

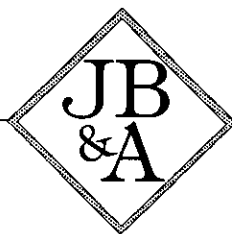
SUMMERS COUNTY COUNCIL ON AGING, INC.

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

SEPTEMBER 30, 2008

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

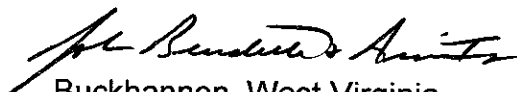
To the Board of Directors
Summers County Council on Aging, Inc.
Hinton, West Virginia

We have audited the accompanying statements of financial position of Summers County Council on Aging, Inc. (a nonprofit organization) as of September 30, 2008, 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 Summers County Council on Aging, Inc. as of September 30, 2008, 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 12, 2009, on our consideration of Summers County Council 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 12, 2009

**SUMMERS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008**

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,028,142
Accounts receivable, net	86,203
Grants receivable	29,085
Prepaid Expenses	<u>6,373</u>

Total current assets	1,149,803
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Property and Equipment, net	<u>802,179</u>
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TOTAL ASSETS	<u><u>\$ 1,951,982</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 8,083
Accrued wages payable	44,129
Accrued payroll taxes	<u>5,316</u>

Total current liabilities	<u>57,528</u>
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Net Assets

Unrestricted	1,894,454
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Temporarily restricted	<u> </u>
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Total net assets	<u>1,894,454</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,951,982</u></u>
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The accompanying notes are an integral part of this statement.

**SUMMERS COUNTY COUNCIL ON AGING, 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	\$ 133,304	\$	\$ 133,304
State grant allocations	598,746		598,746
Donations	15		15
Medicaid	456,915		456,915
Waiver	519,359		519,359
Project income	40,305		40,305
Interest income	37,524		37,524
Bingo/Raffle	51,594		51,594
Other	5,634		5,634
Net assets released from restrictions:			
Restrictions released with time	<u> </u>	<u> </u>	<u> </u>
Total Revenue and Support	<u>1,843,396</u>	<u> </u>	<u>1,843,396</u>
EXPENSES			
Program Services			
Title III-B	163,471		163,471
Title III-D	2,573		2,573
Title III-E	23,199		23,199
Title III-C - congregate	124,567		124,567
Title III-C - home delivered	176,692		176,692
LIFE	112,228		112,228
Medicaid/waiver	883,181		883,181
Fair	56,651		56,651
Lighthouse	156,336		156,336
Shine	5,705		5,705
Bingo/raffle	18,691		18,691
Management and general	49,678		49,678
Total Expenses	<u>1,772,972</u>	<u> </u>	<u>1,772,972</u>
Change in Net Assets	70,424		70,424
NET ASSETS AT BEGINNING OF YEAR	<u>1,824,030</u>	<u> </u>	<u>1,824,030</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,894,454</u>	<u>\$</u>	<u>\$ 1,894,454</u>

The accompanying notes are an integral part of this statement.

**SUMMERS COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Title III-B	Title III-D	Title III-E	Title III-C			Medicaid Waiver
				Congregate	Home Delivered	LIFE	
Salaries and wages	\$ 80,776	\$ 535	\$ 19,014	\$ 65,671	\$ 89,707	\$ 65,695	718,364
Fringe benefits	27,132	38	1,691	23,579	36,525	26,641	109,591
Travel	784		2,417	290	468	3,037	13,311
Printing and supplies	2,074			2,283	2,435	1,935	5,367
Fuel, repairs and maintenance	42,167			1,210	1,957	5,245	10,797
Communications and utilities	3,931			3,021	4,859	3,280	7,916
Insurance	5,607			4,860	7,850	6,211	13,458
Professional services							3,800
Rawfood				21,766	30,082		
Disposables				1,678	2,600		
Depreciation							
Other	1,000	2,000	77	209	209	184	577
Total Functional Expenses	\$ 163,471	\$ 2,573	\$ 23,199	\$ 124,567	\$ 176,692	\$ 112,228	\$ 883,181

**SUMMERS COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Fair</u>	<u>Lighthouse</u>	<u>Shine</u>	<u>Bingo Raffle</u>	<u>Admin General</u>	<u>Totals (Memorandum Only)</u>
Salaries and wages	\$ 51,932	\$ 143,130	\$ 5,301	\$ 6,961	\$	\$ 1,247,086
Fringe benefits	4,487	10,249	404		1,513	241,850
Travel	232	2,957				23,496
Printing and supplies				10,880		24,974
Fuel, repairs and maintenance						61,376
Communications and utilities						23,007
Insurance						37,986
Professional services						3,800
Rawfood						51,848
Disposables						4,278
Depreciation					34,521	34,521
Other				850	13,644	18,750
Total Functional Expenses	<u>\$ 56,651</u>	<u>\$ 156,336</u>	<u>\$ 5,705</u>	<u>\$ 18,691</u>	<u>\$ 49,678</u>	<u>\$ 1,772,972</u>

The accompanying notes are an integral part of this statement.

**SUMMERS COUNTY COUNCIL ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 70,424
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	34,521
(Increase) decrease in operating assets:	
Accounts and grants receivable	(16,206)
Prepaid expenses	3,140
Increase (decrease) in operating liabilities:	
Accounts payable	(15,148)
Accrued wages payable	9,175
Accrued payroll taxes	(49)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>85,857</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed asset additions	<u>(22,363)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(22,363)</u>

Increase in cash and cash equivalents	63,494
CASH AND CASH EQUIVALENTS, beginning of year	<u>964,648</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 1,028,142</u></u>

The accompanying notes are an integral part of this statement.

**SUMMERS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

The Summers County Council on Aging, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Summers 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 Summers County Council 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 Summers County Council on Aging, 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 (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 and deemed immaterial and are accordingly expensed as purchased.

**SUMMERS COUNTY COUNCIL 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 restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are 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 unexpected 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 \$ 732,050.

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.

**SUMMERS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

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 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.

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, 2008, consisted of the following:

LIFE Program	\$ 11,134
Fair	4,627
Lighthouse	13,324

Total	\$ 29,085
	=====

Note 3. Property and Equipment

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

Land and building	\$ 1,000,294
Vehicles	277,904
Equipment, furniture and fixtures	94,342

	1,372,540
Less accumulated depreciation	570,361

Total	\$ 802,179
	=====

**SUMMERS COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 4. Restrictions on Net Assets

There were no restricted assets at September 30, 2008.

Note 5. Concentration

The Organization receives about 40 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 53 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 6. Contingent Liabilities

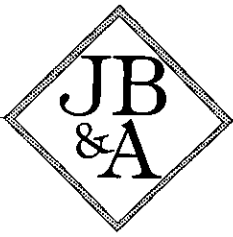
In the normal course of operations, the Organization receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for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

Note 7. Grant Revenues

The following grants have years ending other than September 30. Revenues were recognized as follows for fiscal year ended September 30, 2008.

Grant	Grant Period	Recognized FYE 9/30/08
LIFE	7/1/07 – 6/30/08	\$ 169,122
LIFE	7/1/08 – 6/30/09	48,116
	Total	\$ 217,238
		=====
Lighthouse/Fair	7/1/07 – 6/30/08	\$ 214,958
Lighthouse/Fair	7/1/08 – 6/30/09	86,615
	Total	\$ 301,573
		=====

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

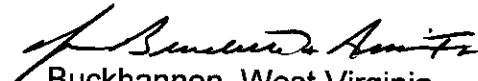
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Summers County Council on Aging, Inc.
Hinton, West Virginia

Our report on our audit of the basic financial statements of the Summers County Council on Aging, Inc. for the year ended September 30, 2008 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 12, 2009

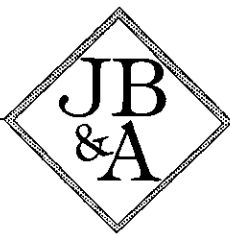
**SUMMERS COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Title III-B	Title III-D	Title III-E	Title III-C		LIFE
				Congregate	Home Delivered	
Federal financial assistance	\$ 41,556	\$ 1,653	\$ 10,217	\$ 27,396	\$ 26,027	\$
NSIP				7,229	11,843	
State grant	35,453			5,513	3,228	217,238
State LIFE allocated		295	3,406	7,663	5,000	(16,364)
State Supplement				5,863	3,908	
State enhancement award					7,438	
State raw food award				8,070		
State fuel award					5,462	
State budget digest						
Donations						
Medicaid						
Waiver						
Project income	3,784		740	14,310	15,176	2,582
Interest income						
Bingo/Raffle						
Other						
Total Revenue and Support	80,793	1,948	14,363	76,044	78,082	203,456

**SUMMERS COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<u>Medicaid Waiver</u>	<u>Fair</u>	<u>Lighthouse</u>	<u>Shine</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$	\$	\$	\$ 5,000	\$ 2,383	\$ 114,232
	79,844	221,729			19,072
					563,005
					9,771
					7,438
					8,070
					5,462
				5,000	5,000
				15	15
456,915					456,915
519,359					519,359
	\$ 390	1695		1,628	40,305
				37,524	37,524
				51,594	51,594
				5,634	5,634
<u>976,274</u>	<u>80,234</u>	<u>223,424</u>	<u>5,000</u>	<u>103,778</u>	<u>1,843,396</u>

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



JOHN BURDETTE & ASSOCIATES

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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
Summers County Council on Aging, Inc.
Hinton, West Virginia

We have audited the financial statements of Summers County Council on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2008, and have issued our report thereon dated June 12, 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 Summers County Council 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 Summers County Council on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Summers County Council 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.

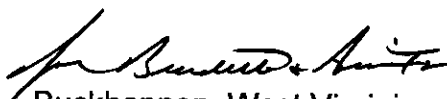
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Compliance and Other Matters

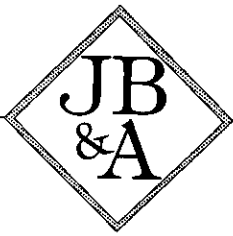
As part of obtaining reasonable assurance about whether Summers County Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 Summers County Council on Aging, Inc. in a separate letter dated June 12, 2009.

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 12, 2009



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

To the Senior Management and
The Board of Directors
Summers County Council on Aging, Inc.
Hinton, West Virginia

In planning and performing our audit of the financial statements of Summers County Council on Aging, Inc., for the year ended September 30, 2008 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 the 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 12, 2009, on the financial statements of Summers County Council on Aging, Inc.

We will review the status of these comments during our next audit engagement. Our comments and recommendation, 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 as follows:

Segregation of Duties

We noted that two employees are responsible for most accounting and financial duties. As a result, many aspects of the internal control which rely upon an adequate segregation of duties are, for all practical purposes, missing in Summers County Council on Aging, Inc. We recognize that the Organization has segregated financial duties as much as possible among its present staff and 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 his 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 with the Organization.


Buckhannon, West Virginia

June 12, 2009