

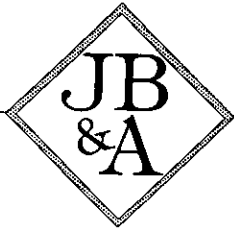
COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.

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

SEPTEMBER 30, 2009

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

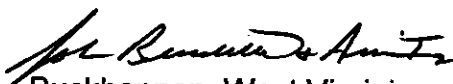
To the Board of Directors
Council of Senior Citizens of Gilmer County, Inc.
Glennville, West Virginia

We have audited the accompanying statements of financial position of Council of Senior Citizens of Gilmer County, Inc. (a nonprofit organization) as of September 30, 2009, and the related statements of activities, functional expenses and cash flows, for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council of Senior Citizens of Gilmer County, Inc. as of September 30, 2009 and the changes in its net assets and its cash flows for the years 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 May 17, 2010, on our consideration of Council of Senior Citizens of Gilmer County, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.


Buckhannon, West Virginia
May 17, 2010

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2009**

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,426,665
Accounts receivable	94,628
Grants receivable	48,107
Investment	479,897
Prepaid expenses	<u>3,719</u>

Total current assets	2,053,016
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Property and Equipment, net	<u>1,369,635</u>
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TOTAL ASSETS	<u>\$ 3,422,651</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 7,924
Accrued wages payable	43,561
Payroll taxes payable	1,842
Accrued annual leave	<u>11,386</u>

Total current liabilities	<u>64,713</u>
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Net Assets

Unrestricted	3,304,456
Temporarily restricted	<u>53,482</u>
Total net assets	<u>3,357,938</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,422,651</u>
-----------------------------------------	----------------------------

The accompanying notes are an integral part of this statement.

COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal financial assistance	\$ 114,391	\$ 58,344	\$ 172,735
State grant allocations	299,542		299,542
Donations and match	19,934		19,934
Contractual revenues	964,724		964,724
Other income	88,221		88,221
Project income	52,505		52,505
Investment income	25,415		25,415
Unrealized loss on investment	(63,150)		(63,150)
Net assets released from restrictions:			
Restrictions released with time			
Restrictions satisfied with payments	<u>4,862</u>	<u>(4,862)</u>	
Total Revenue and Support	<u>1,506,444</u>	<u>53,482</u>	<u>1,559,926</u>
EXPENSES			
Program Services			
Title III-B	40,012		40,012
Title III-D	1,442		1,442
Title III-E	6,215		6,215
Title III-C - congregate	49,290		49,290
Title III-C - home delivered	65,908		65,908
Lighthouse	20,983		20,983
Title VII - elder abuse	180		180
Personal care	842,281		842,281
LIFE	166,564		166,564
FAIR	21,244		21,244
Management and general	<u>157,124</u>		<u>157,124</u>
Total Expenses	<u>1,371,243</u>		<u>1,371,243</u>
Change in Net Assets	135,201	53,482	188,683
NET ASSETS AT BEGINNING OF YEAR	<u>3,169,255</u>		<u>3,169,255</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,304,456</u>	<u>\$ 53,482</u>	<u>\$ 3,357,938</u>

The accompanying notes are an integral part of this statement.

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

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Salaries and wages	\$ 16,404	\$	\$ 4,058	\$ 17,624	\$ 17,381
Fringe benefits	4,386		707	2,207	5,625
Travel	950				
Printing and supplies	1,200				
Repairs and maintenance				630	870
Communications and utilities	5,135				
Other	3,440	1,442	1,450	8,486	11,720
Depreciation					
Raw food				19,083	21,072
Disposables				1,260	1,740
Transportation/Trip	7,922				7,500
Insurance					
Contractual	575				
	<u>\$ 40,012</u>	<u>\$ 1,442</u>	<u>\$ 6,215</u>	<u>\$ 49,290</u>	<u>\$ 65,908</u>

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<u>Lighthouse</u>	<u>Elder Abuse</u>	<u>Personal Care</u>	<u>LIFE</u>	<u>FAIR</u>	<u>Management and General</u>	<u>Totals (Memorandum Only)</u>
\$ 19,185	\$	\$ 665,183	\$ 107,917	\$ 19,418	\$ 11,334	\$ 878,504
1,798		83,899	24,675	1,826	1,366	126,489
	180	84,804	5,076		618	91,628
		54	4,345		9,306	14,905
			2,590		12,769	16,859
			9,123		2,888	17,146
		6,616	12,838		22,965	68,957
					71,533	71,533
					15,890	56,045
						3,000
					170	15,592
					8,285	8,285
		1,725				2,300
<u>\$ 20,983</u>	<u>\$ 180</u>	<u>\$ 842,281</u>	<u>\$ 166,564</u>	<u>\$ 21,244</u>	<u>\$ 157,124</u>	<u>\$ 1,371,243</u>

The accompanying notes are an integral part of this statement.

COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 188,683
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	71,533
Unrealized loss on investments	63,150
(Increase) decrease in operating assets:	
Accounts and grants receivable	142,455
Prepaid expense	1,220
Increase (decrease) in operating liabilities:	
Accounts payable	(1,651)
Accrued wages and fringes	4,117
	4,117
NET CASH PROVIDED BY OPERATING ACTIVITIES	469,507

CASH FLOWS FROM INVESTING ACTIVITIES

Increase of investments	(27,506)
Fixed asset additions	(93,436)
	(93,436)
NET CASH USED IN INVESTING ACTIVITIES	(120,942)

Increase in cash and cash equivalents	348,565
CASH AND CASH EQUIVALENTS, beginning of year	1,078,100
CASH AND CASH EQUIVALENTS, end of year	\$ 1,426,665

The accompanying notes are an integral part of this statement.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

The Council of Senior Citizens of Gilmer County, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Gilmer County, West Virginia. The purpose of the Organization is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for the seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

This summary of significant accounting policies of the Council of Senior Citizens of Gilmer County, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

Basis of Accounting

The financial statements of Council of Senior Citizens of Gilmer County, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The Organization uses the allowance method for accounting for bad debts. Management feels the accounts and grants receivable shown on the balance sheet are fully collectible.

Inventories

Inventories of raw food, materials and supplies are deemed immaterial and are accordingly expensed as purchased.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization has adopted a \$ 1,000 capitalization policy whereby all property and equipment over \$ 1,000 is depreciated using the straight-line method over its estimated useful life. In addition, all property and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Federal Grants

Grant monies are received on a reimbursement basis for Title III-B, Title III-D, Title III-E, Title VII and LIFE grants. Upon completion of a grant year, any unexpended grant funds has to be approved for carryover to the next grant year.

Title III-C monies are received on a meal reimbursement basis but not to exceed the total grant award. Lighthouse and FAIR are drawn down per unit of service.

Total federal and state grant revenues for the year ended September 30, 2009, were \$ 472,277

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Donated Services

The members of the Board of Directors receive no fees for performing their duties as members, officers, or special committee members. However, no revenues or expenses have been recorded in these financial statements in relation to such volunteer services.

Expense Allocation

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

Note 2. Investments

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	-----	-----	-----	-----
Corporate securities	\$ 331,815	\$ 148,082	\$	\$ 479,897
	=====	=====	=====	=====

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 3. Receivables

Receivables at September 30, 2009, consisted of the following:

Accounts Receivable	
Contractual revenues	\$ 94,628
	=====
Grants Receivable	
LIFE	\$ 19,357
III-C	6,921
FAIR	6,405
III-D	340
Lighthouse	12,576
Transportation	2,508

	\$ 48,107
	=====

Note 4. Property and Equipment

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

Land	\$ 70,000
Building	1,495,380
Vehicles	258,361
Equipment, furniture and fixtures	150,497

	1,974,238
Less accumulated depreciation	604,603

Total	\$ 1,369,635
	=====

Note 5. Concentration

The Organization receives about 30 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 62 percent of its total support and revenues from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

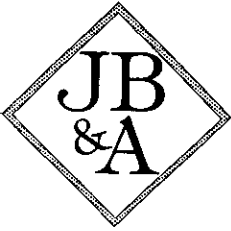
Note 6. Contingent Liabilities

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

Note 7. Net Asset Restrictions on Net Assets

Temporarily restricted net assets at September 30, 2009 consist of assets in which federal funding agencies have a reversionary interest.

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

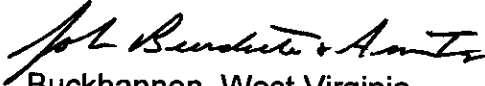
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Council of Senior Citizens of Gilmer County, Inc.
Glennville, West Virginia

Our report on our audit of the basic financial statements of the Council of Senior Citizens of Gilmer County, Inc. for the year ended September 30, 2009 appears on pages 1. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Revenues and Support and the Schedule Expenditures of State Awards are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Buckhannon, West Virginia
May 17, 2010

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Title III-B	Title III-D	Title III-C		Elder Abuse	Lighthouse
			Congregate	Home Delivered		
Federal financial assistance	\$ 25,275	\$ 882	\$ 32,101	\$ 46,117	\$ 180	\$
Federal Stimulus			3,155	1,930		
State grant allocations	7,161	156		3,058		53,977
Donations and match	2,974	104	3,552	4,708		
Contractual revenues						
Other income	1,022		1,370	1,450		
Project income	7,922		19,284	19,770		
Investment income						
Unrealized loss on investment						
	<u>\$ 44,354</u>	<u>\$ 1,142</u>	<u>\$ 59,462</u>	<u>\$ 77,033</u>	<u>\$ 180</u>	<u>\$ 53,977</u>

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

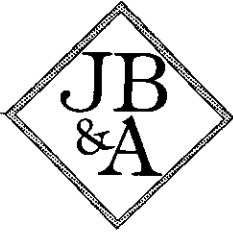
<u>FAIR</u>	<u>Transportation</u>	<u>Title III-E</u>	<u>Other Programs</u>	<u>LIFE</u>	<u>Personal Care</u>	<u>Totals (Memorandum Only)</u>
\$	\$	\$ 4,661	\$ 58,434	\$	\$	\$ 167,650
31,182	14,528		18,000	171,480		5,085
		1,554	7,042			299,542
			84,379		964,724	19,934
			5,529			964,724
			25,415			88,221
			(63,150)			52,505
						25,415
						(63,150)
<u>\$ 31,182</u>	<u>\$ 14,528</u>	<u>\$ 6,215</u>	<u>\$ 135,649</u>	<u>\$ 171,480</u>	<u>\$ 964,724</u>	<u>\$ 1,559,926</u>

The accompanying independent auditor's report on supplemental information is an integral part of this schedule.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants			\$ 18,000
Total Direct Programs			<u>18,000</u>
Pass through Awards			
Bel-O-Mar Interstate Planning Commission			
IIIB State	June 30, 2009	2009	7,161
IIID	June 30, 2009	2009	156
LIFE	June 30, 2009	2009	126,834
LIFE	June 30, 2010	2010	47,704
Lighthouse	June 30, 2009	2009	34,841
Lighthouse	June 30, 2010	21049	19,136
FAIR	June 30, 2009	2009	20,297
FAIR	June 30, 2010	21049	10,885
Transportation	June 30, 2009	2009	10,196
Transportation	June 30, 2010	21049	<u>4,332</u>
Total pass-through awards			<u>281,542</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 299,542</u>

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



JOHN BURDETTE & ASSOCIATES

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

To the Board of Directors
Council of Senior Citizens of Gilmer County, Inc.
Glennville, West Virginia

We have audited the financial statements of Council of Senior Citizens of Gilmer County, Inc. (a nonprofit organization) as of and for the year ended September 30, 2009, and have issued our report thereon dated May 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Council of Senior Citizens of Gilmer County, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council of Senior Citizens of Gilmer County, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council of Senior Citizens of Gilmer County, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.


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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Council of Senior Citizens of Gilmer County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, the audit committee, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Buckhannon, West Virginia
May 17, 2010