

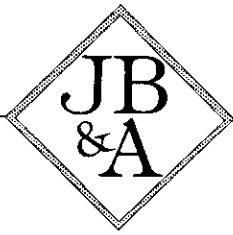
COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.

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

SEPTEMBER 30, 2010

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

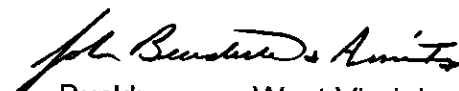
To the Board of Directors
Council of Senior Citizens of Gilmer County, Inc.
Glennville, West Virginia

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, 2010, and the related statements of activities, functional expenses, and cash flows for the year 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 audits.

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 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, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 21, 2011, 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 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* and should be read in conjunction with this report in considering the results of our audit.


Buckhannon, West Virginia
June 21, 2011

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010**

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,568,519
Accounts receivable	140,843
Grants receivable	38,592
Investment	495,980
Prepaid expenses	10,826
	<u>10,826</u>

Total current assets	2,254,760
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Property and Equipment, net	<u>1,305,455</u>
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TOTAL ASSETS	<u>\$ 3,560,215</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 5,767
Accrued wages payable	38,556
Payroll taxes payable	2,601
Accrued annual leave	10,130
	<u>10,130</u>

Total current liabilities	<u>57,054</u>
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Net Assets

Unrestricted	3,461,348
Temporarily restricted	41,813
	<u>41,813</u>
Total net assets	<u>3,503,161</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,560,215</u>
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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, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal financial assistance	\$ 122,367	\$	\$ 122,367
State grant allocations	286,005		286,005
Donations and match	19,286		19,286
Contractual revenues	1,022,269		1,022,269
Other income	79,538		79,538
Project income	60,398		60,398
Investment income	23,618		23,618
Realized loss on investment	(17,097)		(17,097)
Unrealized gain on investment	13,115		13,115
Net assets released from restrictions:			
Restrictions released with time			
Restrictions satisfied with payments	11,669	(11,669)	
	<u>1,621,168</u>	<u>(11,669)</u>	<u>1,609,499</u>
Total Revenue and Support			
	<u>1,621,168</u>	<u>(11,669)</u>	<u>1,609,499</u>
EXPENSES			
Program Services			
Title III-B	51,135		51,135
Title III-D	1,153		1,153
Title III-E	6,215		6,215
Title III-C - congregate	59,589		59,589
Title III-C - home delivered	91,128		91,128
Lighthouse	35,498		35,498
Title VII - elder abuse	180		180
Personal care	834,915		834,915
LIFE	191,801		191,801
FAIR	23,622		23,622
Management and general	169,040		169,040
	<u>1,464,276</u>	<u></u>	<u>1,464,276</u>
Total Expenses			
	<u>1,464,276</u>	<u></u>	<u>1,464,276</u>
Change in Net Assets	156,892	(11,669)	145,223
NET ASSETS AT BEGINNING OF YEAR	<u>3,304,456</u>	<u>53,482</u>	<u>3,357,938</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,461,348</u>	<u>\$ 41,813</u>	<u>\$ 3,503,161</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, 2010**

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Salaries and wages	\$ 16,084	\$	\$ 4,225	\$ 17,807	\$ 31,870
Fringe benefits	12,634		1,990	5,324	5,352
Travel	1,694				
Printing and supplies					
Repairs and maintenance				1,050	1,450
Communications and utilities	6,356				
Other	6,867	1,153		9,036	12,480
Depreciation					
Raw food				24,902	30,446
Disposables				1,470	2,030
Transportation/Trip	7,500				7,500
Insurance					
Contractual					
	<u>\$ 51,135</u>	<u>\$ 1,153</u>	<u>\$ 6,215</u>	<u>\$ 59,589</u>	<u>\$ 91,128</u>

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
 STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<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>
\$ 32,550	\$	\$ 636,449	\$ 127,341	\$ 20,307	\$ 8,653	\$ 895,286
2,948		92,399	25,999	3,315	2,220	152,181
	180	86,653	9,087		1,247	98,861
		350	1,555		15,131	17,036
		1,124			11,924	15,548
		700	7,735		4,666	19,457
		8,407	16,774		22,002	76,719
					73,690	73,690
					11,983	67,331
		8,833			3,500	3,500
					1,176	25,009
					13,148	13,148
			3,310		3,200	6,510
<u>\$ 35,498</u>	<u>\$ 180</u>	<u>\$ 834,915</u>	<u>\$ 191,801</u>	<u>\$ 23,622</u>	<u>\$ 169,040</u>	<u>\$ 1,464,276</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, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 145,223
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	73,690
Unrealized gain on investments	(13,115)
Loss on sale of investments	17,097
(Increase) decrease in operating assets:	
Accounts and grants receivable	(36,700)
Prepaid expense	(7,107)
Increase (decrease) in operating liabilities:	
Accounts payable	(2,157)
Accrued wages and fringes	(5,502)
	171,429
NET CASH PROVIDED BY OPERATING ACTIVITIES	171,429

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment sales	31,845
Purchase of investments	(51,910)
Fixed asset additions	(9,510)
	(29,575)
NET CASH USED IN INVESTING ACTIVITIES	(29,575)

Increase in cash and cash equivalents	141,854
CASH AND CASH EQUIVALENTS, beginning of year	1,426,665
CASH AND CASH EQUIVALENTS, end of year	\$ 1,568,519

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. 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, 2010, were \$ 408,372.

**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
	-----	-----	-----	-----
Equity securities	\$ 334,385	\$ 161,595	\$	\$ 495,980
	=====	=====	=====	=====

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

Note 3. Receivables

Receivables at September 30, 2010, consisted of the following:

Accounts Receivable		
Contractual revenues		\$ 140,843
		=====
Grants Receivable		
LIFE		\$ 14,966
III-C		10,240
FAIR		1,834
III-D		337
Lighthouse		6,024
Elder Abuse		180
III-B		5,011

		\$ 38,592
		=====

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30, 2010:

Land		\$ 70,000
Building		1,504,890
Vehicles		258,361
Equipment, furniture and fixtures		150,497

		1,983,748
Less accumulated depreciation		678,293

Total		\$ 1,305,455
		=====

Note 5. Concentration

The Organization receives about 25 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 64 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.

The Organization participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Organization does not provide post retirement health benefits. However, PEIA shows a liability of \$76,413 at September 30, 2010 for post retirement benefits. The Organization does not expect to have to pay this liability.

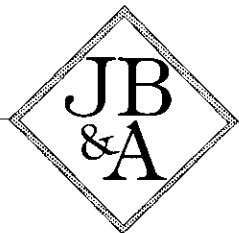
Note 7. Net Asset - Restrictions on Net Assets

Temporarily restricted net assets at September 30, 2010 consist of assets in which federal funding agencies have a reversionary interest.

Note 8. Subsequent Events

Management has evaluated subsequent events through June 21, 2010, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2010 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
June 21, 2011

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Title III-B	Title III-D	Title III-C		Elder Abuse	Lighthouse
			Congregate	Home Delivered		
Federal financial assistance	\$ 25,275	\$ 882	\$ 36,931	\$ 47,289	\$ 180	\$
State grant allocations	8,981	156		2,405		62,672
Donations and match	2,974	115	3,538	5,048		
Contractual revenues						
Other income	3,312		665	379		
Project income	6,716		21,653	24,984		
Investment income						
Realized loss on investment						
Unrealized gain on investment						
	<u>\$ 47,258</u>	<u>\$ 1,153</u>	<u>\$ 62,787</u>	<u>\$ 80,105</u>	<u>\$ 180</u>	<u>\$ 62,672</u>

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

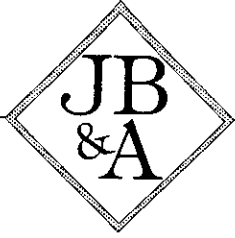
<u>FAIR</u>	<u>Transportation</u>	<u>Title III-E</u>	<u>Other Programs</u>	<u>LIFE</u>	<u>Personal Care</u>	<u>Totals (Memorandum Only)</u>
\$ 32,606	\$ 7,311	\$ 4,661	\$ 7,149	\$ 160,874	\$	\$ 122,367
		1,554	11,000			286,005
			6,057			19,286
			75,182		1,022,269	1,022,269
			7,045			79,538
			23,618			60,398
			(17,097)			23,618
			13,115			(17,097)
<u>\$ 32,606</u>	<u>\$ 7,311</u>	<u>\$ 6,215</u>	<u>\$ 126,069</u>	<u>\$ 160,874</u>	<u>\$ 1,022,269</u>	<u>\$ 1,609,499</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 YEAR ENDED SEPTEMBER 30, 2010**

	Grant Period	Grant Identificaiton Number	State Expenditures
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants			\$ 11,000
Total Direct Programs			11,000
Pass through Awards			
Bel-O-Mar Interstate Planning Commission			
IIIB State	June 30, 2010	2010	8,981
IIID	June 30, 2010	2010	156
LIFE	June 30, 2010	2010	114,432
LIFE	June 30, 2011	2011	48,847
Lighthouse	June 30, 2010	21049	41,488
Lighthouse	June 30, 2011	21149	21,184
FAIR	June 30, 2010	21049	25,676
FAIR	June 30, 2011	21149	6,930
Transportation	June 30, 2010	21049	7,311
Total pass-through awards			275,005
TOTAL EXPENDITURES OF STATE AWARDS			\$ 286,005

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, 2010, and have issued our report thereon dated June 21, 2011. 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 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 Organization's internal control over financial reporting.

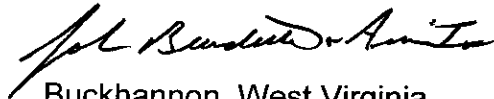
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designated to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 audit committee, management, others within the organization and federal awarding agencies and pass-thru entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "J. L. Bunch".

Buckhannon, West Virginia
June 21, 2011