

**CABELL COUNTY COMMUNITY
SERVICES ORGANIZATION, INC.
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2021

**CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cabell County Community Services Organization, Inc.
Huntington, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Cabell County Community Services Organization, Inc., (a non-profit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
WEST VIRGINIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cabell County Community Services Organization, Inc. as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of grant support, revenue and expenses compared to grant budgets (non-GAAP basis); and expenditures of federal awards and state grant receipts and expenditures, are presented for purposes of additional analysis and are 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, except as described in Note 18 to the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022 on our consideration of Cabell County Community Services Organization, 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 solely 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 effectiveness of Cabell County Community Services Organization, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cabell County Community Services Organization, Inc.'s internal control over financial reporting and compliance.

Hess, Stewart + Campbell, PLLC

Huntington, West Virginia
August 31, 2022

**CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021**

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 732,211
Grants receivable	23,840
Other receivables	177,965
Prepaid expenses	11,199
Inventory	<u>10,464</u>
TOTAL CURRENT ASSETS	955,679
INVESTMENTS	43,311
PROPERTY AND EQUIPMENT, NET	<u>1,406,510</u>
TOTAL ASSETS	\$ <u>2,405,500</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 9,640
Accrued annual leave	13,061
Accrued payroll	38,359
Payroll taxes withheld and accrued	4,514
Current portion of notes payable	6,949
Refundable deposit	<u>725</u>
TOTAL CURRENT LIABILITIES	<u>73,248</u>
LONG TERM LIABILITIES	
Notes payable, less current portion included above	<u>327,770</u>
TOTAL LONG-TERM LIABILITIES	<u>327,770</u>
TOTAL LIABILITIES	<u>401,018</u>
NET ASSETS	
Without donor restrictions:	
Undesignated	921,535
Net invested in property and equipment	<u>1,071,791</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	1,993,326
With donor restrictions - Time or purpose restricted	<u>11,156</u>
TOTAL NET ASSETS	<u>2,004,482</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>2,405,500</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Grants and contributions	\$ 21,795	\$ 612,826	\$ 634,621
Contractual service revenue	1,421,276	-0-	1,421,276
Rent	8,700	-0-	8,700
Other	22,617	-0-	22,617
Project income	18,164	-0-	18,164
Investment income	8,091	-0-	8,091
In-kind matching	76,499	-0-	76,499
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>616,252</u>	<u>(616,252)</u>	<u>-0-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>2,193,394</u>	<u>(3,426)</u>	<u>2,189,968</u>
EXPENSES			
PROGRAM SERVICES			
Title IIIB - Grants for Supportive Services and Senior Centers	172,520	-0-	172,520
Title IIIC1 - Nutrition Services	84,290	-0-	84,290
Title IIIC2 - Nutrition Services	525,838	-0-	525,838
Title IIIE - National Family Caregiver Support LIFE	81,264	-0-	81,264
Lighthouse In-Home Services	147,024	-0-	147,024
Veterans Administration	175,358	-0-	175,358
	14,616	-0-	14,616
Medicaid	151,454	-0-	151,454
Medicaid Waiver	113,451	-0-	113,451
Other programs	<u>201,329</u>	<u>-0-</u>	<u>201,329</u>
TOTAL PROGRAM SERVICES	1,667,144	-0-	1,667,144
SUPPORTING SERVICES			
Management and general	<u>265,220</u>	<u>-0-</u>	<u>265,220</u>
TOTAL EXPENSES	<u>1,932,364</u>	<u>-0-</u>	<u>1,932,364</u>
CHANGES IN NET ASSETS	261,030	(3,426)	257,604
NET ASSETS, BEGINNING OF YEAR	<u>1,732,296</u>	<u>14,582</u>	<u>1,746,878</u>
NET ASSETS, END OF YEAR	\$ <u>1,993,326</u>	\$ <u>11,156</u>	\$ <u>2,004,482</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

Program Services					Supporting Services	
<u>Veterans Administration</u>	<u>Medicaid</u>	<u>Medicaid Waiver</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
\$ 11,906	\$ 128,332	\$ 94,404	\$ 68,866	\$ 807,879	\$ 133,775	\$ 941,654
1,615	16,237	12,966	10,091	127,027	30,611	157,638
210	4,262	3,843	1,580	23,439	106	23,545
-0-	-0-	-0-	331	34,154	10,228	44,382
-0-	-0-	-0-	1,904	8,631	16,793	25,424
-0-	-0-	-0-	36,580	63,800	4,251	68,051
-0-	-0-	-0-	-0-	29,359	3,730	33,089
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	36,050	36,050
-0-	215	-0-	1,576	50,046	23,033	73,079
-0-	-0-	-0-	1,139	337,156	-0-	337,156
885	2,408	2,238	3,235	18,249	6,643	24,892
-0-	-0-	-0-	-0-	14,038	-0-	14,038
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>76,499</u>	<u>-0-</u>	<u>76,499</u>
14,616	151,454	113,451	125,302	1,590,277	265,220	1,855,497
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>76,027</u>	<u>76,867</u>	<u>-0-</u>	<u>76,867</u>
\$ <u>14,616</u>	\$ <u>151,454</u>	\$ <u>113,451</u>	\$ <u>201,329</u>	\$ <u>1,667,144</u>	\$ <u>265,220</u>	\$ <u>1,932,364</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES - Cabell County Community Services Organization, Inc. is a non-profit organization which provides services to low income individuals and families and the elderly in Cabell County, West Virginia. Cabell County Community Services Organization, Inc.'s headquarters is located in Huntington, West Virginia. Cabell County Community Services Organization, Inc. also operates a number of Senior Citizens Centers throughout Cabell County. The Organization is funded primarily through grants and other agreements with the federal and state government.

INVENTORY - The Organization values inventory at the lower of cost, utilizing the first-in first-out method, or net realizable value.

PROPERTY AND EQUIPMENT - Cabell County Community Services Organization, Inc. adopted a policy to capitalize all property and equipment over \$5,000. Property and equipment purchased is stated at cost and donated property and equipment received is stated at fair market value at the date of donation.

Property and equipment is depreciated over the estimated useful lives of the assets on the straight-line method as follows:

Building and Improvements	5-40 years
Office Furniture and Fixtures	5-7 years
Kitchen and Office Equipment	5-10 years
Vehicles and Related Equipment	4-10 years

Property and equipment acquired is owned by Cabell County Community Services Organization, Inc. while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the property and equipment purchased with grant funds; therefore, its disposition, as well as the ownership of any sale proceeds therefrom, is subject to funding source regulations.

DONATED SERVICES, SPACE AND OTHER - Donated (in-kind) matching is required by certain funding sources. Donated hourly services are valued at the federally established minimum wage. Donated space is valued at the estimated fair rental value. Donated other is valued at the estimated fair market value at the date of receipt.

BASIS OF ACCOUNTING - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

CASH AND CASH EQUIVALENTS - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

INVESTMENTS - Investments are comprised of mutual funds and equity securities and are carried at fair value.

**CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

FUNCTIONAL ALLOCATION OF EXPENSES - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include administration (indirect costs), salaries, benefits, telephones, postage machine and copier lease and maintenance, rent and occupancy, liability insurance, and depreciation, as described below:

Administration (indirect costs) are allocated based on percent of program direct salaries to total direct salaries.

Direct salaries and benefits, within a program, are allocated based on estimates of time and effort for each functional category.

Telephones are allocated based on number of program employees.

Utilities are based on square footage.

Property insurance is allocated based on square footage.

Liability insurance is allocated based on percent of program salaries to total agency salaries.

Depreciation is allocated based on location of asset and use by function.

NOTE 2 - SUMMARY OF GRANT AGREEMENTS

The following summarizes grant awards which were active during the period October 1, 2020 through September 30, 2021.

Federal Assistance	<u>Description</u>	<u>Grant Period</u>	<u>Amount of Award</u>
U.S. Department of Health and Human Services			
	Pass-through West Virginia State University, Metro Area Agency on Aging:		
	Title IIIB Grants for Supportive Services and Senior Centers T3B/D/E23036	10/01/20 - 09/30/21	\$ 92,078
	Title IIIC1 Nutrition Services	10/01/20 - 09/30/21	6,221
	Title IIIC2 Nutrition Services	10/01/20 - 09/30/21	583,451
	Title IIID Disease Prevention and Health Promotion Services T3B/D/E23036	10/01/20 - 09/30/21	165
	Title IIIE National Family Caregiver Support T3B/D/E23036	10/01/20 - 09/30/21	50,788

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of September 30, 2021:

Land	\$ 187,446
Buildings	1,013,097
Improvements	1,289,544
Furniture, Fixtures and equipment	236,817
Vehicles	<u>259,850</u>
	2,986,754
Less: Accumulated depreciation	<u>(1,580,244)</u>
Property and Equipment, Net	<u>\$ 1,406,510</u>

Depreciation expense charged to operations amounted to \$76,867 in 2021.

NOTE 5 - NOTES PAYABLE

Notes Payable consisted of the following as of September 30, 2021:

\$400,000 note payable to United States of America, Rural Housing Service, U.S. Department of Agriculture; payable in 480 monthly installments of \$1,766 inclusive of interest at 4.375%, secured by real estate with a book value of \$418,782 at September 30, 2021, pledge of revenue, and all tangible items owned or hereafter acquired, due September, 2048.	\$ <u>334,719</u>
Total	334,719
Less: Current Portion	<u>(6,949)</u>
Long-term Portion	<u>\$ 327,770</u>

Following are maturities of notes payable at September 30, 2021 for each of the next five years and in aggregate:

<u>Years Ending September 30,</u>	<u>Amount</u>
2022	\$ 6,949
2023	6,991
2024	7,303
2025	7,629
2026	7,970
Thereafter	<u>297,877</u>
Total	<u>\$ 334,719</u>

Interest expense for the year ended September 30, 2021 totaled \$14,038.

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 - LINE OF CREDIT

The Organization had a \$50,000 line of credit with a local bank to be drawn upon as needed at a variable interest rate. The balance on the line of credit as of September 30, 2021 was \$-0-. Interest expense for the year ended September 30, 2021 totaled \$-0-.

NOTE 8 - COST ALLOCATION

Cabell County Community Services Organization, Inc. has adopted a cost allocation plan whereby each program is charged its fair share of the agency's indirect costs. Indirect costs are those costs incurred for a common purpose benefitting or supporting all agency programs and activities and are not readily assignable directly. Indirect costs are accumulated in an indirect cost pool and are allocated to the various programs in proportion to their direct salaries and wages to total direct salaries and wages.

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Organization provides various services to the elderly and low income individuals of Cabell County, West Virginia on a third-party reimbursement basis. The Organization bills the various funding sources in accordance with contractual agreements without requiring collateral or any other security. Grants and other receivables have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been set up as the amount is not considered material.

The Organization maintains substantially all of its cash balances with one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had bank balances in excess of the FDIC coverage at this financial institution totaling \$548,669 at September 30, 2021.

NOTE 10 - PENSION PLAN

The Organization sponsors a defined contribution pension plan. There were no employer contributions to the plan for the fiscal year ended September 30, 2021.

NOTE 11 - RELATED PARTY TRANSACTIONS

The Organization is associated with Eden Park, Inc., a West Virginia 501(c)(3) entity incorporated to build housing for low-income elderly citizens of Cabell County, through common board members and management. The Organization and its employees currently provide all executive management duties of Eden Park, Inc.

The Organization received \$30,148 from Eden Park, Inc. for contracted management fees and reimbursement of salaries and benefits for the fiscal year ended September 30, 2021.

At September 30, 2021 Eden Park, Inc. owes the Organization \$2,721 for contracted management fees, reimbursement of salaries, benefits, and postage.

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 14 - FAIR VALUE MEASUREMENTS (CONTINUED)

The hierarchy requires the use of observable market data when available. When determining fair value measurements, the Organization utilizes active and observable market prices for identical assets and liabilities whenever possible and classifies such items as Level 1. When identical assets and liabilities are not traded in active markets, the Organization utilizes market observable data for similar assets and liabilities in an active market, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market and classifies such items as Level 2. When observable data is not available, the Organization uses alternative valuation techniques using unobservable inputs to determine the fair value and classifies such items as Level 3. Items valued using such internally generated valuation techniques are based on the lowest level of input that is significant to the valuation.

The following describes the valuation techniques used by the Organization to measure certain financial assets recorded at fair value on a recurring basis in the financial statements:

Investments: Mutual funds and common stock are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted market prices (Level 1). The quoted market prices are provided by independent third party investment brokers.

The balances of financial assets, measured at fair value on a recurring basis as of September 30, 2021 are as follows:

<u>Description</u>	Fair Value Measurements as of September 30, 2021			
	Fair Value at September 30, 2021	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)
Investments				
Mutual Funds	\$ 38,142	\$ 38,142	\$ -0-	\$ -0-
Common Stock	<u>5,169</u>	<u>5,169</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	\$ <u>43,311</u>	\$ <u>43,311</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

NOTE 15 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

Facilities and equipment	\$ <u>11,156</u>
Total net assets with donor restrictions	\$ <u>11,156</u>

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 17 - SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2021 through August 31, 2022 (the date the financial statements were available to be issued) for possible adjustment to, or disclosure in the accompanying financial statements as required by the Subsequent Events Topic of the FASB Accounting Standards Codification.

NOTE 18 - BUDGETARY REPORTING BASIS

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The accompanying schedules of grant support, revenue and expenses compared to grant budgets (non-GAAP basis) contained on pages 19 through 20 are prepared on a basis which differs from the financial statements in the following areas:

- 1) Encumbrances are reported as expenditures in the year in which they are budgeted.
- 2) Purchases of property and equipment are expensed as opposed to being capitalized and depreciated over the estimated useful lives of the assets.
- 3) Expenditures are classified in accordance with budget categories which may differ from the financial statement expense classification.

ADDITIONAL INFORMATION

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENSES
COMPARED TO GRANT BUDGET (NON-GAAP BASIS)
OLDER AMERICANS ACT - TITLE IIIB, IIID, AND IIIE - GRANT NUMBER T3B/D/E23036
GRANT PERIOD OCTOBER 1, 2020 TO SEPTEMBER 30, 2021

	<u>Actual</u>					
	<u>Budget</u>	<u>IIIB</u>	<u>IIID</u>	<u>IIIE</u>		<u>(Over) Under Budget</u>
SUPPORT AND REVENUE						
Federal	\$ 135,869	\$ 92,078	\$ -0-	\$ 50,788		\$ (6,997)
State	80,225	80,225	165	3,628		(3,793)
In-kind - matching	27,567	14,035	-0-	19,097		(5,565)
Program income	<u>6,899</u>	<u>2,339</u>	<u>-0-</u>	<u>-0-</u>		<u>4,560</u>
TOTAL SUPPORT AND REVENUE	<u>250,560</u>	<u>188,677</u>	<u>165</u>	<u>73,513</u>		<u>(11,795)</u>
EXPENSES						
Personnel	136,942	114,197	-0-	58,779		(36,034)
Travel	2,147	400	-0-	2,484		(737)
Printing and supplies	461	-0-	-0-	-0-		461
Transportation	19,574	10,160	-0-	-0-		9,414
Building space	3,134	2,910	-0-	-0-		224
Communications and utilities	32,098	29,209	-0-	-0-		2,889
Other	646	1,609	165	904		(2,032)
Indirect costs	<u>27,991</u>	<u>30,035</u>	<u>-0-</u>	<u>17,295</u>		<u>(19,339)</u>
TOTAL EXPENSES	<u>222,993</u>	<u>188,520</u>	<u>165</u>	<u>79,462</u>		<u>(45,154)</u>
GRANTEE'S SHARE	<u>27,567</u>	<u>14,035</u>	<u>-0-</u>	<u>19,097</u>		<u>(5,565)</u>
GRAND TOTAL	\$ <u>250,560</u>	<u>202,555</u>	<u>165</u>	<u>98,559</u>		\$ <u>(50,719)</u>
INCREASE (DECREASE) IN NET ASSETS		(13,878)	-0-	(25,046)		
NET ASSETS - BEGINNING OF YEAR		<u>(228,811)</u>	<u>-0-</u>	<u>(113,055)</u>		
NET ASSETS - END OF YEAR		\$ <u>(242,689)</u>	\$ <u>-0-</u>	\$ <u>(138,101)</u>		

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENSES
COMPARED TO GRANT BUDGET (NON-GAAP BASIS)
LEGISLATIVE INITIATIVES FOR THE ELDERLY-LIFE-GRANT NUMBER 22103-CABELL
GRANT PERIOD JULY 1, 2020 TO JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>(Over)</u> <u>Under</u> <u>Budget</u>
SUPPORT AND REVENUE			
State/Pass-Through	\$ 217,169	\$ 217,187	\$ (18)
Contributions	<u>-0-</u>	<u>1,838</u>	<u>(1,838)</u>
TOTAL SUPPORT AND REVENUE	<u>217,169</u>	<u>219,025</u>	<u>(1,856)</u>
EXPENSES			
Personnel	82,497	85,532	(3,035)
Fringe benefits	25,294	24,430	864
Equipment	7,212	7,210	2
Building space	15,312	15,165	147
Communications	1,008	1,037	(29)
Other	65,131	61,336	3,795
Indirect costs	<u>20,715</u>	<u>22,459</u>	<u>(1,744)</u>
TOTAL EXPENSES	<u>\$ 217,169</u>	<u>217,169</u>	<u>\$ -0-</u>
INCREASE IN NET ASSETS		1,856	
Net assets from prior years not reprogrammed		<u>(19,170)</u>	
NET ASSETS, JUNE 30, 2021		<u>\$ (17,314)</u>	

<u>Program or Award Amount</u>	<u>Disbursements/ Expenditures</u>
\$ 92,078	\$ 92,078
6,221	6,221
583,451	583,451
165	165
50,788	<u>50,788</u>
	<u>732,703</u>
	\$ <u>732,703</u>

Under (Over) Expended <u>Beginning of Year</u>	Total Current Year <u>Revenues</u>	Total Current Year <u>Expenditures</u>	Under (Over) Expended <u>End of Year</u>
\$ -0-	\$ 80,225	\$ 80,225	\$ -0-
-0-	2,074	2,074	-0-
-0-	199,995	199,995	-0-
-0-	62,376	62,376	-0-
-0-	3,628	3,628	-0-
-0-	193,399	193,399	-0-
<u>-0-</u>	<u>56,892</u>	<u>56,892</u>	<u>-0-</u>
<u>-0-</u>	<u>598,589</u>	<u>598,589</u>	<u>-0-</u>
-0-	33,699	33,699	-0-
-0-	2,743	2,743	-0-
-0-	102,176	102,176	-0-
-0-	26,808	26,808	-0-
-0-	5,000	5,000	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>170,426</u>	<u>170,426</u>	<u>-0-</u>
\$ <u>-0-</u>	\$ <u>769,015</u>	\$ <u>769,015</u>	\$ <u>-0-</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
AND ON COMPLIANCE**

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INDEPENDENT AUDITOR'S 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*

Board of Directors
Cabell County Community
Services Organization, Inc.
Huntington, West Virginia

We have audited, in accordance with the 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, the financial statements of Cabell County Community Services Organization, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cabell County Community Services Organization, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cabell County Community Services Organization, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Cabell County Community Services Organization, Inc.'s internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified one deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cabell County Community Services Organization, Inc.'s financial statements are free from 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 financial statements. 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*.

Cabell County Community Services Organization, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Cabell County Community Services Organization, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of findings. Cabell County Community Services Organization, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hess, Stewart & Campbell, PLLC

Huntington, West Virginia
August 31, 2022

SCHEDULE OF FINDINGS

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
SCHEDULE OF FINDINGS
YEAR ENDED SEPTEMBER 30, 2021

2021-001 - Revenue and Expense Recording by Program

Condition: Audit reclassification entries were required to be made to the accounting records to distribute revenue and expenses to the various programs of the Organization.

Criteria: One of the objectives of an internal control system is to provide management with reasonable assurance that transactions are recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. In addition, accurate financial reporting is an essential management tool in monitoring and controlling operations.

Cause: Review procedures were not fully implemented to ensure the revenue and expenses were recorded in the correct programs of the Organization.

Effect: This resulted in an inaccurate presentation of the revenue and expenses of the various programs of the Organization. The necessary reclassification journal entries were made during the audit to correct the errors.

Recommendation: Review procedures should be strengthened to ensure that revenue and expenses are recorded in the correct programs of the Organization.

Views of responsible officials and planned corrective action: The Organization agrees with the finding and will strengthen review procedures. See current year corrective action plan.

CORRECTIVE ACTION PLAN



"For the Seniors"

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August 30, 2022

Ware & Hall, PLLC
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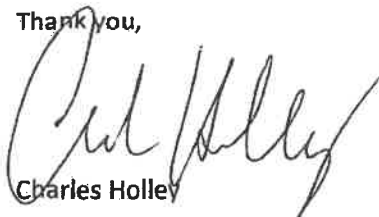
RE: Corrective Action Plan

Sirs,

Condition: Audit reclassification entries were required to be made to the accounting records to distribute revenue and expenses to the various programs of the Organization.

Solution: management contracted with a CPA to assist with year-end closings but the CPA was not familiar with our classification systems which resulted in entries being made under the wrong classification. After working with the Auditors to make the needed corrections, we now understand where revenue and expenses need recorded and the misclassification of entries should no longer happen.

Thank you,



Charles Holley