year expenses charged to operations and program expenses totaled \$1,628. Future minimum lease payments under this lease are \$14,649 for the fiscal year ending September 30, 2009.

Note 9 - Grants Receivable:

Grants receivable as of September 30, 2009 consisted of the following:

C-1 Federal	\$ 18,638
C-2 Federal	32,077
RSVP	7,908
3-B Federal	3,073
3-E Federal	<u>968</u>
	<u>\$ 62,664</u>

Note 10 - Pass Through of Revenue:

The Committee received approximately \$11,989 in Budget Digest Revenue from the West Virginia Bureau of Senior Services. Of this amount, \$11,989 was passed through to the Greater Weirton Senior Center.

Note 11 - Pension Benefits:

Effective October 1, 2002, the Committee established a 403(b) Thrift Plan whereby all employees are eligible to make salary reduction contributions, but only those employees completing 1,000 hours of service who are 21 years of age or older with at least one year of service are eligible to participate in employer matching contributions. The employer matching contributions to the Plan are set at the lesser of (a) 75 percent of the employee's salary reduction contributions deferred during the plan year while satisfying the participation requirements for employer matching contributions, or (b) 6 percent of the employee's compensation received during the plan year while the employee satisfied the participation requirements for employer matching contributions. For the fiscal year ended September 30, 2009, total employer contributions were \$6,455.

**BROOKE COUNTY COMMITTEE ON AGING
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

<u>State Grantor/Pass Through Agency</u> <u>Program Title</u>	<u>Grant or Award Number</u>	<u>Revenue</u> <u>Recognized</u>	<u>Expenditures</u>
State of West Virginia			
West Virginia Bureau of Senior Services			
Budget Digest	SC2821	\$ 12,500	\$ 12,500
	SC2821	4,489	4,489
	SC2821	7,500	7,500
	SC2821	20,000	20,000
		<u>44,489</u>	<u>44,489</u>
Passed through the Bel-O-Mar Regional Council:			
LIFE Program	02-09 / 02-10	143,009	143,009
Alzheimer's Respite Care/FAIR	ALZ2805 / 02-34	35,074	35,074
Lighthouse Program	LH2805 / 02-32	87,028	87,028
Transportation Program	02-35	12,776	12,776
Title III-B	T3 B/D/E 02-09	17,888	17,888
Title III-C-1	N/A	4,481	4,481
Title III-C-2	N/A	1,968	1,968
Title III-D	T3 B/D/E 02-09	20	20
		<u>302,244</u>	<u>302,244</u>
Total West Virginia Bureau of Senior Services		<u>346,733</u>	<u>346,733</u>
Total State of West Virginia		<u>\$ 346,733</u>	<u>\$ 346,733</u>

**BROOKE COUNTY COMMITTEE ON AGING
 SCHEDULE OF REVENUES AND SUPPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<u>Transportation</u>	<u>LIFE</u>	<u>Nutrition</u>	<u>In-Home</u>	<u>RSVP</u>	<u>Other Funds</u>	<u>Total Revenues</u>
Grant revenue:							
Federal	\$ 32,977	\$ -	\$ 277,453	\$ 12,103	\$ 94,918	\$ 1,500	\$ 418,951
State	30,664	-	6,449	122,102	-	20	159,235
LIFE match	-	81,591	52,481	-	-	8,937	143,009
Program service fees	5,000	-	73,119	333,875	-	-	411,994
Donated services and facilities	-	-	-	-	158,536	-	158,536
Other grants	-	-	-	-	-	48,200	48,200
Local	8,201	-	4,757	9,865	23,290	38,400	84,513
Local match	3,934	-	16,676	4,334	-	263	25,207
Fundraising	-	-	-	-	-	6,128	6,128
Gain on sale of equipment	-	-	-	-	-	2,200	2,200
Other income	-	-	-	-	372	49,993	50,365
	<u>\$ 80,776</u>	<u>\$ 81,591</u>	<u>\$ 430,935</u>	<u>\$ 482,279</u>	<u>\$ 277,116</u>	<u>\$ 155,641</u>	<u>\$ 1,508,338</u>

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

To the Board of Directors of
Brooke County Committee on Aging

We have audited the financial statements of Brooke County Committee on Aging (a nonprofit organization) as of and for the fiscal year ended September 30, 2009 and have issued our report thereon dated June 4, 2010. 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 Brooke County Committee on Aging'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 Committee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Committee'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 discussed below, we identified 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Committee's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses in internal control over financial reporting. See Findings 09-1 and 09-2.

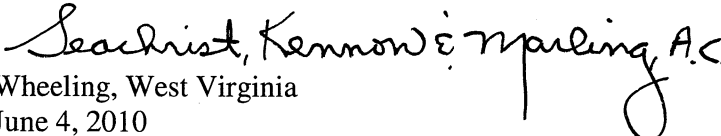
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brooke County Committee on Aging'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 statements 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.

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

We noted certain matters that we reported to the management of Brooke County Committee on Aging in a separate letter dated June 4, 2010.

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


Wheeling, West Virginia
June 4, 2010

**BROOKE COUNTY COMMITTEE ON AGING
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

Finding 09-1 - Financial Statement Preparation:

Condition: The Committee currently requires assistance from the auditors to prepare its financial statements, complete with required footnote disclosures, in conformity with U.S. generally accepted accounting principles (GAAP). Certain material adjustments were required to be made to the accounting records.

Criteria: Management is responsible for establishing and maintaining internal controls in the financial reporting system and for the fair presentation of the financial position, results of operations, cash flows and disclosures in the financial statements, in conformity with GAAP. The adjustment of all account balances to reflect appropriate year-end balances is a necessary step to ensure the financial statements are fairly presented.

Effect: A likelihood that is more than remote exists that the Committee may issue financial statements and related footnotes that contain a material misstatement that will not be prevented or detected by the organization's internal control.

Recommendation: We recommend that the Committee designate an employee with the required expertise to prepare, or oversee the preparation of, fairly presented financial statements, including required footnote disclosures, in conformity with GAAP.

Response: Management acknowledges that it does not have a CPA staff member to oversee or prepare financial statements and related footnotes, and due to the resources required, it would not be cost effective to hire someone for this purpose.

Finding 09-2: Segregation of Duties:

Condition: The small size of the Committee currently precludes certain internal controls that would be preferred to ensure optimum segregation of duties in the areas of payroll and cash receipts and disbursements.

Criteria: Effective internal control over financial reporting necessitates segregation of duties among unrelated employees of the Committee, or direct involvement of the Board of Directors or other supervisory committee, in order to minimize the risk of financial statement misstatements caused by error or fraud.

Effect: A likelihood that is more than remote exists that the Committee may issue financial statements and related footnotes that contain misstatements caused by error or fraud due to lack of segregation of duties.

**BROOKE COUNTY COMMITTEE ON AGING
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

Finding 09-2: Segregation of Duties - (continued):

Recommendation: During the year ended September 30, 2009 management implemented several policies and procedures and reassigned certain duties to obtain, to the extent possible, adequate segregation of duties. However, these controls were not in place for the entire year. We recommend all payroll changes be approved by the Executive Director prior to being submitted to the third party payroll provider. For the area of cash receipts we recommend someone other than the Fiscal Officer perform daily cash register closing functions if the Fiscal Officer has operated the cash register that day. For the area of cash disbursements we recommend not using a signature stamp to sign checks.

Response: In order to have better internal control over fiscal operations, management agrees that segregation of duties is important. Management intends to implement policies and procedures to the extent possible to improve segregation of duties over fiscal operations.