

CALHOUN COUNTY COMMITTEE ON AGING, INC.

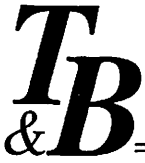
**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2010

CALHOUN COUNTY COMMITTEE ON AGING, INC.

INDEX

	<u>PAGE NUMBER</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4-5
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>Governmental Auditing Standards</i>	12-13
Schedule of Federal and State Funds	14-15
Notes to Schedule of Federal and State Funds	16
Schedule of Findings and Responses	17



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, 2010 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.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing 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 presentations. We believe that our audit provides a reasonable basis for our opinion.

We were unable to obtain information to support all transactions charged to credit cards in the accompanying statement of activities.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves about transactions charged to the Organization's credit cards, the financial statements referred to in the first paragraph, present fairly, in all material respects, the financial position of Calhoun County Committee on Aging, Inc. as of September 30, 2010, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2011, 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 as a whole. The accompanying schedule of federal and state awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other 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.

Deloitte & Touche, PLLC

October 24, 2011

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010**

ASSETS	
CURRENT ASSETS	
Cash	\$ 72,734
Certificate of Deposit	116,570
Grants and Contracts Receivable	96,031
Interest Receivable	991
Prepaid Expenses	<u>29,007</u>
TOTAL CURRENT ASSETS	\$ 315,333
PROPERTY AND EQUIPMENT	
Property and Equipment	1,465,587
Accumulated Depreciation	<u>(592,017)</u>
NET PROPERTY AND EQUIPMENT	<u>873,570</u>
TOTAL ASSETS	\$ <u>1,188,903</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 17,675
Accrued Payroll	30,769
Payroll Taxes Payable	6,274
Accrued Vacation	12,005
Deferred Revenues	9,225
Current Portion of Lease Payable	<u>768</u>
TOTAL CURRENT LIABILITIES	\$ 76,716
LONG-TERM LIABILITIES	
Accrued Vacation	12,005
Lease Payable (Net of Current Portion)	<u>1,216</u>
TOTAL LONG-TERM LIABILITIES	<u>13,221</u>
TOTAL LIABILITIES	89,937
UNRESTRICTED NET ASSETS	<u>1,098,966</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,188,903</u>

The accompanying independent auditor's report and notes are an integral part of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY UNRESTRICTED</u>	<u>TOTAL</u>
SUPPORT			
Medicaid	\$ 578,986	\$ -	\$ 578,986
NSIP	14,114	-	14,114
Title IIIC	58,914	-	58,914
Legislative Digest	54,833	-	54,833
LIFE	195,644	-	195,644
Contributions and Fundraising	79,788	-	79,788
Lighthouse	100,112	-	100,112
Fair	27,286	-	27,286
Veterans	38,781	-	38,781
Title IIIB	-	51,411	51,411
Title IIID	-	1,125	1,125
Title IIIE	-	9,276	9,276
Transportation	6,835	-	6,835
Health Benefits/SHIP	6,125	-	6,125
Other	2,188	-	2,188
Net Assets Released From Donor Restrictions	61,812	(61,812)	-
TOTAL SUPPORT	1,225,418	-	1,225,418
REVENUES			
Program Income	56,325	-	56,325
Interest Income	5,982	-	5,982
Gain on Sale	1,402	-	1,402
Rent	1,745	-	1,745
TOTAL REVENUES	65,454	-	65,454
TOTAL SUPPORT AND REVENUES	1,290,872	-	1,290,872

The accompanying independent auditor's report and notes are an integral part of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	UNRESTRICTED	TEMPORARILY UNRESTRICTED	TOTAL
EXPENSES			
Program Expense:			
Other Programs	\$ 601,438	\$ -	\$ 601,438
Health Benefits	6,125	-	6,125
LIFE	195,644	-	195,644
Lighthouse	106,222	-	106,222
Title III-B	94,989	-	94,989
Title III-D	1,125	-	1,125
Title III-E	9,048	-	9,048
Title III-C - Congregate	66,814	-	66,814
Title III-C - Home Delivered	70,200	-	70,200
Management & General	18,446	-	18,446
Fundraising	58,218	-	58,218
	1,228,269	-	1,228,269
TOTAL EXPENSES			
	62,603	-	62,603
CHANGE IN NET ASSETS			
	62,603	-	62,603
BEGINNING UNRESTRICTED NET ASSETS - RESTATED	1,036,363	-	1,036,363
ENDING UNRESTRICTED NET ASSETS	\$ 1,098,966	\$ -	\$ 1,098,966

The accompanying independent auditor's report and notes are an integral part of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Program Services						Title III-C		Management and General	Fundraising	Totals (Memorandum Only)	
	Other Programs	Health Benefits	LIFE	Light- house	Title III-B	Title III-D	Title III-E	Congregate				Home Delivered
Wages & Taxes	\$ 395,736	\$ 6,125	\$ 149,591	\$ 106,222	\$ 57,914	\$ 1,125	\$ 9,048	\$ 35,564	\$ 31,354	\$ 11,933	\$ -	\$ 804,612
Fringe Benefits	30,595	-	6,522	-	10,808	-	-	8,928	10,871	-	-	67,724
Supplies	34,480	-	460	-	-	-	-	98	-	-	-	35,038
Repairs & Maintenance	7,826	-	50	-	75	-	-	762	-	-	-	8,713
Communications & Utilities	13,392	-	-	-	7,968	-	-	5,820	5,009	-	-	32,189
Other	1,972	-	-	-	-	-	-	-	-	-	-	1,972
Depreciation	58,621	-	-	-	-	-	-	-	-	6,513	-	65,134
Transportation	28,488	-	-	-	18,224	-	-	-	4,156	-	-	50,868
Professional Services	253	-	34,741	-	-	-	-	-	-	-	-	34,994
Insurance	13,504	-	4,280	-	-	-	-	-	-	-	-	17,784
Trips & Supplies	-	-	-	-	-	-	-	-	-	-	58,218	58,218
Taxes & Licenses	55	-	-	-	-	-	-	-	-	-	-	55
Nutrition Supplies	9,645	-	-	-	-	-	-	15,116	18,810	-	-	43,571
Rent	4,904	-	-	-	-	-	-	-	-	-	-	4,904
Dues & Subscriptions	1,967	-	-	-	-	-	-	526	-	-	-	2,493
	<u>\$ 601,438</u>	<u>\$ 6,125</u>	<u>\$ 195,644</u>	<u>\$ 106,222</u>	<u>\$ 94,989</u>	<u>\$ 1,125</u>	<u>\$ 9,048</u>	<u>\$ 66,814</u>	<u>\$ 70,200</u>	<u>\$ 18,446</u>	<u>\$ 58,218</u>	<u>\$ 1,228,269</u>

The accompanying independent auditor's report and notes are an integral part of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 62,603
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	65,134
Gain on Sale	(1,402)
(Increase) Decrease In:	
Grants and Contracts Receivable	(7,572)
Interest Receivable	(49)
Prepaid Expenses and Deposits	(6,502)
Increase (Decrease) In:	
Accounts Payable	(2,506)
Accrued Vacation	1,909
Accrued Payroll	1,499
Deferred Revenues	225
Payroll Taxes Payable	349
Grants Payable	<u>(1,505)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>112,183</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in Certificates of Deposit	(5,760)
Acquisition of Property and Equipment	(90,783)
Sale of Property and Equipment	<u>6,000</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(90,543)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Lease Payments	<u>(768)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(768)</u>
 NET INCREASE IN CASH	20,872
 CASH - BEGINNING OF PERIOD	<u>51,862</u>
 CASH - END OF PERIOD	<u>\$ 72,734</u>
 SUPPLEMENTARY INFORMATION	
In Kind Contributions	<u>\$ 12,075</u>
 In Kind Services	<u>\$ 12,075</u>

The accompanying independent auditor's report and notes are an integral part of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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, 2010.

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

Cash 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.

Cash and equivalents consist of the following:

Unrestricted Cash	\$	<u>72,734</u>		
	Total Cash	\$	<u>72,734</u>	
Other Assets		Amount	Maturity Date	
Certificate of Deposit	\$	<u>116,570</u>	10/31/10	

Inventories

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

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

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Deferred Revenue

Deferred revenue represents unexpended/unearned funds received as of September 30, 2010.

Accrued Annual Leave

Accrued compensated absences are included in these financial statements at the employees current hourly rate for September 30, 2010.

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.

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 \$12,075.

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, 2010.

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 October 24, 2011, 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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, 2010:

Land & Land Improvements	\$	192,072
Buildings and Additions		797,356
Vehicles		354,299
Equipment & Furniture		121,860
		1,465,587
TOTAL PROPERTY AND EQUIPMENT		
Less, Accumulated Depreciation		(592,017)
NET PROPERTY AND EQUIPMENT	\$	873,570

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.

NOTE 5 DEPOSITS AND PREPAID EXPENSES

Deposits and prepaid expenses consist of the following at September 30, 2010:

Prepaid Service Agreement	\$	18,450
Prepaid Brickstreet		6,587
Prepaid Insurance		3,970
		TOTAL \$ 29,007

NOTE 6 RETIREMENT SYSTEM

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

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

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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	\$313.00	4	10/01/12

Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2011	3,756
2012	3,756
2013	313
Totals	\$ <u>7,825</u>

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>2,752</u>	\$ <u>-</u>	\$ <u>768</u>	\$ <u>1,984</u>

Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2011	768
2012	768
2013	448
Total	\$ <u>1,984</u>

NOTE 9 PRIOR PERIOD ADJUSTMENT

Beginning Net Assets	\$ 1,029,727
Prepaid Adjustment	5,249
Prior Year Voided Checks	<u>1,387</u>
Beginning Net Assets - Restated	\$ <u>1,036,363</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, 2010, and have issued our report thereon, dated October 24, 2011. Our opinion was qualified because we were unable to obtain information to support all transactions charged to credit cards of the Organization. Except as discussed in the preceding sentence, 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 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 opinion 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 Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses 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 in the accompanying schedule of findings and responses as 10-1 and 10-2 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 response to the findings identified in our audit is 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 it.

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

Tubrick + Bartlett, PLLC

October 24, 2011

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 SCHEDULE OF FEDERAL AND STATE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<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				
Passed through the WV Bureau of Senior Services and Bel-O-Mar Regional Council:				
	CMS Research, Demonstrations and Evaluations	93.779	SH21006	\$ 6,125
	Title III-B - Special Programs for the Aging	93.044	21035	38,163
	Title III-D - Special Programs for the Aging	93.043	21035	956
	Title III-E - National Family Caregiver Support	93.052	21035	9,276
	Title IIIC - Special Programs for the Aging - Nutrition Services	93.045	N/A	45,609
	Nutritional Service Incentive	93.053	N/A	<u>14,114</u>
	TOTAL FEDERAL FUNDS			\$ <u><u>114,243</u></u>

The accompanying independent auditor's report and notes are integral parts of this schedule.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<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	21035	\$ 13,248
	Title III-D - State	N/A	21035	169
	LIFE	N/A	03-10 21102	195,644
	Lighthouse In-Home Services	N/A	21049	100,112
	Alzheimer's Respite/ Fair	N/A	21049	27,286
	Transportation Grant	N/A	21049	6,835
	Title IIIC - State	N/A	N/A	13,305
	Legislative Digest	N/A	SC21025 HC21005	54,833
			TOTAL STATE FUNDS	\$ <u>411,432</u>

The accompanying independent auditor's report and notes are integral parts of this schedule.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO THE SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

10-1 Segregation of Duties

Criteria: Responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction should be assigned to separate individuals.

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

Cause: Responsibility for approval, execution, recording and custody of assets are not distributed among the office staff to the best degree possible.

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 of assets should be distributed among the accounting staff to the degree possible. However, we recognize that complete segregation of duties is not economically feasible.

Entity's Response: To the extent possible, the Organization has segregated its duties. Any further segregation of duties would not be economically feasible.

10-2 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.