

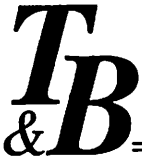
**HARRISON COUNTY SENIOR
CITIZENS CENTER, INC.**

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

JUNE 30, 2009

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Harrison County Senior Citizens Center, Inc.
Clarksburg, West Virginia

We have audited the accompanying statement of financial position of Harrison County Senior Citizens Center, Inc. (a nonprofit organization) as of June 30, 2009 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 Harrison County Senior Citizens Center, Inc. as of June 30, 2009, 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 January 6, 2010, on our consideration of Harrison County Senior Citizens Center, 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 basic financial statements of Harrison County Senior Citizens Center, Inc. taken as a whole. The accompanying schedule of federal awards and schedule of state awards and other assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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.

Trick & Bartlett, PLLC

January 6, 2010

HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Current Assets			
Cash	\$	650,269	
Accounts receivable		137,572	
Other receivables		1,214	
Inventory		<u>1,965</u>	\$ 791,020
Capital assets, net			<u>565,346</u>
TOTAL ASSETS			\$ <u>1,356,366</u>

LIABILITIES AND NET ASSETS

Current Liabilities			
Accounts payable	\$	26,964	
Accrued expenses		35,212	
Accrued compensated absences		<u>18,063</u>	\$ 80,239
Net Assets			
Invested in capital assets, net		565,346	
Unrestricted		<u>710,781</u>	<u>1,276,127</u>
TOTAL LIABILITIES AND NET ASSETS			\$ <u>1,356,366</u>

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

HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2009

Revenue and Support			
Federal financial assistance		\$ 136,314	
State grant allocations		264,627	
City of Clarksburg		15,000	
Harrison County Commission		98,381	
Contributions		21,024	
Meal programs		138,624	
Community service program		741,092	
Membership fees		15,087	
Interest income		14,583	
Miscellaneous income		<u>7,300</u>	\$ 1,452,032
Expenses			
Program Services:			
Title III - B		135,974	
Title III - D and III - D Medication Management		8,474	
Title III - E		44,323	
Lottery life		160,885	
Meals		182,629	
Community service - programs		<u>830,366</u>	<u>1,362,651</u>
Change in net assets			89,381
Net assets - beginning of year			<u>1,186,746</u>
Net assets - end of year			\$ <u>1,276,127</u>

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

HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Title</u> <u>III - B</u>	<u>Title</u> <u>III - D & III - D</u> <u>Medication</u> <u>Management</u>	<u>Title</u> <u>III - E</u>	<u>Lottery</u> <u>Life</u>	<u>Meals</u> <u>Program</u>	<u>Community</u> <u>Service</u> <u>Program</u>	<u>Total</u>
Salaries and related expenses	\$ 135,974	\$ 8,474	\$ 43,022	\$ 90,362	\$ 86,749	\$ 443,979	\$ 808,560
Food purchases	-0-	-0-	-0-	-0-	95,880	-0-	95,880
Telephone and utilities	-0-	-0-	-0-	2,291	-0-	65,897	68,188
Printing and office supplies	-0-	-0-	-0-	-0-	-0-	19,630	19,630
Ceramics and gift shop	-0-	-0-	-0-	-0-	-0-	2,860	2,860
Supplies	-0-	-0-	-0-	-0-	-0-	47,612	47,612
Repairs and maintenance	-0-	-0-	-0-	22,914	-0-	90,865	113,779
Professional fees	-0-	-0-	-0-	-0-	-0-	5,471	5,471
Travel	-0-	-0-	1,301	-0-	-0-	21,673	22,974
Automobile expense	-0-	-0-	-0-	28,407	-0-	3,442	31,849
Insurance	-0-	-0-	-0-	9,511	-0-	13,403	22,914
Taxes and licenses	-0-	-0-	-0-	-0-	-0-	1,129	1,129
Advertising	-0-	-0-	-0-	-0-	-0-	2,795	2,795
Special events	-0-	-0-	-0-	-0-	-0-	2,948	2,948
Training	-0-	-0-	-0-	-0-	-0-	2,259	2,259
Travel club	-0-	-0-	-0-	-0-	-0-	57,456	57,456
Miscellaneous	-0-	-0-	-0-	7,400	-0-	2,131	9,531
Depreciation	-0-	-0-	-0-	-0-	-0-	46,816	46,816
Total expenses	\$ <u>135,974</u>	\$ <u>8,474</u>	\$ <u>44,323</u>	\$ <u>160,885</u>	\$ <u>182,629</u>	\$ <u>830,366</u>	\$ <u>1,362,651</u>

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

HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Cash Flows From Operating Activities	
Increase in net assets	\$ 89,381
Adjustments to reconcile decrease in net assets to net cash (used in) operating activities	
Depreciation	46,816
Gain on the sale of capital assets	(6,435)
(Increase) decrease in:	
Accounts receivable	(41,283)
Other receivables	236
Inventory	1,829
Prepaid expenses	10,866
Increase (decrease) in:	
Accounts payable	2,239
Accrued expenses	(2,792)
Accrued compensated absences	<u>383</u>
Net cash provided by operating activities	\$ 101,240
 Cash Flows From Investing Activities	
Acquisition of capital assets	(86,403)
Proceeds from the sale of capital assets	<u>6,435</u>
Net cash (used in) investing activities	(<u>79,968</u>)
Net increase in cash	21,272
Cash at beginning of year	<u>628,997</u>
Cash at end of year	\$ <u>650,269</u>

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

HARRISON COUNTY SENIOR CITIZENS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

The Harrison County Senior Citizens Center, Inc. is a non-capital stock entity.

1. Summary of Significant Accounting Policies

A summary of the significant accounting policies of the Harrison County Senior Citizens Center, Inc. is presented below.

Fund Accounting

The accounts of this Center are organized on the basis of funds or group of accounts, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The Center's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into generic fund types under the following broad fund categories:

Governmental Funds

General fund: The General fund is the general operating fund of the Center. It is used to account for all financial resources except those required to be accounted for in another fund.

Accounts Receivable

Uncollectible receivables are eliminated in the fiscal period that the receivables are actually determined to be uncollectible. Management has indicated that the accounts receivable, as shown in the accompanying financial statements will be collected in full.

Concentration of Credit Risk

Harrison County Senior Citizens Center, Inc. is a nonprofit corporation in north central West Virginia. The accounts receivable represents grants and other reimbursements from governmental agencies.

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

**HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)**

Capital Assets

Capital assets are recorded at cost with depreciation being calculated by the straight line method over the following useful lives:

Vehicles	5 years
Buildings	50 years
Building improvements	50 years

Method of Accounting

The financial statements of the Harrison County Senior Citizens Center, Inc. have been prepared utilizing the accrual basis of accounting.

Cash and Investments

For the purposes of the statement of cash flows, the Organization considers cash to be cash and cash equivalents.

Cash on hand and deposits with banking institutions either in checking, savings or money market accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2009 were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Center's name.

Investment risk is categorized as follows:

Interest rate risk – The risk that changes in interest rates will adversely affect the fair value of an investment.

Credit risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial credit risk – The risk that, in the event of the failure of the counterparty to a transaction, the Organization will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Inventories

Inventories are valued at cost, determined by the first-in, first-out method, which is lower than market. The cost of supplies is expensed as incurred.

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

**HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)**

Donated Services

No amounts have been reported in the financial statements for donated services because no objective basis is available to measure the value of such services.

Donated Facilities

Harrison County has provided the Organization the use of a building currently used as its main operating facility. No amount has been reported in the financial statements for the use of the building because no objective basis is available to measure the value of the use of the building.

Tax Exemption

The Harrison County Senior Citizens Center, Inc. is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Compensated Absences

The Organization allows employees to accrue unused vacation time.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

**HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)**

2. Deposits and Investments

Cash and certificates of deposit held by the Organization are summarized below.

Category 1 - Insured or collateralized with securities held by the Organization or its agent in the Organization's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Organization's name.

Category 3 - Uncollateralized.

	<u>Bank</u> <u>Balance</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Carrying</u> <u>Amount</u>
Cash	\$ <u>663,767</u>	\$ <u>663,767</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>650,269</u>

The Organization had no investments as of June 30, 2009.

3. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -0-	\$ -0-	\$ 5,000
Other capital assets:				
Vehicles	138,915	86,403	8,307	217,011
Buildings and improvements	<u>527,789</u>	<u>-0-</u>	<u>-0-</u>	<u>527,789</u>
Total other capital assets	<u>666,704</u>	<u>86,403</u>	<u>8,307</u>	<u>744,800</u>
Less: Accumulated depreciation for:				
Vehicles	77,692	36,261	8,307	105,646
Building and improvements	<u>68,253</u>	<u>10,555</u>	<u>-0-</u>	<u>78,808</u>
Total accumulated depreciation	<u>145,945</u>	<u>46,816</u>	<u>8,307</u>	<u>184,454</u>
Other capital assets, net	<u>520,759</u>	<u>39,587</u>	<u>-0-</u>	<u>560,346</u>
Capital assets, net	\$ <u>525,759</u>	\$ <u>39,587</u>	\$ <u>-0-</u>	\$ <u>565,346</u>

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

**HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)**

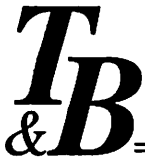
4. Concentration of Risks

The Harrison County Senior Citizens Center, Inc. receives a majority of its support from federal and state grants. Any significant reduction in the level of this support could have a material effect on the Center's programs and activities.

The Center is at risk of loss from various torts and suits and mitigates this risk by maintaining insurance coverage.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The United States Department of Transportation typically provides annual support to the Senior Center by providing eighty percent (80%) of the cost of a new van that is used to transport members of the Senior Center. As a stipulation of the support, the vans must be titled to both the State of West Virginia and the Senior Center until such time as the vans' odometers have reached 80,000 miles. At that time, the vans are retitled solely in the name of the Senior Center.



**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
Harrison County Senior Citizens Center, Inc.
Clarksburg, West Virginia

We have audited the financial statements of Harrison County Senior Citizens Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated January 6, 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 Harrison County Senior Citizens 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 effectiveness of Harrison County Senior Citizens Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Harrison County Senior Citizens Center, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Harrison County Senior Citizens Center, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Harrison County Senior Citizens Center, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Harrison County Senior Citizens Center, Inc.'s internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting.

09-1 Segregation of Duties

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

Condition: Responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals.

Cause: Responsibilities of approval, execution, recording and custody are not distributed among the office staff to the best degree possible. However, we recognize that complete segregation of duties is not economically feasible.

Effect: Because of the failure to segregate 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.

09-2 Qualification and Knowledge

Criteria: Internal control should be implemented to the degree possible in recording the entity's financial transactions and the preparation of financial statements.

Condition: Analysis of the internal control system indicated a lack of particular skills, training, and knowledge in the recording of financial transactions or preparation of financial statements. More specifically, this should include all required financial statement presentations and all required financial statement note disclosures.

Cause: Individuals responsible for the accounting and reporting function lack the particular skills, training, and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

Effect: Because of the lack of particular skills, training, and knowledge, 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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Harrison County Senior Citizens Center, Inc.'s internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 09-1 and 09-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harrison County Senior Citizens 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*.

This report is intended solely for the information and use of management, the Board of Directors of the Harrison County Senior Citizens Center, Inc., others within the entity, 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.

Detrick + Bantlett, PLLC

January 6, 2010

**HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor Program</u>	<u>Federal CFDA Number</u>	<u>Grantor Pass-through Number</u>	<u>Financial Awards Recognized</u>
U.S. Department of Health and Human Services			
Title III – B	93.044	T3 B/D/E08-09	\$ 56,395
Title III – D	93.043	T3 B/D/E08-09	7,187
Title III – D Medicaid Management	93.043	T3 B/D/E08-09	696
Title III – E	93.052	T3 B/D/E08-09	44,323
Elder Abuse	93.044	Elder Abuse 08-09	1,434
Health Benefits/Ship	93.779	11-P-20209/3-16	10,000
NSIP	93.053	2935A	<u>16,279</u>
 Total Federal Funds			 \$ <u>136,314</u>

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

**HARRISON COUNTY SENIOR CITIZENS CENTER, INC.
 SCHEDULE OF STATE AWARDS AND OTHER ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

State Grantor Program

<u>West Virginia Bureau of Senior Services Through the Bel-O-Mar Regional Council:</u>	<u>Award/Grant No.</u>	<u>Financial Awards Recognized</u>
Lottery Life	N/A	\$ 191,322
State Matching Funds	N/A	<u>73,305</u>
 Total State Funds		 \$ <u>264,627</u>

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