

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
Regular Audit
For the Year Ended September 30, 2013

Perry & Associates
Certified Public Accountants, A.C.

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

April 12, 2014

Marshall County Senior Citizens Center, Inc.
805 Fifth Street
Moundsville, WV 26041

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Marshall County Senior Citizens Center, Inc.** (the Center) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, 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 center'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 center'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Marshall County Senior Citizens Center, Inc. as of September 30, 2013, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2014, on our consideration of the Center's internal control over financial reporting and 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 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 the Center's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2013

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 286,098
Grants Receivable	36,950
Prepaid Expenses	7,991
Total Current Assets	331,039

Non-Current Assets:

Land	40,000
Land Improvements	22,153
Building and Building Improvements	520,607
Equipment	58,325
Vehicles	171,007
Less: Accumulated Depreciation	(408,441)
Total Non-Current Assets	403,651

TOTAL ASSETS **\$ 734,690**

LIABILITIES AND NET ASSETS:

Current Liabilities:

Accounts Payable	\$ 6,205
Accrued Liabilities	26,088
Total Current Liabilities	32,293

Total Liabilities 32,293

Net Assets:

Unrestricted Net Assets	702,397
Total Net Assets	702,397

TOTAL LIABILITIES AND NET ASSETS **\$ 734,690**

The accompanying notes are an integral part of these financial statements

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

REVENUES, GAINS, AND OTHER SUPPORT:

	Unrestricted
Federal Grant Revenue	\$ 52,627
State Community Partnership	4,540
LIFE Revenue	206,041
Lighthouse Revenue	167,761
FAIR Revenue	52,659
Title III-B Revenue	34,407
Other State Revenue	40,098
Program Fees	18,021
Contributions	17,420
Contributions - County Commission	93,750
Special Event Fundraisers	57,611
Rental Income	9,556
Interest Income	1,990
Gain on Sale of Asset	490
	490
Total Revenues, Gains, and Other Support	756,971

EXPENSES AND LOSSES:

Program Services:

Title III-B	73,041
Title III-D	4,166
Title III-E	18,436
Lighthouse	179,380
LIFE	182,887
FAIR	50,896
Other Programs	98,276

Support Services

Management and General	166,023
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Total Expenses and Losses	773,105
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CHANGE IN NET ASSETS	(16,134)
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NET ASSETS, BEGINNING OF YEAR	718,531
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NET ASSETS, END OF YEAR	\$ 702,397
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The accompanying notes are an integral part of these financial statements

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Title III-B	Title III-D	Title III-E	Lighthouse	LIFE	FAIR	Other Programs	Mngt and General	Total
Salaries and Wages	\$ 41,868	\$ -	\$ -	\$ 129,530	\$ 80,356	\$ 36,532	\$ 65,369	\$ 43,780	\$ 397,435
Payroll Taxes and Fringes	13,053	-	-	40,382	25,051	11,389	20,379	13,649	123,903
Training and Travel Costs	320	-	-	6,745	1,712	1,585	37	95	10,494
Printing and Supplies	221	1,321	-	156	2,288	119	-	1,573	5,678
Communication & Utilities	4,833	-	-	1,611	7,839	793	303	819	16,198
Transportation Expenses	9,879	-	-	-	27,002	-	-	-	36,881
Senior Program Activities	-	2,758	-	-	16,654	-	440	304	20,156
Contract Services	1,106	-	18,436	369	4,713	184	-	184	24,992
Advertising	-	87	-	-	413	-	-	-	500
Libility Insurance	1,676	-	-	559	4,673	279	-	254	7,441
Professional Fees	82	-	-	27	8,347	14	29	1,074	9,573
Repairs and Maintenance	3	-	-	1	3,819	1	1,797	3,347	8,968
Special Events	-	-	-	-	-	-	-	55,805	55,805
Depreciation	-	-	-	-	-	-	-	43,941	43,941
Payments to Satelittes	-	-	-	-	-	-	9,000	700	9,700
Micellaneous	-	-	-	-	20	-	922	498	1,440
Total Expenses	\$ 73,041	\$ 4,166	\$ 18,436	\$ 179,380	\$ 182,887	\$ 50,896	\$ 98,276	\$ 166,023	\$ 773,105

The accompanying notes are an integral part of these financial statements

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (16,134)
Adjustments to Reconcile Net Operating Expense to Net Cash Provided by Operating Activities:	
Depreciation	43,941
(Increase) Decrease in Operating Assets:	
Grants Receivable	43,220
Prepaid Expenses	2,073
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	4,735
Accrued Liabilities	<u>(2,149)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>75,686</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital Asset Acquisitions: Vehicles and Equipment	<u>(48,953)</u>
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	<u>(48,953)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,733
BEGINNING CASH AND CASH EQUIVALENTS	<u>259,365</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 286,098</u></u>

The accompanying notes are an integral part of these financial statements

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 DESCRIPTION OF THE ENTITY

The Marshall County Senior Citizen's Center, Inc. (the Center) is the administrator of the project funded under Title III, Part B of the Older Americans Act of 1965, as amended. The purpose of the program is to staff and operate a senior center to be available to older Americans (age 60 and over) residing in Marshall County, West Virginia. In general, the program attempts to correspond its services to the needs and wishes of these Americans. Social Services currently being provided by the program include information and referral services, transportation and educational services, health related services and various recreational activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Tax

The Marshall County Senior Citizen's Center, Inc. is a nonprofit organization as described in Section 501(c)(4) of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, the Center has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a)(2) of the Internal Revenue Code.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Association and recognize a tax liability (or asset) if the Center has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the center, and has concluded that as of September 30, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Center's Federal Return of Organization from Income Tax (federal Form 990) for 2010, 2011 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Basis of Presentation

The Financial Accounting Standards Board issued Financial Accounting Standards Board Accounting Standards Codification (FASBASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under FASBASC No. 958, defined nonprofits are required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Consequently revenues from grants and other income sources are recognized in the financial statements for the period when the income is earned by the Center as opposed to when the income is actually received. Expenses are recognized in the financial statements for the period when incurred by the Center regardless of when funds are dispensed for payment of the expense.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Estimates

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

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

The Center expenses all advertising costs when incurred.

Property and Equipment

Property and equipment is stated at cost. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets, which range from five to thirty-one and one half years. The Center capitalizes acquisitions of property and equipment in excess of \$500. Lesser amounts are expensed. Donations of property, plant and equipment are recorded as support at their estimated fair value. Such donations are recorded as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding the length of time donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property acquired through donations which place permanent limitations on the use or on the proceeds from disposal of such property, or whose title may revert to a third party, are classified as permanently restricted net assets at the time they are acquired.

Public Support and Revenue

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their values in the period received.

Financial Statement Presentation

The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At September 30, 2013, the Center had no restricted assets.

Risk Management

The Center obtained general, property and casualty, and liability coverage for itself and its employees through a third party insurance company for its insurable risks. Any loss in excess of the \$1,000,000 policy limit will be borne by the Center. The Center obtained workers' compensation coverage through a private insurance company for job related injuries. The private insurance company retains the risk related to the compensation of injured employees under the coverage.

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

FASB guidance on fair value measurements defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. The carrying amounts of the Center's cash, cash equivalents, grants receivable, prepaid expenses, accounts payable, and accrued liabilities, approximate fair value due to the short maturity of these instruments.

NOTE 3 CONCENTRATIONS

The Marshall County Senior Citizen's Center, Inc. receives a substantial amount of its support from Federal, State, and local governments. A significant reduction in this support would have a major effect on the Center's programs and activities.

NOTE 4 SIGNIFICANT CONCENTRATION OF CREDIT RISK

The Marshall County Senior Citizen's Center, Inc. maintains deposit accounts in two commercial banks. The deposit accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2013 deposits in these accounts did not exceed the \$250,000 limit.

NOTE 5 LEASES

The Center is the lessor of space classified as an operating lease. The lease is renewable annually. The leased space is a small portion of the Center's overall facilities.

The Center is the lease of space on a month to month basis to conduct its bingo and raffle fundraising activities. Rent expense paid for the rental of the facility to conduct this special event activity totaled \$7,000 for the year ended September 30, 2013.

NOTE 6 DONATED SERVICES

The Center receives donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied under the FASB ASC *Accounting for Contributions Received and Contributions Made* topic.

NOTE 7 FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities by the Center have been summarized on a program basis in the statement of activities and are accounted for in greater detail in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

NOTE 8 SPECIAL EVENT FUNDRAISERS

The Center held various special event fundraising activities during the year ended September 30, 2013. Gross revenues and direct expenses related to those activities are as follows for the year ended September 30, 2013:

Fundraising revenue	\$ 57,611
Fundraising expenses	<u>(55,805)</u>
Net fundraising income	<u>\$ 1,806</u>

NOTE 9 SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur during the subsequent event period, which is the period subsequent to the date of the statement of financial position, but before financial statements are issued or are available to be issued. The Center has evaluated subsequent events through April 12, 2014, the date for which the financial statement were available to be issued and determined that no adjustments were necessary to the financial statements due to subsequent events.

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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***

April 12, 2014

Marshall County Senior Citizens Center, Inc.
805 Fifth Street
Moundsville, WV 26041

To the Board of Directors:

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 the Marshall County Senior Citizens Center, Inc. (the Center) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, 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 April 12, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the 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 the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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 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*.

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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

MARSHALL COUNTY SENIOR CITIZENS CENTER

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-01	Approval for Disbursement of Funds	Yes	N/A
2012-02	Segregation of Duties	Yes	N/A

Marshall County Senior Citizens Center
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grant I.D. Number	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through WV Bureau of Senior Services and Bel-O-Mar Regional Council Planning Commission:			
Title IIIB	93.044	21335	\$ 36,264
Title IIID	93.043	21335	2,528
Title IIIE	93.052	21335	<u>14,147</u>
Total United States Department of Health and Human Services			<u>52,939</u>
Total Expenditures of Federal Awards			<u><u>\$ 52,939</u></u>

The accompanying notes to this schedule are in integral part of this schedule.

MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Note 1 Basis of Presentation:

The accompanying Schedule of Expenditures of Federal is prepared on the cash basis of accounting.

Marshall County Senior Citizens Center
Schedule of Expenditures of State and Other Awards
For the Fiscal Year Ended September 30, 2013

State Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Grant I.D. Number	Total State Expenditures
STATE AWARDS		
DIRECT PROGRAMS:		
In Home Services	21249	\$ 21,943
In Home Services	21349	<u>205,778</u>
Total In Home Services		227,721
Community Partnership Grants	SC21357	<u>4,540</u>
Total Direct Programs		<u>232,261</u>
PASS THROUGH AWARDS:		
WV Bureau of Senior Services passed through Bel-O-Mar Regional Council Planning Commission:		
Title IIIB Services	21335	36,811
Title IIID Services	21335	468
Life	21302	171,699
Life	21402	<u>46,464</u>
Total Life		218,163
Other State Income	Various	<u>40,098</u>
Total Pass Through Awards		<u>295,540</u>
Total State Awards		<u>\$ 527,801</u>

The accompanying notes to this schedule are in integral part of this schedule.

**MARSHALL COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO THE SCHEDULE OF STATE AND OTHER AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Note 1 Basis of Presentation:

The accompanying Schedule of Expenditures of State and Other Awards are prepared on the cash basis of accounting.