

**The Committee for Hancock County  
Senior Citizens, Inc.**

**New Cumberland, West Virginia**

**Financial Statements**

**September 30, 2009 and 2008**

**The Committee for Hancock County  
Senior Citizens, Inc.  
SEPTEMBER 30, 2009**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
The Committee for Hancock County Senior Citizens, Inc.

We have audited the accompanying statement of financial position of The Committee for Hancock County Senior Citizens, Inc. (a non-profit organization) as of September 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years 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 audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 The Committee for Hancock County Senior Citizens, Inc. as of September 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated February 12, 2010, on our consideration of The Committee for Hancock County Senior Citizens, Inc.'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 or internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*S. R. Smolgrass, A.C.*

Steubenville, Ohio  
February 12, 2010

**The Committee for Hancock County Senior Citizens, Inc.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b><u>CURRENT ASSETS</u></b>		
Cash in Bank	\$165,022	\$168,595
Certificate of Deposit	73,747	70,875
Accounts Receivable	72,066	18,398
Prepaid Expenses	<u>6,628</u>	<u>4,127</u>
Total current assets	<u>\$317,463</u>	<u>\$261,995</u>
<b><u>BUILDING, VEHICLES AND EQUIPMENT</u></b>		
Building	325,155	325,155
Equipment	14,158	14,158
Vehicle	45,170	45,170
Accumulated Depreciation	<u>(38,409)</u>	<u>(24,347)</u>
Total building, vehicles and equipment	<u>346,074</u>	<u>360,136</u>
 Total assets	 <u>\$663,537</u>	 <u>\$622,131</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accrued Wages	21,832	-
Accrued Payroll Taxes	<u>6,088</u>	<u>2,921</u>
Total current liabilities	<u>27,920</u>	<u>2,921</u>
<b><u>NET ASSETS</u></b>		
Unrestricted net assets	<u>635,617</u>	<u>619,210</u>
 Total liabilities and net assets	 <u>\$663,537</u>	 <u>\$622,131</u>

The accompanying notes are an integral part of these financial statements.

**The Committee for Hancock County Senior Citizens, Inc.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b><u>REVENUES, GAINS, AND OTHER SUPPORT</u></b>		
Federal grants	\$ 67,352	\$ 56,175
State grants	252,182	227,203
Local grants	15,665	-
Medicaid	32,369	41,507
Chores/Respite	174,859	205,942
In-Home Transportation	31,737	-
Project income	10,284	8,105
Bingo	114,957	120,950
Raffle	120,873	175,682
Trip Revenue	25,046	44,902
Interest	8,501	5,262
Miscellaneous	<u>25,383</u>	<u>22,726</u>
Total Revenues and Other Support	<u>879,208</u>	<u>908,454</u>
<b><u>EXPENSES</u></b>		
Title-III B	49,455	104,158
Title-III D	3,900	1,541
Title III E	14,617	9,293
Federal Shine	-	750
State Life	174,866	186,506
Hancock County Commissioners	526	3,773
Medicaid	39,616	35,824
In-Home Transportation	23,153	-
Soup and Salad	3,726	583
SHIP	1,566	-
Chores/Respite	229,039	124,197
Trip Expense	16,759	46,477
Bingo	120,619	121,434
Raffle	132,281	169,852
General fund	<u>52,678</u>	<u>37,131</u>
Total Expenses	<u>862,801</u>	<u>841,519</u>
<b>Changes in Net Assets</b>	<u>16,407</u>	<u>66,935</u>
Unrestricted Net Assets – Beginning of Year	619,210	547,203
Prior Period Adjustments	<u>-</u>	<u>5,072</u>
Unrestricted Net Assets – Beginning of Year (as restated)	<u>-</u>	<u>552,275</u>
Unrestricted Net Assets – End of Year	<u>\$635,617</u>	<u>\$619,210</u>

The accompanying notes are an integral part of these financial statements.

**The Committee for Hancock County Senior Citizens, Inc.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>Title-IIIB</u>	<u>Title-IIID</u>	<u>Title-IIIE</u>	<u>State Life</u>	<u>Hancock County Commissioners</u>	<u>Medicaid</u>	<u>In-Home Transportation</u>	<u>Soup and Salad</u>
Salaries	\$28,755	\$3,433	\$ 6,571	\$115,018	\$ -	\$26,337	\$ 9,873	\$ -
Payroll taxes	3,439	367	1,771	20,966	-	140	1,005	-
Printing and supplies	6,176	-	289	8,646	-	3,140	-	-
Building/equipment	2,165	-	-	5,785	-	5,468	-	274
Communications and utilities	947	-	283	508	-	402	-	-
Insurance	249	-	4,330	13,485	-	-	241	-
Vehicle maintenance	3,602	-	-	9,169	-	-	12,034	-
Travel	2,117	100	1,373	346	106	170	-	-
Rent	-	-	-	-	-	-	-	-
License	-	-	-	-	-	-	-	-
Professional services	2,000	-	-	-	-	1,500	-	-
Bingo payouts	-	-	-	-	-	-	-	-
Raffle payouts	-	-	-	-	-	-	-	-
Bingo coverall expenses	-	-	-	-	-	-	-	-
Trip expense	-	-	-	-	-	-	-	-
Miscellaneous	5	-	-	943	420	2,459	-	3,452
Depreciation	-	-	-	-	-	-	-	-
Total Expenses	<u>\$49,455</u>	<u>\$3,900</u>	<u>\$14,617</u>	<u>\$174,866</u>	<u>\$526</u>	<u>\$39,616</u>	<u>\$23,153</u>	<u>\$3,726</u>

The accompanying notes are an integral part of these financial statements.

**The Committee for Hancock County Senior Citizens, Inc.**  
**STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

							For the Year Ended September 30,	
	<u>SHIP</u>	<u>Chores/ Respite</u>	<u>Trip Expense</u>	<u>Bingo</u>	<u>Raffle</u>	<u>General Fund</u>	<u>2009 Total</u>	<u>2008 Total</u>
Salaries	\$ -	\$191,496	\$ 960	\$ 4,350	\$ -	\$21,832	\$408,625	\$351,682
Payroll taxes	554	21,669	-	381	-	14,588	64,880	35,515
Printing and supplies	-	3,331	-	1,993	10,777	415	34,767	15,157
Building/equipment	-	-	-	-	-	-	13,692	2,425
Communications and utilities	-	288	-	-	-	-	2,428	657
Insurance	-	-	-	-	-	724	19,029	23,098
Vehicle maintenance	-	26	-	-	-	-	24,831	25,132
Travel	-	11,006	-	-	-	-	15,218	16,139
Rent	-	-	-	1,150	1,150	-	2,300	2,450
License	-	-	-	-	-	-	-	565
Professional services	-	-	-	-	-	-	3,500	1,500
Bingo payouts	-	-	-	86,602	-	-	86,602	92,154
Raffle payouts	-	-	-	-	106,953	-	106,953	129,404
Bingo coverall expenses	-	-	-	26,001	-	-	26,001	29,051
Trip expense	-	-	15,799	-	-	-	15,799	46,477
Miscellaneous	1,012	1,223	-	142	13,401	1,057	24,114	56,347
Depreciations	-	-	-	-	-	14,062	14,062	13,766
Total Expenses	<u>\$1,566</u>	<u>\$229,039</u>	<u>\$16,759</u>	<u>\$120,619</u>	<u>\$132,281</u>	<u>\$52,678</u>	<u>\$862,801</u>	<u>\$841,519</u>

The accompanying notes are an integral part of these financial statements.

**The Committee for Hancock County Senior Citizens, Inc.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 16,407	\$ 66,935
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation	14,062	13,766
Increase in payable liabilities	3,167	2,921
Increase in accrued wages	21,832	-
Accumulated depreciation overstated, net	-	(4,942)
Increase in prepaids	(2,501)	(4,127)
Increase in accounts receivable	<u>(53,668)</u>	<u>(18,393)</u>
Net cash provided by operating activities	<u>(701)</u>	<u>56,160</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	<u>-</u>	<u>(15,245)</u>
Net cash (used in) investing activities	<u>-</u>	<u>(15,245)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(701)</u>	<u>40,915</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR</b>	<u>239,470</u>	<u>198,555</u>
<b>CASH AND CASH EQUIVALENTS – END OF THE YEAR</b>	<u>\$238,769</u>	<u>\$239,470</u>

The accompanying notes are an integral part of these financial statements.

**The Committee for Hancock County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

**NOTE 1 – NATURE OF ACTIVITIES**

The Hancock County Senior Center became a reality in part due to legislation known as The Older Americans Act of 1965. The purpose of the Organization is to provide a voluntary organization of representatives of the general public, business, labor, senior citizens, youth, public and private agencies, and community organizations to provide, supervise, and administer a comprehensive program for the welfare of senior citizens.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Committee uses the full accrual system of accounting. Costs are accrued when incurred without regard to when those costs are paid. Revenue is recognized when earned without regard to when it is received.

**Fixed Assets**

Fixed assets over \$1,000 are capitalized at cost in the period acquired and depreciated over their estimated useful lives as required by accounting principles generally accepted in the United States of America.

**Income Taxes**

The Committee is a non-profit organization, and accordingly, is exempt from all income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 3 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 4 – FUNDING SOURCES**

The Committee receives funds through various Federal and State grants and on-going funds are provided in cash as matching funds.

**The Committee for Hancock County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

**NOTE 5 – IN-KIND REVENUES AND EXPENDITURES**

The Committee utilizes office space and utilities provided by Hancock County at no charge. The value of these services approximately \$120,205 and is not reflected in the accompanying financial statements.

**NOTE 6 – RETIREMENT PLAN**

As of September 30, 2009 and 2008 the Committee does not fund a retirement plan for its employees.

**NOTE 7 – CASH AND CASH EQUIVALENTS**

The Committee considers all highly liquid financial instruments with maturities of three months or less to be cash equivalents.

**NOTE 8 – SIGNIFICANT CONCENTRATION OF CREDIT RISK**

	<u>September 30, 2009</u>	
	<u>Book</u>	<u>Bank</u>
	<u>Balance</u>	<u>Balance</u>
Hancock County Savings Bank		
Operating – Now Account	\$ 20,816	\$ 25,513
Certificate of Deposit	<u>73,747</u>	<u>73,539</u>
Bank subtotal	<u>94,563</u>	<u>99,052</u>
1 <sup>st</sup> National Community Bank		
Regular Checking – Trip Account	<u>\$ 17,935</u>	<u>\$ 19,135</u>
Huntington National Bank		
Business Economy Checking – In Home Medicaid	<u>\$ 58,778</u>	<u>\$ 60,257</u>
First Choice America Community Federal Credit Union		
Raffle Account	\$ 31,540	\$ 32,028
Bingo Account	3,537	3,636
Savings Account	<u>32,316</u>	<u>32,316</u>
Bank subtotal	<u>67,393</u>	<u>67,980</u>
Petty Cash	<u>100</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$238,769</u>	<u>\$246,424</u>

As of September 30, 2009, none of the Committee's deposits were over the maximum set by FDIC insurance.

**The Committee for Hancock County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

**NOTE 9 – CONTINGENCIES**

The Committee receives support from federal, state, and local government agencies. Any significant reduction in the level of support from federal, state, and local government agencies could have a material effect on the Committee’s programs and activities.

**NOTE 10 – LAND, BUILDING AND EQUIPMENT**

Land, building and equipment are comprised of the following at September 30,

	<u>2009</u>	<u>2008</u>
Vehicles	\$ 45,170	\$ 45,170
Building and building improvements	325,155	325,155
Equipment	<u>14,158</u>	<u>14,158</u>
Subtotal	384,483	384,483
Less: accumulated depreciation	<u>(38,409)</u>	<u>(24,347)</u>
Land, building, and equipment, net	<u>\$346,074</u>	<u>\$360,136</u>

Depreciation of \$14,062 and \$13,766 respectively have been recorded for the years ended September 30, 2009 and 2008.

**NOTE 11 – PRIOR PERIOD ADJUSTMENTS**

Hancock County Senior Citizen’s financial statements as of September 30, 2007 contained the following errors: Accumulated depreciation was over stated by \$5,072 as restated below. Fund balances for October 1, 2007 have been increased by \$5,072.

Balance sheet shows accumulated depreciation	\$20,590
Agency books recorded accumulated depreciation	<u>4,937</u>
Difference	<u>\$15,653</u>

Prior year accumulated depreciation as corrected was:	<u>10,581</u>
Prior Year Adjustment	<u>\$ 5,072</u>

Fund balance at September 30, 2007	\$547,203
Prior period adjustments	<u>5,072</u>
Fund balance at September 30, 2007 (as restated)	<u>\$552,275</u>

**NOTE 12 – CONCENTRATION OF INCOME SOURCES**

For year-ending September 30, 2009, the Organization received approximately 27% of its total revenue from fund-raising. The Bingo fund-raising program provided approximately 13% of total revenue and the Raffle fund-raising program provided approximately 14% of total revenue. During January 2010, the Board voted to suspend the Bingo and Raffle fund-raising programs due to the decrease in support and pending a review of the program-as a whole.

During 2008, the Organization received approximately 33% of its total revenue from fund-raising. The Bingo fund-raising program provided approximately 13% of total revenue and the Raffle fund-raising program provided approximately 20% of total revenue.

**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***

Board of Directors  
The Committee for Hancock County Senior Citizens, Inc.

We have audited the financial statements of The Committee for Hancock County Senior Citizens, Inc. "The Committee" (a nonprofit organization) as of and for the year ended September 30, 2009 and 2008, and have issued our report thereon dated February 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Committee for Hancock County Senior Citizens, 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 The Committee for Hancock County Senior Citizens, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

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 the organization's internal control.

Our consideration of 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 internal control that might be 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Committee for Hancock County Senior Citizens, Inc.'s financial statements are free of material misstatements, 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 statements 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*.

We noted certain matters that we reported to management in a separate letter dated February 12, 2010.

This report is intended solely for the information and use of management, the audit committee, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*S. R. Smolgrass, A.C.*

Steubenville, Ohio  
February 12, 2010

**INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION**

Board of Directors  
The Committee for Hancock County Senior Citizens, Inc.

Our report on our audits of the basic financial statements of The Committee for Hancock County Senior Citizens, Inc. for the fiscal year ended September 30, 2009 and 2008 appears on page 2. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The attached schedule of federal, state, and local awards and the Bingo and Raffle reports for the calendar year ended December 31, 2009 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*S. R. Smolgrass, A.C.*

Steubenville, Ohio  
February 12, 2010

**The Committee for Hancock Senior Citizens, Inc.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>Federal Department</u> <u>Program Title/Pass-Through Agency</u>	<u>Federal</u> <u>CFDA#</u>	<u>Program</u> <u>Period</u>	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES/</b>			
Medicaid	93.778	10/01/08 to 09/30/09	\$ 39,616
<i><u>Passed Through Northwestern Area Agency</u></i> <i><u>On Aging/</u></i>			
Title IIIB – Supportive Services	93.044	10/01/08 to 09/30/09	39,093
Title IIID – Disease Prevention/Health Services	93.043	10/01/08 to 09/30/09	2,037
Title IIIE – National Family Caregiver Support	93.052	10/01/08 to 09/30/09	<u>12,292</u>
			<u>53,422</u>
Total Federal Expenditures			<u>93,038</u>
<b>WEST VIRGINIA BUREAU OF SENIOR SERVICES/</b>			
<i><u>Passed Through Northwestern Area Agency</u></i> <i><u>On Aging/</u></i>			
Lighthouse	N/A		104,708
Fair	N/A		50,419
Title IIIB – Supportive Services	N/A	10/01/08 to 09/30/09	10,326
Title IIID – Disease Prevention/Health Services	N/A	10/01/08 to 09/30/09	1,863
Title IIIE – National Family Caregiver Support	N/A		2,325
L.I.F.E. Program	N/A	07/01/08 to 06/30/09	174,866
In-Home Transportation	N/A		<u>23,153</u>
			<u>367,660</u>
Total State Expenditures			<u>367,660</u>
Total Federal and State Expenditures			<u>\$460,698</u>

**The Committee for Hancock County Senior Citizens, Inc.**  
**STATUS OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS**  
**SEPTEMBER 30, 2009**

There are no prior year findings.