

**REGION 8 PLANNING AND
DEVELOPMENT COUNCIL**

FINANCIAL STATEMENTS

June 30, 2009

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

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INDEPENDENT AUDITOR'S REPORT

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

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, 2009, 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, 2009, 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 March 5, 2010, 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

March 5, 2010

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

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 2009 financial activity and the change in its financial condition during FY 2009. 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, 2009. This provides the simplest display of the PDC financial condition at the end of FY 2009. 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 2009. The net assets as of June 30, 2009 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, 2009. 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 2009 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 and expenses by program. The statement of cash received or spent reflects accrual for the current year.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

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, 2009 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 2009 the Region 8 PDC expended \$12,099,450 on its governmental activities. These same activities produced revenues of \$12,062,985 during FY 2009. The PDC had a change in total governmental funds of \$(36,465). Offsetting this decrease was a modest increase in net assets as a result of business-type activities of \$4,549 and investment earnings of \$3,656. Overall, the PDC had a change in net assets of \$(28,260) during FY 2009. The PDC had net assets of \$862,604 at the end of FY 2009. This represented a 3% decrease in net assets over the end of FY 2008. Table 1 provides additional details including a comparison to FY 2006 and FY 2007.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

Table1 – FY 2009 Expenses and Revenues

	FY 2006	FY 2007	FY 2008	FY 2009	Percent Change	
					FY 06 to 07	FY 07 to 08
Expenses Governmental Activities	7,163,522	7,561,165	9,724,250	12,099,450	22.24%	19.63%
Revenues Governmental Activities	7,137,541	7,500,998	9,695,064	12,062,985	22.63%	19.63%
Change in Net Assets Governmental Activities	(41,393)	(60,167)	(29,186)	(36,465)	-106.15%	19.96%
Expenses Business-Type Activities	1,818	1,665	1,665	1,451	0.00%	-14.75%
Revenues Business-Type Activities	6,000	6,000	6,000	6,000	0.00%	0.00%
Change in Net Assets Business-Type Activities	4,182	4,335	4,335	4,549	0.00%	4.70%
Investment Earnings	6,269	7,735	4882	3656	-58.44%	-33.53%
Change in Net Assets	(15,822)	(48,097)	(19,969)	(28,260)	-140.86%	29.34%
Net Assets Beginning	976,164	960,342	910,833	890,864	-5.44%	-2.24%
Net Assets Ending	960,342	912,245	890,864	862,604	-2.40%	-3.28%

*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 1) the PDC expensing bad debt associated with its business lending programs, and 2) revenue shortfalls in general operations. The PDC implemented changes during FY 2005 to restructure the organization to decrease continued losses in net assets. Had the PDC not had to expense bad debt during FY 09, the PDC would have experienced its smallest decrease in net assets since the restructuring. While adjustments have been made within the past several years, some operations continue to struggle financially, but at 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.

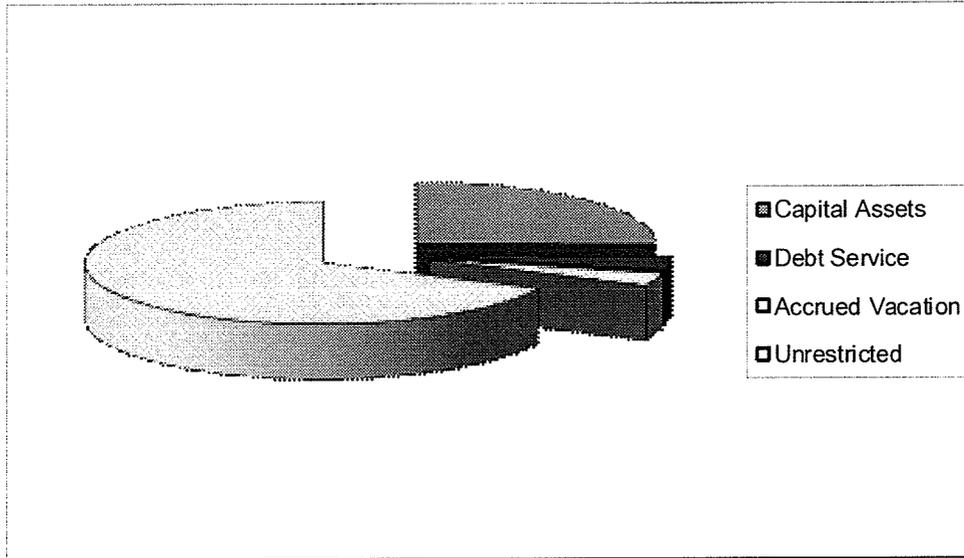
As noted, the PDC ended FY 2009 with net assets of \$862,604. Unrestricted assets comprised over two-thirds of the PDC's assets. Capital assets comprised 25% of net assets at the end of FY 2009. Assets required for debt service and vacation time owed staff accounted for about 6.5% of net assets. Table 2 and chart 1 provide additional detail.

Table 2 – Distribution of FY 2009 Net Assets

Capital Assets	\$218,374	25.3%
Debt Service	\$32,250	3.7%
Accrued Vacation	\$23,664	2.7%
Unrestricted	\$588,316	68.2%

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

Chart 1 - Distribution of FY 2009 Net Assets



THE ORGANIZATION'S FUNDS

The PDC expended \$106,686 through its General Fund during FY 2009. This included expenditures of \$29,537 for staff (Personnel and Fringe), \$29,142 for grant match, and \$12,643 for allocated costs. Staff cost accounted for 27.7% of all expenditures. In FY 2008 staff cost accounted for 31.7% of all general fund expenditures. The percentage and overall costs for staff expenditures in the general fund decreased. The amount listed as expended for grant match decreased nearly 33% from FY 2008. This decrease represents a smaller required match for some programs during FY 2009 and a decrease in program overruns from FY 2009. Allocated costs accounted for 11.8% of the fund's FY 2009 expenditures. The General Fund had revenue of \$113,861 during FY 2009. About 37% of all General Fund Revenue came from user charges mostly from the use of agency vehicles. Other income totaled \$72,134 in FY 2009 or 63% of all General Fund revenue.

The PDC expended \$2,985,132 through its Other Governmental Funds Fund during FY 2009. This included \$1,206,906 for staff, \$329,114 for allocated costs and \$245,707 for stipends to program participants. Staff costs accounted for 40.4% of all fund expenditures. In FY 2008 staff costs accounted for 44.2% of all costs. The amount expended for staffing by the fund increased by \$72,795 from FY 2008. 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. Additionally, salary increases for staff became effective March 1, 2009 and there were increased fringe benefit costs paid by the agency. Allocated costs and stipends accounted for 11.0% and 8.2% of the costs. Expenditures for these items remained relatively stable. The Other Governmental Funds Fund had revenue of \$2,968,731 during FY 2009. Grants and sub-grants from the Federal Government accounted for 90.1% of all revenue during FY 2009. Administrative fees provided \$130,832 or 4.4% of the fund's income during FY 2009. The fund's expenditures exceed its revenues by \$16,401 during FY 2009.

The PDC expended \$8,972,516 through its Title III Fund during FY 2009. This included \$8,321,123 for sub-grants to local senior citizen programs, \$423,311 for staff, and \$172,689 for allocated costs. Sub-grants accounted for 92.7% of all fund expenditures. In FY 2009 staff costs accounted for 4.7% of all costs. The amount expended for sub-grants by the fund increased by \$2,157,556 from FY 2008. The increase reflects the state increasing funds available for distribution to local programs. The Title III Fund had revenue of \$8,954,262 during FY 2009. State funds in the amount of \$6,639,579 provided 74.1% of all Title III fund revenue during FY 2009.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

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 2009 Budget to Actual

	FY 2009 Budget	FY 2009 Actual	Variation
Revenue			
Federal	1,774,909	2,891,482	62.91%
State	399,464	415,949	4.13%
Local – Other	353,223	408,320	15.60%
Total	2,527,596	3,715,751	47.01%
Expenditures			
Staff	1,122,855	1,684,553	50.02%
Allocated Costs	351,682	514,446	46.28%
Stipends & Program	802,631	887,176	10.53%
Bad Debt Expense	0	21,174	
Grant Match Expense	0	29,142	
Other	263,132	606,720	130.58%
Total	2,540,300	3,743,211	47.35%

Table 3 provides a comparison of the proposed budget to actual revenues and expenses. Actual total revenue was 62.91% 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 47.35% greater than expected. Again this variation is due mainly to the WIB program expenses being included in the agencies audited expenses. Additionally there was \$21,174 of expenses for bad debt.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

In FY 2009, 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 2009 is \$100,930.

Debt Administration

The PDC began FY 2009 with total long-term debt of \$111,510. The PDC has a \$32,250 obligation to the West Virginia Economic Development Authority. The debt has no interest charge and will become due on June 30, 2042. The PDC reserves funds from its net assets to retire this debt. The PDC began FY 2009 with a debt of \$79,260 to the Summit Bank. The debt is due November 2013. The PDC made regular monthly payments. Accordingly, the PDC ended FY 2009 owing \$66,062 to the Summit Community Bank.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

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 2009 with an unrestricted fund balance of \$322,117. Thus although the PDC had a \$11,060 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, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 791,063	\$ -	\$ 791,063
Accounts receivable	224,548	-	224,548
Grant funds receivable	647,993	-	647,993
Notes receivable	168,901	-	168,901
Property and equipment, net of accumulated depreciation	284,436	-	284,436
 TOTAL ASSETS	 \$ 2,116,941	 \$ -	 \$ 2,116,941
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 858,425	\$ -	\$ 858,425
Interfund payables	-	-	-
Accrued wages	50,705	-	50,705
Accrued annual leave	77,934	-	77,934
Accrued payroll taxes	31,849	-	31,849
Other accrued liabilities	107,399	-	107,399
Deferred revenue	9,583	-	9,583
Due to other agencies	20,130	-	20,130
Mortgage note payable:			
Due within one year	13,813	-	13,813
Due in more than one year	52,249	-	52,249
Note payable	32,250	-	32,250
TOTAL LIABILITIES	1,254,337	-	1,254,337
 FUND BALANCES			
Investment in capital assets, net of related debt	218,374	-	218,374
Restricted for:			
Debt service	32,250	-	32,250
Accrued vacation	23,664	-	23,664
Unrestricted	588,316	-	588,316
TOTAL FUND BALANCES	862,604	-	862,604
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 2,116,941	 \$ -	 \$ 2,116,941

See accompanying notes to financial statements.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

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	\$ 124,271	\$ 40,815	\$ 63,392	\$ (20,064)	\$ -	\$ (20,064)
Appalachian Regional Development	206,925	-	206,925	-	-	-
Economic Development Admin.	105,715	-	105,715	-	-	-
Revolving Loan	19,954	-	4,214	(15,740)	-	(15,740)
Micro Loan	3,519	-	2,915	(604)	-	(604)
Title III	8,961,515	-	8,961,515	-	-	-
Title V	588,995	-	588,995	-	-	-
Foster Grandparent	439,330	-	439,330	-	-	-
Retired Senior Volunteer Program	86,147	-	86,147	-	-	-
Workforce Investment Board	1,175,812	-	1,175,755	(57)	-	(57)
Transitional Housing	387,267	-	387,267	-	-	-
Case Management	-	-	-	-	-	-
Total governmental activities	12,099,450	40,815	12,022,170	(36,465)	-	(36,465)
Business-type activities:						
Office rental	1,451	6,000	-	-	4,549	4,549
Total business-type activities	1,451	6,000	-	-	4,549	4,549
Total primary government	\$ 12,100,901	\$ 46,815	\$ 12,022,170	\$ (36,465)	\$ 4,549	\$ (31,916)
General revenues:						
Investment earnings				3,656	-	3,656
Transfers				4,549	(4,549)	-
Total				8,205	(4,549)	3,656
Change in net assets				(28,260)	-	(28,260)
Beginning net assets				890,864	-	890,864
Ending net assets				\$ 862,604	\$ -	\$ 862,604

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009**

	General	Title III	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 564,881	\$ 290,027	\$ (63,845)	\$ 791,063
Accounts receivable	224,548	-	-	224,548
Grant funds receivable	-	396,590	251,403	647,993
Notes receivable	-	-	168,901	168,901
	<u>\$ 789,429</u>	<u>\$ 686,617</u>	<u>\$ 356,459</u>	<u>\$ 1,832,505</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 190,894	\$ 667,531	\$ -	\$ 858,425
Accrued wages	50,705	-	-	50,705
Accrued annual leave	54,270	-	-	54,270
Accrued payroll taxes	31,849	-	-	31,849
Other accrued liabilities	107,399	-	-	107,399
Deferred revenue	-	979	8,604	9,583
Due to other agencies	-	18,107	2,023	20,130
Note payable	32,250	-	-	32,250
	<u>467,367</u>	<u>686,617</u>	<u>10,627</u>	<u>1,164,611</u>
FUND BALANCES				
Reserved for				
Debt service	32,250	-	-	32,250
Accrued vacation	-	-	-	-
Unreserved, reported in:				
General fund	289,812	-	-	289,812
Special revenue fund	-	-	345,832	345,832
	<u>322,062</u>	<u>-</u>	<u>345,832</u>	<u>667,894</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 789,429</u>	<u>\$ 686,617</u>	<u>\$ 356,459</u>	

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.	284,436
Long-term notes payable are not due and payable in the current period and therefore are not reported in the funds.	(66,062)
Accrued vacation is not due and payable in the current period and therefore is not reported in the funds.	<u>(23,664)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 862,604</u>

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	<u>General</u>	<u>Title III</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Federal grants	\$ -	\$ 257,412	\$ 2,634,070	\$ 2,891,482
State grants	-	375,446	40,503	415,949
Federal subgrant	-	2,056,990	-	2,056,990
State subgrant	-	6,264,133	-	6,264,133
User charge	41,727	-	-	41,727
Administrative fees	-	-	130,832	130,832
Rent income	6,000	-	74,851	80,851
Interest income	3,654	-	5,103	8,757
In-kind	-	-	134,652	134,652
Other	62,480	301	41,758	104,539
Total Revenues	<u>113,861</u>	<u>8,954,282</u>	<u>3,061,769</u>	<u>12,129,912</u>
EXPENDITURES				
Personnel	20,652	305,018	983,715	1,309,385
Fringe benefits	8,885	118,293	247,990	375,168
Travel	1,477	33,442	85,354	120,273
Printing and supplies	(6,463)	6,486	43,922	43,945
Rent	-	1,200	6,630	7,830
Telephone	1,072	6,276	8,835	16,183
Allocated costs	12,643	172,689	329,114	514,446
Insurance	2,240	-	5,544	7,784
Advertising	1,030	4,739	4,050	9,819
Maintenance	261	135	6,223	6,619
Professional fees/contractual	600	25	337,303	337,928
Participant support	-	-	599,855	599,855
Vehicle expense	9,623	-	592	10,215
Stipends	-	-	245,707	245,707
In-kind	-	-	134,652	134,652
Other	6,027	3,090	22,944	32,061
Grant cash match	29,142	-	-	29,142
Subgrants	-	8,321,123	-	8,321,123
Bad debt expense	5,434	-	15,740	21,174
Loan principal payments	13,198	-	-	13,198
Interest	865	-	-	865
Total Expenditures	<u>106,686</u>	<u>8,972,516</u>	<u>3,078,170</u>	<u>12,157,372</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,175	(18,234)	(16,401)	(27,460)
OTHER FINANCING SOURCES (USES)				
Transfer in (transfer out)	<u>(18,234)</u>	<u>18,234</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(18,234)</u>	<u>18,234</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(11,059)	-	(16,401)	(27,460)
BEGINNING FUND BALANCES	<u>333,121</u>	<u>-</u>	<u>362,233</u>	<u>695,354</u>
ENDING FUND BALANCES	<u>\$ 322,062</u>	<u>\$ -</u>	<u>\$ 345,832</u>	<u>\$ 667,894</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, 2009**

NET CHANGE IN FUND BALANCES \$ (27,460)

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

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. (19,797)

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. 13,198

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. 5,799

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (28,260)

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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, 2009.

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, 2009

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, 2009.

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, 2009, the carrying amount of the Council's cash balances was \$791,063. The Council's cash deposits at June 30, 2009 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, 2009**

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.	\$ 44,205
Promissory note from Thermo Gauge Instruments with interest at 4%, due \$838 monthly, including interest. Collateralized by equipment, inventory, accounts receivable, and personal guarantee of the owners.	44,814
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. \$15,740 of the original loan balance has been written off as a bad debt. Management expects to collect the remaining balance.	15,741
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.	56,641
	\$ 168,901

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, 2009 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Historic Cost:				
Vehicles	\$ 52,174	\$ -	\$ -	\$ 52,174
Buildings and improvements	439,222	-	-	439,222
	491,396	-	-	491,396
Less Accumulated Depreciation	187,163	19,797	-	206,960
Net Capital Assets	\$ 304,233	\$ (19,797)	\$ -	\$ 284,436

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

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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 \$54,270 to reflect accumulated vacation days at June 30, 2009.

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, \$23,664, is recorded as a reserved fund balance in the governmental fund financial statements.

NOTE F – NOTES PAYABLE

Notes payable consists of the following:

Mortgage note to Summit Community Bank with interest at 4.5%, due \$1,378 monthly, including interest, until November 20, 2013, collateralized by real estate in Petersburg, West Virginia.	\$ 66,062
Promissory note to the West Virginia Economic Development Authority (WVEDA), 0% interest, principal due June 30, 2042, unsecured.	32,250
	\$ 98,312

Maturities of notes payable are as follows:

Year ended June 30,	
2010	\$ 13,813
2011	14,457
2012	15,126
2013	15,835
2014	6,831
Thereafter	32,250
	\$ 98,312

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, 2009, the Council contributed approximately \$111,600, an amount equal to 10.5% of eligible employees' gross salaries. Retirement plan expenses are included in fringe benefits expense.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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, 2009 monthly contributions were \$224 for each eligible employee. As of June 30, 2009, the total accumulated liability was \$100,930.

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, 2009 are as follows:

	<u>Amount</u>	<u>%</u>
Federal	\$ 4,948,472	40.80
West Virginia	6,680,082	55.07
Other	501,358	4.13
	<u>\$ 12,129,912</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, 2009

REVENUES	
User charge	\$ 48,848
Rent income	6,000
Interest income	3,654
Other	<u>62,480</u>
Total Revenues	<u>120,982</u>
EXPENDITURES	
Personnel	20,652
Fringe benefits	8,885
Contractual	600
Travel	1,477
Equipment and furniture	261
Advertising	1,030
Supplies	658
Telephone and utilities	1,072
Insurance	2,240
Publication/dues	50
Meeting expense	4,290
Local cash match	29,142
Other	1,688
Auto expense	9,623
Allocated costs - Petersburg	840
Allocated costs - management and general	10,225
Allocated costs - common costs	<u>1,578</u>
Total Expenditures	<u>94,311</u>
EXCESS OF REVENUES OVER EXPENDITURES	26,672
OTHER FINANCING SOURCES (USES)	
Loan principal payments	(13,198)
Interest expense	(865)
Bad debt expense	(5,434)
Transfer-in	11,805
Transfer-out	<u>(30,039)</u>
	<u>(37,731)</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(11,060)
BEGINNING FUND BALANCE	<u>333,176</u>
ENDING FUND BALANCE	<u>\$ 322,117</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, 2008 to December 31, 2008**

	01/01/08 06/30/08	07/01/08 - 12/31/08	Total 01/01/08 - 12/31/08	Budget
REVENUES				
Federal	\$ 61,887	\$ -	\$ 61,887	\$ 61,887
State	-	-	-	28,000
Local	<u>56,075</u>	<u>83,351</u>	<u>139,426</u>	<u>160,000</u>
Total Revenues	<u>117,962</u>	<u>83,351</u>	<u>201,313</u>	<u>249,887</u>
EXPENDITURES				
Personnel	56,818	39,119	95,937	115,215
Fringe benefits	21,709	18,189	39,898	39,497
Travel	5,474	2,576	8,050	15,899
Training	349	-	349	4,794
Supplies	123	7	130	-
Telephone	463	178	641	-
Publications/dues	1,000	1,500	2,500	1,000
Meeting expense	225	-	225	-
Other	-	51	51	-
Allocated costs - Petersburg	3,014	3,225	6,239	7,533
Allocated costs - management and general	27,854	14,404	42,258	37,475
Allocated costs - common costs	<u>933</u>	<u>4,102</u>	<u>5,035</u>	<u>28,474</u>
Total Expenditures	<u>117,962</u>	<u>83,351</u>	<u>201,313</u>	<u>249,887</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, 2009 to June 30, 2009**

	<u>Actual</u>	<u>Budget*</u>
REVENUES		
Federal	\$ 55,151	\$ 61,887
State	-	-
Local	<u>68,424</u>	<u>132,500</u>
Total Revenues	<u>123,575</u>	<u>194,387</u>
 EXPENDITURES		
Personnel	59,462	99,325
Fringe benefits	24,753	33,830
Travel	4,713	10,887
Training	1,775	700
Advertising	171	-
Supplies	13	-
Telephone	1,000	-
Publications and dues	-	1,000
Meeting expense	40	-
Other	194	-
Allocated costs - Petersburg	3,861	5,048
Allocated costs - management and general	22,752	31,063
Allocated costs - common costs	<u>4,841</u>	<u>12,534</u>
Total Expenditures	<u>123,575</u>	<u>194,387</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>

*Budget is for the twelve month period January 1, 2009 to December 31, 2009.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
ECONOMIC DEVELOPMENT ADMINISTRATION – PLANNING
Year Ended June 30, 2009**

	<u>Actual</u>	<u>Budget</u>
REVENUES		
Federal	\$ 60,000	\$ 60,000
State	40,000	40,000
Local	5,715	-
Total Revenues	<u>105,715</u>	<u>100,000</u>
 EXPENDITURES		
Personnel	50,875	51,302
Fringe benefits	19,688	17,298
Travel	6,429	8,000
Training	1,010	-
Advertising	500	-
Supplies	370	-
Telephone	239	-
Publication/dues	725	-
Meeting expense	1,398	-
Allocated costs - Petersburg	2,130	1,400
Allocated costs - management and general	19,633	20,000
Allocated costs - common costs	2,718	2,000
Total Expenditures	<u>105,715</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, 2009

	<u>EDA Revolving Loan Fund</u>	<u>Micro Loan</u>	<u>Lightstone Micro Loan</u>
REVENUES			
Interest income	\$ 2,291	\$ 1,984	\$ 828
Local	<u>1,420</u>	<u>103</u>	<u>-</u>
Total Revenues	<u>3,711</u>	<u>2,087</u>	<u>828</u>
EXPENDITURES			
Personnel	1,424	837	412
Fringe benefits	517	293	131
Legal	532	241	532
Travel	34	-	-
Telephone	134	-	-
Publication/dues	68	68	-
Other	115	125	-
Allocated costs - Petersburg	90	64	43
Allocated costs - management and general	682	378	260
Allocated costs - common costs	<u>115</u>	<u>81</u>	<u>54</u>
Total Expenditures	<u>3,711</u>	<u>2,087</u>	<u>1,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>(604)</u>
OTHER FINANCING SOURCES (USES)			
Bad debt expense	<u>(15,740)</u>	<u>-</u>	<u>-</u>
	<u>(15,740)</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(15,740)	-	(604)
BEGINNING FUND BALANCE	<u>220,450</u>	<u>146,116</u>	<u>(818)</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 204,710</u>	<u>\$ 146,116</u>	<u>\$ (1,422)</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
RURAL BUSINESS ENTERPRISE GRANT
May 1, 2009 to June 30, 2009**

	Actual	Budget*
REVENUES		
State	\$ 503	\$ 50,000
Local	-	25,000
Total Revenues	503	75,000
EXPENDITURES		
Personnel	95	31,000
Fringe benefits	29	15,627
Travel	-	3,373
Advertising	272	3,000
Allocated costs - Petersburg	5	3,000
Allocated costs - management and general	96	14,000
Allocated costs - common costs	6	5,000
Total Expenditures	503	75,000
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

*Budget is for the period May 1, 2009 through June 30, 2010.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
TITLE III**

October 1, 2007 to September 30, 2008

	<u>10/01/07 - 06/30/08</u>	<u>07/01/08 - 09/30/08</u>	<u>Total</u>	<u>Budget*</u>
REVENUES				
Federal	\$ 79,982	\$ 45,518	\$ 125,500	\$ 125,500
State	66,671	-	66,671	66,671
Federal subgrant	1,478,686	264,381	1,743,067	1,727,614
State subgrant	656,712	42,301	699,013	695,850
Local match	-	-	-	-
	<u>2,282,051</u>	<u>352,200</u>	<u>2,634,251</u>	<u>2,615,635</u>
Total Revenues				
EXPENDITURES				
Administration:				
Personnel	72,130	20,949	93,079	98,475
Fringe benefits	24,950	8,619	33,569	31,915
Travel	8,587	1,798	10,385	14,479
Training	-	-	-	1,500
Advertising	-	117	117	-
Supplies	860	24	884	4,113
Telephone	849	189	1,038	2,040
Publications/dues	98	193	291	850
Utilities	254	-	254	-
Meetings	480	149	629	850
Other	27	299	326	6,933
Allocated costs - Petersburg	3,671	2,638	6,309	5,106
Allocated costs - management and general	33,377	7,727	41,104	25,710
Allocated costs - common costs	1,475	2,819	4,294	200
Subgrants			-	
Title III B subgrant	676,401	137,549	813,950	819,896
Title III C subgrant	698,193	105,481	803,674	797,608
Title III D subgrant	13,755	7,055	20,810	19,320
Title III E subgrant	117,639	46,402	164,041	164,041
NSIP subgrant	372,617	1,218	373,835	355,369
Elder Abuse subgrant	1,498	4,150	5,648	5,136
LIEAP subgrant	11,000	-	11,000	-
Nutrition Supplement subgrant	240,572	-	240,572	240,572
Senior Center subgrant	3,477	2,984	6,461	15,000
Medication Management subgrant	3,461	1,843	5,304	6,522
	<u>2,285,371</u>	<u>352,203</u>	<u>2,637,574</u>	<u>2,615,635</u>
Total Expenditures				
DEFICIENCY OF REVENUES OVER EXPENDITURES	(3,320)	(3)	(3,323)	-
OTHER FINANCING SOURCES				
Transfer-in	<u>3,320</u>	<u>3</u>	<u>3,323</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES 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
UPPER POTOMAC AREA AGENCY ON AGING
TITLE III
October 1, 2008 to June 30, 2009**

	<u>Subgrant</u>	<u>Grant</u>	<u>Total</u>	<u>Budget*</u>
REVENUES				
Federal	\$ -	\$ 158,224	\$ 158,224	\$ 195,500
State	-	66,671	66,671	64,671
Federal subgrant	1,643,509	-	1,643,509	2,591,662
State subgrant	1,000,396	-	1,000,396	390,563
Local match	-	301	301	-
	<u>2,643,905</u>	<u>225,196</u>	<u>2,869,101</u>	<u>3,242,396</u>
Total Revenues				
EXPENDITURES				
Administration:				
Personnel	-	106,671	106,671	128,713
Fringe benefits	-	40,811	40,811	51,284
Travel	-	12,853	12,853	16,468
Training	-	547	547	-
Advertising	-	2,287	2,287	-
Supplies	-	2,829	2,829	3,839
Telephone	-	1,490	1,490	674
Utilities	-	254	254	-
Maintenance	-	120	120	-
Equipment	-	714	714	-
Meetings	-	457	457	-
Other	-	27	27	-
Allocated costs - Petersburg	-	6,432	6,432	5,706
Allocated costs - management and general	-	40,949	40,949	43,501
Allocated costs - common costs	-	8,755	8,755	9,986
Subgrants	-	-	-	-
Title III B subgrant	679,880	-	679,880	809,064
Title III C subgrant	679,964	-	679,964	1,910,231
Title III D subgrant	21,385	-	21,385	27,881
Title III E subgrant	140,111	-	140,111	159,834
NSIP subgrant	427,827	-	427,827	-
Elder Abuse subgrant	867	-	867	5,091
LIEAP subgrant	11,000	-	11,000	11,000
Nutrition Supplement subgrant	682,871	-	682,871	59,124
	<u>2,643,905</u>	<u>225,196</u>	<u>2,869,101</u>	<u>3,242,396</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Budget is for the twelve-month period October 1, 2008 to September 30, 2009.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
LIFE
Year Ended June 30, 2009**

	Total	Budget
REVENUES		
State subgrant	\$ 2,715,593	\$ 2,715,653
Total Revenues	2,715,593	2,715,653
EXPENDITURES		
Life Direct Services subgrant	2,715,593	2,715,653
Total Expenditures	2,715,593	2,715,653
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
UPPER POTOMAC AREA AGENCY ON AGING
AGING DISABLED RESOURCE CENTER
Year Ended June 30, 2009**

	Total	Budget
REVENUES		
State	\$ 250,000	\$ 250,000
Local	-	-
Total Revenues	250,000	250,000
 EXPENDITURES		
Administration:		
Salaries	121,394	122,587
Fringe benefits	47,035	47,718
Travel	13,753	9,180
Training	605	-
Advertising	2,325	1,200
Supplies	2,894	6,242
Telephone	4,342	972
Publications/dues	-	470
Rent	1,200	-
Insurance	-	7,569
Meetings	708	-
Other	14	1,611
Allocated costs - Petersburg	5,442	5,645
Allocated costs - Martinsburg	8,220	5,826
Allocated costs - management and general	46,952	47,106
Allocated costs - common costs	13,244	-
Total Expenditures	268,128	256,126
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,128)	(6,126)
 OTHER FINANCING SOURCES (USES)		
Transfer-in	18,128	-
 EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	\$ -	\$ (6,126)

See accompanying notes to financial statements.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
FAIR PLUS
October 1, 2007 to March 31, 2009

	<u>10/1/07 - 6/30/08</u>	<u>7/1/08 - 3/31/09</u>	<u>Total</u>	<u>Budget</u>
REVENUES				
Federal	\$ 9,200	\$ 53,670	\$ 62,870	\$ 47,500
State	9,648	2,852	12,500	12,500
Federal subgrant	133,030	149,100	282,130	277,500
State subgrant	-	112,500	112,500	112,500
Local match	-	-	-	111
	<u>151,878</u>	<u>318,122</u>	<u>470,000</u>	<u>450,111</u>
EXPENDITURES				
Administration:				
Personnel	9,238	27,753	36,991	27,012
Fringe benefits	3,261	10,882	14,143	10,893
Travel	620	3,080	3,700	3,434
Advertising	-	-	-	2,500
Insurance	-	-	-	1,353
Professional fees	-	-	-	652
Supplies	85	4	89	995
Telephone	139	-	139	212
Publications/dues	-	-	-	115
Meetings	318	12	330	-
Other	-	-	-	603
Allocated costs - Petersburg	464	2,065	2,529	1,748
Allocated costs - management and general	4,154	9,310	13,464	10,594
Allocated costs - common costs	569	3,416	3,985	-
Subgrants				
Fair Plus subgrant	<u>133,030</u>	<u>261,600</u>	<u>394,630</u>	<u>390,000</u>
	<u>151,878</u>	<u>318,122</u>	<u>470,000</u>	<u>450,111</u>
EXCESS (DEFICIENCY) 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
IN-HOME FUEL
Year Ended June 30, 2009

	<u>Total</u>	<u>Budget</u>
REVENUES		
State subgrant	\$ 2,393,342	\$ 2,466,586
Total Revenues	<u>2,393,342</u>	<u>2,466,586</u>
EXPENDITURES		
Subgrant	<u>2,393,342</u>	<u>2,466,586</u>
Total Expenditures	<u>2,393,342</u>	<u>2,466,586</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
SENIOR HEALTH INSURANCE PROGRAM
April 1, 2008 to March 31, 2009**

	<u>04/01/08 - 06/30/08</u>	<u>07/01/08 - 03/31/09</u>	<u>Total</u>	<u>Budget</u>
REVENUES				
State	\$ 5,990	\$ 41,510	\$ 47,500	\$ 47,500
Total Revenues	<u>5,990</u>	<u>41,510</u>	<u>47,500</u>	<u>47,500</u>
EXPENDITURES				
Personnel	3,083	21,289	24,372	24,856
Fringe benefits	1,088	8,463	9,551	8,955
Travel	151	1,321	1,472	1,069
Training	-	49	49	175
Supplies	-	21	21	528
Telephone	-	-	-	112
Meeting expense	-	70	70	200
Allocated costs - Petersburg	161	1,355	1,516	997
Allocated costs - management and general	1,315	6,924	8,239	2,750
Allocated costs - common costs	192	2,121	2,313	7,858
Total Expenditures	<u>5,990</u>	<u>41,613</u>	<u>47,603</u>	<u>47,500</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(103)	(103)	-
OTHER FINANCING SOURCES				
Transfer-in	-	103	103	-
EXCESS OF REVENUES AND OTHER SOURCES 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
SENIOR HEALTH INSURANCE PROGRAM
April 1, 2009 to June 30, 2009

	<u>Actual</u>	<u>Budget</u>
REVENUES		
State	\$ 14,413	\$ 50,000
Total Revenues	<u>14,413</u>	<u>50,000</u>
EXPENDITURES		
Personnel	6,963	27,000
Fringe benefits	2,483	9,000
Travel	936	1,200
Advertising	10	-
Supplies	-	500
Telephone	-	200
Meeting expense	-	200
Allocated costs - Petersburg	563	1,000
Allocated costs - management and general	3,133	8,200
Allocated costs - common costs	<u>325</u>	<u>2,700</u>
Total Expenditures	<u>14,413</u>	<u>50,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>

*Budget is for the period April 1, 2009 to March 31, 2010

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
TITLE V
Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>
REVENUES		
Federal	\$ 562,588	\$ 552,066
Local match	7,965	15,501
In-kind	<u>64,506</u>	<u>51,304</u>
Total Revenues	<u>635,059</u>	<u>618,871</u>
EXPENDITURES		
Enrollee costs:		
Salaries	436,965	408,009
Fringe benefits	36,621	39,563
Medical exams	50	-
Allocated costs - Petersburg	6,716	-
Other enrollee costs:		
Salaries	26,301	40,715
Fringe benefits	10,190	15,776
Travel	7,922	9,040
Advertising	372	600
Supplies	2,194	1,176
Recognition	-	1,600
Development	1,063	350
Training	4,325	4,350
Other	28	-
Allocated costs - Petersburg	2,136	4,182
Allocated costs - Martinsburg	5,480	3,884
Allocated costs - common costs	2,761	4,019
Administrative costs:		
Salaries	8,394	8,503
Fringe benefits	3,124	3,295
Allocated costs - Petersburg	589	46
Allocated costs - management and general	14,535	21,639
Allocated costs - common costs	<u>787</u>	<u>820</u>
Subtotal - Federal Expenditures	570,553	567,567
Non-Federal Expenditures	<u>64,506</u>	<u>51,304</u>
Total Expenditures	<u>635,059</u>	<u>618,871</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
TITLE V - ARRA
April 1, 2009 to June 30, 2009

	<u>4/1/09 - 6/30/09</u>	<u>Budget</u>
REVENUES		
Federal	\$ 18,442	\$ 118,843
Local match	-	4,459
In-kind	-	10,470
	<u>18,442</u>	<u>133,772</u>
Total Revenues		
 EXPENDITURES		
Enrollee costs:		
Salaries	4,057	82,421
Fringe benefits	355	8,802
Other enrollee costs:		
Salaries	3,868	6,796
Fringe benefits	1,499	2,754
Travel	412	2,491
Advertising	14	1,000
Supplies	154	-
Development	50	345
Training	1,200	5,790
Allocated costs - Petersburg	309	1,269
Allocated costs - Martinsburg	-	971
Allocated costs - common costs	359	819
Administrative costs:		
Salaries	2,478	2,939
Fringe benefits	960	1,191
Allocated costs - Petersburg	212	190
Allocated costs - management and general	2,280	5,196
Allocated costs - common costs	<u>235</u>	<u>328</u>
Subtotal - Federal Expenditures	18,442	123,302
Non-Federal Expenditures	<u>-</u>	<u>10,470</u>
Total Expenditures	<u>18,442</u>	<u>133,772</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
FOSTER GRANDPARENT
Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>
REVENUES		
Federal	\$ 393,934	\$ 410,326
Local	3,782	2,982
In-kind	41,614	43,720
	<u>439,330</u>	<u>457,028</u>
Total Revenues		
 EXPENDITURES		
Administration:		
Personnel	55,352	54,362
Fringe benefits	18,980	19,840
Travel	4,412	6,452
Training	470	-
Advertising	50	500
Supplies	254	4,175
Publication and dues	125	-
Telephone	-	374
Other	220	
Allocated costs - Petersburg	4,808	3,138
Allocated costs - management and general	19,302	24,570
Allocated costs - common costs	6,135	365
Program:		
Recognition	2,933	-
Stipends	245,707	257,294
Subsistence	533	-
Travel	33,860	38,106
Supplies	84	-
Insurance	702	702
Medical exams	1,618	1,000
Other	20	-
In-kind	41,614	43,720
Local	2,151	2,430
	<u>439,330</u>	<u>457,028</u>
Total Expenditures		
 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
RETIRED SENIOR VOLUNTEER PROGRAM
January 1, 2008 to December 31, 2008**

	01/01/08 - 06/30/08	07/01/08 - 12/31/08	Total	Budget
REVENUES				
Federal	\$ 20,551	\$ 28,817	\$ 49,368	\$ 49,368
Local	1,425	(1,425)	-	21,164
In-kind	3,143	25,601	28,744	-
Total Revenues	<u>25,119</u>	<u>52,993</u>	<u>78,112</u>	<u>70,532</u>
EXPENDITURES				
Volunteer Support:				
Personnel	8,939	9,816	18,755	20,924
Fringe benefits	3,004	3,955	6,959	11,743
Travel	1,888	1,088	2,976	3,235
Training	125	-	125	-
Advertising	-	828	828	-
Supplies	42	1,272	1,314	700
Telephone	-	-	-	246
Insurance	-	-	-	1,570
Professional fees	-	-	-	757
Allocated costs - Petersburg	87	365	452	236
Allocated costs - Martinsburg	2,540	2,994	5,534	2,693
Allocated costs - management and general	4,708	2,017	6,725	9,178
Allocated costs - common costs	(172)	1,390	1,218	-
Volunteer:				
Recognition	60	2,741	2,801	-
Advertising	-	579	579	-
Insurance	755	-	755	1,208
Local:				
Recognition	-	347	347	-
In-kind	3,143	25,601	28,744	18,042
Total Expenditures	<u>25,119</u>	<u>52,993</u>	<u>78,112</u>	<u>70,532</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, 2009 to June 30, 2009**

	<u>Total</u>	<u>Budget</u>
REVENUES		
Federal	\$ 27,068	\$ 49,368
Local	3,155	6,551
In-kind	<u>2,930</u>	<u>14,620</u>
Total Revenues	<u>33,153</u>	<u>70,539</u>
 EXPENDITURES		
Volunteer Support:		
Personnel	12,344	22,037
Fringe benefits	4,631	8,770
Travel	1,240	3,987
Training	200	-
Supplies	133	774
Telephone	-	186
Publications and dues	125	-
Insurance	-	1,322
Professional fees	-	744
Allocated costs - Petersburg	173	187
Allocated costs - Martinsburg	2,486	3,884
Allocated costs - management and general	6,595	9,940
Allocated costs - common costs	1,520	-
Volunteer:		
Recognition	-	2,880
Insurance	755	1,208
Local:		
Recognition	21	-
In-kind	<u>2,930</u>	<u>14,620</u>
Total Expenditures	<u>33,153</u>	<u>70,539</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
WORKFORCE INVESTMENT BOARD ADMINISTRATION
Year Ended June 30, 2009**

REVENUES	
Administration	\$ 49,414
Dislocated Worker	93,989
Youth In-School	9,373
Youth Out-of-School	8,615
Adult Low Income	80,241
Food Stamp Employment Training	<u>2,732</u>
Total Revenues	<u>244,364</u>
EXPENDITURES	
Administration:	
Personnel	23,318
Fringe benefits	9,773
Travel	3
Supplies	3,748
Allocated costs	12,572
Dislocated Worker:	
Personnel	49,313
Fringe benefits	19,702
Allocated costs	24,974
Youth In-School:	
Personnel	4,719
Fringe benefits	2,127
Allocated costs	2,527
Youth Out-of-School:	
Personnel	4,506
Fringe benefits	1,858
Allocated costs	2,251
Adult Low Income:	
Personnel	42,576
Fringe benefits	16,252
Allocated costs	21,413
Food Stamp Employment Training:	
Personnel	1,353
Fringe benefits	545
Allocated costs	<u>834</u>
Total Expenditures	<u>244,364</u>
EXCESS (DEFICIENCY) 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
WORKFORCE INVESTMENT BOARD PROGRAM
Year Ended June 30, 2009**

	Admin- istration	Dislocated Worker	Adult	Youth In School	Youth Out Of School	Rapid Response	FSET	Total
REVENUES								
Administration	\$ 75,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,454
Dislocated Worker	-	347,000	-	-	-	-	-	347,000
Youth	-	-	-	92,070	373,376	-	-	465,446
Adult Low Income	-	-	201,738	-	-	-	-	201,738
Rapid Response	-	-	-	-	-	57,166	-	57,166
Food Stamp Employment Training	-	-	-	-	-	-	28,847	28,847
Total Revenues	<u>75,454</u>	<u>347,000</u>	<u>201,738</u>	<u>92,070</u>	<u>373,376</u>	<u>57,166</u>	<u>28,847</u>	<u>1,175,651</u>
EXPENDITURES								
Administration:								
Contractual	5,947	252,787	121,321	82,617	364,569	54,189	26,017	907,447
Travel	7,480	-	-	-	-	2,571	-	10,051
Advertising	857	-	-	-	-	406	-	1,263
Supplies	3,652	-	-	-	-	-	-	3,652
Telephone	792	-	-	-	-	-	-	792
Publications and dues	675	-	-	-	-	-	-	675
Utilities	265	-	-	-	-	-	-	265
Insurance	80	272	176	80	192	-	-	800
Vehicle expense	3,470	-	-	-	-	-	-	3,470
Meetings	1,257	-	-	-	-	-	-	1,257
Other	1,575	(2)	-	-	-	-	200	1,773
Allocated costs - contractual	49,414	93,990	80,241	9,373	8,615	-	2,630	244,263
	<u>75,464</u>	<u>347,047</u>	<u>201,738</u>	<u>92,070</u>	<u>373,376</u>	<u>57,166</u>	<u>28,847</u>	<u>1,175,708</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10)	(47)	-	-	-	-	-	(57)
BEGINNING 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>
ENDING FUND BALANCE	<u>\$ (5,398)</u>	<u>\$ 130,168</u>	<u>\$ (85,864)</u>	<u>\$ (25,752)</u>	<u>\$ (16,726)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,572)</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
STATEMENT OF REVENUES AND EXPENDITURES
TRANSITIONAL HOUSING
Year Ended June 30, 2009**

	<u>Actual</u>	<u>Budget</u>
REVENUES		
Federal	\$ 312,416	\$ 339,368
Rent	<u>74,851</u>	<u>64,000</u>
Total Revenues	<u>387,267</u>	<u>403,368</u>
 EXPENDITURES		
Personnel	146,131	150,568
Fringe benefits	53,696	58,370
Depreciation	7,120	8,148
Contractual	11,472	17,657
Travel	11,008	10,000
Training	1,431	-
Advertising	-	500
Supplies	25,006	28,371
Telephone	3,806	3,812
Publication/dues	500	587
Utilities	2,419	2,400
Maintenance	4,954	
Rent	6,000	6,000
Insurance	3,286	8,590
Equipment and furniture	7,668	14,998
Other	1,954	4,350
Allocated costs - Petersburg	1,152	1,310
Allocated costs - Martinsburg	13,700	9,709
Allocated costs - management and general	70,141	77,998
Allocated costs - common costs	<u>15,823</u>	<u>-</u>
Total Expenditures	<u>387,267</u>	<u>403,368</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>

See accompanying notes to financial statements.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF COST POOL EXPENSES
Year Ended June 30, 2009

	<u>Petersburg</u>	<u>Martinsburg</u>	<u>Management & General</u>	<u>Common Costs</u>	<u>Total</u>
Personnel	\$ 3,827	\$ 868	\$ 229,491	\$ -	\$ 234,186
Fringe benefits	399	90	80,288	-	80,777
Travel	-	-	10,139	43	10,182
Training	-	-	1,505	47	1,552
Equipment	-	-	-	747	747
Printing and supplies	7,254	588	-	36,162	44,004
Publications and dues	1,107	-	-	2,026	3,133
Telephone and utilities	22,427	4,898	-	6,735	34,060
Insurance	2,424	-	-	28,689	31,113
Advertising	186	-	386	-	572
Maintenance	6,934	44	-	3,743	10,721
Professional fees/contractual	-	-	-	20,000	20,000
Other	-	-	30	3,567	3,597
Interest	2,477	-	-	-	2,477
Rent/depreciation	10,119	19,849	-	7,027	36,995
	<u>\$ 57,154</u>	<u>\$ 26,337</u>	<u>\$ 321,839</u>	<u>\$ 108,786</u>	<u>\$ 514,116</u>

See accompanying notes to financial statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULES OF DEFERRED REVENUE AND
DUE TO OTHER AGENCIES
June 30, 2009**

	Deferred Revenue	Due to Other Agencies
Title V - SCSEP	\$ 8,386	\$ -
Elder Abuse	979	-
Foster Grandparent	218	-
Workforce Investment Board	-	1,204
Direct Life	-	18,107
Other	-	819
	\$ 9,583	\$ 20,130

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, 2009, which collectively comprise Region 8 Planning and Development Council's basic financial statements, and have issued our report thereon dated March 5, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered 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 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

March 5, 2010

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, 2009. 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, 2009.

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 & Arhart, PLLC

March 5, 2010

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009**

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>28,847</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>157,688</u>
Total U.S. Department of Commerce			<u><u>217,688</u></u>
Department of Labor			
Senior Community Service Employment Program	17.235	AD-16175-07-60-56	562,588
Senior Community Service Employment Program - American Recovery and Reinvestment Act of 2009 Funds	17.235		18,442
Workforce Investment Act Cluster:			
Adult Program	17.258		
Youth Activities	17.259		
Dislocated Worker	17.260		931,484
Workforce Investment Act Cluster - American Recovery and Reinvestment Act of 2009 Funds:			
Adult Program	17.258		
Youth Activities	17.259		
Dislocated Worker	17.260		<u>215,320</u>
Total Department of Labor			<u><u>1,727,834</u></u>
Appalachian Regional Commission			
Appalachian Local Development District Assistance	23.009	WV-4415-C31; WV-4415-C32	<u>55,151</u>
Department of Veterans Affairs			
VA Homeless Providers Grant and Per Diem Program	64.024		<u>312,416</u>
Department of Health and Human Services			
Title III, part D - Disease Prevention and Health Promotion Services	93.043	2837	8,630
Title III, part D - Disease Prevention and Health Promotion Services	93.043		<u>18,788</u>
			<u>27,418</u>
Title III, part B - Grants for Supportive Services and Senior Centers	93.044	2837	148,381
Title III, part B - Grants for Supportive Services and Senior Centers	93.044		<u>535,042</u>
			<u>683,423</u>
Title III, part C - Nutrition Services	93.045	2837	105,267
Title III, part C - Nutrition Services	93.045		<u>679,965</u>
			<u>785,232</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
Department of Health and Human Services (Continued)			
Alzheimer's Disease Demonstration Grants to States	93.051		<u>202,770</u>
Title III, Part E - National Family Caregiver Support	93.052	2837	46,402
Title III, Part E - National Family Caregiver Support	93.052	2737	<u>140,111</u>
			<u>186,513</u>
Nutrition Services Incentive Program	93.053	2848	1,218
Nutrition Services Incentive Program	93.053	2837	<u>427,827</u>
			<u>429,045</u>
Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	2767	<u>-</u>
Total Department of Health and Human Services			<u><u>2,314,401</u></u>
Corporation for National Service			
Retired and Senior Volunteer Program	94.002	07SRSWV0005	55,886
Foster Grandparent Program	94.011	06SFSWV002	<u>393,934</u>
Total Corporation for National Service			<u><u>449,820</u></u>
TOTAL FEDERAL EXPEDITURES			<u><u>\$ 5,106,157</u></u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
June 30, 2009**

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, 2009</u>
Workforce Investment Act Cluster	17.258, 17.259, 17.260	\$ 1,146,804
Title V, Senior Community Service Employment Program	17.235	581,030
Economic Adjustment Assistance	11.307	157,688
VA Homeless Providers Grant and Per Diem Program	64.024	312,416
Foster Grandparent	94.011	<u>393,934</u>
		<u>\$ 2,591,872</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	\$ 27,418
Title III, Part B – Supportive Services	93.044	479,682
Title III, Part C – Nutrition Services	93.045	785,232
Alzheimer's Disease Demonstration Grants to States	93.051	149,100
Title III, Part E – National Family Caregiver Support	93.052	186,513
Nutrition Services Incentive Program	93.053	<u>429,045</u>
		<u>\$ 2,056,990</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, 2009**

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, 2008. Therefore, there is no schedule included herein for reporting on the status of prior audit findings.