

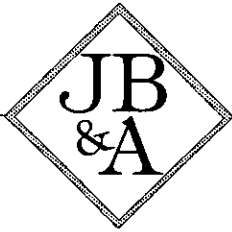
MCDOWELL COUNTY COMMISSION ON AGING, INC.

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

SEPTEMBER 30, 2009

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9
SUPPLEMENTAL INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION	10
Schedule of Revenues and Support	11
Schedule of Expenditures of State Awards	12
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	13-14
MANAGEMENT LETTER	15



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

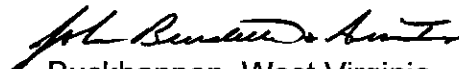
To the Board of Directors
McDowell County Commission on Aging, Inc.
Welch, West Virginia

We have audited the accompanying statements of financial position of McDowell County Commission on Aging, Inc. (a nonprofit organization) as of September 30, 2009, and the related statements of activities, functional expenses and cash flows, for the year 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 McDowell County Commission on Aging, Inc. as of September 30, 2009, 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 7, 2010, on our consideration of McDowell County Commission on Aging, 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
June 7, 2010

**MCDOWELL COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2009**

ASSETS

Current Assets

Cash and cash equivalents	\$ 46,277
Accounts receivable, net	127,165
Grants receivable	<u>39,426</u>

Total current assets 212,868

Property and equipment, net 292,874

TOTAL ASSETS \$ 505,742

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 73,384
Accrued compensation	47,829
Prepaid payroll taxes	<u>1,979</u>

Total current liabilities 123,192

Net Assets

Unrestricted	382,550
Temporarily restricted	<u> </u>
Total net assets	<u>382,550</u>

TOTAL LIABILITIES AND NET ASSETS \$ 505,742

The accompanying notes and auditors' report are integral parts of this statement.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2009**

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Federal financial assistance	\$ 333,568	\$	\$ 333,568
State grant allocations	432,675		432,675
Donations	31,206		31,206
Medicaid fees	847,333		847,333
Project income	52,027		52,027
Interest income	635		635
Other	20,375		20,375
Net assets released from restrictions:			
Restrictions released with time	_____	_____	_____
Total Revenue and Support	1,717,819	_____	1,717,819
 EXPENSES			
Program Services			
Title III-B	97,102		97,102
Title III-D	7,335		7,335
Title III-C - congregated	149,724		149,724
Title III-C - home delivered	193,223		193,223
Title III-E	66,094		66,094
Insurance benefits	1,994		1,994
LIFE	59,741		59,741
Personal Care	1,129,345		1,129,345
Management & general	81,424		81,424
	_____	_____	_____
Total Expenses	1,785,982	_____	1,785,982
Change in Net Assets	(68,163)		(68,163)
NET ASSETS AT BEGINNING, RESTATED	450,713	_____	450,713
NET ASSETS AT END OF YEAR	\$ 382,550	\$ _____	\$ 382,550

The accompanying notes and auditors' report are integral parts of this statement.

MCDOWELL COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Title III-C						Totals (Memorandum Only)			
	Title III-B	Title III-D	Congregate	Home Delivered	Title III-E	Insurance Benefits		LIFE	Personal Care	Management and General
Salaries and wages	\$ 54,810	\$ 255	\$ 54,368	\$ 94,331	\$ 46,002	\$ 1,279	\$ 43,340	\$ 847,542	\$ 14,249	\$ 1,156,176
Fringe benefits	7,604	37	7,334	12,685	6,056	112	5,827	110,888	1,152	151,695
Travel								41,383		41,383
Printing and supplies	1,105		2,954	2,948		200		15,133	395	22,735
Repairs and maintenance	6,216		6,031	6,031			10,574	1,177	8,529	38,558
Communications and utilities	2,655		11,528	10,161				12,655	467	37,466
Other	124	7,043	11,029	11,615	14,036	403		18,078	405	62,733
Rawfood			43,255	41,838						85,093
Disposables	438		6,123	6,123				2,955	33	15,672
Transportation/Trip	13,803							22,282	1,645	37,730
Professional services	340		340	340				2,210	170	3,400
Insurance	10,007		6,762	7,151				55,042	1,815	80,777
Depreciation									52,564	52,564
	<u>\$ 97,102</u>	<u>\$ 7,335</u>	<u>\$ 149,724</u>	<u>\$ 193,223</u>	<u>\$ 66,094</u>	<u>\$ 1,994</u>	<u>\$ 59,741</u>	<u>\$ 1,129,345</u>	<u>\$ 81,424</u>	<u>\$ 1,785,982</u>

The accompanying notes and auditors' report are integral parts of this statement.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (68,163)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	52,564
(Increase) decrease in operating assets:	
Accounts and grants receivable	(39,909)
Prepaid expenses	11,393
Increase (decrease) in operating liabilities:	
Accounts payable	64,504
Accrued wages and taxes payable	<u>23</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>20,412</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Property and equipment	<u>(65,297)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(65,297)</u>

Decrease in cash and cash equivalents	(44,885)
---------------------------------------	----------

CASH AND CASH EQUIVALENTS, beginning of year	<u>91,162</u>
---	---------------

CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 46,277</u></u>
---	-------------------------

The accompanying notes and auditors' report are integral parts of this statement.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

The McDowell County Commission on Aging, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in McDowell County, West Virginia. The purpose of the Organization is to study 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 McDowell County Commission on Aging, 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 McDowell County Commission on Aging, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payable and other liabilities.

Basis of Presentation

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

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

**MCDOWELL COUNTY COMMISSION ON AGING, 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

Grants Monies are received on a reimbursement basis; 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 grants have to be approved for carryover to the next grant year.

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, 2009, was \$ 766,243.

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

**MCDOWELL COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

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. Grants Receivable

Grants receivable at September 30, 2009, consisted of the following:

IIID		\$ 2,547
Nutrition		14,463
LIFE		4,565
Lighthouse		14,600
FAIR		1,281
Transportation		1,970

Total		\$ 39,426
		=====

Note 3. Property and Equipment

Property and equipment consisted of the following at September 30, 2009:

Land and building		\$ 230,764
Vehicles		260,300

		491,064
Less accumulated depreciation		198,190

Total		\$ 292,874
		=====

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

**MCDOWELL COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 4. Concentration

The Organization receives about 45 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 49 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.

Note 5. 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 these audits is not believed to be material.

Note 6. Net Assets

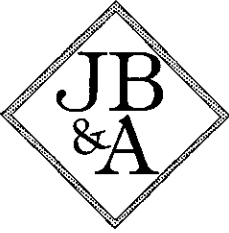
There are no restrictions on net assets at September 30, 2009.

Note 7. Subsequent Events

Management has evaluated subsequent events through June 7, 2010, the date which the financial statements were available to be issued.

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

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

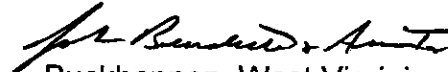
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
McDowell County Commission on Aging, Inc.
Welch, West Virginia

Our report on our audit of the basic financial statements of the McDowell County Commission on Aging, Inc. for the year ended September 30, 2009 appears on page 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 of 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
June 7, 2010

MCDOWELL COUNTY COMMISSION ON AGING, INC.
STATEMENT OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009

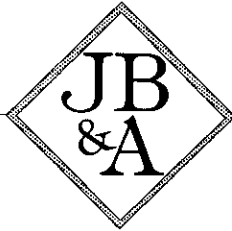
	Title III-B	Title III-C			Title III-E	Ins Bene	Personal Care	Other Programs	LIFE	Totals (Memorandum Only)
		Title III-D	Congregate	Home Delivered						
Federal financial assistance	\$ 44,857	\$ 6,441	\$ 111,335	\$ 126,828	\$ 33,040	\$ 2,000	\$	\$	\$	\$ 324,501
Federal stimulus			9,067							9,067
State grant allocations	32,330	894							160,092	193,316
State grant Fair										18,275
State grant Lighthouse										162,548
Sate grant Budget Digest										35,000
State grant transportation	23,536						35,000			23,536
Donations	30,411									31,206
Contractual revenues										847,333
Project income	4,109		26,984	12,131						8,803
Interest income										635
Other Income										20,375
Total	\$ 135,243	\$ 7,335	\$ 147,386	\$ 138,959	\$ 33,040	\$ 2,000	\$ 1,036,959	\$ 56,805	\$ 160,092	\$ 1,717,819

The accompanying notes and auditors' report are integral parts of this statement.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants			<u>\$ 35,000</u>
Total Direct Programs			<u>35,000</u>
Pass through Awards			
Upper Potomac Area Agency on Aging			
IIIB State	June 30, 2009	2937	32,330
IIID	June 30, 2009	2911	894
LIFE	June 30, 2009	2904	143,789
LIFE	June 30, 2010	21004	16,303
Lighthouse	June 30, 2009	2951	118,956
Lighthouse	June 30, 2010	2105	43,592
FAIR	June 30, 2009	2951	16,259
FAIR	June 30, 2010	2105	2,016
Transportation	June 30, 2009	2951	18,123
Transportation	June 30, 2010	2105	<u>5,413</u>
Total pass-through awards			<u>397,675</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 432,675</u></u>

The independent auditors' 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
McDowell County Commission on Aging, Inc.
Welch, West Virginia

We have audited the financial statements of McDowell County Commission on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2009, and have issued our report thereon dated June 7, 2010. 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 McDowell County Commission 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 the McDowell County Commission on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the McDowell County Commission on Aging, 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.

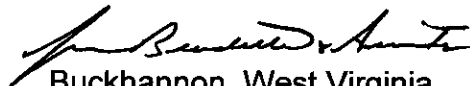
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

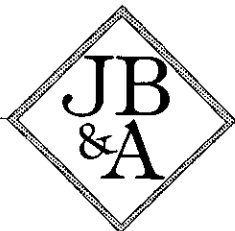
Compliance and Other Matters

As part of obtaining reasonable assurance about whether McDowell County Commission 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*.

We noted certain other matters that we reported to management of McDowell County Commission on Aging, Inc. in a separate letter dated June 7, 2010.

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 7, 2010



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

MANAGEMENT LETTER

To the Senior Management and
The Board of Directors of
McDowell County Commission on Aging, Inc.
Welch, West Virginia

In planning and performing our audit of the financial statements of McDowell County Commission on Aging, Inc. for the year ended September 30, 2009, we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated June 7, 2010, on the financial statements of McDowell County Commission on Aging, Inc.


We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Segregation of Duties

We noted that two employees are responsible for the accounting and financial duties. As a result, many aspects of the internal accounting control which rely upon an adequate segregation of duties are, for all practical purposes, missing in McDowell County Commission on Aging, Inc. We recognize that the Organization is not large enough to make the employment of additional people for the purpose of segregating duties practicable from a financial standpoint, but we are required, under our professional responsibilities to describe the situation.

We wish to thank the Director and her staff for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization.


Buckhannon, West Virginia
June 7, 2010
15