



ALICE M. HARRIS, CPA, A.C.

CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REQUIRED COMMUNICATIONS  
WITH THE BOARD OF DIRECTORS AND MANAGEMENT  
UNDER AUDITING STANDARDS GENERALLY ACCEPTED  
IN THE UNITED STATES OF AMERICA**

To the Board of Directors  
Mason County Action Group, Inc.

I have audited the financial statements of the Mason County Action Group, Inc., for the year ended September 30, 2011 and have issued my report thereon dated January 12, 2012 which was unqualified. Professional standards require that I provide you with the following information related to my audit.

My Responsibility Under United States Generally Accepted Auditing Standards

As stated in my engagement letter dated November 15 2011, my responsibility as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me.

As part of my audit, I considered the internal control of the Mason County Action Group, Inc. Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Mason County Action Group, Inc., are described in the footnotes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2011. I noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

#### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. I reviewed management's estimates of the net book value of property and equipment and accrued liabilities, and the processes used to estimate these asset and liability accounts appear reasonable in relation to the financial statements as a whole.

#### Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in my judgment, may not have been detected except through my auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). In my judgment, none of the adjustments I proposed, whether recorded or unrecorded by the Organization, either individually or in the aggregate, indicate matters that could have a significant effect on the Organization's financial reporting process.

In addition, the attached schedule summarizes corrected and uncorrected misstatements of the financial statements. Management has determined that any uncorrected misstatements, whether reported or not reported on the schedule, would be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

#### Disagreements with Management

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

#### Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion," on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with me to

Board of Directors  
January 12, 2012  
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determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

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

Difficulties Encountered in Performing the Audit

I encountered no difficulties in dealing with management in performing and completing my audit.

This information is intended solely for the use of the Board of Directors and management of the Mason County Action Group, Inc., as is not intended to be and should not be used by anyone other than these specified parties.

*Alice M. Harris, CPA*

Parkesburg, WV  
January 12, 2012



**MASON COUNTY ACTION GROUP, INC.**

**Financial Statements**

**September 30, 2011**

MASON COUNTY ACTION GROUP, INC.

Financial Statements

September 30, 2011

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ALICE M. HARRIS, CPA, A.C.

CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

Board of Directors

Mason County Action Group, Inc.:

I have audited the accompanying statement of financial position of Mason County Action Group, Inc., (a West Virginia non-profit corporation) as of September 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. The financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of Mason County Action Group, Inc., as of September 30, 2011, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principals generally accepted in the United States of America.

In accordance with *Government Audit Standards*, I have also issued my report dated January 12, 2012 on my consideration of Mason County Action Group, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of my 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 my audit.

## Independent Auditor's Report, Continued

My audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of support, revenue and expenses (Schedule 1 through Schedule 4) 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 my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Alice M. Harris, CPA*

Alice M. Harris, CPA  
January 12, 2012



MASON COUNTY ACTION GROUP, INC.

Statement of Financial Position

September 30, 2011

<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	40,669
Accounts receivable, net		231,026
Inventory		4,755
Prepaid insurance		9,043
Total current assets		285,493
Property and equipment:		
Land		6,800
Buildings		135,804
Equipment		76,045
Vehicles		111,713
Leasehold improvements		81,504
		411,866
Less accumulated depreciation		(244,940)
Net property and equipment		166,926
<b>Total assets</b>		<b>452,419</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Line of credit	\$	55,722
Accounts payable		33,383
Accrued payroll and related taxes		56,355
Accrued annual leave		13,890
Due to funding sources		16,820
Total current liabilities		176,170
Total liabilities		176,170
Net assets:		
Unrestricted, undesignated		109,323
Invested in properly plant and equipment		166,926
		276,249
Temporarily restricted		-
Permanently restricted		-
Total net assets		276,249
<b>Total liabilities and net assets</b>		<b>\$ 452,419</b>

*See accompanying notes to financial statements.*

**MASON COUNTY ACTION GROUP, INC.**

**Statement of Activities**

**Year ended September 30, 2011**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and Revenue:</b>				
Federal grant awards	\$ 260,224	-	-	260,224
Other grants and fees	1,122,613	-	-	1,122,613
Program income	11,741	-	-	11,741
Funraising	5,002	-	-	5,002
In-kind revenues	10,428	-	-	10,428
Other income	27,562	-	-	27,562
<b>Total support and revenue</b>	<b>1,437,570</b>	<b>-</b>	<b>-</b>	<b>1,437,570</b>
<b>Expenses:</b>				
<b>Program expenses:</b>				
In-Home services	913,657	-	-	913,657
Nutrition	236,363	-	-	236,363
Transportation	37,053	-	-	37,053
Senior services	55,828	-	-	55,828
<b>Total program expenses</b>	<b>1,242,901</b>	<b>-</b>	<b>-</b>	<b>1,242,901</b>
<b>Supporting services:</b>				
Management and general	156,398	-	-	156,398
Fundraising	1,498	-	-	1,498
<b>Total expenses</b>	<b>1,400,797</b>	<b>-</b>	<b>-</b>	<b>1,400,797</b>
Change in net assets	36,773	-	-	36,773
Net assets, beginning of year	239,476	-	-	239,476
<b>Net assets, end of year</b>	<b>\$ 276,249</b>	<b>-</b>	<b>-</b>	<b>276,249</b>

*See accompanying notes to financial statements.*

**MASON COUNTY ACTION GROUP, INC.**  
**Statement of Functional Expenses**  
**Year ended September 30, 2011**

		Personal care	Nutrition	Transportation	Senior services	Total program expenses	Management and general	Fundraising	Total expenses
Salaries and benefits	\$	776,885	95,409	27,492	42,959	942,745	92,951	-	1,035,696
Office supplies, printing & postage		15,184	-	-	994	16,178	3,637	1,498	21,313
Utilities		34,873	-	-	-	34,873	7,934	-	42,807
Travel and meetings		32,919	-	-	151	33,070	104	-	33,174
Transportation		6,957	-	9,561	-	16,518	-	-	16,518
Food and disposable supplies		193	140,954	-	-	141,147	-	-	141,147
Legal and professional		5,150	-	-	-	5,150	-	-	5,150
Repairs and maintenance		19,713	-	-	-	19,713	316	-	20,029
Insurance		10,772	-	-	-	10,772	19,073	-	29,845
Other expenses		11,011	-	-	1,296	12,307	2,559	-	14,866
Interest expense		-	-	-	-	-	3,019	-	3,019
In-kind match		-	-	-	10,428	10,428	-	-	10,428
Depreciation		-	-	-	-	-	26,805	-	26,805
<b>Total expenses</b>	<b>\$</b>	<b>913,657</b>	<b>236,363</b>	<b>37,053</b>	<b>55,828</b>	<b>1,242,901</b>	<b>156,398</b>	<b>1,498</b>	<b>1,400,797</b>

*See accompanying notes to financial statements.*

**MASON COUNTY ACTION GROUP, INC.**

**Statement of Cash Flows**

**Year ended September 30, 2011**

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Cash flows from operating activities:	
Change in net assets	\$ 36,773
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	26,805
(Increase) decrease in:	
Accounts receivable	(118,298)
Inventory	6,125
Prepaid expenses and deposits	(1,420)
Increase (decrease) in:	
Accounts payable	15,416
Accrued payroll and related taxes	12,841
Accrued annual leave	1,222
Due to funding source	-
Net cash provided by operating activities	<hr/> (20,536) <hr/>
Cash flows from investing activities:	
Proceeds from sale of assets	-
Cash paid for property and equipment purchases	(35,178)
Net cash used in investing activities	<hr/> (35,178) <hr/>
Cash flows from financing activities:	
Advances on line of credit	-
Repayment of line of credit	(993)
Net cash used in investing activities	<hr/> (993) <hr/>
Increase in cash and cash equivalents	(56,707)
Cash and cash equivalents, beginning of year	<hr/> 97,376 <hr/>
<b>Cash and cash equivalents, end of year</b>	<hr/> <b>\$ 40,669</b> <hr/>
Supplemental cash flow disclosures:	
Cash paid for:	
Income taxes	\$ -
Interest	3,268
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*See accompanying notes to financial statements.*

**MASON COUNTY ACTION GROUP, INC.**  
**Notes to Financial Statements**

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**NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**Nature of Activities** - The mission of Mason County Action Group, Inc., (a not-for-profit organization) is to provide services to low income individuals and families in Mason County, WV. The Organization also operates three senior citizens centers throughout Mason County.

**Basis of Accounting** - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America.

**Basis of Presentation** - The Organization has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, an organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

- . Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- . Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization and/or passage of time.
- . Permanently restricted net assets - Net assets subject to donor imposed stipulations that they be maintained permanently by the organization. Generally, the donors of the assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

**Contributions** – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

**Contributed Property and Equipment** - Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, then the contributions are recorded as temporarily restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

**Cash and Cash Equivalents** - For purposes of the Statements of Cash Flows, Mason County Action Group, Inc., considers all highly-liquid investments purchased with maturities of three months or less to be cash and cash equivalents.

**Advertising** – It is the policy of Mason County Action Group, Inc. to expense all advertising costs as incurred.

**Functional expenses** – The Organization allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated according to their natural classification.

**Inventory** – Inventory consists of raw food and supplies and are stated at the lower of cost or market determined by the first-in-first-out method.

**MASON COUNTY ACTION GROUP, INC.**  
**Notes to Financial Statements, Continued**

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**NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED**

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**Income Tax Status** - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

In January 2006, the Financial Accounting Standards Board issued ASC 740-10 (formerly known as FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes), which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Agency adopted ASC 740-10 as of October 1, 2010. There was no impact to the Agency's financial statements as a result of the implementation of ASC 740-10

**Property and Equipment** - All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Computer and office equipment	5 to 10
Furniture and fixtures	5 to 10
Buildings	27.5

Depreciation expense for the fiscal year ended September 30, 2011 was \$26,805.

The property, furniture and equipment acquired is owned by Mason County Action Group, Inc. while used in the program for which it was purchased or in future authorized programs. The funding sources, however, have a reversionary interest in the property, furniture and equipment purchased with grant funds; therefore, its disposition, as well as the ownership of any sale proceeds there from, is subject to funding source regulations.

**Fair Value of Financial Instruments** – Mason County Action Group, Inc. has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at September 30, 2011 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The estimated fair value of all financial instruments has been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

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**USE OF ESTIMATES**

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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.

**MASON COUNTY ACTION GROUP, INC.**  
**Notes to Financial Statements, Continued**

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**CONCENTRATIONS OF RISK DISCLOSURE**

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The Organization is economically dependent on grants from various federal, state and local governments for the operation of their programs. The Organization's ability to receive these grants is somewhat dependent on the national, state and local economy.

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**ACCOUNTS AND GRANTS RECEIVABLE**

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The Organization operates in the Point Pleasant, WV area and receives support from various sources, substantially all of whom are local individuals or government agencies.

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**LINE OF CREDIT**

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The Organization entered into a line of credit arrangement with a local bank. Outstanding balances are payable on demand and accrue interest at 5.25% for 2011. The note is secured by all assets of the Organization. As of September 30, 2011, outstanding balances on the line of credit totaled \$55,722.

Interest expense paid during the year ended September 30, 2011 totaled \$3,019.

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**ACCRUED ANNUAL LEAVE**

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Accrued annual leave includes all obligations for vacation leave at the current rate of employee pay. Employees vest in earned but unused vacation leave up to a maximum of 120 hours. At September 30, 2011 the liability for accrued annual leave totaled \$13,890.

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**CONTINGENT LIABILITIES**

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The Organization's programs are generally funded from federal, state, and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, or expenditures which may be disallowed by grantor agencies totaled \$16,820 and is reported as a liability due to funding sources.

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**RISK MANAGEMENT**

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The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Organization manages these risks of loss through the purchase of various insurance policies.

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**EVALUATION OF SUBSEQUENT EVENTS**

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The Organization has evaluated subsequent events through January 12, 2012, the date which the financial statements were available to be issued.

MASON COUNTY ACTION GROUP, INC.  
 Schedule of Support, Revenue and Expenses - In Home Services  
 Year ended September 30, 2011

	General	Mason County Commission	Case Management	Lighthouse	F.A.I.R.	N.E.M.T	Homemaker	L.I.F.E Grant	Personal Care	Client Tracking	Private Pay	Veteran's Admin.	Totals
Support and revenue:													
Federal grant awards	\$ -	-	-	-	-	-	-	-	-	-	-	-	-
Other grants and fees	-	20,000	25,738	110,841	39,081	13,741	485,387	173,901	155,286	927	15,856	46,505	1,087,263
Program income	-	-	-	7,414	3,997	-	-	-	-	-	-	-	11,411
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-
In-kind matching revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	27,433	-	-	-	-	-	-	-	-	-	47	37	27,517
<b>Total support &amp; revenue</b>	<b>27,433</b>	<b>20,000</b>	<b>25,738</b>	<b>118,255</b>	<b>43,078</b>	<b>13,741</b>	<b>485,387</b>	<b>173,901</b>	<b>155,286</b>	<b>927</b>	<b>15,903</b>	<b>46,542</b>	<b>1,126,191</b>
Expenses:													
Salaries and benefits	54	-	24,707	83,440	63,542	21,670	333,804	55,804	135,187	1,407	17,788	39,482	776,885
Office supplies, printing & postage	61	-	-	-	20	-	700	14,209	194	-	-	-	15,184
Utilities	-	-	-	-	-	-	-	34,873	-	-	-	-	34,873
Travel and meetings	-	-	24	5,627	1,750	-	12,972	1,999	8,722	-	625	1,200	32,919
Transportation	-	-	-	-	-	3,855	-	3,102	-	-	-	-	6,957
Food and disposable supplies	-	-	-	-	-	-	-	-	-	-	-	193	193
Legal and professional	-	-	-	-	-	-	-	5,150	-	-	-	-	5,150
Repairs and maintenance	5,413	3,742	-	-	-	-	-	10,558	-	-	-	-	19,713
Insurance	-	-	-	-	-	-	-	10,772	-	-	-	-	10,772
Other expenses	1,337	-	-	-	-	-	118	9,187	369	-	-	-	11,011
In-kind match	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total direct expenses</b>	<b>6,865</b>	<b>3,742</b>	<b>24,731</b>	<b>89,067</b>	<b>65,312</b>	<b>25,525</b>	<b>347,594</b>	<b>145,654</b>	<b>144,472</b>	<b>1,407</b>	<b>18,413</b>	<b>40,875</b>	<b>913,657</b>
Indirect cost allocation	-	-	3,825	14,025	10,600	3,102	57,285	8,349	22,728	253	2,956	6,329	129,452
<b>Total expenses</b>	<b>6,865</b>	<b>3,742</b>	<b>28,556</b>	<b>103,092</b>	<b>75,912</b>	<b>28,627</b>	<b>404,879</b>	<b>154,003</b>	<b>167,200</b>	<b>1,660</b>	<b>21,369</b>	<b>47,204</b>	<b>1,043,109</b>
<b>Net program income (loss)</b>	<b>20,568</b>	<b>16,258</b>	<b>(2,818)</b>	<b>15,163</b>	<b>(32,834)</b>	<b>(14,886)</b>	<b>80,508</b>	<b>19,898</b>	<b>(11,914)</b>	<b>(733)</b>	<b>(5,466)</b>	<b>(662)</b>	<b>83,082</b>

*See accompanying notes to financial statements*



**MASON COUNTY ACTION GROUP, INC.**  
**Schedule of Support, Revenue and Expenses - Nutrition Programs**  
**Year ended September 30, 2011**

	Title III C-1	Title III C-2	Totals
<b>Support and revenue:</b>			
Federal grant awards	\$ 121,448	81,913	203,361
State grant awards	-	-	-
Program income	-	-	-
Funraising	-	1,306	1,306
In-kind matching revenues	-	-	-
Other income	30	-	30
<b>Total support &amp; revenue</b>	<b>121,478</b>	<b>83,219</b>	<b>204,697</b>
<b>Expenses:</b>			
Salaries and benefits	67,666	27,743	95,409
Office supplies, printing & postage	-	-	-
Utilities	-	-	-
Travel and meetings	-	-	-
Transportation	-	-	-
Food and disposable supplies	83,689	57,265	140,954
Legal and professional	-	-	-
Repairs and maintenance	-	-	-
Insurance	-	-	-
Other expenses	-	-	-
In-kind match	-	-	-
Depreciation	-	-	-
<b>Total direct expenses</b>	<b>151,355</b>	<b>85,008</b>	<b>236,363</b>
<b>Indirect cost allocation</b>	<b>11,515</b>	<b>4,350</b>	<b>15,865</b>
<b>Total expenses</b>	<b>162,870</b>	<b>89,358</b>	<b>252,228</b>
<b>Net program income (loss)</b>	<b>(41,392)</b>	<b>(6,139)</b>	<b>(47,531)</b>

*See accompanying notes to financial statements.*

**MASON COUNTY ACTION GROUP, INC.**  
**Schedule of Support, Revenue and Expenses - Transportation Programs**  
**Year ended September 30, 2011**

	Transportation Other	Private Pay	Title III B	Totals
<b>Support and revenue:</b>				
Federal grant awards	\$ -	-	31,299	31,299
State grant awards	-	-	-	-
Program income	-	330	-	330
Funraising	-	-	-	-
In-kind matching revenues	-	-	-	-
Other revenues	-	-	15	15
<b>Total support &amp; revenue</b>	<b>-</b>	<b>330</b>	<b>31,314</b>	<b>31,644</b>
<b>Expenses:</b>				
Salaries and benefits	2,938	-	24,554	27,492
Office supplies, printing & postage	-	-	-	-
Utilities	-	-	-	-
Travel and meetings	-	-	-	-
Transportation	-	-	9,561	9,561
Food and disposable supplies	-	-	-	-
Legal and professional	-	-	-	-
Repairs and maintenance	-	-	-	-
Insurance	-	-	-	-
Other expenses	-	-	-	-
In-kind match	-	-	-	-
Depreciation	-	-	-	-
<b>Total direct expenses</b>	<b>2,938</b>	<b>-</b>	<b>34,115</b>	<b>37,053</b>
Indirect cost allocation	515	-	3,294	3,809
<b>Total expenses</b>	<b>3,453</b>	<b>-</b>	<b>37,409</b>	<b>40,862</b>
<b>Net program income (loss)</b>	<b>(3,453)</b>	<b>330</b>	<b>(6,095)</b>	<b>(9,218)</b>

*See accompanying notes to financial statements.*

Schedule of Support, Revenue and Expenses - Senior Services  
Year ended September 30, 2011

	Elder Abuse	Title III B Senior Services	Title III D Medical Info. & Management	Community Partners	S.H.L.P.	Outreach	CHORE	Other	Title III E Caregiver Services	Totals
Support and revenue:										
Federal grant awards	\$ 460	10,365	2,515	-	-	-	-	-	12,224	25,564
Other grants and fees	-	-	-	15,000	8,550	-	11,800	-	-	35,350
Program income	-	-	-	-	-	-	-	-	-	-
Fundraising	3,696	-	-	-	-	-	-	-	-	3,696
In-kind matching revenues	-	5,935	418	-	-	-	-	-	4,075	10,428
Other revenues	-	-	-	-	-	-	-	-	-	-
<b>Total support &amp; revenue</b>	<b>4,156</b>	<b>16,300</b>	<b>2,933</b>	<b>15,000</b>	<b>8,550</b>	<b>-</b>	<b>11,800</b>	<b>-</b>	<b>16,299</b>	<b>75,038</b>
Expenses:										
Salaries and benefits	-	15,031	1,989	-	6,392	-	13,346	244	5,957	42,959
Office supplies, printing & postage	-	994	-	-	-	-	-	-	-	994
Utilities	-	-	-	-	-	-	-	-	-	-
Travel and meetings	-	-	-	-	-	-	151	-	-	151
Transportation	-	-	-	-	-	-	-	-	-	-
Food and disposable supplies	-	-	-	-	-	-	-	-	-	-
Legal and professional	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Other expenses	401	-	757	-	-	138	-	-	-	1,296
In-kind match	-	5,935	418	-	-	-	-	-	4,075	10,428
Depreciation	-	-	-	-	-	-	-	-	-	-
<b>Total direct expenses</b>	<b>401</b>	<b>21,960</b>	<b>3,164</b>	<b>-</b>	<b>6,392</b>	<b>138</b>	<b>13,497</b>	<b>244</b>	<b>10,032</b>	<b>55,828</b>
Indirect cost allocation	-	2,140	314	-	1,154	-	2,337	43	893	6,881
<b>Total expenses</b>	<b>401</b>	<b>24,100</b>	<b>3,478</b>	<b>-</b>	<b>7,546</b>	<b>138</b>	<b>15,834</b>	<b>287</b>	<b>10,925</b>	<b>62,709</b>
<b>Net program income (loss)</b>	<b>3,755</b>	<b>(7,800)</b>	<b>(545)</b>	<b>15,000</b>	<b>1,004</b>	<b>(138)</b>	<b>(4,034)</b>	<b>(287)</b>	<b>5,374</b>	<b>12,329</b>

*See accompanying notes to financial statements.*



ALICE M. HARRIS, CPA, A.C.

CERTIFIED PUBLIC ACCOUNTANT

**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  
Mason County Action Group, Inc.

I have audited the financial statements of Mason County Action Group, Inc., (a nonprofit organization) as of and for the year ended September 30, 2011, and have issued my report thereon dated January 12, 2012. I conducted my 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 my audit, I considered Mason County Action Group's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mason County Action Group's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A 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 timely.

My 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. I did not identify any deficiencies in internal control over financial reporting that I considered to be material weaknesses, as defined above.

**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, CONTINUED***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mason County Action Group, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 the audit committee, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

***Alice M. Harris, CPA***

Alice M. Harris, CPA  
January 12, 2012

**MASON COUNTY ACTION GROUP, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2011**

**STATUS OF PRIOR YEAR FINDINGS: All prior year findings had been corrected at the time of the current year audit.**