

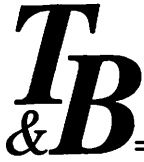
DODDRIDGE COUNTY SENIOR CITIZENS, INC.

**AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMAITON**

SEPTEMBER 30, 2009

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Doddridge County Senior Citizens, Inc.
West Union, West Virginia

We have audited the accompanying financial statements of Doddridge County Senior Citizens, Inc. (a nonprofit organization) as of and for the year ended September 30, 2009, which collectively comprise the Organization's basic financial statements as listed in the table of contents. 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 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 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 audit provides 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 Doddridge County Senior Citizens, Inc. and subsidiary as of September 30, 2009, and the changes in their net assets and their 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 5, 2010, on our consideration of Doddridge County Senior Citizens, Inc.'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 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 audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Doddridge County Senior Citizens, Inc. taken as a whole. The accompanying schedule of federal and state funds is presented for purposes 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.

Trickett + Bennett, P.A.C.

June 5, 2010

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2009

ASSETS

Current Assets	
Cash	\$ 1,462,013
Certificates of deposit	1,327,201
Grants and contracts receivable	186,442
Other accounts receivable	167,674
Interest receivable	2,418
Prepaid expenses and deposits	29,864
Employee advances	1,168
Inventories	69,825
Total current assets	<u>3,246,605</u>
Restricted Assets	
Endowed certificate of deposit	10,000
Non Current Assets	
Investment in stock	31,000
Property and Equipment	
Net of accumulated depreciation (Note 2)	<u>2,945,722</u>
TOTAL ASSETS	<u><u>\$ 6,233,327</u></u>

LIABILITIES AND NET ASSETS AND EQUITY

Current Liabilities	
Accounts payable	\$ 235,018
Payroll taxes payable	7,877
Sales tax payable	10,742
Income taxes payable	78,852
Accrued payroll	5,541
Compensated absences	21,311
Total current liabilities	<u>359,341</u>
Net Assets and Equity	
DCSC, INC.	
Unrestricted net assets	4,483,028
Permanently restricted net assets	<u>10,000</u>
Total net assets	4,493,028
Equity in subsidiary	1,367,148
Minority Interest	<u>13,810</u>
Total net assets and equity	<u>5,873,986</u>
TOTAL LIABILITIES AND NET ASSETS AND EQUITY	\$ <u><u>6,233,327</u></u>

See accompanying notes to the financial statements.

**DODDRIDGE COUNTY SENIOR CITIZENS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Net Assets			Equity in Subsidiary	Minority Interest	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted			
Support						
Grants and contracts						
Title IIIB	\$ -0-	\$ 55,956	\$ -0-	\$ -0-	\$ -0-	\$ 55,956
Title IIID	-0-	371	-0-	-0-	-0-	371
Title IIIE	-0-	3,860	-0-	-0-	-0-	3,860
Medicaid	1,070,103	-0-	-0-	-0-	-0-	1,070,103
WV Bureau of Senior Services	-0-	15,000	-0-	-0-	-0-	15,000
Lighthouse In-Home Service	75,257	-0-	-0-	-0-	-0-	75,257
Fair grants	30,220	-0-	-0-	-0-	-0-	30,220
Veterans	22,695	-0-	-0-	-0-	-0-	22,695
L.I.F.E	175,683	-0-	-0-	-0-	-0-	175,683
Transportation grant	11,108	-0-	-0-	-0-	-0-	11,108
Total support	<u>1,385,066</u>	<u>75,187</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,460,253</u>
Revenues						
Gross profit from sales	-0-	-0-	-0-	1,092,441	11,035	1,103,476
Program income	18,958	-0-	-0-	-0-	-0-	18,958
Investment income	37,249	-0-	-0-	1,008	11	38,268
Unrealized gain	1,000	-0-	-0-	-0-	-0-	1,000
Investment income	-0-	-0-	-0-	11,666	117	11,783
Total revenues	<u>57,207</u>	<u>-0-</u>	<u>-0-</u>	<u>1,105,115</u>	<u>11,163</u>	<u>1,173,485</u>
Total support and revenue	<u>1,442,273</u>	<u>75,187</u>	<u>-0-</u>	<u>1,105,115</u>	<u>11,163</u>	<u>2,633,738</u>

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Net Assets			Equity in Subsidiary	Minority Interest	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted			
Functional Expenses						
Program services						
Other programs	\$ 1,160,859	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,160,859
LIFE	175,683	-0-	-0-	-0-	-0-	175,683
Title III-B	55,956	-0-	-0-	-0-	-0-	55,956
Title III-D	371	-0-	-0-	-0-	-0-	371
Title III-E	3,860	-0-	-0-	-0-	-0-	3,860
Management and general	142,217	-0-	-0-	-0-	-0-	142,217
Total functional expenses	<u>1,538,946</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,538,946</u>
Operating expenses	-0-	-0-	-0-	630,726	6,371	637,097
Loss on disposal of assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,726</u>	<u>28</u>	<u>2,754</u>
Total expenses	1,538,946	-0-	-0-	633,452	6,399	2,178,797
Net assets released from donor restrictions	<u>75,187</u>	<u>(75,187)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in net assets and equity	(21,486)	-0-	-0-	471,663	4,764	454,941
Net assets and equity - beginning of period	<u>4,504,514</u>	<u>-0-</u>	<u>10,000</u>	<u>895,485</u>	<u>9,046</u>	<u>5,419,045</u>
Net assets and equity - end of period	<u>\$ 4,483,028</u>	<u>\$ -0-</u>	<u>\$ 10,000</u>	<u>\$ 1,367,148</u>	<u>\$ 13,810</u>	<u>\$ 5,873,986</u>

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Program Services					Management and General	Totals
	Other Programs	LIFE	Title III-B	Title III-D	Title III-E		
Wages and taxes	\$ 839,698	\$ 175,683	\$ 55,956	\$ 371	\$ 3,860	\$ 89,215	\$ 1,164,783
Fringe benefits	62,741	-0-	-0-	-0-	-0-	10,805	73,546
Office	-0-	-0-	-0-	-0-	-0-	4,996	4,996
Repairs and maintenance	8,734	-0-	-0-	-0-	-0-	2,184	10,918
Communications and utilities	20,181	-0-	-0-	-0-	-0-	5,045	25,226
Other	12,101	-0-	-0-	-0-	-0-	-0-	12,101
Depreciation	40,830	-0-	-0-	-0-	-0-	3,874	44,704
Client support	35,366	-0-	-0-	-0-	-0-	-0-	35,366
Transportation	21,338	-0-	-0-	-0-	-0-	-0-	21,338
Professional services	-0-	-0-	-0-	-0-	-0-	12,396	12,396
Insurance	13,703	-0-	-0-	-0-	-0-	13,702	27,405
Taxes and licenses	106,167	-0-	-0-	-0-	-0-	-0-	106,167
	<u>\$ 1,160,859</u>	<u>\$ 175,683</u>	<u>\$ 55,956</u>	<u>\$ 371</u>	<u>\$ 3,860</u>	<u>\$ 142,217</u>	<u>\$ 1,538,946</u>

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Equity in Subsidiary</u>	<u>Minority Interest</u>	<u>Total</u>
Personnel	\$ 351,405	\$ 3,550	\$ 354,955
Payroll taxes	45,826	463	46,289
Depreciation	86,443	873	87,316
Office	9,299	94	9,393
Communication and utilities	53,981	545	54,526
Maintenance	27,114	274	27,388
Rent	2,495	25	2,520
Advertising	955	10	965
Accounting and legal	15,566	157	15,723
Insurance	17,739	179	17,918
Taxes and licenses	13,302	134	13,436
Bad debt	1,856	19	1,875
Other	<u>4,745</u>	<u>48</u>	<u>4,793</u>
	<u>\$ 630,726</u>	<u>\$ 6,371</u>	<u>\$ 637,097</u>

See accompanying notes to the financial statements.

**DODDRIDGE COUNTY SENIOR CITIZENS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Cash Flows From Operating Activities	\$ 454,941
Change in net assets and equity	\$ 454,941
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	132,020
Loss on disposal of equipment	2,754
Unrealized gains	(1,000)
(Increase) decrease In:	
Grants and contracts receivable	8,316
Other accounts receivable	32,765
Interest receivable	4,070
Prepaid expenses and deposits	23,631
Employee advances	(1,168)
Inventories	23,958
Increase (decrease) In:	
Accounts payable	(92,347)
Accrued payroll	166
Income taxes	78,852
Payroll taxes payable	4,974
Sales Tax Payable	873
Compensated absences	1,849
Net cash provided by operating activities	<u>674,654</u>
Cash Flows From Investing Activities	
Increase in certificates of deposit	(190,519)
Acquisition of property and equipment	(63,520)
Net cash (used by) investing activities	<u>(254,039)</u>
Net increase in cash	420,615
Cash - beginning of period	<u>1,041,398</u>
Cash - end of period	<u><u>\$ 1,462,013</u></u>

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 1 Description of Entity, Financial Statement Presentation and Summary of Significant Accounting Policies

Description of Entity

The Doddridge County Senior Citizens, Inc. is a non-profit corporation located in West Union, West Virginia. The Corporation's operations consist of a variety of social services for the elderly of Doddridge County Senior Citizens, Inc. The Organization is funded by various federal and state grants and from funds obtained through local fund raising projects.

Consolidation of Related Entity

U.S. generally accepted accounting principles states that a not-for-profit organization should consolidate a for-profit entity if the reporting not-for-profit organization has a controlling financial interest in the for-profit entity through the direct or indirect ownership of a majority voting interest.

Doddridge County Senior Citizens, Inc. has a 99% interest in DCSC Company, L. L. C. and Childers Manor, Inc., a related party, has the other 1% interest. DCSC Company, L. L. C. owns and operates a for-profit gas station, mini-mart, and restaurant in Doddridge County and provides Doddridge County Senior Citizens, Inc. with an additional source of operating revenue. Doddridge County Senior Citizens, Inc. purchased \$11,326 in Gas and Supplies from DCSC Company, L.L.C. during the year. At September 30, 2009 Doddridge County Senior Citizens, Inc. owed DCSC Company, L.L.C. \$1,316.

Under U.S. generally accepted accounting principles, all material related party transactions have been eliminated in the consolidating process and substantive disclosure of these amounts is not required.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standard No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116). The Organization has also adopted Statement of Financial Accounting Standard (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. In addition, the Organization is required to present a statement of cash flows. There are permanently restricted assets as of September 30, 2009.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions would be reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets would be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Summary of Significant Accounting Policies

Basis of Accounting and Reporting

Doddridge County Senior Citizens, Inc. uses the cash basis of accounting throughout the program year but prepares its annual financial statements on the accrual basis.

Cash

Cash is on deposit with institutions which are insured by the F.D.I.C. During the fiscal year ended September 30, 2009, the Organization had various amounts in excess of F.D.I.C. coverage and pledged assets throughout the year. This represents a risk for potential loss.

Pledged securities are as follows:

<u>Name</u>	<u>Fair Market Value of Amount Pledged as of 09/30/08</u>	<u>Pledged Par Value</u>	<u>CUSIP Number</u>
Harris County, Texas Mun Util	250,000	250,000	414949GJO
Ohio County Kentucky School District	100,000	100,000	677302FLO
Northeast Neb Solid Waste Coal	195,000	195,000	664330BQ9
Shelby Charter TWO Mich Wtr Su	170,000	170,000	82209LCV0
Winston Cnty Ala Board of Education SPL TA	85,000	85,000	975606CY8

For the purpose of the statement of cash flows, the Organization considers both restricted and unrestricted cash as well as certificates of deposit with original maturity of three months or less to be cash and cash equivalents.

Cash and equivalents consist of the following:

Unrestricted Cash	\$ <u>1,462,013</u>
Total Cash	\$ <u>1,462,013</u>

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Inventories

Inventories are stated at cost on a first-in-first-out basis.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; all fixed assets are capitalized.

Revenue Recognition

Unconditional grants and promises to give are recorded when the grant or promise is made. Conditional grants and promises to give are recorded when the related condition is met. Project income is recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Accrued Annual Leave

Accrued compensated absences are included in these financial statements at the employees current hourly rate for September 30, 2009.

Functional Expenses

The operating expenses of the Organization have been classified in the Statement of Functional Expenses on a direct basis whenever possible. Other expenses have been allocated based on personnel time worked, space utilized or some other rational allocation method.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received no services that met this criteria during the year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**DODDRIDGE COUNTY SENIOR CITIZENS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Income Taxes

The Doddridge County Senior Citizens, Inc. is a not-for-profit organization and is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code of 1986. The Organization owed \$78,852 in unrelated business income taxes as of September 30, 2009.

Its subsidiary, DCSC Company, L. L. C. had an operating profit of \$329,842 for the year ended September 30, 2009. The Partnership's income flows through to DCSC, Inc. and Childers Manor 990-T.

Risks and Uncertainties

The majority of the funding for the operation of Doddridge County Senior Citizens, Inc. comes as medicaid funding from the West Virginia Department of Health and Human Resources. A loss of or decrease in this funding could adversely affect the operation of the Organization.

Trade Accounts Receivable

Trade accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. No allowance was determined to be necessary for the year ended September 30, 2009. \$1,875 was written off during the fiscal year ended September 30, 2009.

Note 2 Property and Equipment

Property and equipment are recorded at cost if purchased or fair market value at date of donation.

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

Land and land improvements	\$ 1,491,159
Buildings and additions	1,828,188
Furniture and fixtures	29,650
Equipment	<u>771,901</u>
Total property and equipment	4,120,898
Less, Accumulated depreciation	<u>(1,175,176)</u>
Net property and equipment	<u>\$ 2,945,722</u>

**DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Property and equipment are depreciated over their useful lives:

Land improvements	10 – 40 Years
Buildings and additions	10 – 40 Years
Furniture and fixtures	5 – 7 Years
Equipment	5 – 20 Years

Note 3 Endowment Fund

In 1981, the estate of Kenneth C. Longacre donated to the Doddridge County Senior Citizens, Inc. \$10,000 to be invested in money market certificates of an institution having F.D.I.C. coverage. The income therefrom shall be used for the upkeep and maintenance of the center and for no other purpose. Any deviation from these stipulations shall constitute a violation of the terms of Kenneth C. Longacre's last will and testament and the said funds shall revert to the estate for distribution. The funds are held by the Cornerstone Bank of West Union with the interest earnings from the certificate of deposit credited directly to a savings account. The funds consisted of the following at September 30, 2009:

Certificate	\$ <u>10,000</u>
	\$ <u>10,000</u>

Note 4 Inventories

Inventories at September 30, 2009 consist of:

Fuel	\$ 28,827
Tobacco	11,442
Beverages	7,975
Food and grocery	15,366
Novelty and other	6,215
	\$ <u>69,825</u>

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 5 Sales and Cost of Goods Sold

The gross profit from sales has been calculated as follows:

Sales					\$ 9,084,675
Cost of goods sold:					
Beginning inventory	\$	93,783			
Purchases		7,957,241			
Less: Ending inventories		<u>(69,825)</u>			
Cost of goods sold					<u>7,981,199</u>
 Gross profit from sales					 \$ <u>1,103,476</u>

All shipping and handling costs are expensed as incurred as purchases.

Note 6 Investment in Stock

In May 1999, Doddridge County Senior Citizens, Inc. purchased 100 shares of stock in the West Union Bank for \$300 per share that was converted to Tri-County Bancorp, Inc. In accordance with Statement of Financial Accounting Standards No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations," the securities have been adjusted to their fair market value as of September 30, 2009. The fair market value as of September 30, 2009 was \$31,000, resulting in a \$1,000 unrealized gain. Investment income consists of interest and dividends.

Note 7 Rent

DCSC Company, L.L.C. rents equipment from Woodford Oil on a month to month basis. DCSC Company, L.L.C. leases land for \$200 per month. The lease expired on July 1, 2008 and is now on a quarter to quarter basis. Rent expense for the year was \$2,520.

Note 8 Concentration

The Center receives a majority of their monies from third party reimbursements. Any loss or decrease in this funding could be detrimental to the Center's ongoing activities.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 9 Advertising Costs

The Center expenses advertising costs as they are incurred.

Note 10 Deposits and Prepaid Expenses

Deposits and prepaid expenses consist of the following at September 30, 2009:

Prepaid Title V	\$	750
Computer down payment		800
Prepaid Brickstreet Insurance		12,643
Prepaid insurance		<u>15,671</u>
 Total	 \$	 <u>29,864</u>

Note 11 Retirement System

The Doddridge County Senior Citizens, Inc. is not a member of any retirement system.

Note 12 Contingency

The Organization has an agreement with a supplier which provides for revenues from the use of a particular product. If the Organization were to discontinue the use of this product, it would be required to repay a portion of these revenues.

Note 13 Prior Period Adjustment

Beginning net assets	\$	5,416,415
PPA Consolidation carry forward		<u>1,095</u>
Beginning net assets restated	\$	<u>5,419,045</u>

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 14 Fair Value Measurements

FASB Statement No. 157, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- i. Quoted prices for similar assets or liabilities in active markets;
- ii. Quoted prices for identical or similar assets or liabilities in inactive markets;
- iii. Inputs other than quoted prices that are observable for the asset or liability;
- iv. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2009.

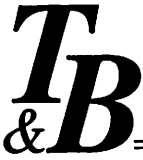
Common Stock: Valued at the most recent repurchase of outstanding shares as treasury stock.

Certificates of Deposit: The fair value of certificates of deposits are estimated using third-party quotations.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's financial assets at fair value on a recurring basis as of September 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock	\$ -0-	\$ 31,000	\$ -0-	\$ 31,000
Certificates of Deposit	<u>-0-</u>	<u>1,337,201</u>	<u>-0-</u>	<u>1,337,201</u>
Total assets at fair value	\$ <u>-0-</u>	\$ <u>1,386,201</u>	\$ <u>-0-</u>	\$ <u>1,368,201</u>



**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**

The Board of Directors
Doddridge County Senior Citizens, Inc.
Fairmont, West Virginia

We have audited the financial statements of Doddridge County Senior Citizens, Inc. (a nonprofit organization) as of and for the year ended September 30, 2009, and have issued our report thereon dated June 5, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Doddridge County Senior Citizens, 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 Doddridge County Senior Citizens, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Doddridge County Senior Citizens, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 Doddridge County Senior Citizens, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is no more than a remote likelihood that a misstatement of Doddridge County Senior Citizens, Inc.'s financial statements that is more than

inconsequential will not be prevented or detected by Doddridge County Senior Citizens, Inc's internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting.

09-1 Segregation of Duties

Criteria: Responsibility for approving executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals.

Condition: Analysis of the internal control system indicated a lack of segregation of duties.

Cause: Responsibility for approval, execution, recording and custody are not distributed among the office staff to the best degree possible. However, complete segregation of duties is not economically feasible.

Effect: Because of the lack of segregated duties, internal control elements do not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: Responsibilities of approval, executing, recording and custody should be distributed among the accounting staff to the degree possible. However, we recognize that complete segregation of duties is not economically feasible.

Entity's Response: To the extent possible, the Organization has segregated its duties. Any further segregation of duties would not be economically feasible

09-2 Supporting Documentation

Criteria: Proper supporting documentation should be retained for all disbursements.

Condition: It was noted during our testing that supporting documentation was not always retained for all cash disbursements.

Cause: Unknown.

Effect: Because supporting documentation is not always retained, the entity is at risk of misappropriation of assets due to error or fraud.

Recommendation: We recommend that all supporting documentation be retained for all cash disbursements.

Entity's Response: We will retain copies of all supporting documentation for all cash disbursements.

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 Doddridge County Senior Citizens, Inc.'s internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 09-1 and 09-2 to be a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Doddridge County Senior Citizens, 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*.

The Doddridge County Senior Citizens, Inc.'s response to the finding identified in our audit is described above. We did not audit the Doddridge County Senior Citizens, Inc.'s response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors of the Doddridge County Senior Citizens, Inc., others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Detrick + Baultel, PLLC

June 5, 2010

**DODDRIDGE COUNTY SENIOR CITIZENS CENTER, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>FEDERAL AWARDS</u>				
U.S. Department of Health and Human Services				
Passed through the WV Bureau of Senior Services and Bel-O-Mar Regional Council:				
	Title III-B - Special Progress for the Aging	93.044	T3 B/D/E 04-09	\$ 26,703
	Title III-D - Special Progress for the Aging	93.043	T3 B/D/E 04-09	301
	Title III-E National Family Caregiver Support	93.052	T3 B/D/E 04-09	<u>3,860</u>
		Total Federal Funds		\$ <u><u>30,864</u></u>

See accompanying notes to the schedule of federal and state funds.

**DODDRIDGE COUNTY SENIOR CITIZENS CENTER, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>STATE AWARDS</u>				
WV Bureau of Senior Services through the Bel-O-Mar Regional Council:	Title III-B - State	N/A	T3 B/D/E 04-09	\$ 29,253
	Title III-D - State	N/A	T3 B/D/E 04-09	70
	LIFE	N/A	04-09 04-10	175,683
	State Grant	N/A	SC2928	15,000
	Lighthouse	N/A	21049	75,257
	Fair	N/A	21049	30,220
	Transport	N/A	21049	<u>11,108</u>
			Total State Funds	\$ <u><u>336,591</u></u>

See accompanying notes to the schedule of federal and state funds.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO THE SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Note 1 Basis of Presentation:

The accompanying Schedule of Federal and State Funds is prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements.