

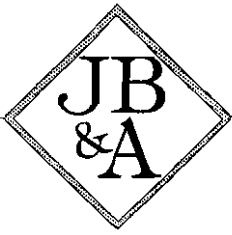
COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.

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

SEPTEMBER 30, 2008

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

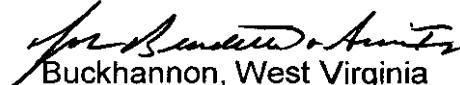
To the Board of Directors
Council of Senior Citizens of Gilmer County, Inc.
Glennville, West Virginia

We have audited the accompanying statements of financial position of Council of Senior Citizens of Gilmer County, Inc. (a nonprofit organization) as of September 30, 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 audit.

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 audits 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 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 Council of Senior Citizens of Gilmer County, Inc. as of September 30, 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 *Government Auditing Standards*, we have also issued our report dated May 22, 2009, on our consideration of Council of Senior Citizens of Gilmer County, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. 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 should be considered in assessing the results of our audits.


Buckhannon, West Virginia
May 22, 2009

COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,078,100
Accounts receivable	265,826
Grants receivable	19,364
Investment	515,540
Prepaid expenses	<u>4,939</u>

Total current assets 1,883,769

Property and Equipment, net 1,347,733

TOTAL ASSETS \$ 3,231,502

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 9,575
Accrued wages payable	37,734
Payroll taxes payable	4,031
Accrued annual leave	<u>10,907</u>

Total current liabilities 62,247

Net Assets

Unrestricted 3,169,255

Temporarily restricted

Total net assets 3,169,255

TOTAL LIABILITIES AND NET ASSETS \$ 3,231,502

The accompanying notes are an integral part of this statement.

COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal financial assistance	\$ 82,468	\$	\$ 82,468
State grant allocations	356,652		356,652
Donations and match	59,608		59,608
Contractual revenues	873,347		873,347
Other income	40,755		40,755
Project income	54,384		54,384
Investment income	26,201		26,201
Unrealized loss on investment	(61,167)		(61,167)
 Net assets released from restrictions:			
Restrictions released with time			
Restrictions satisfied with payments			
 Total Revenue and Support	<u>1,432,248</u>		<u>1,432,248</u>
 EXPENSES			
Program Services			
Title III-B	46,412		46,412
Title III-D	1,070		1,070
Title III-E	6,452		6,452
Title III-C - congregated	48,135		48,135
Title III-C - home delivered	64,564		64,564
Title VII - elder abuse	185		185
Personal care	774,634		774,634
LIFE	191,147		191,147
Alzheimer	32,293		32,293
Management and general	165,035		165,035
 Total Expenses	<u>1,329,927</u>		<u>1,329,927</u>
 Change in Net Assets	102,321		102,321
 NET ASSETS AT BEGINNING OF YEAR	<u>3,066,934</u>		<u>3,066,934</u>
 NET ASSETS AT END OF YEAR	<u><u>\$ 3,169,255</u></u>	<u><u>\$</u></u>	<u><u>\$ 3,169,255</u></u>

The accompanying notes are an integral part of this statement.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Salaries and wages	\$ 19,936	\$	\$ 4,970	\$ 13,345	\$ 16,783
Fringe benefits	3,620		528	1,662	3,276
Travel	2,901				
Printing and supplies	1,663				
Repairs and maintenance	450			315	435
Communications and utilities	6,690				
Other	2,512	1,070	954	7,024	9,701
Depreciation					
Raw food				24,529	25,129
Disposables				1,260	1,740
Transportation/Trip	8,640				7,500
Insurance					
	<u>\$ 46,412</u>	<u>\$ 1,070</u>	<u>\$ 6,452</u>	<u>\$ 48,135</u>	<u>\$ 64,564</u>

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<u>Elder Abuse</u>	<u>Personal Care</u>	<u>LIFE</u>	<u>Alzheimer</u>	<u>Management and General</u>	<u>Totals (Memorandum Only)</u>
\$	\$ 604,126	\$ 109,110	\$ 28,946	\$ 11,603	\$ 808,819
	90,174	26,546	3,347	2,639	131,792
185	69,858	8,883			81,827
	1,026	1,373		3,546	7,608
		13,751		11,788	12,988
	9,450	31,484		2,862	23,303
				40,423	102,618
				70,210	70,210
				6,838	56,496
					3,000
				3,569	19,709
				11,557	11,557
<u>\$ 185</u>	<u>\$ 774,634</u>	<u>\$ 191,147</u>	<u>\$ 32,293</u>	<u>\$ 165,035</u>	<u>\$ 1,329,927</u>

The accompanying notes are an integral part of this statement.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 102,321
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	70,210
Unrealized loss on investments	61,167
(Increase) decrease in operating assets:	
Accounts and grants receivable	(124,235)
Prepaid expense	(4,939)
Increase (decrease) in operating liabilities:	
Accounts payable	9,575
Accrued wages and fringes	19,110
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>133,209</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease of investments	2,258
Fixed asset additions	<u>(7,138)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(4,880)</u>

Increase in cash and cash equivalents	128,329
CASH AND CASH EQUIVALENTS, beginning of year	<u>949,771</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 1,078,100</u></u>

The accompanying notes are an integral part of this statement.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

The Council of Senior Citizens of Gilmer County, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Gilmer County, West Virginia. The purpose of the Organization is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for the seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

This summary of significant accounting policies of the Council of Senior Citizens of Gilmer County, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

Basis of Accounting

The financial statements of Council of Senior Citizens of Gilmer County, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its 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.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The Organization uses the allowance method for accounting for bad debts. Management feels the accounts and grants receivable shown on the balance sheet are fully collectible.

Inventories

Inventories of raw food, materials and supplies are deemed immaterial and are accordingly expensed as purchased.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization has adopted a \$ 1,000 capitalization policy whereby all property and equipment over \$ 1,000 is depreciated using the straight-line method over its estimated useful life. In addition, all property and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Federal Grants

Grant monies are received on as need basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-D, Title III-E and Title VII grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next grant year, but if approval is denied, the money must be returned to the grantor.

Title III-C monies are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2008, were \$ 439,120.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Donated Services

The members of the Board of Directors receive no fees for performing their duties as members, officers, or special committee members. However, no revenues or expenses have been recorded in these financial statements in relation to such volunteer services.

Expense Allocation

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

Note 2. Investments

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	-----	-----	-----	-----
Corporate securities	\$ 305,258	\$ 210,282	\$	\$ 515,540
	=====	=====	=====	=====

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 3. Receivables

Receivables at September 30, 2008, consisted of the following:

Accounts Receivable	
Contractual revenues	\$ 265,826
	=====
Grants Receivable	
LIFE	\$ 14,449
III-C	643
Alzheimer	4,270

	\$ 19,364
	=====

Note 4. Property and Equipment

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

Land	\$ 70,000
Building	1,495,380
Vehicles	175,520
Equipment, furniture and fixtures	139,902

	1,830,802
Less accumulated depreciation	533,069

Total	\$ 1,347,733
	=====

Note 5. Concentration

The Organization receives about 30 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 60 percent of its total support and revenues from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

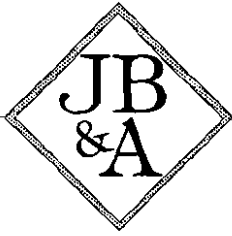
Note 6. Contingent Liabilities

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.

Note 7. Net Asset Restated

Beginning Net Assets have been decreased by \$ 96,235 to correct prior year balances.

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES


CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Council of Senior Citizens of Gilmer County, Inc.
Glennville, West Virginia

Our report on our audit of the basic financial statements of the Council of Senior Citizens of Gilmer County, Inc. for the year ended September 30, 2008 appears on pages 1. 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 for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of revenues is presented for the purpose 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.


Buckhannon, West Virginia
May 22, 2009

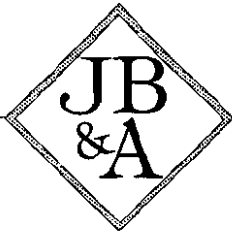
**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Title III-B	Title III-D	Title III-C		Elder Abuse	Lighthouse
			Congregate	Home Delivered		
Federal financial assistance	\$ 26,445	\$ 898	\$ 12,176	\$ 14,209	\$ 185	\$
Federal NSIP			7,847	10,836		
State grant allocations	9,356	55	5,522	12,390		43,164
Donations and match	3,111	117	1,261	1,672		
Contractual revenues						
Other income	625		16	6,683		
Project income	8,640		21,313	18,774		
Investment income						
Unrealized loss on investment						
	<u>\$ 48,177</u>	<u>\$ 1,070</u>	<u>\$ 48,135</u>	<u>\$ 64,564</u>	<u>\$ 185</u>	<u>\$ 43,164</u>

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<u>Alzheimer</u>	<u>SHIP</u>	<u>Title III-E</u>	<u>Other Programs</u>	<u>LIFE</u>	<u>Personal Care</u>	<u>Totals (Memorandum Only)</u>
\$	\$ 5,000	\$ 4,839	\$ 33	\$	\$	\$ 63,785
53,405			39,991	192,769		18,683
		1,613	51,834			356,652
			33,431		873,347	59,608
			5,237			873,347
			26,201		420	40,755
			(61,167)			54,384
						26,201
						(61,167)
<u>\$ 53,405</u>	<u>\$ 5,000</u>	<u>\$ 6,452</u>	<u>\$ 95,560</u>	<u>\$ 192,769</u>	<u>\$ 873,767</u>	<u>\$ 1,432,248</u>

The accompanying independent auditor's report on supplemental information is an integral part of this schedule.



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

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
Council of Senior Citizens of Gilmer County, Inc.
Glennville, West Virginia

We have audited the financial statements of Council of Senior Citizens of Gilmer County, Inc. (a nonprofit organization) as of and for the year ended September 30, 2008, and have issued our report thereon dated May 22, 2009. 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 Council of Senior Citizens of Gilmer County, 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 the Council of Senior Citizens of Gilmer County, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council of Senior Citizens of Gilmer County, Inc.'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Council of Senior Citizens of Gilmer County, 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
May 22, 2009