

**REGION 8 PLANNING AND
DEVELOPMENT COUNCIL**

FINANCIAL STATEMENTS

June 30, 2013

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

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INDEPENDENT AUDITOR'S REPORT

To the Council Members
Region 8 Planning and Development Council
Petersburg, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Region 8 Planning and Development Council as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Region 8 Planning and Development Council as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Region 8 Planning and Development Council's basic financial statements. The accompanying combining and individual fund financial statements as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2014, on our consideration of Region 8 Planning and Development Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Region 8 Planning and Development Council's internal control over financial reporting and compliance.

Martin, Beachy & Archart, PLLC

March 17, 2014

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

BACKGROUND

The Region 8 Planning and Development Council is one of eleven regional councils created in 1972 under the West Virginia Regional Planning and Development Act. The PDC is a West Virginia special purpose unit of government that is governed by a board of directors comprised of mayors, county commissioners, and private sector representatives. While the Council has no ability to levy taxes, its properly adopted contribution request becomes a mandatory obligation of its member governments. The Council maintains its principal office in the Grant County Industrial Park, Petersburg, WV.

USING THIS ANNUAL REPORT

Content of the Report

The Region 8 PDC has prepared a series of financial statements that it hopes will allow member governments, funding agencies, and the general public to assess the PDC's FY 2013 financial activity and the change in its financial condition during FY 2013. The PDC presents the following major statements:

- **Statement of Net Assets** – This provides a statement of assets and liabilities on an organization wide basis as of June 30, 2013. This provides the simplest display of the PDC financial condition at the end of FY 2013. The statement lacks detail on funds as shown on the balance sheet.
- **Statement of Activities** – This provides a statement of expenses, revenues, and change in net assets by function/program during FY 2013. The net assets as of June 30, 2013 are the result of the activity portrayed on this statement. Unlike the Statement of Revenues and Expenditures, it provides no details on budget line items.
- **Balance Sheet** – This provides the traditional statement of assets and liabilities and provides the total net assets as of June 30, 2013. The information contained in this statement is similar to that on the Statement of Net Position. However, the balance sheet provides detail by major fund.
- **Statement of Revenues and Expenditures, and Changes in Fund Balances Governmental Funds** – This provides the traditional statement of revenue and expenses by fund for the entire agency. While similar to the Statement of Activities this statement provides details on budget line items instead of functions.

The audit report also presents various notes to the listed statements in an effort to provide detail and clarification.

Statements of Revenues and Expenditures for various programs follow these statements and associated notes. The PDC presents these to allow funding agencies to track the receipt and expenditure of their money.

The FY 2013 audit also contains the auditor's report on internal control over financial reporting and on compliance, the auditor's report on compliance with requirements that could have a direct and material effect on each major program, a schedule of expenditures of federal awards, and a schedule of findings and questioned costs.

Reporting the Organization as a Whole

The Statement of Net Assets and Statement of Activities

It is essential that the Council be able to explain the stewardship of financial resources in its care to the public. The PDC presents the Statements of Net Position and Activities to allow the public to determine if the Council as a whole has the financial ability to sustain the services that it provides. The statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting in the business community. The Statement of Activities provides an accounting of revenue and expenses by program. The statement of cash received or spent reflects accrual for the current year.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

One can assess the PDC's ability to sustain its efforts by examining these statements. Net position reflects the difference between what the PDC owns and what it owes. The difference between revenues and expenses as reported on the Statement of Activities changes the net position for the current year. The change in net position over time is the best indicator of the organization's ability to sustain operations. As with businesses, growth in net position reflects an increased ability to sustain operations. However, one must pay attention to critical details including the rates of change in revenues and expenses and the mix of assets that comprise the net position. Finally, the non-financial factors that enter governmental decision-making may cause deviation from the desire of businesses to maximize growth of net position over the long term. However, the PDC must rationally explain these deviations to the public.

Reporting the Most Significant Funds

Fund Financial Statements

The Region 8 Planning and Development Council accounts for financial resources through three governmental funds:

- **The General Fund** – this fund accounts for resources that the PDC controls without restriction from a funding agency.
- **The Title III Fund** – this fund accounts for resources from the state and federal governments that are restricted to providing service for senior citizens.
- **The Other Government Funds Fund** – this fund accounts for all restricted funds that are not reported in the Title III Fund.

The Balance Sheet as of June 30, 2013 and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds report detailed information about the PDC's funds as opposed to the Council as a whole. The PDC designates these funds to help it manage resources and comply with various program regulations. The Council only has governmental funds.

The PDC reports its operations in governmental funds that focus on income and expenses and year-end balances. The Council uses modified accrual accounting to account for these funds. Cash and assets readily converted to cash are the principal concern of the accounting system. The fund reports allow one to gain an understanding of how the Council has used resources for given operations and of resources that are available in the near term for given operations or sets of operations. A Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities describes the relationship between governmental activities and governmental funds.

Again, notes provide additional information and clarification to allow a better understanding of the information reported in the statements.

THE ORGANIZATION AS A WHOLE

During FY 2013 the Region 8 PDC expended \$11,402,758 on its governmental activities. These same activities produced revenues of \$11,297,675 during FY 2013. The PDC had a change in total governmental funds of \$(22,550). Offsetting this decrease was a modest increase in net assets as a result of business-type activities of \$1,478 and investment earnings of \$1,298. Overall, the PDC had a change in net assets of \$(19,774) during FY 2013. The PDC had net assets of \$349,203 at the end of FY 2013. This represented a 5.67% decrease in net assets over the end of FY 2012. Table 1 provides additional details including a comparison to FY 2010 and FY 2011.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

Table 1 – FY 2013 Expenses and Revenues

					Percent Change	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 11 to FY 12	FY 12 to FY 13
Expenses Governmental Activities	12,593,567	12,955,459	12,310,795	11,402,758	-4.98%	-7.38%
Revenues Governmental Activities	12,512,181	12,859,921	11,975,789	11,380,208	-6.88%	-4.97%
Change in Net Assets Governmental Activities	(81,386)	(95,538)	(335,006)	(22,550)	250.65%	-93.27%
Expenses Business-Type Activities	1,229	1,240	4,744	4,522	282.58%	-4.68%
Revenues Business-Type Activities	6,000	6,000	6,000	6,000	0.00%	0.00%
Change in Net Assets Business-Type Activities	4,771	4,760	1,256	1,478	-73.61%	17.68%
Investment Earnings	2,971	2,725	1,772	1,298	-34.97%	-26.75%
Change in Net Assets	(73,644)	(88,053)	(331,978)	(19,774)	277.02%	-94.04%
Net Assets Beginning	862,652	789,008	700,955	368,977	-11.16%	-47.36%
Net Assets Ending	789,008	700,955	368,977	349,203	-47.36%	-5.36%

As in the past three fiscal years the PDC experienced a decrease in net assets because of governmental activities. This decrease was a result of 1) revenue shortfalls in general operations and 2) accrual of the PEIA OPEB liability. With the passing of Senate Bill 469 by the West Virginia Legislature in 2012, the Council agreed to no longer fund the OPEB liability. However, the Council must continue to accrue liability on a monthly basis for each employee currently covered by the WV PEIA to cover costs of the RHBT. While this allows programs to avoid shortfalls, it causes a significant liability for the Council that must remain on the books until the liability has been funded. With the passing of SB 469, the State plans to fund the OPEB liability in full by 2035. Additionally, the amount that the State is currently invoicing for the additionally liability is significantly lower for 2013 than in past years. In 2012 the PDC assumed additional liability of \$227,878 compared to just \$20,777 for FY 2013. The total liability for the Region 8 PDC to date is \$807,050. However, the passing of SB 469 should supply funds for the State to cover the OPEB liability and eventually the PDC's liability would be zero.

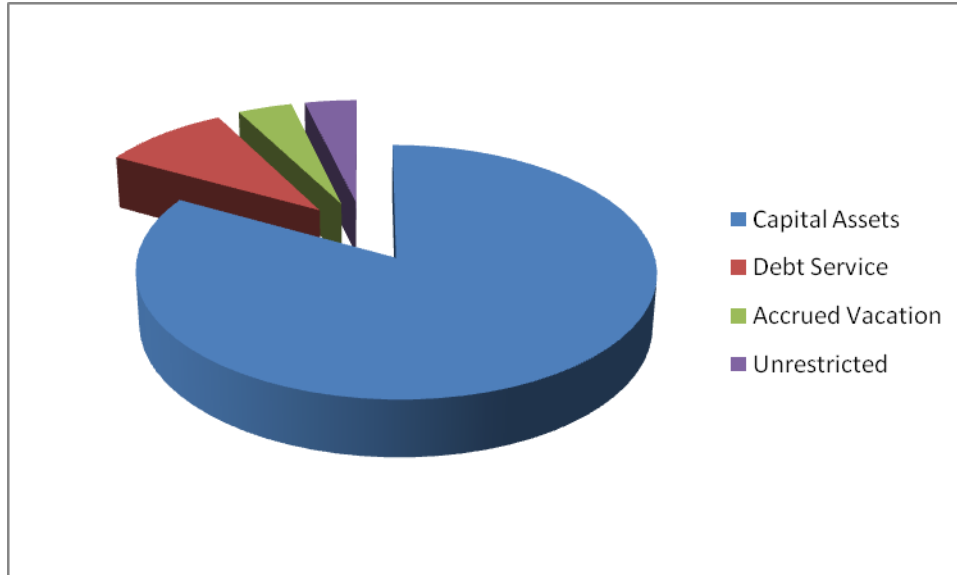
As noted, the PDC ended FY 2013 with net assets of \$349,203. Unrestricted assets comprised about two-thirds of the PDC's assets. Capital assets comprised almost 30% of net assets at the end of FY 2013. Assets required for debt service and vacation time owed staff accounted for about 7.2% of net assets. Table 2 and chart 1 provide additional detail.

Table 2 – Distribution of FY 2013 Net Assets

Capital Assets	\$290,074	83.1%
Debt Service	\$32,250	9.2%
Accrued Vacation	\$13,802	4.0%
Unrestricted	\$13,077	3.7%

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

Chart 1 - Distribution of FY 2013 Net Assets



THE ORGANIZATION'S FUNDS

The PDC expended \$213,474 through its General Fund during FY 2013. This included expenditures of \$22,889 for staff (Personnel and Fringe), \$54,289 for grant match, and \$890 for allocated costs. Staff cost accounted for 29.75% of all expenditures. In FY 2012 staff cost accounted for 10.72% of all general fund expenditures. The overall costs for staff expenditures in the general fund decreased significantly due to the elimination of the Energy Efficiency Block Grant Program which ended in 2012.. The amount listed as expended for grant match decreased nearly 32% from FY 2012. This decrease represents a slight decrease in program matching requirements for FY 2013. Allocated costs accounted for less than 1% of the fund's FY 2013 expenditures. The General Fund had revenue of \$178,476 during FY 2013. About 23.13% of all General Fund Revenue came from user charges mostly from the use of agency vehicles. Other income totaled \$137,191 in FY 2013 or 76.87% of all General Fund revenue.

The PDC expended \$1,881,709 through its Other Governmental Funds Fund during FY 2013. This included \$1,047,513 for staff, \$233,964 for allocated costs and \$247,453 for stipends to program participants. Staff costs accounted for 55.7% of all fund expenditures. In FY 2012 staff costs accounted for 50.6% of all costs and the amount expended for staffing by the fund increased by \$68,440 from FY 2012. The increase is due to increased staffing as a result of a new aging program. Allocated costs and stipends accounted for 12.4% and 13% of the costs, respectively. And, expenditures for these items remained relatively stable. The Other Governmental Funds Fund had revenue of \$1,883,282 during FY 2013. Grants and sub-grants from the Federal Government accounted for 81.3% of all revenue during FY 2013. Administrative fees provided \$45,057 or about 2% of the fund's income during FY 2013. The fund's revenues exceed its expenditures by \$1,573 during FY 2013.

The PDC expended \$9,589,716 through its Title III Fund during FY 2013. This included \$8,707,108 for sub-grants to local senior citizen programs, \$611,483 for staff, and \$205,867 for allocated costs. Sub-grants accounted for 90.8% of all fund expenditures. In FY 2013 staff costs accounted for 6.4% of all costs. The amount expended for sub-grants by the fund increased by \$248,770 from FY 2012. The decrease reflects the state decreasing funds available for distribution to local programs. The Title III Fund had revenue of \$9,589,716 during FY 2013. State funds in the amount of \$7,174,576 provided 74.82% of all Title III fund revenue during FY 2013.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

Original versus Final Budget

The Region 8 PDC prepares an organization wide budget, as part of the process required to develop a cost allocation plan. The PDC does not include revenue and expenses related to sub-grants in the cost allocation plan, as their inclusion would cloud the understanding of resources actually under the control of the PDC. Accordingly, the discussion of the proposed budget to actual costs will not include a discussion of pass through sub-grants.

Table 3 – Summary Comparison of FY 2013 Budget to Actual

	FY 2013 Budget	FY 2013 Actual	Variation
Revenue			
Federal	1,605,119	1,748,806	8.95%
State	666,645	654,173	-1.87%
Local – Other	501,600	472,501	-5.80%
Total	2,773,364	2,875,480	3.68%
Expenditures			
Staff	1,385,721	1,681,875	21.37%
Allocated Costs	341,493	440,721	29.06%
Stipends & Program	676,277	433,042	-35.97%
Bad Debt Expense	0	768	
Grant Match Expense	0	54,289	
Other	369,873	290,551	-21.45%
Total	2,773,364	2,901,246	4.61%

Table 3 provides a comparison of the proposed budget to actual revenues and expenses. Actual total revenue was 3.68% greater than budgeted. Revenue from federal sources was greater than budgeted, but revenue from State and other sources was less than budgeted. Actual expenses were 4.61% greater than expected. As explained before, much of this over expenditure can be contributed to the OPEB liability assumed by the Council.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

In FY 2010, the PDC began accruing funds to cover expenses for the PEIA annual retirement contribution. The State is currently invoicing the Council based on the number of employees covered by PEIA insurance. Although the State is not requiring payment of the invoices at this time, the Council began accruing the costs and placing the funds in an account. Therefore based on the decision of the Council, the accrued funds were placed into an account and are recognized as a liability of the Council. However, in the last fiscal year, the West Virginia State Legislature passed Senate Bill 469. Senate Bill 469 states that the OPEB liability will be eliminated by the year 2035 through the use of a pre-funding source. Therefore, the Region 8 Council agreed to discontinue accruing funds for the OPEB liability during FY 2012 as it was putting a tremendous strain on program budgets. However, the Council must maintain the liability on record and this is reflected in the overall financial status of the agency. The total amount of OPEB liability for the Region 8 Council at the end of FY 2013 is \$807,050. At the end of FY 2013 \$490,466 has been assumed as an unfunded liability of the Council.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013**

Debt Administration

The PDC began FY 2013 with total long-term debt of \$54,916. The PDC has a \$32,250 obligation to the West Virginia Economic Development Authority. The debt has no interest charge and will become due on June 30, 2042. The PDC reserves funds from its net assets to retire this debt. The PDC began FY 2013 with a debt of \$22,666 to the Summit Bank. The debt was due November 2013. The PDC made regular monthly payments. Accordingly, the PDC ended FY 2013 owing \$6,831 to the Summit Community Bank and the debt has since been retired.

ECONOMIC FACTORS

The PDC is highly dependent on the federal and state governments for operational funding. Decisions in Washington and Charleston have great bearing on the PDC's ability to maintain current operations.

The core funding programs that support basic planning and development operations appear stable. The PDC has implemented measures to lessen expenditures and the operating loss appears to have stabilized. The PDC ended FY 2013 with an unrestricted fund balance of (\$217,448). Thus although the PDC had a \$34,998 reduction in the unrestricted fund balance, the PDC feels that its position is sound and that it can maintain critical operations. Again, this reduction and resulting negative balance is due the assumption of the large amount OPEB liability.

FURTHER INFORMATION

This financial report provides a general overview of the PDC's finances for all interested organizations and persons. The PDC recognizes that it may need to clarify the information that it has provided and that individuals may have a need for more detailed information. Individuals and organizations having questions or requiring additional information should contact:

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REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF NET POSITION
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 823,511	\$ -	\$ 823,511
Accounts receivable	60,606	-	60,606
Grant funds receivable	509,887	-	509,887
Notes receivable	218,736	-	218,736
Property and equipment, net of accumulated depreciation	296,905	-	296,905
 TOTAL ASSETS	 \$ 1,909,645	 \$ -	 \$ 1,909,645
 LIABILITIES			
Accounts payable	\$ 397,776	\$ -	\$ 397,776
Interfund payables	-	-	-
Accrued wages	63,219	-	63,219
Accrued annual leave	57,947	-	57,947
Accrued payroll taxes	27,906	-	27,906
Other accrued liabilities	810,744	-	810,744
Deferred revenue	151,980	-	151,980
Due to other agencies	11,789	-	11,789
Mortgage note payable:			
Due within one year	6,831	-	6,831
Note payable	32,250	-	32,250
 TOTAL LIABILITIES	 1,560,442	 -	 1,560,442
 NET POSITION			
Investment in capital assets, net of related debt	290,074	-	290,074
Restricted for:			
Debt service	32,250	-	32,250
Accrued vacation	13,802	-	13,802
Unrestricted	13,077	-	13,077
 TOTAL NET POSITION	 \$ 349,203	 \$ -	 \$ 349,203

See accompanying notes to financial statements.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
	Expenses	Charges for Services	Operating Grants	Govern- mental Activities	Business- Type Activities	Total
Governmental activities:						
General operations	\$ 194,029	\$ 82,533	\$ 87,373	\$ (24,123)	\$ -	\$ (24,123)
Appalachian Regional Development	123,393	-	123,393	-	-	-
Economic Development Admin.	116,793	-	116,793	-	-	-
Broadband study	29,101	-	29,101	-	-	-
Revolving Loan	6,254	-	5,116	(1,138)	-	(1,138)
Micro Loan	5,133	-	7,844	2,711	-	2,711
Title III	9,429,912	-	9,429,912	-	-	-
Title V	579,639	-	579,639	-	-	-
Foster Grandparent	422,686	-	422,686	-	-	-
Retired Senior Volunteer Program	124,420	-	124,420	-	-	-
Transitional Housing	371,398	-	371,398	-	-	-
Total governmental activities	11,402,758	82,533	11,297,675	(22,550)	-	(22,550)
Business-type activities:						
Office rental	4,522	6,000	-	-	1,478	1,478
Total business-type activities	4,522	6,000	-	-	1,478	1,478
Total primary government	\$ 11,407,280	\$ 88,533	\$ 11,297,675	\$ (22,550)	\$ 1,478	\$ (21,072)
General revenues:						
Investment earnings				1,298	-	1,298
Transfers				1,478	(1,478)	-
Total				2,776	(1,478)	1,298
Change in net assets				(19,774)	-	(19,774)
Beginning net assets				368,977	-	368,977
Ending net assets				\$ 349,203	\$ -	\$ 349,203

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	General	Title III	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 802,641	\$ (30,729)	\$ 51,598	\$ 823,510
Accounts receivable	60,606	-	-	60,606
Grant funds receivable	-	395,896	113,991	509,887
Notes receivable	-	-	218,736	218,736
	\$ 863,247	\$ 365,167	\$ 384,325	\$ 1,612,739
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 97,414	\$ 296,862	\$ 3,500	\$ 397,776
Accrued wages	63,219	-	-	63,219
Accrued annual leave	44,144	-	-	44,144
Accrued payroll taxes	27,906	-	-	27,906
Other accrued liabilities	810,744	-	-	810,744
Deferred revenue	2,468	61,958	87,554	151,980
Due to other agencies	2,550	6,347	2,892	11,789
Note payable	32,250	-	-	32,250
	1,080,695	365,167	93,946	1,539,808
 FUND BALANCES (DEFICIT)				
Restricted:				
Debt service	32,250	-	-	32,250
Accrued vacation	13,802	-	-	13,802
Unassigned:				
General fund	(263,500)	-	-	(263,500)
Special revenue fund	-	-	290,379	290,379
	(217,448)	-	290,379	72,931
TOTAL LIABILITIES AND FUND BALANCES	\$ 863,247	\$ 365,167	\$ 384,325	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	296,905
Long-term notes payable are not due and payable in the current period and therefore are not reported in the funds.	(6,831)
Accrued vacation is not due and payable in the current period and therefore is not reported in the funds.	(13,802)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 349,203

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	General	Title III	Other Governmental Funds	Total Governmental Funds
REVENUES				
Federal grants	\$ -	\$ 278,076	\$ 1,470,730	\$ 1,748,806
State grants	-	593,581	60,592	654,173
Federal subgrant	-	1,533,454	-	1,533,454
State subgrant	67,964	7,174,576	-	7,242,540
User charge	41,285	-	-	41,285
Administrative fees	-	-	45,057	45,057
Rent income	6,000	-	29,117	35,117
Interest income	1,298	-	8,022	9,320
In-kind	-	-	185,589	185,589
Other	61,929	10,029	84,175	156,133
Total Revenues	<u>178,476</u>	<u>9,589,716</u>	<u>1,883,282</u>	<u>11,651,474</u>
EXPENDITURES				
Personnel	1,360	445,484	833,852	1,280,696
Fringe benefits	21,529	165,999	213,661	401,189
Travel	370	33,371	77,420	111,161
Printing and supplies	70	7,639	43,103	50,812
Rent	-	6,374	7,147	13,521
Telephone	2,924	11,992	9,934	24,850
Allocated costs	890	205,867	233,964	440,721
Insurance	3,089	-	3,525	6,614
Advertising	148	2,102	3,030	5,280
Maintenance	3,680	230	2,578	6,488
Professional fees/contractual	180	30	5,191	5,401
Participant support	-	-	6,867	6,867
Vehicle expense	27,144	-	231	27,375
Stipends	-	-	247,453	247,453
In-kind	-	-	185,589	185,589
Other	5,238	3,520	7,396	16,154
Grant cash match	54,289	-	-	54,289
Subgrants	76,545	8,707,108	-	8,783,653
Bad debt expense	-	-	768	768
Loan principal payments	15,835	-	-	15,835
Interest	183	-	-	183
Total Expenditures	<u>213,474</u>	<u>9,589,716</u>	<u>1,881,709</u>	<u>11,684,899</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(34,998)	-	1,573	(33,425)
BEGINNING FUND BALANCES	<u>(182,450)</u>	<u>-</u>	<u>288,806</u>	<u>106,356</u>
ENDING FUND BALANCES	<u>\$ (217,448)</u>	<u>\$ -</u>	<u>\$ 290,379</u>	<u>\$ 72,931</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013**

NET CHANGE IN FUND BALANCES	\$ (33,425)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount paid for the purchase of capital assets in the current period.</p>	17,169
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in the current period.</p>	(18,387)
<p>Repayment of mortgage principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of principal repayments.</p>	15,835
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>	<u>(966)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (19,774)</u>

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Region 8 Planning and Development Council (the Council) was established under Chapter 8, Article 25 of the Code of West Virginia. The region for which the Council was created and maintained is all of Grant, Hampshire, Hardy, Mineral, and Pendleton Counties in West Virginia.

The purpose of the Council is to plan comprehensively and perform development in the region and to promote and protect through the joint participation of citizens and elected officials, the social, economic, educational, environmental and general welfare of the citizens in the region.

Introduction

The financial statements of the Council conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Government Accounting Standards Board (GASB). The accounting and reporting framework and the more significant accounting policies of the Council are discussed in subsequent sections of this note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Council's financial activities for the year ended June 30, 2013.

Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Council as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported through federal and state grants, from business-type activities, generally supported with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional category. Program revenues include: 1) charges for services; and 2) operating grants which finance annual operating activities.

Fund Financial Statements

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. Expenditures are recorded when the related fund liability is incurred.

Allocation of Indirect Expenses

The Council allocates indirect expenses primarily comprised of administrative support services to operating functions and programs benefiting from those services. Allocations are charged to programs based on use of administrative services determined by various allocation methodologies.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Types and Major Funds

The Council reports the following major governmental funds:

General Fund – the general operating fund of the Council. This fund is used to account for all financial resources not reported in other funds.

Title III Fund – accounts for all activities of the Upper Potomac Area Agency on Aging which provides support services for the elderly.

Cash

The Council considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Receivables

Grants receivable represents expenditures incurred and billed for reimbursement but not received, and accounts receivable represents billings for services rendered but not received as of June 30, 2013.

Deferred Revenues

Deferred revenues represent the cumulative excess of cash received over revenues earned.

Due to Other Agencies

These amounts represent the cumulative excess of cash received over expenditures incurred, which must be returned to the grantor agency that funded the program.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets

Capital assets, which include property, plant and equipment, are recorded at historical cost and are reported in the government-wide financial statements. The Council generally capitalizes assets with a cost of \$5,000 or more. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Capital assets are depreciated using the straight-line method over the following expected service lives:

Buildings and improvements	15-39 years
Vehicles	5 years

Date of Management's Review

Subsequent events were evaluated through March 17, 2014, which is the date the financial statements were available to be issued.

NOTE B – CASH DEPOSITS

The Council maintains cash accounts at four financial institutions. As of June 30, 2013, amounts in excess of insured limits total approximately \$65,000.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

NOTE C – NOTES RECEIVABLE

Notes receivable consists of the following:

Promissory note from Criterion, Inc. with interest at 4%, due \$759 monthly, including interest. Collateralized by equipment, inventory, accounts receivable, and personal guarantee of the owners.	\$ 10,922
Promissory note from Thermo Gauge Instruments with interest at 4%, due \$838 monthly, including interest. Collateralized by equipment, inventory, accounts receivable, and personal guarantee of the owners.	15,732
Promissory note from Capon Bridge Fiber works with interest at 4.0%, due \$658 monthly, including interest, until November 2020. Collateralized by equipment, inventory, and accounts receivable.	51,588
Promissory note from On The Level Construction with interest at 4.0%, due \$456 monthly, including interest, until December 2022. Collateralized by a deed of trust on real estate.	43,462
Eleven promissory notes to various businesses with interest rates ranging from 7% to 10%, and maturing on various dates. Collateralized by equipment, inventory, and accounts receivable.	97,032
	\$ 218,736

All loans are made to local businesses using funds from the Title IX (revolving loan) and Micro Loan (Small Business Development) programs.

NOTE D – CAPITAL ASSET ACTIVITY

Capital asset activity for the Council for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Historic Cost:				
Vehicles	\$ 52,174	\$ 17,169	\$ -	\$ 69,343
Buildings and improvements	505,439	-	-	505,439
	557,613	17,169	-	574,782
Less Accumulated Depreciation	259,490	18,387	-	277,877
Net Capital Assets	\$ 298,123	\$ (1,218)	\$ -	\$ 296,905

All depreciation expense is charged to general operations in the statement of activities.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE E – COMPENSATED ABSENCES

Council employees earn up to 18 vacation days per year and are allowed to carry this time earned over to subsequent fiscal years. Maximum accumulation allowed of vacation days is 30 days. Estimates have been made and an accrued liability recorded in the amount of \$44,144 to reflect accumulated vacation days at June 30, 2013.

Due to restrictions imposed by grant funding sources, the Planning Division has not recorded any accrued liability for vacation days in the governmental fund financial statements, because the amount of accrued liability as of any point in time would not be normally liquidated with current financial resources. The Planning Division's share of the accrued liability, \$13,803, is recorded as a reserved fund balance in the governmental fund financial statements.

NOTE F – NOTES PAYABLE

Notes payable consists of the following:

Mortgage note to Summit Community Bank with interest at 4.5%, due \$1,378 monthly, including interest, until November 20, 2013, collateralized by real estate in Petersburg, West Virginia.	\$ 6,831
Promissory note to the West Virginia Economic Development Authority (WVEDA), 0% interest, principal due June 30, 2042, unsecured.	<u>32,250</u>
	<u>\$ 39,081</u>

Maturities of notes payable are as follows:

Year ended <u>June 30,</u>	
2014	\$ 6,831
Thereafter	<u>32,250</u>
	<u>\$ 39,081</u>

NOTE G – RETIREMENT PLAN

The Council's retirement plan is administered by the West Virginia Public Employees Retirement System. It is a defined contribution retirement plan which provides retirement benefits for all eligible employees. For the year ended June 30, 2013, the Council contributed approximately \$145,900, an amount equal to 14.5% of eligible employees' gross salaries. Retirement plan expenses are included in fringe benefits expense.

NOTE H – OTHER POST EMPLOYMENT BENEFITS

The Council contributes to the West Virginia Retiree Health Benefits Trust Fund (RHBT), a cost-sharing multiple employer defined benefit postemployment health care plan. RHBT provides medical benefits to retirement employees of the State of West Virginia. Chapter 15 of the Code of the State of West Virginia assigns authority to establish and amend benefit provisions to the RHBT Finance Board.

The Council's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution determined by the RHBT. For the year ending June 30, 2013 the total OPEB expense was \$20,777. As of June 30, 2013, the total accumulated liability was \$807,050.

NOTE I – BUDGETARY COMPARISON REPORTING

Budgetary Comparison Schedules are not included in the financial statements as the Council is not legally required to adopt a budget for each of its funds.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE J – ECONOMIC DEPENDENCE

The Council is economically dependent on the Federal and West Virginia governments for a major portion of its revenues. The amounts of revenues and percentage of total revenues from these sources for the year ended June 30, 2013 are as follows:

	<u>Amount</u>	<u>Percentage</u>
Federal	\$ 3,282,260	28.17
West Virginia	7,896,713	67.77
Other	472,501	4.06
	<u>\$ 11,651,474</u>	<u>100.00</u>

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNRESTRICTED OPERATIONS
Year Ended June 30, 2013

REVENUES	
User charge	\$ 37,605
Rent income	6,000
Interest income	1,298
Local cash match	2,515
Other	<u>127,376</u>
Total Revenues	<u>174,794</u>
EXPENDITURES	
Personnel	1,360
Fringe benefits	21,529
Contractual	180
Travel	372
Advertising	148
Supplies	70
Telephone and utilities	2,923
Insurance	3,089
Meeting expense	4,205
Building maintenance	17,169
Local cash match	54,289
Other	1,009
Auto expense	9,974
Subgrants	76,545
Allocated costs - Petersburg	41
Allocated costs - management and general	745
Allocated costs - common costs	<u>102</u>
Total Expenditures	<u>193,775</u>
DEFICIT OF REVENUES OVER EXPENDITURES	(18,981)
OTHER FINANCING SOURCES (USES)	
Loan principal payments	(15,835)
Interest expense	(183)
Transfer-in	8,913
Transfer-out	<u>(8,913)</u>
	<u>(16,018)</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(34,999)
BEGINNING FUND BALANCE (DEFICIT)	<u>(182,501)</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ (217,500)</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
ADMINISTRATIVE GRANT UNDER APPALACHIAN
REGIONAL DEVELOPMENT ACT
January 1, 2012 to December 31, 2012**

	01/01/12 - 06/30/12	07/01/12 - 12/31/12	Total 01/01/12 - 12/31/12	Budget
REVENUES				
Federal	\$ 48,823	\$ 13,427	\$ 62,250	\$ 62,250
Local	14,113	49,069	63,182	125,000
Total Revenues	<u>62,936</u>	<u>62,496</u>	<u>125,432</u>	<u>187,250</u>
EXPENDITURES				
Personnel	33,342	31,543	64,885	91,163
Fringe benefits	12,105	12,302	24,407	37,000
Travel	916	588	1,504	12,250
Training	-	-	-	1,700
Advertising	85	-	85	-
Supplies	124	78	202	750
Telephone	1,268	344	1,612	-
Publications/dues	-	-	-	1,000
Allocated costs - Petersburg	4,761	5,633	10,394	4,337
Allocated costs - management and general	8,950	9,271	18,221	27,550
Allocated costs - common costs	1,385	2,737	4,122	11,500
Total Expenditures	<u>62,936</u>	<u>62,496</u>	<u>125,432</u>	<u>187,250</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
ADMINISTRATIVE GRANT UNDER APPALACHIAN
REGIONAL DEVELOPMENT ACT
January 1, 2013 to June 30, 2013**

	Actual	Budget*
REVENUES		
Federal	\$ 31,468	\$ 62,250
Local	29,428	105,000
Total Revenues	60,896	167,250
EXPENDITURES		
Personnel	29,902	81,363
Fringe benefits	12,422	32,300
Travel	2,729	11,800
Training	550	1,700
Supplies	793	750
Telephone	91	-
Publications and dues	-	1,000
Allocated costs - Petersburg	3,526	3,887
Allocated costs - management and general	9,880	24,450
Allocated costs - common costs	1,003	10,000
Total Expenditures	60,896	167,250
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

*Budget is for the twelve month period January 1, 2013 to December 31, 2013.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
ECONOMIC DEVELOPMENT ADMINISTRATION – PLANNING
Year Ended June 30, 2013**

	<u>Actual</u>	<u>Budget</u>
REVENUES		
Federal	\$ 70,000	\$ 70,000
State	36,480	20,000
Local	<u>10,313</u>	<u>26,793</u>
Total Revenues	<u>116,793</u>	<u>116,793</u>
 EXPENDITURES		
Personnel	55,678	61,897
Fringe benefits	27,748	25,380
Travel	4,725	4,000
Advertising	361	500
Supplies	415	400
Telephone	177	-
Publication/dues	325	325
Meeting expense	694	375
Allocated costs - Petersburg	7,567	6,700
Allocated costs - management and general	15,265	15,000
Allocated costs - common costs	<u>3,538</u>	<u>2,216</u>
Total Expenditures	<u>116,793</u>	<u>116,793</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
LOAN PROGRAMS
Year Ended June 30, 2013

	EDA Revolving <u>Loan Fund</u>	Micro Loan	Lightstone Micro <u>Loan</u>
REVENUES			
Interest income	\$ 3,849	\$ 4,173	\$ -
Local	<u>1,267</u>	<u>191</u>	<u>3,480</u>
Total Revenues	<u>5,116</u>	<u>4,364</u>	<u>3,480</u>
EXPENDITURES			
Personnel	1,925	490	-
Fringe benefits	752	192	-
Legal	2,363	2,829	-
Travel	29	29	-
Publication/dues	68	68	-
Other	9	14	-
Allocated costs - Petersburg	40	18	-
Allocated costs - management and general	969	681	-
Allocated costs - common costs	<u>99</u>	<u>43</u>	<u>-</u>
Total Expenditures	<u>6,254</u>	<u>4,364</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,138)</u>	<u>-</u>	<u>3,480</u>
OTHER FINANCING SOURCES (USES)			
Bad debt expense	-	(1,066)	-
Bad debt recoveries	<u>-</u>	<u>298</u>	<u>-</u>
	<u>-</u>	<u>(768)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(1,138)</u>	<u>(768)</u>	<u>3,480</u>
BEGINNING FUND BALANCE	<u>191,537</u>	<u>100,748</u>	<u>(3,480)</u>
ENDING FUND BALANCE	<u>\$ 190,399</u>	<u>\$ 99,980</u>	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
TITLE III
October 1, 2011 to September 30, 2012**

	<u>10/01/2011 - 06/30/2012</u>	<u>07/01/2012 - 09/30/2012</u>	<u>Total</u>	<u>Budget</u>
REVENUES				
Federal	\$ 101,061	\$ 54,939	\$ 156,000	\$ 156,000
State	116,671	-	116,671	114,671
Federal subgrant	1,478,911	308,514	1,787,425	1,775,018
State subgrant	1,212,264	167,998	1,380,262	1,359,040
Local match	<u>28</u>	<u>-</u>	<u>28</u>	<u>-</u>
Total Revenues	<u>2,908,935</u>	<u>531,451</u>	<u>3,440,386</u>	<u>3,404,729</u>
EXPENDITURES				
Administration:				
Personnel	106,347	27,468	133,815	129,477
Fringe benefits	45,682	10,746	56,428	50,461
Travel	10,410	4,517	14,927	20,344
Supplies	1,492	816	2,308	2,689
Telephone	983	1,406	2,389	3,525
Publications/dues	371	150	521	450
Utilities	118	-	118	150
Meetings	520	235	755	672
Other	(1)	302	301	1,535
Allocated costs - Petersburg	7,764	-	7,764	14,884
Allocated costs - management and general	36,535	7,174	43,709	33,200
Allocated costs - common costs	5,945	2,125	8,070	11,690
Allocated costs - other	1,594	-	1,594	1,594
Subgrants				
Title III B subgrant	641,938	174,025	815,963	805,840
Title III C subgrant	694,049	-	694,049	694,049
Title III D subgrant	18,582	9,596	28,178	28,283
Title III E subgrant	130,420	37,714	168,134	165,745
NSIP subgrant	307,961	83,397	391,358	391,358
Elder Abuse subgrant	1,309	3,782	5,091	5,091
LIEAP subgrant	11,000	-	11,000	11,000
Nutrition Supplement subgrant	<u>885,916</u>	<u>167,998</u>	<u>1,053,914</u>	<u>1,032,692</u>
Total Expenditures	<u>2,908,935</u>	<u>531,451</u>	<u>3,440,386</u>	<u>3,404,729</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
TITLE III
October 1, 2012 to June 30, 2013**

	<u>Subgrant</u>	<u>Grant</u>	<u>Total</u>	<u>Budget*</u>
REVENUES				
Federal	\$ -	\$ 127,741	\$ 127,741	\$ 156,000
State	-	112,000	112,000	116,671
Federal subgrant	1,137,118	-	1,137,118	2,141,240
State subgrant	1,254,561	-	1,254,561	2,274,441
Local match	-	188	188	-
	<u>2,391,679</u>	<u>239,929</u>	<u>2,631,608</u>	<u>4,688,352</u>
Total Revenues				
EXPENDITURES				
Administration:				
Personnel	-	122,707	122,707	143,771
Fringe benefits	-	47,925	47,925	56,316
Travel	-	5,209	5,209	15,000
Advertising	-	-	-	250
Supplies	-	1,420	1,420	3,713
Telephone	-	2,822	2,822	4,357
Publications/dues	-	148	148	500
Utilities	-	118	118	160
Meetings	-	399	399	692
Other	-	686	686	100
Allocated costs - Petersburg	-	15,690	15,690	10,841
Allocated costs - management and general	-	35,555	35,555	25,414
Allocated costs - common costs	-	7,250	7,250	11,557
Subgrants				
Title III B subgrant	555,587	-	555,587	830,416
Title III C subgrant	577,294	-	577,294	727,982
Title III D subgrant	21,450	-	21,450	31,849
Title III E subgrant	119,724	-	119,724	157,070
NSIP subgrant	193,081	-	193,081	393,923
Elder Abuse subgrant	-	-	-	-
LIEAP subgrant	11,000	-	11,000	11,000
Nutrition Supplement subgrant	913,543	-	913,543	2,263,441
	<u>2,391,679</u>	<u>239,929</u>	<u>2,631,608</u>	<u>4,688,352</u>
Total Expenditures				
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Budget is for the twelve-month period October 1, 2012 to September 30, 2013.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
LIFE
Year Ended June 30, 2013**

	Total	Budget
REVENUES		
State subgrant	\$ 2,951,012	\$ 2,945,054
Total Revenues	2,951,012	2,945,054
EXPENDITURES		
Life Direct Services subgrant	2,951,012	2,945,054
Total Expenditures	2,951,012	2,945,054
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
AGING DISABLED RESOURCE CENTER
Year Ended June 30, 2013**

	<u>Total</u>	<u>Budget</u>
REVENUES		
State	\$ 232,500	\$ 232,500
Local	3,141	-
Other	<u>2,775</u>	<u>-</u>
Total Revenues	<u>238,416</u>	<u>232,500</u>
 EXPENDITURES		
Administration:		
Salaries	122,829	118,567
Fringe benefits	44,226	47,798
Travel	4,513	6,675
Training	-	750
Advertising	608	1,500
Supplies	2,358	4,780
Telephone	4,497	6,143
Publication/dues	1,038	-
Rent	3,300	4,200
Meetings	492	-
Other	25	-
Allocated costs - Petersburg	7,141	5,154
Allocated costs - Martinsburg	3,013	5,361
Allocated costs - management and general	34,603	22,597
Allocated costs - common costs	<u>9,773</u>	<u>8,975</u>
Total Expenditures	<u>238,416</u>	<u>232,500</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
AGING DISABLED RESOURCE CENTER – REGION 1
Year Ended June 30, 2013**

	<u>Total</u>	<u>Budget</u>
REVENUES		
State	\$ 159,850	\$ 159,850
Local	3,926	-
	<u>163,776</u>	<u>159,850</u>
Total Revenues		
 EXPENDITURES		
Administration:		
Salaries	83,145	83,884
Fringe benefits	32,484	33,816
Travel	5,883	4,780
Training	-	200
Advertising	-	2,000
Supplies	1,009	4,531
Telephone	1,789	1,602
Publications/dues	843	-
Rent	2,183	2,220
Equipment and furniture	-	400
Meetings	170	-
Other	89	710
Allocated costs - Fairmont	4,115	3,520
Allocated costs - Petersburg	405	-
Allocated costs - management and general	24,010	14,713
Allocated costs - common costs	7,651	7,474
	<u>163,776</u>	<u>159,850</u>
Total Expenditures		
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
VITALS
October 1, 2011 to September 30, 2012**

	10/01/2011 - 06/30/2012	07/01/2012 - 09/30/2012	Total	Budget
REVENUES				
Federal	\$ 19,686	\$ 12,412	\$ 32,098	\$ 53,182
Local cash match	-	-	-	860
Total Revenues	<u>19,686</u>	<u>12,412</u>	<u>32,098</u>	<u>54,042</u>
EXPENDITURES				
Administration:				
Salaries	10,657	3,664	14,321	26,914
Fringe benefits	1,759	1,432	3,191	9,334
Travel	744	1,885	2,629	5,732
Training	-	-	-	550
Advertising	-	-	-	-
Supplies	562	335	897	1,000
Telephone	129	43	172	100
Other	-	1,501	1,501	-
Allocated costs - Petersburg	1,607	315	1,922	213
Allocated costs - Martinsburg	1,076	1,356	2,432	4,095
Allocated costs - management and general	2,452	1,667	4,119	5,689
Allocated costs - common costs	700	214	914	-
Allocated costs - other	-	-	-	415
Total Expenditures	<u>19,686</u>	<u>12,412</u>	<u>32,098</u>	<u>54,042</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
MONEY FOLLOWS THE PERSON
October 1, 2012 to June 30, 2013**

	<u>Total</u>	<u>Budget</u>
REVENUES		
State	\$ 57,665	\$ 62,552
Total Revenues	<u>57,665</u>	<u>62,552</u>
EXPENDITURES		
Salaries	26,575	31,800
Fringe benefits	6,131	11,652
Travel	7,432	6,000
Advertising	1,463	-
Supplies	1,190	900
Telephone	809	1,100
Other	13	-
Allocated costs - Fairmont	1,222	1,000
Allocated costs - Martinsburg	1,455	1,600
Allocated costs - management and general	8,207	8,500
Allocated costs - common costs	<u>3,168</u>	<u>-</u>
Total Expenditures	<u>57,665</u>	<u>62,552</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
IN-HOME FUEL
Year Ended June 30, 2013**

	Total	Budget
REVENUES		
State subgrant	\$ 2,823,005	\$ 2,852,257
Total Revenues	2,823,005	2,852,257
EXPENDITURES		
Subgrant	2,823,005	2,852,257
Total Expenditures	2,823,005	2,852,257
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
SENIOR HEALTH INSURANCE PROGRAM – REGION 3
April 1, 2012 to March 31, 2013

	4/1/2012 - 6/30/2012	7/1/2012 - 3/31/2013	Total	Budget
REVENUES				
Federal	\$ 9,931	\$ 43,918	\$ 53,849	\$ 51,940
Federal subgrant	84,000	42,300	126,300	60,000
Local cash match	-	-	-	2,437
	<u>93,931</u>	<u>86,218</u>	<u>180,149</u>	<u>114,377</u>
Total Revenues				
EXPENDITURES				
Personnel	2,487	21,908	24,395	26,265
Fringe benefits	2,154	8,744	10,898	10,588
Travel	-	993	993	2,150
Training	-	-	-	200
Advertising	-	-	-	125
Supplies	-	121	121	1,743
Telephone	-	304	304	575
Other	375	-	375	-
Allocated costs - Petersburg	7	2,613	2,620	2,803
Allocated costs - management and general	4,740	6,549	11,289	7,195
Allocated costs - common costs	168	2,686	2,854	-
Allocated costs - other	-	-	-	2,733
Subgrant	84,000	42,300	126,300	60,000
	<u>93,931</u>	<u>86,218</u>	<u>180,149</u>	<u>114,377</u>
Total Expenditures				
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
SENIOR HEALTH INSURANCE PROGRAM – REGION 3
April 1, 2013 to June 30, 2013**

	<u>Actual</u>	<u>Budget*</u>
REVENUES		
Federal	\$ 11,922	\$ 30,000
Local cash match	-	12,330
Total Revenues	<u>11,922</u>	<u>42,330</u>
 EXPENDITURES		
Personnel	6,803	20,946
Fringe benefits	2,473	8,377
Travel	23	1,750
Advertising	31	650
Supplies	75	-
Allocated costs - Fairmont	-	2,370
Allocated costs - Petersburg	1,136	-
Allocated costs - management and general	1,256	5,787
Allocated costs - common costs	125	2,450
Total Expenditures	<u>11,922</u>	<u>42,330</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>

*Budget is for the twelve-month period April 1, 2013 to March 31, 2014.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
SENIOR HEALTH INSURANCE PROGRAM – REGION 1
April 1, 2012 to March 31, 2013

	<u>4/1/2012 - 6/30/2012</u>	<u>7/1/2012 - 3/31/2013</u>	<u>Total</u>	<u>Budget</u>
REVENUES				
Federal	\$ 1,729	\$ 27,046	\$ 28,775	\$ 35,709
Federal subgrant	16,000	33,600	49,600	44,000
Local cash match	-	-	-	2,260
	<u>17,729</u>	<u>60,646</u>	<u>78,375</u>	<u>81,969</u>
EXPENDITURES				
Personnel	(247)	14,192	13,945	17,754
Fringe benefits	147	4,055	4,202	7,157
Travel	230	496	726	1,200
Training	-	-	-	200
Advertising	-	-	-	125
Supplies	35	267	302	2,320
Telephone	115	203	318	516
Other	-	55	55	1,913
Allocated costs - Fairmont	1,984	1,448	3,432	1,760
Allocated costs - management and general	(181)	4,123	3,942	5,024
Allocated costs - common costs	(354)	2,207	1,853	-
Subgrant	16,000	33,600	49,600	44,000
	<u>17,729</u>	<u>60,646</u>	<u>78,375</u>	<u>81,969</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
SENIOR HEALTH INSURANCE PROGRAM – REGION 1
April 1, 2013 to June 30, 2013**

	Actual	Budget*
REVENUES		
Federal	\$ 12,020	\$ 30,000
Local cash match	-	3,075
Total Revenues	12,020	33,075
 EXPENDITURES		
Personnel	7,022	16,866
Fringe benefits	2,701	6,746
Travel	144	800
Other	30	-
Allocated costs - Fairmont	624	1,914
Allocated costs - management and general	1,365	4,564
Allocated costs - common costs	134	2,185
Total Expenditures	12,020	33,075
 EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

*Budget is for the twelve-month period April 1, 2013 to March 31, 2014.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
TITLE V
Year Ended June 30, 2013

	Actual	Budget
REVENUES		
Federal	\$ 505,040	\$ 503,141
Local match	28,539	32,215
In-kind	46,061	39,600
Total Revenues	579,640	574,956
 EXPENDITURES		
Enrollee costs:		
Salaries	370,621	373,555
Fringe benefits	31,191	37,132
Other enrollee costs:		
Salaries	42,560	44,919
Fringe benefits	19,544	17,281
Contractual	-	3,374
Travel	9,458	-
Advertising	372	1,800
Supplies	728	-
Development	34	600
Training	803	5,020
Other	840	-
Allocated costs - Petersburg	9,154	8,121
Allocated costs - Martinsburg	3,011	774
Allocated costs - common costs	3,084	5,801
Administrative costs:		
Salaries	16,562	13,484
Fringe benefits	6,471	5,416
Allocated costs - Petersburg	577	791
Allocated costs - management and general	17,484	16,173
Allocated costs - common costs	1,085	1,115
Subtotal - Federal Expenditures	533,579	535,356
Non-Federal Expenditures	46,061	39,600
Total Expenditures	579,640	574,956
 EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
FOSTER GRANDPARENT
Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>
REVENUES		
Federal	\$ 416,143	\$ 416,143
Local	6,543	5,299
Total Revenues	<u>422,686</u>	<u>421,442</u>
 EXPENDITURES		
Administration:		
Personnel	62,924	60,894
Fringe benefits	26,148	29,034
Travel	5,480	6,257
Advertising	50	250
Supplies	1,133	1,770
Publication and dues	158	-
Telephone	487	-
Other	662	200
Allocated costs - Petersburg	6,398	4,277
Allocated costs - management and general	18,261	11,852
Allocated costs - common costs	4,751	700
Allocated costs - other	-	3,913
Program:		
Recognition	1,479	500
Stipends	247,453	257,331
Subsistence	3,040	930
Travel	41,977	41,832
Supplies	48	-
Insurance	759	702
Medical exams	1,478	1,000
Total Expenditures	<u>422,686</u>	<u>421,442</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
RETIRED SENIOR VOLUNTEER PROGRAM
April 1, 2012 to March 31, 2013

	<u>4/01/2012 - 6/30/2012</u>	<u>7/01/2012 - 3/31/2013</u>	<u>Total</u>	<u>Budget</u>
REVENUES				
Federal	\$ 12,138	\$ 64,541	\$ 76,679	\$ 76,679
Local	837	(814)	23	2,079
In-kind	-	32,862	32,862	30,830
	<u>12,975</u>	<u>96,589</u>	<u>109,564</u>	<u>109,588</u>
Total Revenues				
EXPENDITURES				
Volunteer Support:				
Personnel	5,818	32,213	38,031	36,562
Fringe benefits	1,984	10,732	12,716	15,514
Travel	869	3,652	4,521	2,936
Advertising	549	119	668	1,000
Supplies	35	108	143	237
Telephone	9	22	31	396
Publications and dues	-	183	183	-
Other	-	-	-	4,218
Allocated costs - Petersburg	140	2,980	3,120	1,752
Allocated costs - Martinsburg	334	1,358	1,692	1,835
Allocated costs - management and general	2,409	8,672	11,081	11,968
Allocated costs - common costs	12	3,654	3,666	-
Volunteer:				
Recognition	-	34	34	-
Insurance	816	-	816	2,340
Local:				
In-kind	-	32,862	32,862	30,830
	<u>12,975</u>	<u>96,589</u>	<u>109,564</u>	<u>109,588</u>
Total Expenditures				
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
RETIRED SENIOR VOLUNTEER PROGRAM
April 1, 2013 to June 30, 2013**

	Total	Budget*
REVENUES		
Federal	\$ 27,830	\$ 76,679
Local	-	1,499
In-kind	-	30,330
	27,830	108,508
Total Revenues		
 EXPENDITURES		
Volunteer Support:		
Personnel	12,567	37,697
Fringe benefits	4,434	16,028
Travel	1,751	2,936
Advertising	-	500
Supplies	183	244
Allocated costs - Petersburg	1,245	2,872
Allocated costs - Martinsburg	1,430	2,249
Allocated costs - management and general	3,740	10,330
Allocated costs - common costs	1,630	-
Allocated costs - other	-	4,114
Volunteer:		
Insurance	850	1,208
Local:		
In-kind	-	30,330
	27,830	108,508
Total Expenditures		
 EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

*Budget is for the twelve month period January 1, 2013 to December 31, 2013.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
TRANSITIONAL HOUSING
Year Ended June 30, 2013

	Actual	Budget
REVENUES		
Federal	\$ 342,281	\$ 378,155
Rent	29,117	64,500
Total Revenues	371,398	442,655
 EXPENDITURES		
Personnel	166,303	185,000
Fringe benefits	58,734	79,000
Travel	5,615	11,000
Supplies	37,901	51,182
Telephone	4,694	6,000
Publication/dues	205	500
Utilities	3,445	4,000
Maintenance	2,578	-
Rent	6,000	6,000
Insurance	1,916	2,000
Equipment and furniture	1,267	3,000
Other	2,540	2,000
Allocated costs - Petersburg	4,366	4,250
Allocated costs - Martinsburg	8,195	9,200
Allocated costs - management and general	54,797	64,523
Allocated costs - common costs	12,842	15,000
Total Expenditures	371,398	442,655
 EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
BROADBAND STUDY
Year Ended June 30, 2013

	<u>Total</u>	<u>Budget</u>
REVENUES		
State	\$ 24,112	\$ 50,000
Inkind	<u>4,988</u>	<u>10,000</u>
Total Revenues	<u>29,100</u>	<u>60,000</u>
EXPENDITURES		
Salaries	10,563	25,400
Fringe benefits	2,992	10,000
Travel	1,383	2,000
Advertising	2,128	3,000
Supplies	1,596	2,100
Meetings	471	1,000
Allocated costs - Petersburg	730	1,000
Allocated costs - management and general	3,600	4,500
Allocated costs - common costs	649	1,000
Inkind	<u>4,988</u>	<u>10,000</u>
Total Expenditures	<u>29,100</u>	<u>60,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF COST POOL EXPENSES
Year Ended June 30, 2013

	<u>Petersburg</u>	<u>Martinsburg</u>	<u>Fairmont</u>	<u>Management & General</u>	<u>Common Costs</u>	<u>Other</u>	<u>Total</u>
Personnel	\$ -	\$ -	\$ -	\$ 184,851	\$ -	\$ -	\$ 184,851
Fringe benefits	-	-	-	72,233	-	-	72,233
Travel	-	-	-	1,411	-	-	1,411
Equipment	3,724	-	-	-	7,408	-	11,132
Printing and supplies	13,361	346	2,489	-	3,090	-	19,286
Publications and dues	862	-	-	-	2,745	-	3,607
Telephone and utilities	20,280	4,218	3,274	-	1,910	-	29,682
Insurance	2,992	-	-	-	24,002	-	26,994
Maintenance	14,068	630	502	-	621	-	15,821
Professional fees/contractual	-	-	-	-	40,865	-	40,865
Other	-	-	-	-	2,793	-	2,793
Interest	523	-	-	-	-	-	523
Rent/depreciation	15,628	14,625	1,270	-	-	-	31,523
	<u>\$ 71,438</u>	<u>\$ 19,819</u>	<u>\$ 7,535</u>	<u>\$ 258,495</u>	<u>\$ 83,434</u>	<u>\$ -</u>	<u>\$ 440,721</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULES OF DEFERRED REVENUE AND
DUE TO OTHER AGENCIES
June 30, 2013**

	<u>Deferred Revenue</u>	<u>Due to Other Agencies</u>
Nutrition	\$ 28,588	\$ -
Title III	33,370	-
Transitional Housing	86,643	350
Vitals	-	6,347
Other	3,379	2,550
Revolving Loan Fund	-	1,246
Micro Loan	-	1,296
	<u>\$ 151,980</u>	<u>\$ 11,789</u>



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Council Members
Region 8 Planning and Development Council
Petersburg, West Virginia

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Region 8 Planning and Development Council as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Region 8 Planning and Development Council's basic financial statements, and have issued our report thereon dated March 17, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Region 8 Planning and Development Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Region 8 Planning and Development Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Region 8 Planning and Development Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Region 8 Planning and Development Council'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin, Beachy & Archart, PLLC

March 17, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Council Members
Region 8 Planning and Development Council
Petersburg, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Region 8 Planning and Development Council's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Region 8 Planning and Development Council's major federal programs for the year ended June 30, 2013. Region 8 Planning and Development Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Region 8 Planning and Development Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Region 8 Planning and Development Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Region 8 Planning and Development Council's compliance.

Opinion on Each Major Federal Program

In our opinion, Region 8 Planning and Development Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Region 8 Planning and Development Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Region 8 Planning and Development Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Region 8 Planning and Development Council's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Martin, Beachy & Archart, PLLC

March 17, 2014

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
Department of Commerce			
Economic Development Support for Planning Organizations	11.302	01-83-08923-02	\$ 70,000
Economic Adjustment Assistance	11.307	1-39-02963	<u>157,688</u>
Total U.S. Department of Commerce			<u><u>227,688</u></u>
Department of Labor			
Senior Community Service Employment Program	17.235	AD-23230-12-55-A-11-56	<u>505,040</u>
Total Department of Labor			<u><u>505,040</u></u>
Appalachian Regional Commission			
Appalachian Local Development District Assistance	23.009	WV-4415-C36; WV-4415-C37	<u>44,895</u>
Department of Veterans Affairs			
VA Homeless Providers Grant and Per Diem Program	64.024	96-67-WV	<u>342,281</u>
Department of Health and Human Services			
Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	21234	<u>3,782</u>
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	21237	6,018
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	21337	<u>20,355</u>
			<u>26,373</u>
Title III, Part E - National Family Caregiver Support	93.052	21237	24,486
Title III, Part E - National Family Caregiver Support	93.052	21337	<u>130,741</u>
			<u>155,227</u>
Aging Cluster:			
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	21237	245,770
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	21337	<u>343,388</u>
Subtotal			<u>589,158</u>
Title III, Part C - Nutrition Services	93.045	21337	<u>577,294</u>
Subtotal			<u>577,294</u>
Nutrition Services Incentive Program	93.053	21237	83,397
Nutrition Services Incentive Program	93.053	21337	<u>193,081</u>
Subtotal			<u>276,478</u>
Total - Aging Cluster			<u>1,442,930</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
Department of Health and Human Services (Continued)			
American Recovery and Reinvestment Act of 2009 Funds: ARRA-Special Programs for the Aging Discretionary Projects	93.048	21260	<u>12,412</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	93.779	21172; 21372	<u>170,806</u>
Total Department of Health and Human Services			<u><u>1,811,530</u></u>
Corporation for National Service			
Retired and Senior Volunteer Program	94.002	13SRSWV001	92,371
Foster Grandparent Program	94.011	12GXSWV001	<u>416,143</u>
Total Corporation for National Service			<u><u>508,514</u></u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 3,439,948</u></u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
June 30, 2013**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Region 8 Planning and Development Council and is presented on the basis of accounting in conformity with practices that are prescribed or permitted by various granting agencies. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Compliance testing of program requirements was performed for the following major federal programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Expenditures for Year Ended June 30, 2013</u>
Senior Community Service Employment Program	17.235	\$ 505,040
VA Homeless Providers Grant and Per Diem Program	64.024	342,281
Aging Cluster	93.044; 93.045; 93.053	1,442,930
Foster Grandparent	94.011	416,143
		<u>\$ 2,706,394</u>

NOTE B – SUBRECIPIENTS

Region 8 Planning and Development Council provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	\$ 3,782
Title III, Part D – Preventive Health Services	93.043	26,373
Title III, Part B – Supportive Services	93.044	406,478
Title III, Part C – Nutrition Services	93.045	577,294
Title III, Part E – National Family Caregiver Support	93.052	155,227
Nutrition Services Incentive Program	93.053	276,478
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	93.779	87,822
		<u>\$ 1,533,454</u>

NOTE C – OVERSIGHT AGENCY FOR AUDIT

The Corporation for National Service provides the most direct funding and is therefore the oversight agency for audit.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Region 8 Planning and Development Council.
2. No significant deficiencies are reported.
3. No instances of noncompliance material to the financial statements of the Region 8 Planning and Development Council were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for the Region 8 Planning and Development Council expresses an unmodified opinion on all major programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. See "Notes to Schedule of Expenditures of Federal Awards" for programs tested as major programs.
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. Region 8 Planning and Development Council was determined to be a low-risk auditee.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

NONE