

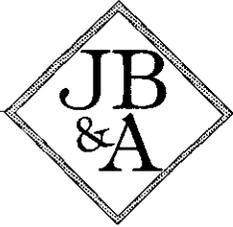
**WAYNE COUNTY COMMUNITY SERVICES  
ORGANIZATION, INC.**

**INDEPENDENT AUDITORS' REPORT AND  
RELATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2011**

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
Statement of Financial Position	3
Statement of Activities	4
Schedule of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-14
Schedule of Expenditures of Federal Awards	15
<b>SUPPLEMENTAL INFORMATION</b>	
<b>INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION</b>	16
Schedule of Revenues and Support	17-18
Schedule of Expenditures of State Awards	19
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	20-21
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133</b>	22-23
Schedule of Findings and Questioned Costs	24



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 418 • BUCKHANNON, WV 26201 • (304) 472-3600 • FAX (304) 472-3601

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Wayne County Community Services Organization, Inc.  
Huntington, West Virginia

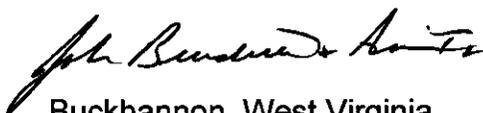
We have audited the accompanying statements of financial position of Wayne County Community Services Organization, Inc. (a nonprofit organization) as of September 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements 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 Wayne 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 a report dated June 13, 2012, on our consideration of Wayne County Community Services Organization, 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 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 read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Wayne County Community Services Organization, Inc. taken as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U. S. Office Management and Budget Circular A-133, Audits of State, Local Government, and Non-Profit Organizations, and West Virginia Department of Health and Human Services, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Buckhannon, West Virginia  
June 13, 2012

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

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 69,782
Accounts receivable, net	242,783
Grants receivable	106,625
Prepaid expense	<u>9,228</u>

Total current assets 428,418

**Property and Equipment, net** 1,709,386

**TOTAL ASSETS** \$ 2,137,804

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Current portion of long-term debt	\$ 49,095
Note payable	247,500
Accounts payable	155,626
Accrued payroll and taxes	109,312
Accrued annual leave	31,377
Other liabilities	<u>22,000</u>

Total current liabilities 614,910

**Long-Term Debt** 1,538,614

**Net Assets**

Unrestricted	(15,720)
Temporarily restricted	<u>                    </u>
Total net assets (deficit)	<u>(15,720)</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 2,137,804

The accompanying notes are an integral part of this statement.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Federal grant awards	\$ 802,934	\$	\$ 802,934
State grant	800,678		800,678
Donations and match	44,233		44,233
Contractual revenues	3,199,237		3,199,237
Project income	84,816		84,816
Rent	30,540		30,540
Other income	51,856		51,856
Net assets released from restrictions: Restrictions satisfied with lapse of time	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Revenue and Support</b>	<u>5,014,294</u>	<u>                    </u>	<u>5,014,294</u>
<b>EXPENSES</b>			
Program Services			
Title III-B	104,642		104,642
Title III-D	4,529		4,529
Title III-E	26,844		26,844
Title III-C - Congregate	186,382		186,382
Title III-C - Home Delivered	107,153		107,153
CSBG	43,131		43,131
Transit	893,477		893,477
Personal Care	2,589,634		2,589,634
Direct LIFE	134,416		134,416
Elder Abuse	766		766
FEMA	6,205		6,205
ADTP	283,787		283,787
Rentals	28,412		28,412
Starting Points	53,879		53,879
Other programs	26,144		26,144
Support Services			
Management and General	<u>445,436</u>	<u>                    </u>	<u>445,436</u>
<b>Total Expenses</b>	<u>4,934,837</u>	<u>                    </u>	<u>4,934,837</u>
<b>Change in Net Assets</b>	79,457		79,457
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>(95,177)</u>	<u>                    </u>	<u>(95,177)</u>
<b>NET ASSETS AT END OF YEAR (DEFICIT)</b>	<u>\$ (15,720)</u>	<u>\$</u>	<u>\$ (15,720)</u>

The accompanying notes are an integral part of this statement.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

FUNCTIONAL EXPENSES	Program Services							
	Title III-B	Title III-D	Title III-E	Title III-C		CSBG	Transit	Personal Care
				Congregate	Home Delivered			
Salaries and wages	\$ 41,953	\$ 2,605	\$16,342	\$ 68,396	\$ 28,347	\$ 20,165	\$ 368,605	\$ 1,807,786
Fringe benefits	10,020	447	1,435	16,280	3,846	7,008	69,151	268,121
Travel and transportation							1,969	47,458
Printing and supplies						99	753	1,967
Postage and shipping								
Rawfood				75,819	45,915	3,819		
Disposables					15,775			
Repairs and maintenance							60,384	
Taxes, licenses and permits								194
Communications and utilities						2,868	6,992	756
Rent occupancy costs						1,800		
Dues/subscriptions/training							115	2,875
Insurance							45,181	8,573
Other costs	42,267	1,477	4,997	8,506	6,159	1,300	7,968	6,666
Contractual services						1,009	2,123	2,904
Fuel and oil							220,472	
Advertising							5,659	
Interest								475
Depreciation expense							11,900	
Allocated indirect costs	10,402		4,070	17,381	7,111	5,063	92,205	441,859
<b>Total</b>	<b>\$104,642</b>	<b>\$ 4,529</b>	<b>\$26,844</b>	<b>\$ 186,382</b>	<b>\$ 107,153</b>	<b>\$ 43,131</b>	<b>\$ 893,477</b>	<b>\$ 2,589,634</b>

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Program Services</u>						<u>Support Services</u>			
	<u>Direct LIFE</u>	<u>Elder Abuse</u>	<u>FEMA</u>	<u>ADTP</u>	<u>Rentals</u>	<u>Starting Points</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 76,344	\$	\$	\$185,324	\$	\$ 35,465	\$ 12,964	\$ 2,664,296	\$ 260,071	\$ 2,924,367
Fringe benefits	17,378			37,737		5,174	2,158	438,755	61,738	500,493
Travel and transportation	481			701		348	35	50,992	10,678	61,670
Printing and supplies				2,981				5,800	27,433	33,233
Postage and shipping									8,696	8,696
Rawfood			6,205	5,839		1,518	6,630	145,745		145,745
Disposables				1,625				17,400		17,400
Repairs and maintenance					7,397		260	68,041	32,698	100,739
Taxes, licenses and permits							135	329	550	879
Communications and utilities				3,361	8,630	2,545		25,152	101,599	126,751
Rent occupancy costs	12,600							14,400	55,415	69,815
Dues/subscriptions/training		40						3,030	11,433	14,463
Insurance	8,432							62,186	13,439	75,625
Other costs		726		101	1,129		720	82,016	31,125	113,141
Contractual services				66	11,256			17,358	136,704	154,062
Fuel and oil								220,472		220,472
Advertising								5,659	39,452	45,111
Interest								475	157,121	157,596
Depreciation expense								11,900	152,679	164,579
Allocated indirect costs	19,181			46,052		8,829	3,242	655,395	(655,395)	
<b>Total</b>	<b><u>\$134,416</u></b>	<b><u>\$ 766</u></b>	<b><u>\$6,205</u></b>	<b><u>\$283,787</u></b>	<b><u>\$28,412</u></b>	<b><u>\$ 53,879</u></b>	<b><u>\$ 26,144</u></b>	<b><u>\$ 4,489,401</u></b>	<b><u>\$ 445,436</u></b>	<b><u>\$ 4,934,837</u></b>

The accompanying notes are an integral part of this statement.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 79,457
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	164,579
(Increase) decrease in operating assets:	
Accounts receivable	56,473
Grants receivable	44,147
Prepaid expense	(869)
Increase (decrease) in operating liabilities:	
Accounts payable	9,454
Accrued payroll and taxes	(111,322)
Accrued annual leave	(19,729)
Other liabilities	22,000
	<u>244,190</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>244,190</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	<u>(189,973)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>(189,973)</u></b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of long-term debt	(56,050)
Repayment of short-term borrowing	<u>(2,360)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b><u>(58,410)</u></b>

<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(4,193)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>73,975</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u><u>\$ 69,782</u></u></b>

The accompanying notes are an integral part of this statement.

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

**Note 1. Summary of Significant Accounting Policies**

Wayne County Community Services Organization, Inc. is a non-profit organization, which provides services to low-income individuals and families in Wayne County, West Virginia. Wayne County Community Services Organization, Inc.'s headquarters are located in Huntington, West Virginia.

The objectives of the Wayne County Community Services Organization, Inc. are to:

1. Establish, conduct, implement, operate, coordinate and finance programs for the benefit of the low-income, minority, elderly, disadvantaged and handicapped citizens of Wayne County in the fields of education, economics, health recreation, natural planning, transportation, industrial and business development, and other social and public welfare programs;
2. Consult with and advise the regional agencies in the development plans as specified by grantee agency, state and federal regulation as they would affect the low-income, minority, elderly, disadvantaged and handicapped citizens of Wayne County;
3. Enter into cooperative agreements with municipal, county, Area Agency on Aging, state, federal or other public bodies and/or agencies in establishing, conducting, implementing operation, coordinating and financing of said programs for the benefit of low-income, minority, elderly, disadvantaged and handicapped citizens of Wayne County;
4. Act as a "community focal point" in Wayne County for the coordination of the broadest range of services to benefit the low-income, minority, elderly, disadvantaged and handicapped citizens of Wayne County;
5. Develop and promote cooperative relationships between Wayne County Community Services Organization, Inc., and other allied organizations, agencies and programs interested in the needs and aspirations of the low-income, minority, elderly, disadvantaged and handicapped citizens of Wayne County; and
6. Develop and administer such rules, policies, procedures and guidelines as may be necessary to carry out the above objectives consistent with local, state, federal laws and grant and contract agreements entered into by the organization.
7. Wayne County Community Services Organization, Inc. provides non-emergency medical transportation for county residents. The program transports individuals to and from medical appointments by the use of an Organization van.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2011**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Accounting Basis**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, whereby revenues are recognized when earned and expenses are recognized when incurred.

**Funds Receivable and Concentration of Credit Risk**

The Organization provides various services to the elderly and low-income individuals in Wayne 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. Funds receivable have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been created because the amount, if any, is not considered material.

**Inventory**

Inventory is charged to expense in the period during which it is purchased instead of being recognized as an asset until consumed.

**Property and Equipment**

In accordance with grant award budgets approved by funding sources, property and equipment is capitalized at cost in the period during which it is purchased and depreciated over its useful life using the straight-line method for financial reporting purposes. Maintenance and repairs are charged to expense when incurred. When equipment is sold or otherwise disposed of, the assets account and related accumulated depreciation account are relieved, with any gain or loss included in operations. Further, equipment lease payments are expensed when paid instead of equipment being capitalized and depreciated.

The property and equipment acquired is owned by Wayne County Community Services Organization, Inc. while used in the program for which it was purchased or in other future authorized programs. The funding sources, 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 there from, is subject to funding source regulations.

**Temporarily Restricted Net Assets**

The Organization reports grants and other assets as 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 statements of activities as net assets released from restrictions. The West Virginia Department of Transportation (DOT) has a reversionary interest in vehicles it grants to the Organization.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2011**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Functional Expenses**

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

**Income Taxes**

Wayne County Community Services Organization, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified by the Internal Revenue Service as an other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are generally subject to examination by the Internal Revenue Service for three years after they are filed.

**Donated Services, Space and Other**

Donated hourly services are valued at the federally established minimum wage or the fair value of skilled services. 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. The Organization does not record donated services, space and other in excess of the amount required to meet grant-matching requirements.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Statement of Financial Accounting Standards. 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. At September 30, 2011, the Organization had no temporarily restricted net assets and no permanently restricted net assets.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, money market funds, and highly liquid debt instruments with maturities of three months or less.

**Deferred Revenue**

Deferred revenue represents unexpended grant award funds received as of September 30, 2011. Deferred revenue is funds owed to funding sources or are approved for use in ongoing or future programs. There were no deferred revenues at September 30, 2011.

**Use of Estimates**

The preparation of financial statements in conformity with the requirements of various funding sources requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2011**

**Note 2. Land, Buildings, and Equipment**

Major categories of land, building and equipment are as follows:

Land	\$	54,500
Land improvements		3,043
Buildings and improvements		1,853,861
Furniture/fixtures/equipment		257,666
Vehicles		322,910
Wayne X-Press Vehicle		1,258,424
		-----
		3,750,484
Less accumulated depreciation		2,041,098
		-----
Total	\$	1,709,386
		=====

Depreciation expenses for the year ended September 30, 2011 totaled \$164,579

**Note 3. Cost Allocation**

Wayne County Community Services Organization, Inc. has adopted a cost allocation plan whereby each program is charged its fair share of the general administration costs of the Organization. Administrative staff time, space costs, copy costs, office supplies, and maintenance fees on specific equipment are allocated to the programs based on usage. The Organization has developed an indirect cost plan in accordance with the requirements of OMB Circular A-122

**Note 4. Retirement Plan**

The Organization sponsors a 403(b) deferred compensation plan for its employees. Employee may elect to defer 4.5% of their yearly compensation. The Organization elected to contribute 4.00% of the employees' salary to the plan. Contributions by the Organization to the plan for the year ended September 30, 2011 amounted to \$24,196.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2011**

**Note 5. Grants Receivable**

Grants receivable at September 30, 2011, consisted of the following:

Title IIIB	\$	100
Title IIIC		591
FAIR/Alzheimer's		6,132
Elder Abuse		766
Life		25,227
Lighthouse		26,968
CSBG		8,251
Transit		38,590
		-----
Total		\$ 106,625
		=====

**Note 6. Accounts Receivable**

Accounts receivable at September 30, 2011, consisted of the following:

Contractual Revenues \$242,783

**Note 7. Related Party Transactions**

The Organization purchased gasoline and vehicle maintenance services from an entity that is related to the Executive Director. Following is a summary of transactions with the related entity for the year ended September 30, 2011:

Gasoline purchases, vehicle service and maintenance \$28,036

The Organization is related through common board members with Westmoreland Apartments, Inc. This Organization was created to renovate the Westmoreland Middle School into a senior living facility. This facility is owned by the Organization. The Organization had a balance due to Westmoreland Apartments, Inc. of \$22,000 at September 30, 2011.

**Note 8. Contingent Liabilities**

In the normal course of operations, the Organization receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of this audit is not believed to be material.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2011**

**Note 9. Reserve Account Fund**

In December 1992, the Organization's Board of Directors approved the obligation of funds to be reserved for the future purchase of land and/or buildings for the Organization.

**NOTE 10. Operating Leases**

The Organization is the lessee of facilities for offices and Senior Citizens Centers, a postage machine, and a copier under operating leases expiring in various years through 2018.

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

September 30, 2012	\$ 47,754
2013	47,754
2014	47,754
2015	47,754
2016	47,754
Thereafter	95,508
	-----
	\$ 334,278
	=====

For the year ended September 30, 2011, total occupancy expenses amounted to \$69,815 reported in the accompanying financial statement in accordance with the Program's budgets.

**Note 11. Notes Payable Line Of Credit**

As of September 30, 2011 the organization had a business revolving line of credit account with a total credit limit of \$250,000 at Chase Bank. The interest rate on the account is 2.25%. The balance on the account as of September 30, 2011 was \$247,500 with \$2,500 available to be drawn on this line of credit.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2011**

**Note 12. Long-Term Debt**

	<b>2011</b>
Community Trust Bank, interest at 7.75% per annum. Monthly payments of \$ 12,314.23 through August, 2027. Secured by real estate and certificate of deposit.	\$ 1,434,973
Chase Bank, interest at 6.85% per annum. Monthly payments of \$ 3,314.47 through May, 2012. Secured by real estate.	25,150
City National Bank, interest at 5.0% per annum. Monthly payments of \$ 890.22 through May, 2014. Secured by real estate.	100,601
Community Trust Bank, interest at 10.0% per annum. Monthly payments of \$1,015.85. Secured by real estate.	26,985
Total	1,587,709
Less current portion	49,095
Non-current portion	\$ 1,538,614

The following is a schedule of maturities as of September 30, 2011.

Year ending September 30, 2012	\$ 49,095
2013	26,120
2014	22,441
2015	17,720
2016	19,186
Later years	1,453,147
Total	\$ 1,587,709

**Note 13. Subsequent Events**

Management has evaluated subsequent events through June 13, 2012, the date which the financial statements were available to be issued.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

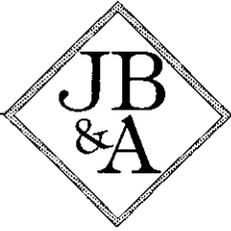
<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<b>U.S. Department of Transportation</b>		
Pass-through from WV Department of Transportation		
Public Transportation in Nonurban Area - 49 USC Section 5311	20.509	\$ 550,887
ARRA - Public Transportation in Nonurban Area - 49 USC Section 5311	20.509	5,055
<b>U.S. Department of Health and Human Services</b>		
Starting Points Family Resource	93.590	5,944
Pass-through from Metro Area Agency on Aging, Inc.		
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	41,750
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	90,119
Special Programs for the Aging - Title III, Part E - Caregiver	93.052	47,423
Special Programs for the Aging - Title III, Part D - Preventive Health Services/Medical Management	93.043	3,658
Special Programs for the Aging - NSIP	93.053	36,005
Special Programs for the Aging - Title VII, Elder Abuse Prevention	93.041	766
Health Benefits - SHIP	93.779	8,700
Pass-through from Community Action Partnership		
CSBG	93.569	<u>39,917</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 830,224</u></u>

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards included in the federal grant activity of Wayne County Community Services Organization, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The accompanying notes are an integral part of this schedule.

## **SUPPLEMENTAL INFORMATION**



# JOHN BURDETTE & ASSOCIATES

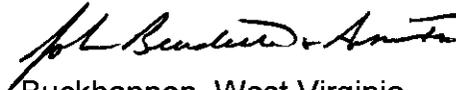
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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors  
Wayne County Community Services Organization, Inc.  
Huntington, West Virginia

Our report on our audit of the basic financial statements of the Wayne County Community Services Organization, Inc. for the year ended September 30, 2011 appears on pages 1 and 2. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of the purpose of forming an opinion of the basic financial statements taken as a whole. The Schedule of Revenues and Support and Schedule of Expenditures of State Awards, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Buckhannon, West Virginia  
June 13, 2012

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATIONS, INC.  
SCHEDULE OF REVENUES AND SUPPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Title III-B	Title III-D	Title III-E	Title III-C		CSBG	Transit	Personal Care
				Congregate	Home Delivered			
Federal financial assistance	\$ 41,750	\$ 3,658	\$ 20,133	\$ 78,701	\$ 47,423	\$ 39,917	\$555,942	\$
State grant	51,883	226		49,574	22,273		97,393	
State LIFE allocated				28,673	28,128			
State legislative digest								
State lighthouse								171,533
State FAIR								61,516
Donations and match	7,364	645	6,711	6,168	6,159		16,386	
Contractual revenues							192,122	2,804,849
Project income	3,645			20,986	8,137		11,109	34,298
Rent income								
Other						5,535		
<b>Total Revenue and Support</b>	<b>104,642</b>	<b>4,529</b>	<b>26,844</b>	<b>184,102</b>	<b>112,120</b>	<b>45,452</b>	<b>872,952</b>	<b>3,072,196</b>

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATIONS, INC.  
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

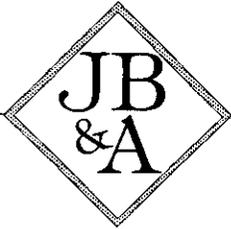
	<u>Direct LIFE</u>	<u>Elder Abuse</u>	<u>FEMA</u>	<u>ADTP</u>	<u>Rentals</u>	<u>Starting Points</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
Federal financial assistance	\$	\$ 766		\$	\$	\$ 5,944	\$ 8,700	\$ 802,934
State grant	186,412				10,000	43,056		460,817
State LIFE allocated	(56,801)							
State legislative digest							106,812	106,812
State lighthouse								171,533
State FAIR								61,516
Donations and match							800	44,233
Contractual revenues				146,723			55,543	3,199,237
Project income				1,288	467		4,886	84,816
Rent income					30,540			30,540
Other							46,321	51,856
<b>Total Revenue and Support</b>	<u>129,611</u>	<u>766</u>		<u>148,011</u>	<u>41,007</u>	<u>49,000</u>	<u>223,062</u>	<u>5,014,294</u>

The independent auditors' report on supplemental information is an integral part of this schedule.

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Grant Period</u>	<u>Grant Identification Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants	June 30, 2011	SC21111	\$ 86,812
Community Partnership Grants	June 30, 2011	SC2986	<u>20,000</u>
Total Direct Programs			<u>106,812</u>
Pass through Awards			
Metro Area Agency on Aging			
IIIC State	June 30, 2011	21136	71,847
IIIB State	June 30, 2011	21136	51,833
IIID	June 30, 2011	21136	226
LIFE	June 30, 2012	21203	73,234
LIFE	June 30, 2011	21103	113,178
Lighthouse	June 30, 2012	21250	38,760
Lighthouse	June 30, 2011	21150	132,773
FAIR	June 30, 2012	21250	17,976
FAIR	June 30, 2011	21150	43,540
Starting Points	June 30, 2012	G120071	9,306
Starting Points	June 30, 2011	G110234	33,750
Division of Public Transit	June 30, 2011	WV-18-4024	20,000
Division of Public Transit	June 30, 2012	WV-18-4027	27,890
Dept. of Transportation	June 30, 2011		49,503
WV Housing	June 30, 2011		<u>10,000</u>
Total pass-through awards			<u>693,816</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 800,628</u>

The independent auditors' report on supplemental information is an integral part of this schedule.



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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Wayne County Community Services Organization, Inc.  
Huntington, West Virginia

We have audited the financial statements of Wayne County Community Services Organization, Inc. (a nonprofit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated June 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United State 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 Wayne County Community Services Organization, 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 Wayne County Community Services Organization, 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 deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

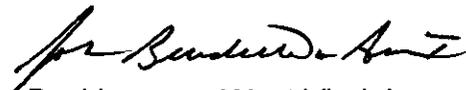
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designated to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

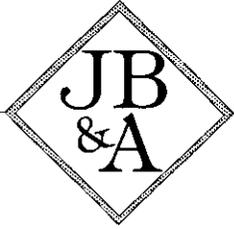
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Wayne County Community Services Organization, 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*.

This report is intended solely for the information and use of the management, the audit committee, Board of Directors, 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.

  
Buckhannon, West Virginia  
June 13, 2012



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
Wayne County Community Services Organization, Inc.  
Huntington, West Virginia

### Compliance

We have audited Wayne County Community Services Organization, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct material effect on each of Wayne County Community Services Organization, Inc.'s major federal programs for the year ended September 30, 2011. Wayne County Community Services Organization, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Wayne County Community Services Organization, Inc.'s management. Our responsibility is to express an opinion on Wayne County Community Services Organization, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wayne County Community Services Organization, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Wayne County Community Services Organization, Inc.'s compliance with those requirements.

In our opinion, Wayne County Community Services Organization, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2011.

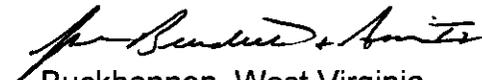
## **Internal Control Over Compliance**

Management of Wayne County Community Services Organization, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Wayne County Community Services Organization, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wayne County Community Services Organization, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization 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.

  
Buckhannon, West Virginia  
June 13, 2012

**WAYNE COUNTY COMMUNITY SERVICES ORGANIZATION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**Section 1 - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified?  yes  no

Significant deficiencies identified that are not considered to be material weaknesses?  yes  no

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs?

Material weakness identified?  yes  no

Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  yes  none reported

Identification of major programs?

<u>CFDA Number</u>	<u>Name of Federal Program Cluster</u>
20.509	Public Transportation

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

None

**Section III - Federal Awards Findings and Questioned Costs**

None

The accompanying notes are an integral part of this schedule.