

**REGION 8 PLANNING AND
DEVELOPMENT COUNCIL**

FINANCIAL STATEMENTS

June 30, 2008

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
<u>BASIC FINANCIAL STATEMENTS</u>	
Statement of Net Assets	9
Statement of Activities	10
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14
<u>SUPPLEMENTARY INFORMATION</u>	
Statement of Revenues, Expenditures and Changes in Fund Balance – Unrestricted Operations	19
Statement of Revenues and Expenditures – Administrative Grant Under Appalachian Regional Development Act – January 1, 2007 to December 31, 2007	20
Statement of Revenues and Expenditures – Administrative Grant Under Appalachian Regional Development Act – January 1, 2008 to June 30, 2008	21
Statement of Revenues and Expenditures – Economic Development Administration - Planning	22
Statement of Revenues, Expenditures and Changes in Fund Balance – Loan Programs	23
Statement of Revenues and Expenditures – Title III – October 1, 2006 to September 30, 2007	24
Statement of Revenues and Expenditures – Title III – October 1, 2007 to June 30, 2008	25
Statement of Revenues and Expenditures – LIFE	26
Statement of Revenues and Expenditures – Aging Disabled Resource Center – June 1, 2007 to June 30, 2008	27
Statement of Revenues and Expenditures – Title V Subgrant October 1, 2006 to July 31, 2007	28

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

TABLE OF CONTENTS (Continued)

	<u>Page</u>
Statement of Revenues and Expenditures – Title V Subgrant August 1, 2007 to June 30, 2008	29
Statement of Revenues and Expenditures – Foster Grandparent	30
Statement of Revenues and Expenditures – Retired Senior Volunteer Program – January 1, 2007 to December 31, 2007	31
Statement of Revenues and Expenditures – Retired Senior Volunteer Program – January 1, 2008 to June 30, 2008	32
Statement of Revenues and Expenditures – Workforce Investment Board Administration	33
Statement of Revenues and Expenditures – Workforce Investment Board Program	34
Statement of Revenues and Expenditures – Transitional Housing	35
Statement of Revenues and Expenditures – Fair Plus	36
Statement of Revenues and Expenditures – Nutrition Enhancement	37
Statement of Revenues and Expenditures – In-Home Fuel	38
Statement of Revenues and Expenditures – Other Programs	39
Schedule of Cost Pool Expenses	40
Schedules of Deferred Revenue and Due to Other Agencies	41
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	42
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance	44
Schedule of Expenditures of Federal Awards	46
Notes to Schedule of Expenditures of Federal Awards	48
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	49



INDEPENDENT AUDITOR'S REPORT

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

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, 2008, which collectively comprise Region 8 Planning and Development Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Region 8 Planning and Development Council'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 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 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 the Region 8 Planning and Development Council, as of June 30, 2008, and the respective changes in financial position thereof 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 February 12, 2009, 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, 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 and 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.

The management's discussion and analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 schedule of expenditures of federal awards is presented as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the combining and individual fund financial statements as listed in the accompanying table of contents as supplementary information are presented for purposes 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Martin, Beachy & Archart, PLLC

February 12, 2009

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2008**

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 2008 financial activity and the change in its financial condition during FY 2008. 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, 2008. This provides the simplest display of the PDC financial condition at the end of FY 2008. 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 2008. The net assets as of June 30, 2008 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, 2008. The information contained in this statement is similar to that on the Statement of Net Assets. 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 2008 audit also contains the auditor's report on internal control over financial reporting and on compliance, the auditor's report on compliance with requirements applicable to 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 Assets 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

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2008**

and expenses by program. The statement of cash received or spent reflects accrual for the current year.

One can assess the PDC's ability to sustain its efforts by examining these statements. Net assets reflect 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 assets for the current year. The change in net assets over time is the best indicator of the organization's ability to sustain operations. As with businesses, growth in net assets 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 assets. Finally, the non-financial factors that enter governmental decision-making may cause deviation from the desire of businesses to maximize growth of net assets 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, 2008 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 2008 the Region 8 PDC expended \$9,724,250 on its governmental activities. These same activities produced revenues of \$9,621,301 during FY 2008. The PDC had a change in total governmental funds of \$(29,186). Offsetting this decrease was a modest increase in net assets as a result of business-type activities of \$4,335 and investment earnings of \$4,882. Overall, the PDC had a change in net assets of \$(19,969) during FY 2008. The PDC had net assets of \$890,864 at the end of FY 2008. This represented a 2% decrease in net assets over the end of FY 2007. Table 1 provides additional details including a comparison to FY 2005 and FY 2006.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2008**

Table1 – FY 2008 Expenses and Revenues

	FY 2005	FY 2006	FY 2007	FY 2008	Percent Change	
					FY 06 to 07	FY 07 to 08
Expenses Governmental Activities	6,882,099	7,163,522	7,561,165	9,724,250	5.55%	22.24%
Revenues Governmental Activities	6,672,153	7,137,541	7,500,998	9,695,064	5.09%	22.63%
Change in Net Assets Governmental Activities	(209,946)	(41,393)	(60,167)	(29,186)	45.36%	-106.15%
Expenses Business-Type Activities	1,906	1,818	1,665	1,665	-8.42%	0.00%
Revenues Business-Type Activities	6,500	6,000	6,000	6,000	0.00%	0.00%
Change in Net Assets Business-Type Activities	4,594	4,182	4,335	4,335	3.66%	0.00%
Investment Earnings	4,945	6,269	7,735	4,882	23.38%	-58.44%
Gain on Sale of Real Estate	19,235	-	-	-	0.00%	0.00%
Change in Net Assets	(181,172)	(15,822)	(48,097)	(19,969)	203.99%	-140.86%
Net Assets Beginning	1,157,336	976,164	960,342	910,833*	-1.62%	-5.44%
Net Assets Ending	976,164	960,342	912,245*	890,864	-5.01%	-2.4%

*Difference due to incorporating WIB into the Region 8 accounting system. WIB assets were (\$1,412) at the end of FY 07.

As in the past three fiscal years the PDC experienced a decrease in net assets because of governmental activities. This decrease was caused by a revenue shortfall in general operations and the purchase of additional capital expenditures for the Transitional Housing Learning Center. The capital expenditures will be reimbursed to the agency during the life of the expenses. The PDC implemented changes during FY 2005 to restructure the organization to decrease continued losses in net assets. During FY 08 the PDC ceased operations with its Case Management Program and began a new program with the West Virginia Aging and Disabilities Council. This change was significant as the Case Management program was continuing to struggle financially. While adjustments have been made within the past several years, some operations continue to struggle financially, but a much smaller rate than in previous years. The PDC could have avoided some of the revenue shortfalls and higher than expected expenses by terminating programs experiencing these issues or by a reduction in the staff. However, the PDC judged this not to be in the interest of the public and chose to continue all programs.

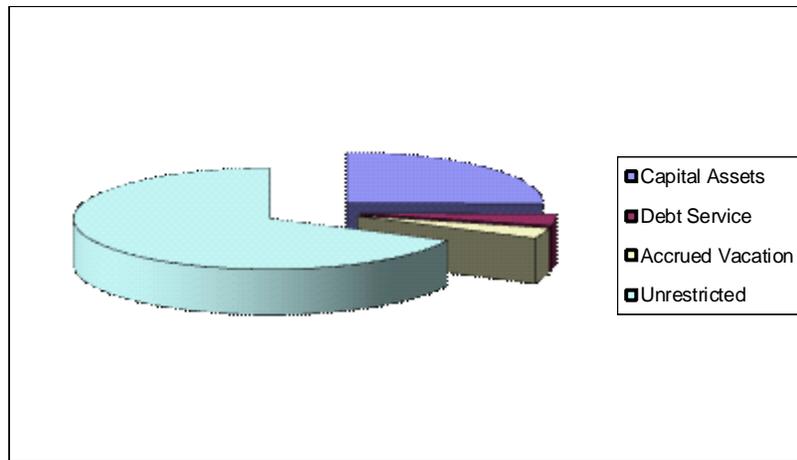
As noted, the PDC ended FY 2008 with net assets of \$890,864. Unrestricted assets comprised over two-thirds of the PDC's assets. Capital assets comprised 25% of net assets at the end of FY 2008. Assets required for debt service and vacation time owed staff accounted for about 7% of net assets. Table 2 and chart 1 provide additional detail.

Table 2 – Distribution of FY 2008 Net Assets

Capital Assets	\$224,973	25.3%
Debt Service	\$32,250	3.6%
Accrued Vacation	\$29,463	3.3%
Unrestricted	\$601,178	67.8%

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2008**

Chart 1 - Distribution of FY 2008 Net Assets



THE ORGANIZATION'S FUNDS

The PDC expended \$168,930 through its General Fund during FY 2008. This included expenditures of \$53,574 for staff (Personnel and Fringe), \$43,227 for grant match, and \$23,921 for allocated costs. Staff cost accounted for 31.7% of all expenditures. In FY 2007 staff cost accounted for 57.2% of all general fund expenditures. The percentage and overall costs for staff expenditures in the general fund decreased mainly due to the ending of the Case management program in September 2007. The amount listed as expended for grant match increased nearly 48% over FY 2006. This figure represents the PDC providing additional local cash as program revenue fell short of expectations for some programs and the match requirement for the planning programs. Allocated costs accounted for 14.2% of the fund's FY 2008 expenditures. The General Fund had revenue of \$150,297 during FY 2008. About 51% of all General Fund Revenue came from user charges, primarily for Case Management services. Other income totaled \$73,352 in FY 2008 or 52% of all General Fund revenue.

The PDC expended \$2,561,687 through its Other Governmental Funds Fund during FY 2008. This included \$1,134,111 for staff, \$328,543 for allocated costs and \$248,194 for stipends to program participants. Staff costs accounted for 44.2% of all fund expenditures. In FY 2007 staff costs accounted for 50.6% of all costs. The amount expended for staffing by the fund increased by \$157,855 from FY 2007. The increase reflects the additional program funding received by certain programs that caused increased staffing charges to those programs included in the other governmental funds category and salary increases effective March 1, 2008. Allocated costs and stipends accounted for 12.8% and 9.7% of the costs. Expenditures for these items remained relatively stable. The Other Governmental Funds Fund had revenue of \$2,554,453 during FY 2008. Grants and sub-grants from the Federal Government accounted for 87% of all revenue during FY 2008. Administrative fees provided \$106,585 or 4.1% of the fund's income during FY 2008. The fund's expenditures exceed its revenues by \$7,234 during FY 2008.

The PDC expended \$6,688,921 through its Title III Fund during FY 2008. This included \$6,163,567 for sub-grants to local senior citizen programs, \$322,315 for staff, and \$144,041 for allocated costs. Sub-grants accounted for 92.1% of all fund expenditures. In FY 2008 staff costs accounted for 4.8% of all costs. The amount expended for sub-grants by the fund increased by \$1,126,109 from FY 2007. The increase reflects the state increasing funds available for distribution to local programs. The Title III Fund had revenue of \$6,688,567 during FY 2008. State funds in the amount of \$4,186,943 provided 62.5% of all Title III fund revenue during FY 2008.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2008**

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 2008 Budget to Actual

	FY 2008	FY 2008	
	Budget	Actual	Variation
Revenue			
Federal	1,774,909	2,610,680	47.09%
State	399,464	387,289	-3.05%
Local - Other	353,223	466,043	31.94%
Total	2,527,596	3,464,012	37.05%
Expenditures			
Staff	1,122,855	1,510,000	34.48%
Allocated Costs	351,682	496,505	41.18%
Stipends & Program	802,631	751,299	-6.40%
Grant Match Expense	0	43,227	
Other	263,132	689,202	161.92%
Total	2,540,300	3,490,233	37.39%

Table 3 provides a comparison of the proposed budget to actual revenues and expenses. Actual total revenue was 37.05% greater than budgeted. Revenue from federal and state sources was greater than budgeted. However, it is important to note the WIB program funds are included in the actual expenses and not the original budget. Actual expenses were 37.39% greater than expected. Again this variation is due to the WIB program expenses being included in the agencies audited expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

In FY 2008, 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 felt that it was important to begin accruing the costs and placing the funds in an account. Therefore based on the decision of the Council, the accrued funds have been placed into an account and are recognized as a liability of the Council. The amount accrued at the end of FY 2008 is \$39,009.60.

Debt Administration

The PDC began FY 2008 with total long-term debt of \$124,110. The PDC has a \$32,500 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 2008 with a debt of \$91,860 to the Summit Bank. The debt is due November 2013. The PDC made regular monthly payments. Accordingly, the PDC ended FY 2008 owing \$79,260 to the Summit Community Bank.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2008**

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 2008 with an unrestricted fund balance of \$333,121. Thus although the PDC had a \$24,303 reduction in the unrestricted fund balance, the PDC feels that its position is sound and that it can maintain critical operations.

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 ASSETS
June 30, 2008

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 668,519	\$ -	\$ 668,519
Accounts receivable	206,315	-	206,315
Grant funds receivable	1,024,185	-	1,024,185
Notes receivable	138,881	-	138,881
Property and equipment, net of accumulated depreciation	<u>304,233</u>	<u>-</u>	<u>304,233</u>
 TOTAL ASSETS	 <u>\$ 2,342,133</u>	 <u>\$ -</u>	 <u>\$ 2,342,133</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 982,895	\$ -	\$ 982,895
Interfund payables	-	-	-
Accrued wages	67,220	-	67,220
Accrued annual leave	75,845	-	75,845
Accrued payroll taxes	23,752	-	23,752
Other accrued liabilities	40,654	-	40,654
Deferred revenue	133,337	-	133,337
Due to other agencies	16,056	-	16,056
Mortgage note payable:			
Due within one year	13,198	-	13,198
Due in more than one year	66,062	-	66,062
Note payable	<u>32,250</u>	<u>-</u>	<u>32,250</u>
TOTAL LIABILITIES	<u>1,451,269</u>	<u>-</u>	<u>1,451,269</u>
 FUND BALANCES			
Investment in capital assets, net of related debt	224,973	-	224,973
Restricted for:			
Debt service	32,250	-	32,250
Accrued vacation	29,463	-	29,463
Unrestricted	<u>604,178</u>	<u>-</u>	<u>604,178</u>
TOTAL FUND BALANCES	<u>890,864</u>	<u>-</u>	<u>890,864</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 2,342,133</u>	 <u>\$ -</u>	 <u>\$ 2,342,133</u>

See accompanying notes to financial statements.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants	Govern- mental Activities	Business- Type Activities	Total
Governmental activities:						
General operations	\$ 119,095	\$ 33,805	\$ 67,506	\$ (17,784)	\$ -	\$ (17,784)
Appalachian Regional Development	197,915	-	197,915	-	-	-
Economic Development Admin.	100,561	-	100,561	-	-	-
Revolving Loan	3,757	-	3,556	(201)	-	(201)
Micro Loan	6,658	-	6,799	141	-	141
Title III	6,688,920	-	6,688,565	(355)	-	(355)
Title V	560,933	-	560,933	-	-	-
Foster Grandparent	456,351	-	456,351	-	-	-
Retired Senior Volunteer Program	72,045	-	72,015	(30)	-	(30)
Workforce Investment Board	1,188,072	-	1,180,930	(7,142)	-	(7,142)
Transitional Housing	286,170	-	286,170	-	-	-
Case Management	43,773	39,958	-	(3,815)	-	(3,815)
Total governmental activities	<u>9,724,250</u>	<u>73,763</u>	<u>9,621,301</u>	<u>(29,186)</u>	<u>-</u>	<u>(29,186)</u>
Business-type activities:						
Office rental	<u>1,665</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>4,335</u>	<u>4,335</u>
Total business-type activities	<u>1,665</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>4,335</u>	<u>4,335</u>
Total primary government	<u>\$ 9,725,915</u>	<u>\$ 79,763</u>	<u>\$ 9,621,301</u>	<u>\$ (29,186)</u>	<u>\$ 4,335</u>	<u>\$ (24,851)</u>
General revenues:						
Investment earnings				4,882	-	4,882
Gain on sale of real estate				-	-	-
Transfers				4,335	(4,335)	-
Total				<u>9,217</u>	<u>(4,335)</u>	<u>4,882</u>
Change in net assets				(19,969)	-	(19,969)
Beginning net assets				<u>910,833</u>	<u>-</u>	<u>910,833</u>
Ending net assets				<u>\$ 890,864</u>	<u>\$ -</u>	<u>\$ 890,864</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008**

	General	Title III	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 544,802	\$ (37,580)	\$ 161,297	\$ 668,519
Accounts receivable	206,315	-	-	206,315
Grant funds receivable	-	821,121	203,064	1,024,185
Notes receivable	-	-	138,881	138,881
TOTAL ASSETS	\$ 751,117	\$ 783,541	\$ 503,242	\$ 2,037,900
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 207,738	\$ 775,157	\$ -	\$ 982,895
Accrued wages	67,220	-	-	67,220
Accrued annual leave	46,382	-	-	46,382
Accrued payroll taxes	23,752	-	-	23,752
Other accrued liabilities	40,654	-	-	40,654
Deferred revenue	-	8,384	124,953	133,337
Due to other agencies	-	-	16,056	16,056
Note payable	32,250	-	-	32,250
TOTAL LIABILITIES	417,996	783,541	141,009	1,342,546
 FUND BALANCES				
Reserved for				
Debt service	32,250	-	-	32,250
Accrued vacation	-	-	-	-
Unreserved, reported in:				
General fund	300,871	-	-	300,871
Special revenue fund	-	-	362,233	362,233
TOTAL FUND BALANCES	333,121	-	362,233	695,354
TOTAL LIABILITIES AND FUND BALANCES	\$ 751,117	\$ 783,541	\$ 503,242	

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.	304,233
Long-term notes payable are not due and payable in the current period and therefore are not reported in the funds.	(79,260)
Accrued vacation is not due and payable in the current period and therefore is not reported in the funds.	(29,463)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 890,864

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Title III	Other Governmental Funds	Total Governmental Funds
REVENUES				
Federal grants	\$ -	\$ 414,417	\$ 2,196,263	\$ 2,610,680
State grants	-	344,789	42,500	387,289
Federal subgrant	-	2,087,151	-	2,087,151
State subgrant	-	3,842,154	-	3,842,154
User charge	76,945	-	-	76,945
Administrative fees	-	-	106,585	106,585
Rent income	6,000	-	65,947	71,947
Interest income	4,882	-	10,355	15,237
In-kind	-	-	66,026	66,026
Other	62,470	56	66,777	129,303
Total Revenues	<u>150,297</u>	<u>6,688,567</u>	<u>2,554,453</u>	<u>9,393,317</u>
EXPENDITURES				
Personnel	39,124	238,263	907,679	1,185,066
Fringe benefits	14,450	84,052	226,432	324,934
Travel	1,474	28,531	92,125	122,130
Printing and supplies	6,715	22,792	33,456	62,963
Rent	-	100	6,000	6,100
Telephone	789	2,703	7,879	11,371
Allocated costs	23,921	144,041	328,543	496,505
Insurance	-	-	5,184	5,184
Advertising	12	397	3,898	4,307
Maintenance	340	183	3,407	3,930
Professional fees/contractual	-	-	110,229	110,229
Participant support	-	-	437,079	437,079
Vehicle expense	21,451	-	-	21,451
Stipends	-	-	248,194	248,194
In-kind	-	-	66,026	66,026
Other	3,807	4,292	12,967	21,066
Grant cash match	43,227	-	-	43,227
Subgrants	-	6,163,567	72,589	6,236,156
Bad debt expense	-	-	-	-
Loan principal payments	12,600	-	-	12,600
Interest	1,020	-	-	1,020
Total Expenditures	<u>168,930</u>	<u>6,688,921</u>	<u>2,561,687</u>	<u>9,419,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,633)	(354)	(7,234)	(26,221)
OTHER FINANCING SOURCES (USES)				
Transfer in (transfer out)	(5,670)	354	5,316	-
Total Other Financing Sources (Uses)	<u>(5,670)</u>	<u>354</u>	<u>5,316</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(24,303)	-	(1,918)	(26,221)
BEGINNING FUND BALANCES	<u>357,424</u>	<u>-</u>	<u>364,151</u>	<u>721,575</u>
ENDING FUND BALANCES	<u>\$ 333,121</u>	<u>\$ -</u>	<u>\$ 362,233</u>	<u>\$ 695,354</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, 2008**

NET CHANGE IN FUND BALANCES	\$	(26,221)
<p>Amounts reported for governmental activities in the statement of activities are different because:</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.		11,812
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.		(18,555)
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.		12,600
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.		<u>395</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>(19,969)</u>

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

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, 2008.

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, 2008

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, 2008.

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.

Property and Equipment

Property and equipment are recorded at historical cost and comprehensively 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.

NOTE B – CASH DEPOSITS

At June 30, 2008, the carrying amount of the Council's cash balances was \$668,519. The Council's cash deposits at June 30, 2008 and during the year then ended were entirely covered by FDIC insurance or pledged collateral held by an agent on behalf of the Council's banks.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

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.	52,224
Promissory note from Grant Manufacturing with interest at 4.75%. Loan was scheduled to be paid in full on November 30, 2001. The loan is in default and a judgment has been entered against Grant Manufacturing. \$67,500 of the original loan balance has been written off as a bad debt. Management expects to collect the remaining balance.	7,500
Promissory note from Woodline, Inc. with interest at 4.5%, due \$570 monthly, including interest, until May 2010. Collateralized by equipment, inventory, accounts receivable and personal guarantee of the owners.	31,481
Five promissory notes to various businesses with interest rates ranging from 8% to 10%, and maturing on various dates. Collateralized by equipment, inventory, and accounts receivable.	47,676
	\$ 138,881

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, 2008 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Historic Cost:				
Vehicles	\$ 40,362	\$ 11,812	\$ -	\$ 52,174
Buildings and improvements	439,222	-	-	439,222
	479,584	11,812	-	491,396
Less Accumulated Depreciation	168,608	18,555	-	187,163
Net Capital Assets	\$ 310,976	\$ (6,743)	\$ -	\$ 304,233

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

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 \$46,382 to reflect accumulated vacation days at June 30, 2008.

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, \$29,463, is recorded as a reserved fund balance in the governmental fund financial statements.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE F – NOTES PAYABLE

Notes payable consists of the following notes:

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.	\$ 79,260
Promissory note to the West Virginia Economic Development Authority (WVEDA), 0% interest, principal due June 30, 2042, unsecured.	<u>32,250</u>
	<u>\$ 111,510</u>

Maturities of notes payable are as follows:

Year ended June 30,	
2009	\$ 13,198
2010	13,812
2011	14,457
2012	15,126
2013	15,835
Thereafter	<u>6,832</u>
	<u>\$ 79,260</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, 2008, the Council contributed \$104,251, an amount equal to 10.5% of eligible employees' gross salaries. Retirement plan expenses are included in fringe benefits expense.

NOTE H – 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 RHBT issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to West Virginia Retiree Health Benefit Trust, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia, 25305-0710 or by calling 1-888-680-7342.

The Code provides that contribution requirements of the members and the participating employers are established and may be amended by the RHBT Finance Board. For the year ending June 30, 2008 monthly contributions were \$144 for each eligible employee. As of June 30, 2008, the total accumulated liability was \$39,010.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

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.

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 for operations and percentage of total revenues from these sources for the year ended June 30, 2008 are as follows:

	<u>Amount</u>	<u>%</u>
Federal	\$ 4,697,831	50.01
West Virginia	4,229,443	45.03
Other	466,043	4.96
	<u>\$ 9,393,317</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, 2008

REVENUES	
User charge	\$ 41,072
Rent income	6,000
Interest income	4,882
Other	<u>64,324</u>
Total Revenues	<u>116,278</u>
EXPENDITURES	
Personnel	16,331
Fringe benefits	7,348
Travel	446
Training	184
Equipment and furniture	3,771
Vehicle purchase	11,812
Advertising	12
Supplies	9,245
Telephone and utilities	696
Publication/dues	178
Meeting expense	2,905
Building maintenance	14
Local cash match	43,227
Other	350
Auto expense	9,770
Allocated costs - Petersburg	1,592
Allocated costs - management and general	8,470
Allocated costs - common costs	<u>1,125</u>
Total Expenditures	<u>117,476</u>
EXCESS OF REVENUES OVER EXPENDITURES	(1,198)
OTHER FINANCING SOURCES (USES)	
Loan principal payments	(12,600)
Interest expense	(1,020)
Transfer-in	9,818
Transfer-out	<u>(19,303)</u>
	<u>(23,105)</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(24,303)
BEGINNING FUND BALANCE	<u>363,034</u>
ENDING FUND BALANCE	<u>\$ 338,731</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, 2007 to December 31, 2007**

	01/01/07 - 06/30/07	07/01/07 - 12/31/07	Total 01/01/07 - 12/31/07	Budget
REVENUES				
Federal	\$ 40,985	\$ -	\$ 40,985	\$ 54,809
State	15,124	-	15,124	18,960
Local	<u>72,789</u>	<u>79,956</u>	<u>152,745</u>	<u>282,000</u>
Total Revenues	<u>128,898</u>	<u>79,956</u>	<u>208,854</u>	<u>355,769</u>
EXPENDITURES				
Personnel	62,452	36,063	98,515	168,506
Fringe benefits	19,903	15,822	35,725	54,182
Travel	10,262	1,978	12,240	33,469
Training	-	-	-	9,104
Advertising	114	-	114	100
Supplies	689	52	741	1,890
Telephone	305	709	1,014	250
Publications/dues	1,599	350	1,949	-
Meeting expense	80	101	181	150
Other	184	246	430	2,000
Allocated costs - Petersburg	2,651	4,958	7,609	14,652
Allocated costs - management and general	-	15,158	15,158	-
Allocated costs - common costs	<u>30,659</u>	<u>4,519</u>	<u>35,178</u>	<u>71,466</u>
Total Expenditures	<u>128,898</u>	<u>79,956</u>	<u>208,854</u>	<u>355,769</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, 2008 to June 30, 2008**

	<u>Actual</u>	<u>Budget*</u>
REVENUES		
Federal	\$ 61,887	\$ 61,887
State	-	28,000
Local	<u>56,075</u>	<u>277,000</u>
Total Revenues	<u>117,962</u>	<u>366,887</u>
EXPENDITURES		
Personnel	56,818	146,162
Fringe benefits	21,709	49,576
Travel	5,474	22,643
Training	349	8,344
Supplies	123	390
Telephone	463	-
Publications and dues	1,000	1,000
Meeting expense	225	-
Other	-	52,326
Allocated costs - Petersburg	3,014	12,515
Allocated costs - management and general	27,854	41,327
Allocated costs - common costs	<u>933</u>	<u>32,604</u>
Total Expenditures	<u>117,962</u>	<u>366,887</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>

*Budget is for the twelve month period January 1, 2008 to December 31, 2008.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
ECONOMIC DEVELOPMENT ADMINISTRATION – PLANNING
Year Ended June 30, 2008**

	<u>Actual</u>	<u>Budget</u>
REVENUES		
Federal	\$ 60,000	\$ 60,000
State	40,000	40,000
Local	<u>561</u>	<u>-</u>
Total Revenues	<u>100,561</u>	<u>100,000</u>
EXPENDITURES		
Personnel	43,972	53,147
Fringe benefits	15,539	17,298
Travel	7,996	5,800
Advertising	565	-
Supplies	4,635	-
Telephone	178	-
Publication/dues	900	-
Meeting expense	734	-
Other	-	1,565
Allocated costs - Petersburg	1,615	-
Allocated costs - management and general	22,720	11,000
Allocated costs - common costs	<u>1,707</u>	<u>11,190</u>
Total Expenditures	<u>100,561</u>	<u>100,000</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, 2008

	<u>EDA RLF</u>	<u>Micro Loan</u>	<u>Lightstone Micro Loan</u>
REVENUES			
Interest income	\$ 3,556	\$ 4,933	\$ 1,865
Total Revenues	<u>3,556</u>	<u>4,933</u>	<u>1,865</u>
EXPENDITURES			
Personnel	1,516	1,624	77
Fringe benefits	513	551	24
Legal	256	511	511
Travel	276	595	420
Supplies	76	199	246
Telephone	68	111	-
Other	70	95	-
Allocated costs - Petersburg	63	78	6
Allocated costs - management and general	844	1,121	388
Allocated costs - common costs	75	93	7
Total Expenditures	<u>3,757</u>	<u>4,978</u>	<u>1,679</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(201)</u>	<u>(45)</u>	<u>186</u>
OTHER FINANCING SOURCES (USES)			
Transfer-in	201	45	-
	<u>201</u>	<u>45</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	186
BEGINNING FUND BALANCE	<u>220,450</u>	<u>146,116</u>	<u>(1,004)</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 220,450</u>	<u>\$ 146,116</u>	<u>\$ (818)</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
TITLE III
October 1, 2006 to September 30, 2007**

	10/01/06 - 06/30/07	07/01/07 - 09/30/07	Total	Budget
REVENUES				
Federal	\$ 64,546	\$ 60,954	\$ 125,500	\$ 128,325
State	66,671	-	66,671	64,671
Federal subgrant	1,242,152	475,435	1,717,587	1,664,469
State subgrant	697,677	4,518	702,195	440,278
Local match	-	54	54	-
	<u>2,071,046</u>	<u>540,961</u>	<u>2,612,007</u>	<u>2,297,743</u>
EXPENDITURES				
Administration:				
Personnel	66,467	27,400	93,867	95,560
Fringe benefits	23,596	10,135	33,731	31,635
Travel	7,685	2,603	10,288	10,541
Training	30	-	30	460
Supplies	591	2,715	3,306	300
Telephone	1,367	128	1,495	1,630
Publications/dues	97	338	435	200
Meetings	446	175	621	825
Other	317	-	317	-
Allocated costs - Petersburg	2,903	1,577	4,480	5,440
Allocated costs - management and general	-	12,367	12,367	-
Allocated costs - common costs	30,571	4,800	35,371	46,405
Subgrants				
Title III B subgrant	679,907	139,989	819,896	819,896
Title III C subgrant	612,055	187,687	799,742	797,608
Title III D subgrant	13,246	4,328	17,574	19,320
Title III E subgrant	117,560	45,523	163,083	164,041
NSIP subgrant	254,125	91,217	345,342	293,442
Elder Abuse subgrant	876	4,006	4,882	5,136
LIEAP subgrant	11,000	-	11,000	-
Nutrition Supplement subgrant	236,332	-	236,332	-
Senior Center subgrant	12,193	-	12,193	-
Medication Management subgrant	2,535	2,769	5,304	5,304
	<u>2,073,899</u>	<u>537,757</u>	<u>2,611,656</u>	<u>2,297,743</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,853)	3,204	351	-
OTHER FINANCING SOURCES (USES)				
Transfer-in (transfer-out)	2,826	(3,204)	(378)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (27)</u>	<u>\$ -</u>	<u>\$ (27)</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
TITLE III
October 1, 2007 to June 30, 2008**

	<u>Subgrant</u>	<u>Grant</u>	<u>Total</u>	<u>Budget*</u>
REVENUES				
Federal	\$ -	\$ 79,982	\$ 79,982	\$ 125,500
State	-	66,671	66,671	66,671
Federal subgrant	1,478,686	-	1,478,686	1,727,614
State subgrant	<u>656,712</u>	<u>-</u>	<u>656,712</u>	<u>695,850</u>
Total Revenues	<u>2,135,398</u>	<u>146,653</u>	<u>2,282,051</u>	<u>2,615,635</u>
EXPENDITURES				
Administration:				
Personnel	-	72,130	72,130	98,475
Fringe benefits	-	24,950	24,950	31,915
Travel	-	8,587	8,587	14,479
Training	-	-	-	1,500
Supplies	-	860	860	4,113
Telephone	-	849	849	2,040
Publications/dues	-	98	98	850
Utilities	-	254	254	-
Meetings	-	480	480	850
Other	-	27	27	6,933
Allocated costs - Petersburg	-	3,671	3,671	5,106
Allocated costs - management and general	-	33,377	33,377	25,710
Allocated costs - common costs	-	1,475	1,475	200
Subgrants				
Title III B subgrant	676,401	-	676,401	819,896
Title III C subgrant	698,193	-	698,193	797,608
Title III D subgrant	13,755	-	13,755	19,320
Title III E subgrant	117,639	-	117,639	164,041
NSIP subgrant	372,617	-	372,617	355,369
Elder Abuse subgrant	1,498	-	1,498	5,136
LIEAP subgrant	11,000	-	11,000	-
Nutrition Supplement subgrant	240,572	-	240,572	240,572
Senior Center subgrant	3,477	-	3,477	15,000
Medication Management subgrant	<u>3,461</u>	<u>-</u>	<u>3,461</u>	<u>6,522</u>
Total Expenditures	<u>2,138,613</u>	<u>146,758</u>	<u>2,285,371</u>	<u>2,615,635</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(3,215)	(105)	(3,320)	-
OTHER FINANCING SOURCES				
Transfer-in	<u>3,215</u>	<u>105</u>	<u>3,320</u>	<u>-</u>
	<u>3,215</u>	<u>105</u>	<u>3,320</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Budget is for the twelve-month period October 1, 2007 to September 30, 2008.

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
 STATEMENT OF REVENUES AND EXPENDITURES
 UPPER POTOMAC AREA AGENCY ON AGING
 LIFE
 Year Ended June 30, 2008**

	Total	Budget
REVENUES		
State subgrant	2,927,608	2,931,374
Total Revenues	2,927,608	2,931,374
EXPENDITURES		
Life Direct Services subgrant	2,927,608	2,931,374
Total Expenditures	2,927,608	2,931,374
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
June 1, 2007 to June 30, 2008**

	Total	Budget
REVENUES		
State	\$ 264,280	\$ 280,000
Local	-	-
Total Revenues	264,280	280,000
EXPENDITURES		
Administration:		
Salaries	112,207	131,022
Fringe benefits	39,604	42,713
Travel	16,314	9,500
Training	149	-
Advertising	397	1,200
Insurance	-	8,578
Professional fees	-	3,574
Supplies	18,820	30,540
Telephone	1,332	1,072
Publications/dues	-	894
Equipment and furniture	312	1,037
Meetings	294	-
Other	2,695	3,443
Allocated costs - Petersburg	3,791	6,518
Allocated costs - Martinsburg	5,580	4,837
Allocated costs - management and general	54,070	35,072
Allocated costs - common costs	8,921	-
Total Expenditures	264,486	280,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(206)	-
OTHER FINANCING SOURCES (USES)		
Transfer-in	206	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ -

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
TITLE V SUBGRANT
October 1, 2006 to July 31, 2007

	<u>10/1/06 - 6/30/07</u>	<u>7/1/07 - 7/31/07</u>	<u>Total</u>	<u>Budget</u>
REVENUES				
Federal	\$ 288,510	\$ 33,018	\$ 321,528	\$ 329,392
Local match	5,804	4,240	10,044	19,698
In-kind	<u>32,143</u>	<u>3,139</u>	<u>35,282</u>	<u>25,326</u>
Total Revenues	<u>326,457</u>	<u>40,397</u>	<u>366,854</u>	<u>374,416</u>
EXPENDITURES				
Enrollee costs:				
Salaries	206,740	23,760	230,500	236,501
Fringe benefits	18,219	2,033	20,252	22,881
Medical exams	25	-	25	1,725
Training	2,466	-	2,466	-
Allocated costs - Petersburg	-	560	560	-
Other enrollee costs:				
Salaries	21,792	3,122	24,914	24,735
Fringe benefits	7,770	1,102	8,872	9,030
Travel	5,408	855	6,263	9,893
Advertising	92	69	161	900
Supplies	1,593	87	1,680	600
Development	1,065	-	1,065	2,547
Training	567	-	567	1,275
Other	23	11	34	1,975
Allocated costs - Petersburg	3,735	249	3,984	5,413
Allocated costs - Martinsburg	2,574	627	3,201	2,047
Allocated costs - management and general	-	1,547	1,547	-
Allocated costs - common costs	-	1,122	1,122	-
Administrative costs:				
Salaries	5,000	1,002	6,002	6,533
Fringe benefits	1,757	354	2,111	2,422
Allocated costs - Petersburg	258	65	323	513
Allocated costs - management and general	-	400	400	-
Allocated costs - common costs	<u>15,230</u>	<u>293</u>	<u>15,523</u>	<u>20,100</u>
Subtotal - Federal Expenditures	294,314	37,258	331,572	349,090
Non-Federal Expenditures	<u>32,143</u>	<u>3,139</u>	<u>35,282</u>	<u>25,326</u>
Total Expenditures	<u>326,457</u>	<u>40,397</u>	<u>366,854</u>	<u>374,416</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
TITLE V SUBGRANT
August 1, 2007 to June 30, 2008**

	Actual	Budget
REVENUES		
Federal	\$ 461,992	\$ 521,498
Local match	10,737	24,886
In-kind	47,807	35,700
Total Revenues	520,536	582,084
EXPENDITURES		
Enrollee costs:		
Salaries	344,064	380,534
Fringe benefits	28,849	36,755
Medical exams	25	1,725
Training	1,388	3,400
Allocated costs - Petersburg	4,439	3,500
Allocated costs - Martinsburg	2,692	3,273
Other enrollee costs:		
Salaries	33,788	37,259
Fringe benefits	11,925	14,234
Travel	5,102	11,744
Advertising	135	-
Supplies	1,620	-
Development	2,214	720
Training	81	6,180
Other	50	-
Allocated costs - Petersburg	2,070	1,711
Allocated costs - Martinsburg	1,881	-
Allocated costs - management and general	113	-
Allocated costs - common costs	1,651	4,349
Administrative costs:		
Salaries	7,381	10,638
Fringe benefits	2,474	4,235
Allocated costs - Petersburg	377	450
Allocated costs - management and general	19,640	21,205
Allocated costs - common costs	236	512
Subtotal - Federal Expenditures	472,195	542,424
Non-Federal Expenditures	48,341	39,660
Total Expenditures	520,536	582,084
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
FOSTER GRANDPARENT
Year Ended June 30, 2008**

	Actual	Budget
REVENUES		
Federal	\$ 408,522	\$ 417,622
Local	5,869	3,426
In-kind	41,961	43,100
Total Revenues	456,352	464,148
 EXPENDITURES		
Administration:		
Personnel	59,258	61,238
Fringe benefits	18,322	13,963
Travel	4,885	6,155
Advertising	-	500
Supplies	539	3,300
Other	39	-
Allocated costs - Petersburg	4,128	4,088
Allocated costs - management and general	25,248	12,000
Allocated costs - common costs	4,936	14,881
Program:		
Recognition	7,024	1,500
Stipends	248,194	257,294
Subsistence	597	930
Travel	38,916	40,347
Supplies	132	-
Insurance	702	702
Medical exams	1,223	1,000
Other	95	-
In-kind	41,961	43,100
Local	153	3,150
Total Expenditures	456,352	464,148
 EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

See accompanying notes to financial statements.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
RETIRED SENIOR VOLUNTEER PROGRAM
January 1, 2007 to December 31, 2007

	01/01/07 - 06/30/07	07/01/07 - 12/31/07	Total	Budget
REVENUES				
Federal	\$ 34,874	\$ 15,373	\$ 50,247	\$ 50,246
Local	1,170	8,096	9,266	21,534
In-kind	4,186	20,927	25,113	-
Total Revenues	<u>40,230</u>	<u>44,396</u>	<u>84,626</u>	<u>71,780</u>
EXPENDITURES				
Volunteer Support:				
Personnel	15,381	9,783	25,164	26,539
Fringe benefits	5,292	3,604	8,896	10,792
Travel	2,851	1,327	4,178	3,079
Supplies	7	-	7	-
Telephone	-	27	27	-
Other	383	39	422	-
Allocated costs - Petersburg	188	56	244	199
Allocated costs - Martinsburg	1,711	1,996	3,707	4,574
Allocated costs - management and general	-	4,042	4,042	-
Allocated costs - common costs	8,537	2,152	10,689	14,281
Volunteer:				
Recognition	125	-	125	-
Insurance	755	-	755	1,208
Local:				
Recognition	814	443	1,257	4,800
Advertising	-	-	-	1,500
Training	-	-	-	1,928
Other	-	-	-	2,880
In-kind	4,186	20,927	25,113	-
Total Expenditures	<u>40,230</u>	<u>44,396</u>	<u>84,626</u>	<u>71,780</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
RETIRED SENIOR VOLUNTEER PROGRAM
January 1, 2008 to June 30, 2008**

	Total	Budget
REVENUES		
Federal	\$ 20,551	\$ 49,368
Local	1,425	21,164
In-kind	3,143	-
Total Revenues	25,119	70,532
 EXPENDITURES		
Volunteer Support:		
Personnel	8,939	20,924
Fringe benefits	3,004	11,743
Travel	1,888	3,235
Training	125	-
Supplies	42	700
Telephone	-	246
Insurance	-	1,570
Professional fees	-	757
Allocated costs - Petersburg	87	236
Allocated costs - Martinsburg	2,540	2,693
Allocated costs - management and general	4,708	9,178
Allocated costs - common costs	(172)	-
Volunteer:		
Recognition	60	-
Insurance	755	1,208
Local:		
In-kind	3,143	18,042
Total Expenditures	25,119	70,532
 EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
WORKFORCE INVESTMENT BOARD ADMINISTRATION
Year Ended June 30, 2008**

REVENUES	
Administration	\$ 52,370
Dislocated Worker	69,859
Youth In-School	14,963
Youth Out-of-School	37,407
Adult Low Income	64,840
Rapid Response	9,944
Local	4,550
Food Stamp Employment Training	<u>12,298</u>
Total Revenues	<u>266,231</u>
EXPENDITURES	
Administration:	
Personnel	28,722
Fringe benefits	12,045
Allocated costs	16,150
Dislocated Worker:	
Personnel	36,624
Fringe benefits	14,119
Allocated costs	20,105
Youth In-School:	
Personnel	8,549
Fringe benefits	2,984
Allocated costs	4,597
Youth Out-of-School:	
Personnel	20,707
Fringe benefits	6,775
Allocated costs	10,928
Adult Low Income:	
Personnel	34,504
Fringe benefits	13,195
Allocated costs	18,813
TAA Specialist:	
Personnel	5,160
Fringe benefits	1,821
Allocated costs	2,965
Food Stamp Employment Training:	
Personnel	6,482
Fringe benefits	2,288
Allocated costs	<u>3,738</u>
Total Expenditures	<u>271,271</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,040)</u>
OTHER FINANCING SOURCES (USES)	
Transfer-in	<u>5,040</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
WORKFORCE INVESTMENT BOARD PROGRAM
Year Ended June 30, 2008**

	Admin- istration	Dislocated Worker	Adult	Youth In School	Youth Out Of School	Rapid Response	FSET	Total
REVENUES								
Administration	\$ 68,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,049
Dislocated Worker	-	323,594	-	-	-	-	-	323,594
Youth	-	-	-	61,577	175,085	-	-	236,662
Adult Low Income	-	-	36,994	-	-	-	-	36,994
Rapid Response	-	-	-	-	-	108,830	-	108,830
Food Stamp Employment Training	-	-	-	-	-	-	140,570	140,570
Total Revenues	<u>68,049</u>	<u>323,594</u>	<u>36,994</u>	<u>61,577</u>	<u>175,085</u>	<u>108,830</u>	<u>140,570</u>	<u>914,699</u>
EXPENDITURES								
Administration:								
Contractual	-	117,692	56,694	70,841	151,103	98,087	128,130	622,547
Travel	7,071	441	324	129	272	799	141	9,177
Advertising	1,806	38	28	262	669	-	-	2,803
Supplies	1,440	-	-	-	-	-	-	1,440
Telephone	724	183	71	-	-	-	-	978
Publications and dues	1,123	-	-	-	-	-	-	1,123
Insurance	96	297	275	91	199	-	-	958
Professional fes	1,000	3,400	2,500	930	2,170	-	-	10,000
Vehicle expense	4,551	-	-	-	-	-	-	4,551
Meetings	1,733	-	-	-	-	-	-	1,733
Supportive services	-	-	570	-	-	-	-	570
Other	111	1,469	(2,444)	113	(9)	-	-	(760)
Allocated costs - contractual	<u>52,370</u>	<u>69,859</u>	<u>64,840</u>	<u>14,963</u>	<u>37,407</u>	<u>9,944</u>	<u>12,299</u>	<u>261,682</u>
	<u>72,025</u>	<u>193,379</u>	<u>122,858</u>	<u>87,329</u>	<u>191,811</u>	<u>108,830</u>	<u>140,570</u>	<u>916,802</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES								
	(3,976)	130,215	(85,864)	(25,752)	(16,726)	-	-	(2,103)
BEGINNING FUND BALANCE								
	(1,412)	-	-	-	-	-	-	(1,412)
ENDING FUND BALANCE								
	<u>\$ (5,388)</u>	<u>\$ 130,215</u>	<u>\$ (85,864)</u>	<u>\$ (25,752)</u>	<u>\$ (16,726)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,515)</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
TRANSITIONAL HOUSING
Year Ended June 30, 2008**

	<u>Actual</u>	<u>Budget</u>
REVENUES		
Federal	\$ 220,223	\$ 221,146
Rent	<u>65,947</u>	<u>64,000</u>
Total Revenues	<u>286,170</u>	<u>285,146</u>
 EXPENDITURES		
Personnel	114,008	130,000
Fringe benefits	39,209	48,000
Depreciation	4,085	6,000
Travel	9,555	9,000
Training	110	-
Advertising	327	-
Supplies	22,435	22,846
Telephone	2,948	5,000
Publication/dues	133	-
Utilities	2,395	1,500
Maintenance	2,407	2,000
Rent	6,000	6,000
Insurance	2,769	1,800
Other	2,098	2,000
Allocated costs - Petersburg	841	1,000
Allocated costs - Martinsburg	4,702	-
Allocated costs - management and general	63,385	35,000
Allocated costs - common costs	<u>8,763</u>	<u>15,000</u>
Total Expenditures	<u>286,170</u>	<u>285,146</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
FAIR PLUS
October 1, 2007 to June 30, 2008**

	Total	Budget*
REVENUES		
Federal	\$ 9,200	\$ 47,500
State	9,648	12,500
Federal subgrant	133,030	277,500
State subgrant	-	112,500
Local match	-	111
	<u>151,878</u>	<u>450,111</u>
EXPENDITURES		
Administration:		
Personnel	9,238	27,012
Fringe benefits	3,261	10,893
Travel	620	3,434
Advertising	-	2,500
Insurance	-	1,353
Professional fees	-	652
Supplies	85	995
Telephone	139	212
Publications/dues	-	115
Meetings	318	-
Other	-	603
Allocated costs - Petersburg	464	1,748
Allocated costs - management and general	4,154	10,594
Allocated costs - common costs	569	-
Subgrants		
Fair Plus subgrant	133,030	390,000
	<u>151,878</u>	<u>450,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>

*Budget is for the period October 1, 2007 to March 31, 2009.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
NUTRITION ENHANCEMENT
December 1, 2007 to June 30, 2008**

	Total	Budget
REVENUES		
State subgrant	256,796	258,259
Total Revenues	256,796	258,259
 EXPENDITURES		
Subgrant	256,796	258,259
Total Expenditures	256,796	258,259
 EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
IN-HOME FUEL
June 1, 2008 to June 30, 2008**

	Total	Budget
REVENUES		
State subgrant	232,003	232,003
Total Revenues	232,003	232,003
 EXPENDITURES		
Subgrant	232,003	232,003
Total Expenditures	232,003	232,003
 EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
OTHER PROGRAMS
Year Ended June 30, 2008**

REVENUES	
Case management	\$ 39,958
State	<u>2,500</u>
Total Revenues	<u>42,458</u>
 EXPENDITURES	
Personnel	24,133
Fringe benefits	7,574
Travel	1,028
Training	79
Telephone	93
Allocated costs - Petersburg	1,520
Allocated costs - Martinsburg	35
Allocated costs - management and general	10,005
Allocated costs - common costs	<u>1,835</u>
Total Expenditures	<u>46,302</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(3,844)
 OTHER FINANCING SOURCES	
Transfer-in	<u>3,844</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>\$ -</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF COST POOL EXPENSES
June 30, 2008**

	Petersburg	Martinsburg	Management & General	Common Costs	Project Admin	Small Cities	Total
Personnel	\$ 3,981	\$ -	\$ 217,422	\$ 962	\$ 495	\$ 958	\$ 223,818
Fringe benefits	390	-	72,047	1,703	208	369	74,717
Travel	33	-	9,961	2,215	1,403	584	14,196
Training	-	-	349	247	150	-	746
Equipment	5,358	-	-	12,884	-	-	18,242
Printing and supplies	1,191	1,506	-	23,285	-	-	25,982
Publications and dues	-	133	98	2,848	-	-	3,079
Telephone and utilities	18,984	4,351	27	5,175	-	-	28,537
Insurance	-	-	30,816	-	-	-	30,816
Maintenance	9,799	233	-	6,260	-	-	16,292
Professional fees/contractual	-	-	20,000	-	-	-	20,000
Other	40	139	350	175	-	-	704
Interest	2,920	-	-	-	-	-	2,920
Rent/depreciation	10,119	11,060	-	15,307	-	-	36,486
	<u>\$ 52,815</u>	<u>\$ 17,422</u>	<u>\$ 351,070</u>	<u>\$ 71,061</u>	<u>\$ 2,256</u>	<u>\$ 1,911</u>	<u>\$ 496,535</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULES OF DEFERRED REVENUE AND
DUE TO OTHER AGENCIES
June 30, 2008**

	Deferred Revenue	Due to Other Agencies
Title III-D	\$ 3,762	\$ -
Title III-E Caregiver	2,631	-
Senior Health Insurance Program	105	-
Food Stamp Employee Training	102	-
Transitional Housing	519	-
Elder Abuse	1,886	-
Workforce Investment Board - Administration	7,955	-
Workforce Investment Board - Dislocated Worker	67,789	-
Workforce Investment Board - Adult	48,437	-
Workforce Investment Board - FSET	151	-
Workforce Investment Board - Rapid Response	-	15,988
Revolving Loan Fund	-	68
	\$ 133,337	\$ 16,056

See accompanying notes to financial statements.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

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

We have audited 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, 2008, which collectively comprise Region 8 Planning and Development Council's basic financial statements, and have issued our report thereon dated February 12, 2009. 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 Region 8 Planning and Development Council's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Region 8 Planning and Development Council'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 performed 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 effects Region 8 Planning and Development Council'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 Region 8 Planning and Development Council's financial statements that is more than inconsequential will not be prevented or detected by Region 8 Planning and Development Council'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 Region 8 Planning and Development Council'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 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

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 council members, management, 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.

Martin, Beachy & Archant, PLLC

February 12, 2009

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE

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

Compliance

We have audited the compliance of Region 8 Planning and Development Council with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Region 8 Planning and Development Council's management. Our responsibility is to express an opinion on Region 8 Planning and Development Council's compliance based on our audit.

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. Our audit does not provide a legal determination on Region 8 Planning and Development Council's compliance with those requirements.

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, 2008.

Internal Control over Compliance

The management of Region 8 Planning and Development Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Region 8 Planning and Development Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performed their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph 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 compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the council members, management, 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.

Martin, Beachy & Archart, PLLC

February 12, 2009

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
Department of Agriculture			
State Admin. Matching Grants for Food Stamp Program	10.561	G#080501	<u>\$ 140,570</u>
Department of Commerce			
Economic Development Support for Planning Organizations	11.302	01-83-08182	60,000
Economic Adjustment Assistance	11.307	1-39-02963	<u>170,521</u>
Total U.S. Department of Commerce			<u>230,521</u>
Department of Labor			
Senior Community Service Employment Program	17.235	AD-16175-07-60-56	<u>495,010</u>
Workforce Investment Act Cluster:			
Adult Program	17.258		
Youth Activities	17.259		
Dislocated Worker	17.260		<u>774,129</u>
Total Department of Labor			<u>1,269,139</u>
Appalachian Regional Commission			
Appalachian Local Development District Assistance	23.009	WV-4415-C31; WV-4415-C32	<u>61,887</u>
Department of Veterans Affairs			
VA Homeless Providers Grant and Per Diem Program	64.024		<u>220,223</u>
Department of Health and Human Services			
Title III, part D - Disease Prevention and Health Promotion Services	93.043	2837	14,626
Title III, part D - Disease Prevention and Health Promotion Services	93.043	2737	<u>10,061</u>
			<u>24,687</u>
Title III, part B - Grants for Supportive Services and Senior Centers	93.044	2837	477,271
Title III, part B - Grants for Supportive Services and Senior Centers	93.044	2737	<u>200,943</u>
			<u>678,214</u>
Title III, part C - Nutrition Services	93.045	2837	577,474
Title III, part C - Nutrition Services	93.045	2737	<u>187,687</u>
			<u>765,161</u>
Alzheimer's Disease Demonstration Grants to States	93.051		<u>142,230</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
Department of Health and Human Services (Continued)			
Title III, Part E - National Family Caregiver Support	93.052	2837	116,681
Title III, Part E - National Family Caregiver Support	93.052	2737	<u>46,481</u>
			<u>163,162</u>
Nutrition Services Incentive Program	93.053	2848	372,617
Nutrition Services Incentive Program	93.053	2837	<u>91,217</u>
			<u>463,834</u>
Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	2767	<u>264,280</u>
Total Department of Health and Human Services			<u><u>2,501,568</u></u>
Corporation for National Service			
Retired and Senior Volunteer Program	94.002	07SRSWV0005	35,923
Foster Grandparent Program	94.011	06SFSWV002	<u>408,522</u>
Total Corporation for National Service			<u>444,445</u>
TOTAL FEDERAL EXPEDITURES			<u>\$ 4,868,353</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
June 30, 2008**

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, 2008</u>
Workforce Investment Act Cluster	17.258, 17.259, 17.260	\$ 774,129
Title III, Part B - Supportive Services and Senior Centers	93.044	678,214
Title III, Part C - Nutrition Services	93.045	765,161
Nutrition Services Incentive Program	93.053	463,834
Foster Grandparent	94.011	<u>408,522</u>
		<u>\$ 3,089,860</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>
Title III, Part D – Preventive Health Services	93.043	\$ 24,687
Title III, Part B – Supportive Services	93.044	537,277
Title III, Part C – Nutrition Services	93.045	765,161
Alzheimer's Disease Demonstration Grants to States	93.051	133,030
Title III, Part E – National Family Caregiver Support	93.052	163,162
Nutrition Services Incentive Program	93.053	<u>463,834</u>
		<u>\$ 2,087,151</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, 2008**

SUMMARY OF AUDIT RESULTS

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No findings were included in the audit for the year ended June 30, 2007. Therefore, there is no schedule included herein for reporting on the status of prior audit findings.