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

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2011
WITH INDEPENDENT AUDITORS' REPORTS**

bhs

Circleville

Ironton

Piketon

Wheelersburg

Worthington

**CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
 FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
 YEAR ENDED SEPTEMBER 30, 2011**

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Independent Auditor's Report

Members of the Board
Cabell County Community Services Organization, Inc.
724 10th Avenue
Huntington, West Virginia 25701

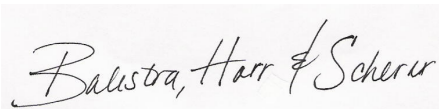
We have audited the accompanying statement of financial position of Cabell County Community Services Organization, Inc., (a nonprofit organization) as of September 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility 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 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 Cabell County Community Services Organization, Inc. as of September 30, 2011, 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 March 20, 2012, on our consideration of Cabell County Community Service 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 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* and should be considered in assessing the results of our audit.

We conducted our audit to opine on the financial statements of Cabell County Community Service Organization, Inc. taken as a whole. The accompanying schedules of support and revenue, expenses and changes in net assets; grant support, revenue and expenses compared to grant budgets (non-GAAP basis); and expenditures of federal and state awards provide additional analysis and are not a required part of the financial statements. The accompanying schedules of support and revenue, expenses and changes in net assets; grant support, revenue and expenses compared to grant budgets (non-GAAP basis); and expenditures of federal and state awards are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to the prepare the financial statements. These schedules were subject to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole, except as described in Note 20 to the financial statements.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

March 20, 2012

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	185,045
Contributions Receivable	72,160
Grants Receivable	28,715
Other Receivables	266,846
Prepaid Expenses	44,052
Inventory	9,778
TOTAL CURRENT ASSETS	606,596
INVESTMENTS	10,222
PROPERTY AND EQUIPMENT	2,190,014
OTHER ASSETS	
Deposits	1,830
TOTAL OTHER ASSETS	1,830
TOTAL ASSETS	\$ 2,808,662
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	43,992
Accrued Annual Leave	12,994
Accrued Payroll	64,672
Payroll Taxes Withheld and Accrued	9,284
Current Portion of Notes Payable	4,174
Deferred Revenue	51,296
TOTAL CURRENT LIABILITIES	186,412
LONG-TERM LIABILITIES	
Notes Payable, Less Current Portion Included Above	386,155
TOTAL LONG-TERM LIABILITIES	386,155
TOTAL LIABILITIES	572,567
NET ASSETS	
Unrestricted:	
Operations	323,154
Investment in Property and Equipment	1,799,685
Temporarily Restricted	113,256
TOTAL NET ASSETS	2,236,095
TOTAL LIABILITIES AND NET ASSETS	\$ 2,808,662

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2011

UNRESTRICTED NET ASSETS	
SUPPORT AND REVENUE	
Grants:	
State/Pass-Through	\$ 1,180,511
In-Kind Matching	70,441
USDA Food Reimbursements	65,715
Program Income	1,217,415
Contributions	165,605
Interest	943
Miscellaneous Income	7,194
	2,707,824
TOTAL UNRESTRICTED SUPPORT AND REVENUE	2,707,824
NET ASSETS RELEASED FROM RESTRICTIONS:	
Satisfaction of Purpose Restriction	56,409
	56,409
TOTAL UNRESTRICTED SUPPORT AND REVENUE AND RECLASSIFICATIONS	2,764,233
EXPENSES	
PROGRAM SERVICES	
Title IIIB - Senior Citizens	160,108
Title IIIC - Nutrition	484,779
Title IIID - Disease Prevention and Health Promotion	8,162
Title IIID - Medication Management	2,285
Title IIIE - Caregiver	80,481
Elder Abuse	1,734
Health Benefits/SHIP	14,372
LIFE	184,876
Lighthouse In Home Services	257,135
Veterans Administration	82,662
Medicaid	296,350
Medicaid Waiver	454,556
Other Programs	340,397
	2,367,897
TOTAL PROGRAM SERVICES	2,367,897
SUPPORT SERVICES	
Management and General	298,049
	298,049
TOTAL EXPENSES	2,665,946
CHANGE IN UNRESTRICTED NET ASSETS	98,287
TEMPORARILY RESTRICTED NET ASSETS	
Contributions	65,111
Net Assets Released From Restrictions	(56,409)
	8,702
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	8,702
CHANGE IN NET ASSETS	106,989
NET ASSETS, BEGINNING OF YEAR	2,129,106
NET ASSETS, END OF YEAR	\$ 2,236,095

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 106,989
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	106,022
Unrealized (Gain) on Investments	(500)
(Increase) Decrease in Operating Assets:	
Contributions Receivable	(4,660)
Grants Receivable	(1,013)
Other Receivables	(38,704)
Prepaid Expenses	(6,772)
Inventory	(736)
Deposits	926
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(35,188)
Accrued Annual Leave	993
Accrued Payroll	(6,223)
Payroll Taxes Withheld and Accrued	(30)
Deferred Revenue	(4,659)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>116,445</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Property and Equipment	(201,857)
Sale of Investments	47
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(201,810)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on Notes Payable	(4,612)
NET CASH (USED IN) FINANCING ACTIVITIES	<u>(4,612)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(89,977)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>275,022</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 185,045</u>
SUUPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid During the Year for:	
Interest	<u>\$ 17,150</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 – 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 are 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 market.

PROPERTY AND EQUIPMENT – The Cabell County Community Services Organization, Inc. adopted a policy to capitalize all property and equipment over \$500. 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 source, 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.

REVENUE AND EXPENSE RECOGNITION – The financial statements have been prepared on the accrual basis of accounting. Grants restricted for specific purposes are reported as revenue when qualifying expenses have been incurred. Funds received in advance of incurring qualifying are recorded as deferred revenue. Revenue from fee for service contracts is recognized in the accompanying financial statements when the services have been provided.

DEFERRED REVENUE – Deferred revenue represents unexpended funds received as of September 30, 2011. Deferred revenue are funds owed to funding sources or are approved for use in ongoing or future programs.

EXPENSE ALLOCATION – The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

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.

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

INCOME TAXES – Cabell County Community Services Organization, Inc. is exempt from income taxes until Section 501(c)(3) of the Internal Revenue Code.

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

CONTRIBUTIONS – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions 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.

ADVERTISING COSTS – Advertising costs totaling \$11,615 for the fiscal year ending September 30, 2011 were charged to operations when incurred.

NOTE 2 – SUMMARY OF GRANT AGREEMENTS

The following summarizes grant awards which were active during the period October 1, 2010 through September 30, 2011:

<u>Description</u>	<u>Grant Period</u>	<u>Amount of Award</u>
Federal Assistance		
Department of Health and Human Services		
West Virginia State College, Metro Area Agency on Aging:		
Title IIIB – 21136	10/01/10 – 09/30/11	\$ 89,514
Title IIIC	10/01/10 – 09/30/11	195,192
Title IIID – 21136	10/01/10 – 09/30/11	9,326
Title IIIE – 21136	10/01/10 – 09/30/11	55,753
Elder Abuse – 21133	10/01/10 – 09/30/11	2,075
Nutrition Services Incentive Program	10/01/10 – 09/30/11	57,463
West Virginia Bureau of Senior Services:		
Health Benefits/SHIP – SH21146	04/01/10 – 03/31/11	8,725
Health Benefits/SHIP – 21271	04/01/11 – 03/31/12	7,000

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 2 – SUMMARY OF GRANT AGREEMENTS (CONTINUED)

State Assistance

West Virginia State College,

Metro Area Agency on Aging:

Title IIIB – 21136	10/01/10 – 09/30/11	\$ 84,421
Title IIIC	10/01/10 – 09/30/11	32,626
Title IIIC State Supplemental Nutrition	07/01/10 – 06/30/11	114,868
Title IIID – 21136	10/01/10 – 09/30/11	542
LIFE – 21103	07/01/10 – 06/30/11	224,641
LIFE – 21203	07/01/11 – 06/30/12	224,641
Data Entry – 21250	07/01/11 – 06/30/12	5,000
Alzheimer’s Respite – 21150	07/01/10 – 06/30/11	65,332
Alzheimer’s Respite – 21250	07/01/11 – 06/30/12	80,413
Lighthouse – 21150	07/01/10 – 06/30/11	314,974
Lighthouse – 21250	07/01/11 – 06/30/12	329,085

West Virginia Bureau of Senior Services:

Senior Grant – SC 21143	07/01/10 – 06/30/11	\$ 88,500
Community Partnership	07/01/11 – 06/30/12	\$ 78,500

NOTE 3 – INVESTMENTS

Investments as of September 30, 2011 were comprised of the following:

Mutual Funds	\$ 7,513
Common Stock	<u>2,709</u>
Total	\$ <u>10,222</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended September 30, 2011:

	<u>Unrestricted</u>
Interest and Dividends	\$ 38
Unrealized Gains	500
Investment Fees	<u>(85)</u>
Total	\$ <u>453</u>

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of September 30, 2011:

Construction in Progress	\$ 167,367
Land	187,446
Buildings	1,023,096
Improvements	1,126,563
Furniture, Fixtures and equipment	193,126
Vehicles	<u>228,583</u>
	2,926,181
Less: Accumulated Depreciation	<u>(736,167)</u>
Property and Equipment, Net	\$ <u>2,190,014</u>

Depreciation expense charged to operations amounted to \$106,022 in 2011.

NOTE 5 – PREPAID EXPENSES

On September 17, 2003, the Organization entered into a long-term parking lot lease agreement for a period of seven years beginning on the date that the Organization declares the Fairfield West Senior Center open for its intended purpose. As part of the lease, the Organization agreed to prepay the full lease cost of \$12,000. The Senior Center opened in October 2005, therefore the Organization has begun amortization of the prepaid lease cost over the period of the lease. As of September 30, 2011, the amount of the prepaid expense remaining was \$1,714. This amount is recorded as a current prepaid expense.

NOTE 6 – NOTES PAYABLE

Notes payable consisted of the following as of September 30, 2011:

\$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 \$532,103 at September 30, 2011, pledge of revenue, and all tangible items owned or hereafter acquired, due September, 2048.

Total	\$ 390,329
Less: Current Portion	<u>(4,174)</u>
Long-term Portion	<u>\$ 386,155</u>

Following are materials of notes payable at September 30, 2011 for each of the years and in aggregate:

<u>Years Ending September 30,</u>	<u>Amount</u>
2012	\$ 4,174
2013	4,361
2014	4,555
2015	4,759
2016	4,989
Thereafter	<u>367,491</u>
Total	\$ <u>390,329</u>

Interest expense for the year ended September 30, 2011 totaled \$17,150.

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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, 2011 was \$-0-. Interest expense for the year ended September 30, 2011 totaled \$-0-.

NOTE 8 – OPERATING LEASES

The Organization leases a facility to house a senior center as well as office space and equipment under operating leases expiring in various years through 2013.

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of September 30, 2011 for each of the next two years and in the aggregate are:

<u>Years Ending September 30,</u>		<u>Amount</u>
2012	\$	8,765
2013		<u>6,574</u>
Total Minimum Future Lease payments	\$	<u>15,339</u>

Rental expense totaled \$27,999 for the fiscal year ended September 30, 2011.

The operating lease for the senior center facility and office space provides for a renewal option for one year with the option to go on a monthly basis thereafter, at the same monthly rental of \$1,100. In the normal course of business, operating leases are generally renewed or replaced by other leases.

NOTE 9 – DEFERRED REVENUE

Deferred revenue, which consists of restricted funds received by Cabell County Community Services Organization, Inc. but not yet expended for qualifying expenses, is comprised of the following at September 30, 2011:

<u>Description</u>		<u>Amount</u>
Life	\$	49,020
AIDS Prevention		<u>2,276</u>
Total	\$	<u>51,296</u>

NOTE 10 – 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 salaries and wages.

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 11 – 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 amounts. 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 two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization has gross bank balances of \$290,652 at one of these financial institutions at September 30, 2011.

NOTE 12 – PENSION PLAN

The Organization sponsors a defined contribution plan. The Organization made \$29,593 in employer contributions to the plan for the fiscal year ended September 30, 2011.

NOTE 13 – 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.

Transactions between the parties were as follows for the year ended September 30, 2011:

Payments received from Eden Park, Inc. for contracted management fees	\$	9,361
Payments received from Eden Park, Inc. for reimbursement of salaries and benefits		<u>10,082</u>
Total	\$	<u>19,443</u>

NOTE 14 – DONATED SERVICES

During fiscal year ended September 30, 2011, the Organization received donated services from unpaid volunteers. As required by the grant contracts, such amounts have been recorded as revenue and expenses by the following programs in the accompanying financial statements:

<u>Program</u>		<u>Amount</u>
Title IIIB Senior Citizens	\$	15,787
Title IIIC Nutrition		34,425
Title IIID Disease Prevention and Health Promotion		1,255
Title IIID Medication Management		390
Title IIIE Caregiver		<u>18,584</u>
Total	\$	<u>70,441</u>

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 15 – CONTINGENCIES

The Organization's programs are generally funded by federal, state, and local sources. Federal and state grants received for specific purposes are subject to audit or 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, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, would be immaterial.

The Organization is a defendant in a lawsuit. In the opinion of the Organization's legal counsel, the possible outcome of this action and the potential financial exposure, if any, to the Organization cannot presently be determined.

NOTE 16 – FAIR VALUE MEASUREMENTS

The Organization determines the fair values of its financial instruments based on the fair value hierarchy established by the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. This standard specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Organization's market assumptions. The three levels of the fair value hierarchy based on these two types of inputs are as follows:

- Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities that the Organization has the ability to access at the measurement date.
- Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, 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.
- Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

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 a 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).

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 16 – FAIR VALUE MEASUREMENTS (CONTINUED)

The balances of financial assets, measured at fair value on a recurring basis as of September 30, 2011 are as follows:

<u>Description</u>	Fair Value Measurement as of September 30, 2011			
	Fair Value At September 30, 2011	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Mutual Funds	\$ 7,513	\$ 7,513	\$ -0-	\$ -0-
Common Stock	<u>2,709</u>	<u>2,709</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	\$ <u>10,222</u>	\$ <u>10,222</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

NOTE 17 – CONTRIBUTIONS RECEIVABLE

As of September 30, 2011, contributions receivable totaling \$72,160 are due in less than one year. No allowance is considered necessary as all amounts are considered collectible by management.

NOTE 18 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Facilities and Equipment	\$ 105,500
March for Meals	<u>7,756</u>
Total Temporarily Restricted Net Assets	\$ <u>113,256</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donor as follows:

Purpose Restriction Accomplished:	
Facilities and Equipment	\$ 54,664
March for Meals	<u>1,745</u>
Total Temporarily Restricted Net Assets	\$ <u>56,409</u>

NOTE 19 – SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2011 through March 20, 2012 (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.

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 20 – 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 18 through 20 are prepared on a basis which differs from the financial statements in the following areas:

- 1) With the exception of per diem reimbursement contracts, revenue is recognized at the time the grant is awarded as opposed to when qualifying expenses have been incurred.
- 2) Encumbrances are reported as expenditures in the year in which they are budgeted.
- 3) Purchase of property and equipment are expensed as opposed to being capitalized and depreciated over the estimated useful lives of the assets.

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2011

	Title IIIB Senior Citizens	Title IIIC Nutrition	Title IIID Disease Prevention and Health Promotion	Title IIID Medication Management
SUPPORT AND REVENUE				
Grant Revenue-State/Pass-Through	161,447	342,686	7,657	2,144
In-kind Matching	15,787	34,425	1,255	390
USDA Food Reimbursement	-	65,715	-	-
Program Income	2,395	63,955	-	-
Contributions	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous Income	-	-	-	-
TOTAL SUPPORT AND REVENUE	179,629	506,781	8,912	2,534
EXPENSES				
Salaries and Benefits	108,775	173,473	6,283	1,878
Travel and Training	2,450	1,359	-	17
Consumable Supplies	9	30,201	473	-
Buildings	3,149	7,135	-	-
Vehicles and Equipment	13,513	34,454	-	-
Insurance	3,386	2,840	-	-
Occupancy	-	13,200	-	-
Contractual and Consultants	287	1,943	-	-
Telephone and Utilities	11,403	37,078	-	-
Food	-	128,030	-	-
Other	1,349	6,007	151	-
Interest	-	-	-	-
Indirect Costs	19,102	31,549	964	260
Volunteer Labor - NonFunded	15,787	34,425	1,255	390
Depreciation	-	14,634	-	-
TOTAL EXPENSES	179,210	516,328	9,126	2,545
INCREASE (DECREASE) IN NET ASSETS	419	(9,547)	(214)	(11)
NET ASSETS - BEGINNING OF YEAR	(115,136)	(7,556)	(4,572)	(668)
NET ASSETS - END OF YEAR	(114,717)	(17,103)	(4,786)	(679)

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2011

	Title III Caregiver	Elder Abuse	Health Benefits/ SHIP	LIFE	Lighthouse In-Home Services
SUPPORT AND REVENUE					
Grant Revenue-State/Pass-Through	55,753	2,075	12,225	208,601	297,990
In-kind Matching	18,584	-	-	-	-
USDA Food Reimbursement	-	-	-	-	-
Program Income	12,211	-	-	-	-
Contributions	-	-	-	1,727	23,916
Interest Income	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
TOTAL SUPPORT AND REVENUE	86,548	2,075	12,225	210,328	321,906
EXPENSES					
Salaries and Benefits	55,899	1,734	14,215	157,964	247,191
Travel and Training	120	-	157	-	8,897
Consumable Supplies	347	-	-	-	382
Buildings	435	-	-	1,235	-
Vehicles and Equipment	1,078	-	-	12,768	-
Insurance	710	-	-	1,966	-
Occupancy	-	-	-	-	-
Contractual and Consultants	390	-	-	3,430	3
Telephone and Utilities	2,414	-	-	-	-
Food	-	-	-	-	-
Other	504	-	-	7,243	662
Interest	-	-	-	-	-
Indirect Costs	9,253	269	2,179	25,452	45,726
Volunteer Labor - NonFunded	18,584	-	-	-	-
Depreciation	-	-	-	270	-
TOTAL EXPENSES	89,734	2,003	16,551	210,328	302,861
INCREASE (DECREASE) IN NET ASSETS	(3,186)	72	(4,326)	-	19,045
NET ASSETS - BEGINNING OF YEAR	(38,777)	890	(2,034)	108,855	231,386
NET ASSETS - END OF YEAR	(41,963)	962	(6,360)	108,855	250,431

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2011

	Veterans Administration	Medicaid	Medicaid Waiver	Other Programs	Total
SUPPORT AND REVENUE					
Grant Revenue-State/Pass-Through	-	-	-	89,933	1,180,511
In-kind Matching	-	-	-	-	70,441
USDA Food Reimbursement	-	-	-	-	65,715
Program Income	152,509	343,534	591,501	51,310	1,217,415
Contributions	-	-	-	205,073	230,716
Interest Income	-	-	-	943	943
Miscellaneous Income	-	-	-	7,194	7,194
TOTAL SUPPORT AND REVENUE	152,509	343,534	591,501	354,453	2,772,935
EXPENSES					
Salaries and Benefits	78,621	276,387	434,337	119,316	1,676,073
Travel and Training	3,338	15,753	15,545	7,098	54,734
Consumable Supplies	135	531	664	4,617	37,359
Buildings	-	1	-	9,186	21,141
Vehicles and Equipment	-	94	-	18,581	80,488
Insurance	-	-	-	1,189	10,091
Occupancy	-	-	-	1,714	14,914
Contractual and Consultants	1	794	783	20,661	28,292
Telephone and Utilities	-	13	458	9,803	61,169
Food	-	-	-	7,439	135,469
Other	567	2,777	2,769	32,525	54,554
Interest	-	-	-	17,150	17,150
Indirect Costs	14,476	51,606	80,678	16,535	298,049
Volunteer Labor - NonFunded	-	-	-	-	70,441
Depreciation	-	-	-	91,118	106,022
TOTAL EXPENSES	97,138	347,956	535,234	356,932	2,665,946
INCREASE (DECREASE) IN NET ASSETS	55,371	(4,422)	56,267	(2,479)	106,989
NET ASSETS - BEGINNING OF YEAR	505,518	(586,974)	133,085	1,905,089	2,129,106
NET ASSETS - END OF YEAR	560,889	(591,396)	189,352	1,902,610	2,236,095

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 21036
GRANT PERIOD OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

	Budget	Actual			(Over) Under Budget
		IIIB	IIID	IIIE	
SUPPORT AND REVENUE					
Federal	\$ 154,593	\$ 89,514	\$ 9,326	\$ 55,753	\$ -
State	84,963	84,421	542		-
In-kind Matching	36,016	15,787	1,645	18,584	-
Program Income	4,500	2,395	-	12,234	(10,129)
Other	-	-	-	-	-
TOTAL SUPPORT AND REVENUE	<u>280,072</u>	<u>192,117</u>	<u>11,513</u>	<u>86,571</u>	<u>(10,129)</u>
EXPENSES					
Personnel	175,245	101,300	8,063	52,890	12,992
Travel	1,624	628	-	-	996
Printing and Supplies	1,509	440	595	699	(225)
Transportation	32,351	37,895	-	0	(5,544)
Building Space	1,088	3,269	-	0	(2,181)
Communication and Utilities	17,124	11,870	-	0	5,254
Other	6,158	1,035	28	1,029	4,066
Indirect Costs	8,957	5,010	1,109	1,135	1,703
TOTAL EXPENSES	<u>244,056</u>	<u>161,447</u>	<u>9,795</u>	<u>55,753</u>	<u>17,061</u>
GRANTEE'S SHARE	<u>36,016</u>	<u>15,787</u>	<u>1,645</u>	<u>18,584</u>	<u>-</u>
GRANT TOTAL	<u>\$ 280,072</u>	<u>177,234</u>	<u>11,440</u>	<u>74,337</u>	<u>\$ 17,061</u>
(DECREASE) INCREASE IN NET ASSETS		<u>14,883</u>	<u>73</u>	<u>12,234</u>	
NET ASSETS - SEPTEMBER 30, 2011		<u>\$ 14,883</u>	<u>\$ 73</u>	<u>\$ 12,234</u>	

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENSES
COMPARED TO GRANT BUDGET (NON-GAAP BASIS)
ELDER ABUSE - GRANT NUMBER 21133
GRANT PERIOD OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
SUPPORT AND REVENUE			
Federal	\$ 2,075	\$ 2,075	\$ -
TOTAL SUPPORT AND REVENUE	<u>2,075</u>	<u>2,075</u>	<u>-</u>
EXPENSES			
Personnel	1,797	1,713	84
Indirect Costs	<u>278</u>	<u>235</u>	<u>43</u>
TOTAL EXPENSES	<u><u>\$ 2,075</u></u>	<u>1,949</u>	<u>\$ 126</u>
(DECREASE) INCREASE IN NET ASSETS		<u>126</u>	
NET ASSETS - SEPTEMBER 30, 2011		<u><u>\$ 126</u></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 21103
GRANT PERIOD JULY 1, 2010 TO JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
SUPPORT AND REVENUE			
State/Pass-Through	\$ 224,641	\$ 208,601	\$ 16,040
TOTAL SUPPORT AND REVENUE	224,641	208,601	16,040
EXPENSES			
Personnel	121,935	122,007	(72)
Fringe Benefits	36,339	35,957	382
Printing and Supplies	40	33	7
Renovations and Construction	4,000	3,290	710
Building Space	3,156	1,235	1,921
Communication/Utilities	9,360	1,121	8,239
Other	23,266	20,627	2,639
Indirect Costs	26,545	24,331	2,214
TOTAL EXPENSES	\$ 224,641	208,601	\$ 16,040
(DECREASE) INCREASE IN NET ASSETS		-	
NET ASSETS - JUNE 30, 2011		\$ -	

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2011

Federal or State Grantor/Pass-through Grantor/ Program Title	Agency/ Pass-through Number	Program Period	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
FEDERAL AWARDS					
Department of Health and Human Services					
Pass-through West Virginia State College, Metro Area Agency on Aging:					
Title IIIB Senior Citizens	21136	10/01/10 - 9/30/11	\$ 89,514	\$ 77,026	\$ 77,026
Title IIIC Nutrition Services	N/A	10/01/10 - 9/30/11	195,192	195,192	195,192
Title IIID Disease Prevention and Health Promotion	21136	10/01/10 - 9/30/11	7,115	7,115	7,115
Title IIID Medication Management	21136	10/01/10 - 9/30/11	2,211	2,144	2,144
Title IIIE Caregiver	21136	10/01/10 - 9/30/11	55,753	55,753	55,753
Elder Abuse	21136	10/01/10 - 9/30/11	2,075	2,075	2,075
Nutrition Services Incentive Program	N/A	10/01/10 - 9/30/11	57,463	57,463	57,463
Pass-through West Virginia Bureau of Senior Services:					
Health Benefits/SHIP	SH21146	04/01/10 - 3/31/11	8,725	5,225	5,225
Health Benefits/SHIP	21271	04/01/11 - 3/31/12	7,000	7,000	7,000
Total Federal Awards				<u>408,993</u>	<u>408,993</u>
STATE AWARDS					
West Virginia State College, Metro Area Agency on Aging					
Title IIIB Senior Citizens	21136	10/01/10 - 9/30/11	84,421	84,421	84,421
Title IIIC Nutrition Services	N/A	10/01/10 - 9/30/11	32,626	32,626	32,626
Title IIIC State Supplemental Nutrition	N/A	7/01/10 - 6/30/11	114,868	114,868	114,868
Title IIID Disease Prevention and Health Promotion	21136	10/01/10 - 9/30/11	542	542	542
LIFE	21103	7/01/10 - 6/30/11	224,641	200,724	200,724
LIFE	21203	7/01/11 - 6/30/12	224,641	7,877	7,877
Data Entry	21250	7/01/11 - 6/30/12	5,000	-	-
Alzheimer's Respite	21150	7/01/10 - 6/30/11	65,332	36,901	36,901
Alzheimer's Respite	21250	7/01/11 - 6/30/12	80,413	26,666	26,666
Lighthouse	21150	7/01/10 - 6/30/11	314,974	289,304	289,304
Lighthouse	21250	7/01/11 - 6/30/12	329,085	8,686	8,686
West Virginia Bureau of Senior Services					
Senior Grant	SC21143	7/01/10 - 6/30/11	88500	26,366	26,366
Community Partnership	N/A	7/01/11 - 6/30/12	78500	-	-
Total State Awards				<u>828,981</u>	<u>828,981</u>
Total Federal and State Awards				<u>\$ 1,237,974</u>	<u>\$ 1,237,974</u>



Balestra, Harr & Scherer, CPAs, Inc.

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Members of the Board
Cabell County Community Services Organization, Inc.
724 10th Avenue
Huntington, West Virginia 25701

We have audited the financial statements of Cabell County Community Services Organization, Inc., (a non-profit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated March 20, 2012. 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 Cabell County Community Services Organization, Inc.'s internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cabell County Community Services Organization, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cabell County Community Services Organization, Inc.'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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. 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 Organization's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

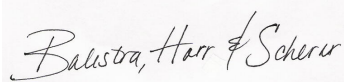
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cabell County Community Services Organizations, 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 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*.

Compliance and Other Matters (Continued)

We did not identify any matters not requiring inclusion in this report that we reported to the Organization's management in a separate letter dated March 20, 2012.

This report is intended solely for the information and use of management, the Board Members, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
March 20, 2012

CABELL COUNTY COMMUNITY SERVICES ORGANIZATION, INC.

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
10-1	Unallowable costs charged to the indirect cost pool	Yes	Corrected
10-2	Purchases did not adhere to purchasing policies and procedures	Partially Corrected	Reissued in Management Letter
10-3	Improper reconciliation of accounting records to supporting information	Partially Corrected	Reissued in Management Letter