

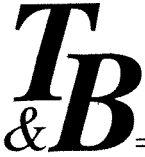
CALHOUN COUNTY COMMITTEE ON AGING, INC.

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

SEPTEMBER 30, 2008

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Calhoun County Committee on Aging, Inc.
Grantsville, West Virginia

We have audited the accompanying statement of financial position of Calhoun County Committee on Aging, Inc. (a nonprofit organization) as of September 30, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Calhoun County Committee on Aging, Inc. as of September 30, 2008, 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 June 4, 2009, on our consideration of Calhoun County Committee on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Calhoun County Committee on Aging, Inc. taken as a whole. The schedule of federal and state awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Patrick A. Bartlett, PLLC

June 4, 2009

CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008

ASSETS

Current Assets

| | |
|---------------------------------|----------------|
| Cash | \$ 49,584 |
| Grants and contracts receivable | 73,517 |
| Interest receivable | 895 |
| Prepaid expenses | 19,056 |
| Total current assets | <u>143,052</u> |

Property and Equipment

| | |
|----------------------------|----------------|
| Property and equipment | 1,412,445 |
| Accumulated depreciation | (479,015) |
| Net property and equipment | <u>933,430</u> |

Other Assets

| | |
|------------------------|----------------|
| Certificate of deposit | <u>105,339</u> |
|------------------------|----------------|

| | |
|---------------------|----------------------------|
| TOTAL ASSETS | \$ <u>1,181,821</u> |
|---------------------|----------------------------|

CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION (CONT'D)
SEPTEMBER 30, 2008

LIABILITIES AND NET ASSETS

Current Liabilities

| | | |
|----------------------------------|----|--------|
| Accounts payable | \$ | 27,647 |
| Accrued payroll | | 29,270 |
| Payroll taxes payable | | 1,246 |
| Deferred revenue - grants | | 9,272 |
| Accrued vacation | | 10,211 |
| Deferred revenues - other | | 7,313 |
| Current portion of lease payable | | 768 |
| Total current liabilities | | 85,727 |

Long-Term Liabilites

| | | |
|--|--|--------|
| Accrued vacation | | 10,210 |
| Lease payable (net of current portion) | | 2,688 |
| Total long-term liabilites | | 12,898 |

| | | |
|-------------------|--|--------|
| Total liabilities | | 98,625 |
|-------------------|--|--------|

| | | |
|-------------------------|--|-----------|
| Unrestricted net assets | | 1,083,196 |
|-------------------------|--|-----------|

| | | |
|---|-----------|------------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ | 1,181,821 |
|---|-----------|------------------|

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Unrestricted</u> | <u>Temporarily Unrestricted</u> | <u>Total</u> |
|---|---------------------|-------------------------------------|------------------|
| Support | | | |
| Medicaid | \$ 532,640 | \$ -0- | \$ 532,640 |
| NSIP | 12,383 | -0- | 12,383 |
| Title IIC | 28,541 | -0- | 28,541 |
| Supplement | 7,139 | -0- | 7,139 |
| Legislative digest | 59,474 | -0- | 59,474 |
| Nutrition enhancement - state | 13,896 | -0- | 13,896 |
| LIFE | 214,123 | -0- | 214,123 |
| Contributions and fundraising | 116,897 | -0- | 116,897 |
| Lighthouse | 80,828 | -0- | 80,828 |
| Respite program | 21,394 | -0- | 21,394 |
| Veterans | 27,874 | -0- | 27,874 |
| Title IIIB | -0- | 41,715 | 41,715 |
| Title IIID | -0- | 1,027 | 1,027 |
| Title IIIE | -0- | 5,737 | 5,737 |
| Food/fuel grant | 9,294 | -0- | 9,294 |
| Health benefits/SHIP | 5,000 | -0- | 5,000 |
| Other | 9,323 | -0- | 9,323 |
| Net assets released from donor restrictions | 48,479 | (48,479) | -0- |
| Total support | <u>1,187,285</u> | <u>-0-</u> | <u>1,187,285</u> |
| Revenues | | | |
| Program income | 34,037 | -0- | 34,037 |
| Interest income | 6,410 | -0- | 6,410 |
| Rent | 1,710 | - | 1,710 |
| Total revenues | <u>42,157</u> | <u>-0-</u> | <u>42,157</u> |
| | | | |
| Total support and revenues | <u>1,229,442</u> | <u>-0-</u> | <u>1,229,442</u> |

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | <u>Unrestricted</u> | <u>Temporarily Unrestricted</u> | <u>Total</u> |
|--|---------------------|-------------------------------------|---------------------|
| Expenses | | | |
| Program expense: | | | |
| Other programs | \$ 595,172 | \$ -0- | \$ 595,172 |
| Health benefits | 4,164 | -0- | 4,164 |
| LIFE | 214,123 | -0- | 214,123 |
| Lighthouse | 80,828 | -0- | 80,828 |
| Title III-B | 69,118 | -0- | 69,118 |
| Title III-D | 1,027 | -0- | 1,027 |
| Title III-E | 5,737 | -0- | 5,737 |
| Title III-C - congregate | 80,875 | -0- | 80,875 |
| Title III-C - home delivered | 45,462 | -0- | 45,462 |
| Management and general | 16,486 | -0- | 16,486 |
| Fundraising | 86,699 | -0- | 86,699 |
| Total expenses | <u>1,199,691</u> | <u>-0-</u> | <u>1,199,691</u> |
| Change in net assets | 29,751 | -0- | 29,751 |
| Beginning unrestricted net assets-restated | <u>1,053,445</u> | <u>-0-</u> | <u>1,053,445</u> |
| Ending unrestricted net assets | <u>\$ 1,083,196</u> | <u>\$ -0-</u> | <u>\$ 1,083,196</u> |

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

| | Program Services | | | | | | Title III-C | | Management and General | Fundraising | Totals | |
|------------------------------|-------------------|--------------------|-------------------|------------------|------------------|-----------------|---------------|------------------|------------------------------|------------------|------------------|---------------------|
| | Other Programs | Health Benefits | LIFE | Light- house | Title III-B | Title III-D | Title III-E | Congregate | | | | Home Delivered |
| Wages and taxes | \$ 404,149 | \$ 4,164 | \$ 167,639 | \$ 75,537 | \$ 27,863 | \$ 1,027 | \$ -0- | \$ 32,635 | \$ 24,082 | \$ 11,498 | \$ -0- | \$ 754,331 |
| Fringe benefits | 29,959 | -0- | 2,110 | -0- | 6,090 | -0- | -0- | 12,204 | 5,972 | -0- | -0- | 56,335 |
| Supplies | 37,823 | -0- | 1,897 | -0- | 79 | -0- | -0- | 608 | -0- | -0- | -0- | 40,407 |
| Repairs and maintenance | 7,249 | -0- | 6,724 | -0- | 747 | -0- | -0- | 2,307 | -0- | -0- | -0- | 17,027 |
| Communications and utilities | 13,130 | -0- | 4,741 | -0- | 6,732 | -0- | -0- | 4,745 | 3,248 | -0- | -0- | 32,596 |
| Other | 5,411 | -0- | 250 | -0- | 32 | -0- | -0- | 31 | -0- | -0- | -0- | 5,724 |
| Depreciation | 44,894 | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | 4,988 | -0- | 49,882 |
| Transportation | 21,877 | -0- | 2,811 | 5,291 | 27,575 | -0- | -0- | -0- | -0- | -0- | -0- | 57,554 |
| Professional services | 9,464 | -0- | 13,500 | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | 22,964 |
| Insurance | 12,994 | -0- | 6,584 | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | 19,578 |
| Trips and supplies | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | 86,699 | 86,699 |
| Taxes and licenses | 243 | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | 243 |
| Nutrition supplies | 3,624 | -0- | -0- | -0- | -0- | -0- | -0- | 28,265 | 12,160 | -0- | -0- | 44,049 |
| Rent | 1,765 | -0- | 5,172 | -0- | -0- | -0- | -0- | 80 | -0- | -0- | -0- | 7,017 |
| Dues and subscriptions | 2,590 | -0- | 2,695 | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | 5,285 |
| | <u>\$ 595,172</u> | <u>\$ 4,164</u> | <u>\$ 214,123</u> | <u>\$ 80,828</u> | <u>\$ 69,118</u> | <u>\$ 1,027</u> | <u>\$ -0-</u> | <u>\$ 80,875</u> | <u>\$ 45,462</u> | <u>\$ 16,486</u> | <u>\$ 86,699</u> | <u>\$ 1,199,691</u> |

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Cash Flows From Operating Activities

| | |
|---|----------------|
| Change in net assets | \$ 29,751 |
| Adjustments to reconcile change in | |
| Net assets to net cash provided by operating activities | |
| Depreciation | 49,882 |
| (Increase) decrease in: | |
| Grants and contracts receivable | 2,361 |
| Interest receivable | (895) |
| Prepaid expenses and deposits | (1,267) |
| Increase (decrease) in: | |
| Accounts payable | 16,794 |
| Accrued payroll | 4,628 |
| Accrued vacation | (2,645) |
| Payroll taxes payable | 1,246 |
| Deferred revenue grants | 9,272 |
| Net cash provided by operating activities | <u>109,127</u> |

Cash Flows From Investing Activities

| | |
|---------------------------------------|-----------------|
| Increase in certificates of deposit | (5,321) |
| Acquisition of property and equipment | <u>(82,345)</u> |
| Net cash used by investing activities | <u>(87,666)</u> |

Cash Flows From Financing Activities

| | |
|---|--------------|
| Advance on lease | 3,840 |
| Lease payments | (384) |
| Net cash provided by financing activities | <u>3,456</u> |

| | |
|----------------------------|------------------|
| Net increase in cash | 24,917 |
| Cash - beginning of period | <u>24,667</u> |
| Cash - end of period | <u>\$ 49,584</u> |

Supplementary Information

| | |
|-----------------------|-------------------|
| In kind contributions | \$ <u>8,288</u> |
| In kind services | <u>\$ (8,288)</u> |

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Note 1 Description of Entity, Financial Statement Presentation and Summary of Significant Accounting Policies

Description of Entity

The Calhoun County Committee on Aging, Inc. is a non-profit corporation located in Grantsville, West Virginia. The Organization's operations consist of a variety of social services for the elderly of Calhoun County. The Organization is funded by various federal and state grants and from funds obtained through local fund raising projects.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standard No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116). The Organization has also adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization 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. In addition, the Organization is required to present a statement of cash flows. There are no permanently restricted assets as of September 30, 2008.

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions would be reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets would be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Summary of Significant Accounting Policies

Basis of Accounting and Reporting

Calhoun County Committee on Aging, Inc. uses the cash basis of accounting throughout the program year but prepares its annual financial statements on the accrual basis.

Cash

Cash is on deposit with institutions which are insured by the F.D.I.C. During the fiscal year ended September 30, 2008, the Organization had various amounts in excess of F.D.I.C. coverage throughout the year. This represents a risk for potential loss.

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

For the purpose of the statement of cash flows, the Organization considers both restricted and unrestricted cash as well as certificates of deposit with original maturity of three months or less to be cash and cash equivalents.

Cash and equivalents consist of the following:

| | | |
|-------------------|--|-----------|
| Unrestricted cash | | \$ 49,584 |
| Total cash | | \$ 49,584 |

Other long-term assets consist of the following:

| | Amount | Maturity Date |
|------------------------|------------|------------------|
| Certificate of Deposit | \$ 105,339 | 10/31/10 |

Inventories

The Organization does not maintain an inventory. Supplies are purchased on an as needed basis.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; all fixed assets are capitalized with an original cost of \$500 or more.

Revenue Recognition

Unconditional grants and promises to give are recorded when the grant or promise is made. Conditional grants and promises to give are recorded when the related condition is met. Project income is recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Accrued Annual Leave

Accrued compensated absences are included in these financial statements at the employees current hourly rate for September 30, 2008.

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Functional Expenses

The operating expenses of the Organization have been classified in the Statement of Functional Expenses on a direct basis whenever possible. Other expenses have been allocated based on personnel time worked, space utilized or some other rational allocation method.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received services that met this criteria during the year of \$8,288.

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.

Income Taxes

The Calhoun County Committee on Aging, Inc. is a not-for-profit organization and is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code of 1986. The Organization owed \$0 in unrelated business income taxes as of September 30, 2008.

Risks and Uncertainties

The majority of the funding for the operation of Calhoun County Committee on Aging, Inc. comes from Medicaid and the Northwestern Area Agency on Aging. A loss of or decrease in this funding could adversely affect the operation of the Organization.

Note 2 Property and Equipment

Property and equipment are recorded at cost if purchased or fair market value at the date of donation.

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

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Property and equipment consisted of the following at September 30, 2008:

| | |
|--------------------------------|-------------------|
| Land and land improvements | \$ 192,072 |
| Buildings and additions | 818,219 |
| Vehicles | 301,993 |
| Equipment and furniture | <u>100,161</u> |
| | 1,412,445 |
| Total property and equipment | |
| Less, accumulated depreciation | <u>(479,015)</u> |
| Net property and equipment | <u>\$ 933,430</u> |

Property and equipment are depreciated over their useful lives:

| | |
|-------------------------|--------------|
| Buildings and additions | 7 – 39 Years |
| Vehicles | 5 Years |
| Equipment and furniture | 5 – 7 Years |

Note 3 Concentration

The Organization receives a majority of its monies from third party reimbursements. Any loss or decrease in this funding could be detrimental to the Organization's ongoing activities.

Note 4 Advertising Costs

The Organization expenses advertising costs as they are incurred.

Note 5 Deposits and Prepaid Expenses

Deposits and prepaid expenses consist of the following at September 30, 2008:

| | |
|---------------------------|------------------|
| Prepaid service agreement | \$ 14,625 |
| Prepaid insurance | <u>4,431</u> |
| Total | <u>\$ 19,056</u> |

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

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Note 6 Retirement System

The Calhoun County Committee on Aging, Inc. is not a member of any retirement system.

Note 7 Subsequent Event

Subsequent to the end of the year, the Organization was required to sell back certain real estate to the Calhoun County Commission because it was not purchased in accordance with the WV State Code.

Note 8 Operating Leases

The Organization had the following leases during the year:

| <u>Description</u> | <u>Monthly Payment</u> | <u>Term (in years)</u> | <u>Expires</u> |
|--------------------|----------------------------|----------------------------|----------------|
| Copier | \$110.39 | 1 | 08/15/09 |
| Copier | \$271.00 | 4 | 08/01/09 |
| Telephones | \$225.79 | 3 | 10/09/08 |

Future payments are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-----------------|
| 2009 | \$ <u>4,421</u> |

Note 9 Capital Leases

During the year, the Organization entered into a capital lease for a copier. The lease requires sixty monthly payments of \$64 with a \$1 buyout at the end.

| <u>Beginning Balance</u> | <u>Advances</u> | <u>Payments</u> | <u>Balance 6/30/08</u> |
|------------------------------|-----------------|-----------------|----------------------------|
| \$ <u>-0-</u> | \$ <u>3,840</u> | \$ <u>384</u> | \$ <u>3,456</u> |

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Future payments are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-----------------|
| 2009 | \$ 768 |
| 2010 | 768 |
| 2011 | 768 |
| 2012 | 768 |
| 2013 | 384 |
| Total | \$ <u>3,456</u> |

Note 10 Prior Period Adjustment

| | |
|--------------------------------|---------------------|
| Beginning net assets | \$ 954,682 |
| Adjustments: | |
| Veterans receivable | 4,700 |
| Medicaid receivable | 37,479 |
| Prepaid insurance | 4,626 |
| Accrued vacation | (23,066) |
| Account payable | (7,271) |
| Professional services | 5,850 |
| Accounts payable | (3,582) |
| Fixed assets | 80,027 |
| Total adjustments | <u>98,763</u> |
| Beginning net assets- restated | \$ <u>1,053,445</u> |

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



**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Calhoun County Committee on Aging, Inc.
Grantsville, West Virginia

We have audited the financial statements of Calhoun County Committee on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2008, and have issued our report thereon dated June 4, 2009. 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 Calhoun County Committee on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing 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 Calhoun County Committee on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Calhoun County Committee on Aging, Inc.'s internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Calhoun County Committee on Aging, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is no more than a remote likelihood that a misstatement of Calhoun County Committee on Aging, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Marion County Senior Citizens, Inc.'s internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting.

08-1 Segregation of Duties

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

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

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

Effect: Because of the lack of segregated duties, internal control elements do not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: Responsibilities of approval, executing, recording and custody should be distributed among the accounting staff to the degree possible. However, we recognize that complete segregation of duties is not economically feasible.

Entity's Response: To the extent possible, the Organization has segregated its duties. Any further segregation of duties would not be economically feasible

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 08-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calhoun County Committee on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Calhoun County Committee on Aging, Inc.'s response to the finding identified in our audit is described above. We did not audit the Calhoun County Committee on Aging, Inc.'s response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors of the Calhoun County Committee on Aging, Inc., management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Tetrick + Bartlett, PLLC

June 4, 2009

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

| <u>Program Title</u> | <u>CFDA Number</u> | <u>Grant Number</u> | <u>Financial Awards Recognized</u> |
|---|------------------------|-------------------------|--|
| Grantor Agency | | | |
| Federal Awards | | | |
| U.S. Department of Health and Human Services | | | |
| Passed through the WV Bureau of Senior Services and Bel-O-Mar Regional Council: | | | |
| Health Benefits Counseling | 93.779 | SH2907 | \$ 5,000 |
| Title III-B - Special Progress for the Aging | 93.044 | T3 B/D/E 03-08 | 27,955 |
| Title III-D - Special Progress for the Aging | 93.043 | T3 B/D/E 03-08 | 967 |
| National Family Caregiver Support | 93.052 | T3 B/D/E 03-08 | 5,737 |
| Title IIIC - Nutrition Services | 93.045 | N/A | 25,662 |
| U.S. Department of Agriculture | | | |
| Nutritional Services Incentive | 10.570 | 2835A | <u>12,383</u> |
| TOTAL FEDERAL FUNDS | | | \$ <u><u>77,704</u></u> |

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

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

| Grantor Agency | <u>Program Title</u> | <u>CFDA Number</u> | <u>Grant Number</u> | <u>Financial Awards Recognized</u> |
|--|--------------------------------|------------------------|--|--|
| State Awards | | | | |
| WV Bureau of Senior Services through the Bel-O-Mar Regional Council: | | | | |
| | Title III-B - State | N/A | T3 B/D/E 03-08 | \$ 13,760 |
| | Title III-D - State | N/A | T3 B/D/E 03-08 | 60 |
| | LIFE | N/A | 03-08 03-09 | 215,817 |
| | Lighthouse In-Home Services | N/A | 5405-2008-0508-917-083 5409-2008-0508-096-083 | 80,828 |
| | Alzheimer's Respite | N/A | 5405-643 | 21,394 |
| | Fuel Grant | N/A | 2874 | 9,294 |
| | Title IIIC - State | N/A | N/A | 2,879 |
| | State Nutrition Supplement | N/A | 2827A & 2927A | 7,139 |
| | Nutrition Enhancement | N/A | 2845A | 13,896 |
| | Home Care Services | N/A | N/A | 4,592 |
| | Elder Abuse | N/A | N/A | 218 |
| | Legislative Digest | N/A | SC2803, HC2810, SC2724 | <u>59,474</u> |
| | | | TOTAL STATE FUNDS | \$ <u>429,351</u> |

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

CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO THE SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Note 1 Basis of Presentation:

The accompanying Schedule of Federal and State Funds is prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements.