

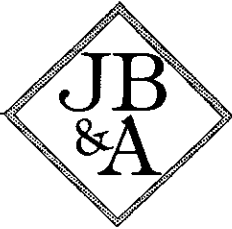
**JACKSON COUNTY COMMISSION ON AGING, INC.**

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

**SEPTEMBER 30, 2009**

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# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

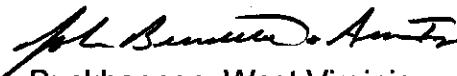
To the Board of Directors  
Jackson County Commission on Aging, Inc.  
Ripley, West Virginia

We have audited the accompanying statements of financial position of Jackson 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 Jackson 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 8, 2010, on our consideration of Jackson 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 8, 2010

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

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 237,636
Accounts receivable, net	25,495
Grants receivable	64,866
Annuity - American Investors	55,770
Prepaid expenses	<u>10,260</u>

Total current assets 394,027

**Property and Equipment** 1,915,504

**TOTAL ASSETS** \$ 2,309,531

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 11,775
Accrued wages payable	29,921
Accrued vacation	15,302
Payroll taxes payable	7,548
Deferred revenue	<u>19,253</u>

Total current liabilities 83,799

**Net Assets**

Unrestricted	310,228
Investments in fixed assets	<u>1,818,447</u>

Total unrestricted net assets 2,128,675

Temporarily restricted 97,057

Total net assets 2,225,732

**TOTAL LIABILITIES AND NET ASSETS** \$ 2,309,531

The accompanying notes are an integral part of this statement

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

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Federal financial assistance	\$ 145,921	\$ 97,288	\$ 243,209
State grant allocations	504,302		504,302
Donations and match	29,987		29,987
County commission	4,193		4,193
Medicaid and waiver	170,486		170,486
Rental income	5,928		5,928
Project income	87,157		87,157
Interest income	2,871		2,871
Other	11,418		11,418
Net assets released from restrictions:			
Restrictions released with time	22,475	(22,475)	
Total Revenue and Support	984,738	74,813	1,059,551
 <b>EXPENSES</b>			
Program Services:			
Title III-B	93,662		93,662
Title III-D	2,636		2,636
Title III-E	15,386		15,386
Title III-C - congregate	153,903		153,903
Title III-C - home delivered	119,544		119,544
LIFE	94,224		94,224
Medicaid and waiver	176,991		176,991
Fair	35,656		35,656
Lighthouse	113,840		113,840
Aqua fitness	40,940		40,940
Elder abuse	469		469
Shine	2,392		2,392
Support Services:			
Management and general	130,152		130,152
Total Expenses	979,795		979,795
Change in Net Assets	4,943	74,813	79,756
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>2,123,732</b>	<b>22,244</b>	<b>2,145,976</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,128,675</b>	<b>\$ 97,057</b>	<b>\$ 2,225,732</b>

The accompanying notes are an integral part of this statement

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

	Title III-B	Title III-D	Title III-E	Title III-C		LIFE	Medicaid Waiver
				Congregate	Home Delivered		
Salaries and wages	\$ 59,191	\$ 1,175	\$ 11,122	\$ 56,802	\$ 43,203	\$ 47,353	134,132
Fringe benefits	19,633	125	1,254	7,464	6,172	6,483	20,814
Travel	671	222	444	1,317	283		14,403
Printing and supplies		1,113	125	5,666	3,421	5,343	2,636
Repairs and maintenance	3,339			6,636	3,203	16,321	63
Communications and utilities	1,294		1,241	26,007	7,401	5,659	1,349
Insurance			1,200			9,065	2,829
Professional services						4,000	
Rawfood				42,386	46,682		
Disposables				7,625	5,305		
Transportation costs	9,429				3,874		
Depreciation							
Other	105						765
<b>Total Functional Expenses</b>	<b>\$ 93,662</b>	<b>\$ 2,635</b>	<b>\$ 15,386</b>	<b>\$ 153,903</b>	<b>\$ 119,544</b>	<b>\$ 94,224</b>	<b>\$ 176,991</b>

**JACKSON COUNTY COMMISSION ON AGING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Fair</u>	<u>Lighthouse</u>	<u>Aqua Fitness</u>	<u>Elder Abuse</u>	<u>Shine</u>	<u>Admin General</u>	<u>Totals (Memorandum Only)</u>
Salaries and wages	\$ 30,002	\$ 92,534	\$ 16,127	\$	\$ 2,050	\$ 3,255	\$ 496,946
Fringe benefits	3,820	11,520	1,703		215	284	79,487
Travel	1,258	8,423	14		127	1,671	28,833
Printing and supplies	74	74	2,223	469		481	21,625
Repairs and maintenance			5,904			21,614	57,080
Communications and utilities	502	1,259	11,194			202	56,108
Insurance			3,600				16,694
Professional services							4,000
Rawfood							89,068
Disposables							12,930
Transportation costs						482	13,785
Depreciation						94,094	94,094
Other		30	175			8,070	9,145
<b>Total Functional Expenses</b>	<b><u>\$ 35,656</u></b>	<b><u>\$ 113,840</u></b>	<b><u>\$ 40,940</u></b>	<b><u>\$ 469</u></b>	<b><u>\$ 2,392</u></b>	<b><u>\$ 130,153</u></b>	<b><u>\$ 979,795</u></b>

The accompanying notes are an integral part of this statement.

**JACKSON 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	\$ 79,756
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	94,094
Loss on disposal of assets	1,249
(Increase) decrease in operating assets:	
Accounts and grants receivable	(44,347)
Prepaid expenses	(1,367)
Increase (decrease) in operating liabilities:	
Accounts payable	6,115
Accrued wages payable	399
Accrued payroll taxes	417
Deferred revenue	(15,687)
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>120,629</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Fixed asset additions	(143,769)
Increase in annuity	<u>(770)</u>
<u>NET CASH USED IN INVESTING ACTIVITIES</u>	<u>(144,539)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

<u>NET CASH USED IN FINANCING ACTIVITIES</u>	<u>                    </u>
Decrease in cash and cash equivalents	(23,910)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>261,546</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 237,636</u></u>

The accompanying notes are an integral part of this statement



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

**NOTE 1. NATURE OF OPERATIONS**

Jackson County Commission on Aging, Inc. is a non-profit organization which provides services to low income individuals and families in Jackson County, West Virginia. Jackson County Commission on Aging, Inc.'s headquarters are located in Ripley, West Virginia.

The objectives of Jackson County Commission on Aging, Inc. are to:

Establish, conduct, implement, operate, coordinate and finance programs for the benefit of the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County in the fields of education, economics, health recreation, natural planning, transportation, industrial and business development, and other social and public welfare programs;

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 Jackson County;

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 and coordinating and financing of said programs for the benefit of low-income minority, elderly, disadvantaged and handicapped citizens of Jackson County;

Act as a "community focal point" in Jackson County for the coordination of the broadest range of services to benefit the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County;

Develop and administer multi-purpose senior citizens and a network of satellite centers in Jackson County;

Develop and promote cooperative relationships between Jackson County Commission on Aging, 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 Jackson County; and

Develop and administer such rules, policies, procedures and guidelines as may be necessary to carry out the above objectives consistent with local, state and federal laws and grant and contract agreements entered into by the organization.

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

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

**Basis of Presentation**

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized as they are incurred.

**Property and Depreciation**

It is the Organization's policy to capitalize property and equipment with cost criteria greater than \$2,500. All items below this threshold are expensed when purchased. Property and equipment are depreciated using the straight line method. The estimated useful lives of the related assets are as follows:

Building	39 years
Equipment	5 - 10 years
Vehicles	5 years

**Maintenance and Repairs**

Minor renewals and replacements are charged against income-major renewals and replacements are charged to appropriate asset accounts.

**Income Tax**

Jackson County Commission on Aging, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain activities are considered unrelated to the Organization's exempt purpose and the Organization reports those activities as unrelated business income. As such, the Organization, if necessary, will record a provision for federal income taxes.

**Estimates**

In preparing financial statements management must make estimates based on future events that affect 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.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activity. Accordingly, all costs have been allocated among the programs. No Schedule of Functional Expenses is provided because substantially all cost is considered to be part of program cost.

**Accrued Vacation**

In accordance with the Organization's personnel policies, employees earn vacation time throughout the year. Vacation time earned but not taken at the time of an employee's termination will be paid to the employee. Therefore, all unpaid vacation expense as of the end of each fiscal year is accrued under the rules of a vested plan.

**Financial Statement Presentation**

Financial statement presentation follows the recommendation of the 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, temporarily restricted, and permanently restricted. At September 30, 2009 the Organization had unrestricted and temporarily restricted net assets and did not have any permanently restricted net assets.

**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.

**Inventory**

In accordance with grant award budgets approved by funding sources, inventory is recorded at cost as an asset in the period during which it is purchased.

**Donated Services, Space and Other**

Donated hourly services are valued at the federal 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 agreements.

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Advertising**

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred.

**NOTE 3. CONTINGENCIES**

Jackson County Commission on Aging, Inc, receives a substantial amount of support from federal, state, and local governments. A significant reduction in the level of this support, if such were to occur, would have a material effect on the Organization's programs and activities.

**NOTE 4. ACCOUNTS AND GRANTS RECEIVABLE**

Accounts and grants receivable consists of the following at September 30, 2009:

Accounts receivable	\$ 25,495
Grants receivable	64,866
	-----
Total	\$ 90,361
	=====

**NOTE 5. PROPERTY AND EQUIPMENT**

A summary of the components of property and equipment as of September 30, 2009, is as follows:

Land	\$ 148,066
Buildings and Improvements	2,201,665
Equipment	84,564
Vehicles	224,209
	-----
Total	2,658,504
Less: Accumulated Depreciation	(743,000)
	-----
Total property and equipment	\$ 1,915,504
	=====

Depreciation expense for the year ended September 30, 2009 was 94,094.

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

**NOTE 6. OPERATING LEASE**

The Organization leases the building and land associated with the Sandyville senior center. This lease was entered into on January 1, 1995, and is for a period of fifty (50) years ending December 31, 2044. Intent to terminate the lease must be made known at least 30 days prior to the first day of each calendar year. The base rent for the premises is set at \$1 per year. Lease expense was \$1 for the year ended September 30, 2009.

The following is a schedule of future minimum lease payments required under the Organization's operating lease:

2010	\$ 1
2011	1
2012	1
2013	1
2014	1
Thereafter	30
Total	<u>\$ 35</u> =====

**NOTE 7. CONCENTRATIONS OF CREDIT RISK**

**Cash**

The Organization maintains cash balances in checking and savings accounts at various banks throughout the region in which it operates. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2009, deposits in any one financial institution did not exceed \$250,000.

**Funds Receivable**

The Organization provides various services to the elderly and low-income individuals in Jackson 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.

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

**NOTE 8. CONTINGENT LIABILITIES**

The Organization's programs are generally funded from federal, state and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

**NOTE 9. MATCHING FUNDS**

During the year ended September 30, 2009, the Organization received unrestricted monies from the County Commission that were used as matching funds for the Title IIIB & Title IIIE grant awards. These matching funds are as follows:

Title IIIB	\$ 5,973
Title IIID	180
Title IIIE	4,041
	-----
Total	\$ 10,194
	=====

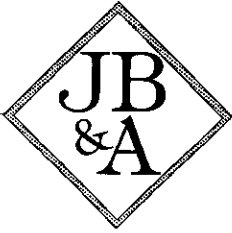
**NOTE 10. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at September 30, 2009, consist of vehicles acquired with grant funds whose title will revert to the grantor unless the vehicles are used for 5 years or 100,000 miles. Amount so restricted at September 30, 2009, was \$97,057.

**NOTE 11. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 8, 2010 the date on which the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**



# JOHN BURDETTE & ASSOCIATES

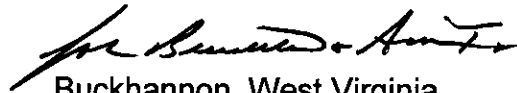
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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors  
Jackson County Commission on Aging, Inc.  
Ripley, West Virginia

Our report on our audit of the basic financial statements of the Jackson 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 of the purpose of forming an opinion of the basic financial statements taken as a whole. The schedule of revenues and support, is presented for 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 8, 2010



**JACKSON COUNTY COMMISSION ON AGING, INC.  
SCHEDULE OF REVENUES AND SUPPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Title III-B	Title III-D	Title III-E	Title III-C		LIFE
				Congregate	Home Delivered	
Federal financial assistance	\$ 33,862	\$ 2,003	\$ 11,345	\$ 37,155	\$ 33,911	\$
NSIP				16,139	11,984	
Federal stimulus				7,583	3,860	
State grant	46,355	174		31,180	26,412	185,610
State LIFE allocated	4,000			30,000	26,697	(72,249)
State Governor's Partnership						
Donations and match	5,973	180	4,041			
County Commission						
Medicaid						
Waiver						
Project income	2,847	277		34,808	17,222	
Interest income						
Rent income						
Other						
<b>Total Revenue and Support</b>	<b>93,037</b>	<b>2,634</b>	<b>15,386</b>	<b>156,865</b>	<b>120,086</b>	<b>113,361</b>
Functional Expenses	93,662	2,636	15,386	153,903	119,544	94,224
Less: Depreciation						
Add: Capital Expenditures				4,730	1,688	18,680
<b>Total Expenditures</b>	<b>93,662</b>	<b>2,636</b>	<b>15,386</b>	<b>158,633</b>	<b>121,232</b>	<b>112,904</b>
<b>Net Revenue (Expenditures)</b>	<b>\$ (625)</b>	<b>\$ (2)</b>	<b>\$</b>	<b>\$ (1,768)</b>	<b>\$ (1,146)</b>	<b>\$ 457</b>

**JACKSON COUNTY COMMISSION ON AGING, INC.  
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

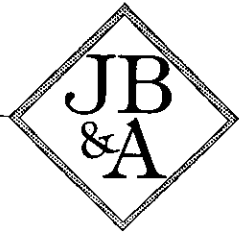
Medicaid Waiver	Fair	Lighthouse	Aqua Fitness	Elder Abuse	Shine	Other	Total (Memorandum Only)
\$	\$	\$	\$	\$ 469	\$ 2,280	\$ 82,618	\$ 203,643
							28,123
							11,443
	39,847	122,224					451,802
		11,552					
						52,500	52,500
			14,079			5,714	29,987
						4,193	4,193
160,878							160,878
9,608							9,608
	1,446	5,789	24,768				87,157
						2,871	2,871
						5,928	5,928
						11,418	11,418
<u>170,486</u>	<u>41,293</u>	<u>139,565</u>	<u>38,847</u>	<u>469</u>	<u>2,280</u>	<u>165,242</u>	<u>1,059,551</u>
176,991	35,656	113,840	40,940	469	2,392	130,152	979,795
						(94,094)	(94,094)
						118,671	143,769
<u>176,991</u>	<u>35,656</u>	<u>113,840</u>	<u>40,940</u>	<u>469</u>	<u>2,392</u>	<u>154,729</u>	<u>1,029,470</u>
<u>\$ (6,505)</u>	<u>\$ 5,637</u>	<u>\$ 25,725</u>	<u>\$ (2,093)</u>	<u>\$</u>	<u>\$ (112)</u>	<u>\$ 10,513</u>	<u>\$ 30,081</u>

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

**JACKSON 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>
<b>Direct Programs:</b>			
<b>WV Bureau of Senior Services</b>			
Community Partnership Grants	June 30, 2009	SC2945	\$    41,500
	September 30, 2009	SC2946	<u>        11,000</u>
<b>Total Direct Programs</b>			<u><u>        52,500</u></u>
<b>Pass through Awards</b>			
<b>WVSC Metro Area Agency on Aging</b>			
IIIB State	June 30, 2009	2936	29,834
IIIC-1	June 30, 2009	2911	31,180
IIIC-2	June 30, 2009	2911	26,412
IIID	June 30, 2009	2936	174
LIFE	June 30, 2009	2904	172,697
LIFE	June 30, 2010	21004	12,913
Lighthouse	June 30, 2009	2950	85,296
Lighthouse	June 30, 2010	21050	36,928
FAIR	June 30, 2009	2950	29,445
FAIR	June 30, 2010	21050	10,402
Transportation	June 30, 2009	2950	16,521
Transportation	June 30, 2010	21050	
<b>Total pass-through awards</b>			<u><u>        451,802</u></u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u><u>        \$    504,302</u></u>

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



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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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  
Jackson County Commission on Aging, Inc.  
Ripley, West Virginia

We have audited the financial statements of Jackson 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 8, 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 Jackson 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 Jackson County Commission on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Jackson 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.

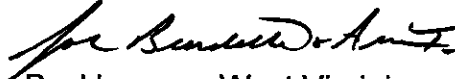
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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 Jackson 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*.

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 8, 2010