

**THE COUNCIL OF SENIOR
TYLER COUNTIANS, INC.**

MIDDLEBOURNE, WV

FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Council of Senior Tyler Countians, Inc.
Middlebourne, WV

We have audited the accompanying statement of financial position of The Council of Senior Tyler Countians, Inc. (a nonprofit organization) as of September 30, 2008 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of The Council of Senior Tyler Countians, Inc. as of September 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2009, on our consideration of The Council of Senior Tyler Countians, Inc.'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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Moundsville, WV
May 21, 2009

**THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008**

Assets

Current assets:

Cash and cash equivalents	\$ 90,058
Grants receivable	58,948
Prepaid expenses	<u>5,196</u>
Total current assets	<u>154,202</u>

Property and equipment:

Land	75,593
Buildings	149,908
Equipment	54,602
Vehicles	<u>96,312</u>
	376,416
Accumulated depreciation	<u>(184,635)</u>
Total property and equipment	<u>191,781</u>

Total assets **\$ 345,983**

Liabilities and net assets

Current liabilities:

Accounts payable	\$ 13,228
Accrued liabilities	31,588
Deferred revenue	30,144
Current portion of long-term debt	<u>10,906</u>
Total current liabilities	<u>85,866</u>

Long-Term Debt, less current portion **72,710**

Net assets:

Unrestricted net assets	<u>187,407</u>
Total net assets	<u>187,407</u>

Total liabilities and net assets **\$ 345,983**

See accompanying notes to financial statements

**THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Revenues, Gains, and Other Support

	<u>Unrestricted</u>
Federal grant revenue	\$ 68,030
Medicaid revenue	190,848
Waiver revenue	78,258
LIFE revenue	166,145
Lighthouse revenue	97,102
Alzheimers revenue	66,476
VA revenue	31,184
NSIP revenue	11,739
Other state revenue	72,123
Other local revenue	27,708
Contributions	47,611
Special events	32,745
Rental income	5,150
Interest income	<u>818</u>
Total Revenues, Gains, and Other Support	<u>895,935</u>

Expenses and Losses

<u>Program Services</u>	
Title III-B	51,691
Title III-C	112,333
Title III-E	5,706
Medicaid	190,918
Waiver	93,065
LIFE	164,752
Alzheimers	53,915
Lighthouse	67,735
Other programs	20,032
<u>Support Services</u>	
Management and general	<u>34,653</u>
Total Expenses and Losses	<u>794,800</u>
Changes in Net Assets	101,135
Net Assets - Beginning of Year	95,408
Prior period adjustment	<u>(9,136)</u>
Net Assets - End of Year	<u>\$ 187,407</u>

See accompanying notes to financial statements

**THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	←----- Program Services -----→									Support Services	
	<u>Title IIIB</u>	<u>Title IIIC</u>	<u>Title IIIE</u>	<u>Medicaid</u>	<u>Waiver</u>	<u>LIFE</u>	<u>Alzheimers</u>	<u>Lighthouse</u>	<u>Other Programs</u>	<u>Mngt. & General</u>	<u>Total</u>
<u>FUNCTIONAL EXPENSES</u>											
Salaries	\$ 33,468	\$ 37,645	\$ 4,753	\$ 143,514	\$ 74,610	\$ 126,058	\$ 46,136	\$ 52,760	\$ 2,730	\$ -	\$ 521,674
Payroll taxes & fringes	3,839	4,859	954	21,159	8,213	15,985	5,443	5,485	384		66,320
Travel and training	390			9,162	2,298	9,148	454	5,728	97		27,278
Printing and supplies	814			4,681	1,163	1,319					7,977
Communication & utilit	2,219	6,731		6,210	4,085	2,623	1,313	2,627		3,941	29,749
Other expenses	6,793	5,295		4,488	992	8,482			922	100	27,073
Food purchases		36,845									36,845
Disposable products		8,104									8,104
Interest expense										9,488	9,488
Professional fees										8,900	8,900
Repairs & maintenance										3,801	3,801
Special events									15,830		15,830
Depreciation	3,600	6,249							68	6,717	16,634
Contract services		3,765									3,765
Liability insurance	<u>568</u>	<u>2,840</u>	<u>0</u>	<u>1,704</u>	<u>1,704</u>	<u>1,136</u>	<u>568</u>	<u>1,136</u>	<u>0</u>	<u>1,704</u>	<u>11,361</u>
 Total	 <u>\$ 51,691</u>	 <u>\$ 112,333</u>	 <u>\$ 5,706</u>	 <u>\$ 190,918</u>	 <u>\$ 93,065</u>	 <u>\$ 164,752</u>	 <u>\$ 53,915</u>	 <u>\$ 67,735</u>	 <u>\$ 20,032</u>	 <u>\$ 34,653</u>	 <u>\$ 794,800</u>

See accompanying notes to financial statements

**THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Operating activities	
Change in net assets	\$101,135
Prior period adjustment	(9,136)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	16,634
(Increase) Decrease in grant receivable	(34,352)
(Increase) Decrease in prepaid expenses	(5,196)
Increase (Decrease) in accounts payable	13,228
Increase (Decrease) in accrued liabilities	31,589
Increase (Decrease) in deferred revenue	<u>30,144</u>
Net cash provided by operating activities:	<u>144,046</u>
Investing activities	
Purchase of equipment and building improvements	<u>(49,139)</u>
Net cash used in investing activities	<u>(49,139)</u>
Financing activities	
Principal payments on long term debt	(7,050)
Net cash used in financing activities	<u>(7,050)</u>
Net increase in cash and cash equivalents	87,857
Cash and cash equivalents as of beginning of year	<u>2,201</u>
Cash and cash equivalents as of end of year	<u>\$90,058</u>

See accompanying notes to financial statements

**THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Council of Senior Tyler Countians, Inc. (The Council) was formed to study the needs of the aging in Tyler County, West Virginia and to establish and govern those activities deemed necessary in helping to meet their needs. The Council encourages, promotes and aids in establishing all programs and services for the aging and conducts programs of public education on the problems of the aging. Services the Council offers, include providing hot meals to senior citizens, providing home health care services to the elderly, providing transportation services to senior citizens for doctor's appointments and providing social and recreational activities for the elderly.

The Council of Senior Tyler Countians, Inc. is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Accounting

The financial statements for The Council of Senior Tyler Countians, Inc. have been prepared on the accrual basis of accounting. Consequently revenues from grants and other income sources are recognized in the financial statements for the period when the income is earned by the Council as opposed to when the income is actually received. Expenses are recognized in the financial statements for the period when incurred by the Council regardless of when funds are dispensed for payment of the expense.

Public Support and Revenue

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their values in the period received.

**THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED**

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Council considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are capitalized at cost. It is the Council's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Property and equipment are being depreciated over estimated useful lives of five to twenty five years using the straight-line method.

Financial Statement Presentation

The Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At September 30, 2008, the Council had no restricted assets.

NOTE 2 - CONCENTRATIONS

The Council of Senior Tyler Countians, Inc. receives a substantial amount of its support from Federal and State governments. A significant reduction in this support would have a major effect on the Council's programs and activities.

NOTE 3 – SIGNIFICANT CONCENTRATION OF CREDIT RISK

The Council of Senior Tyler Countians, Inc. maintains deposit accounts in two commercial banks.

The deposit accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At September 30, 2008 deposits in these accounts did not exceed the \$100,000 limit.

**THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 4 – DEFERRED REVENUE

Deferred revenue consists of amounts awarded for future fiscal years received by The Council of Senior Tyler Countians, Inc., prior to the fiscal year ended September 30, 2008. The services to be performed to entitle the Council to the amounts received will be performed after the year ended September 30, 2008.

NOTE 5 – LONG-TERM DEBT

The Council's long-term debt consists of the following:

Note payable to Union Bank, due in monthly payments of \$307.43, at a interest rate of 6.50%, due 5-3-2011, secured by 2004 Chevrolet Van	\$8,742
Note payable to WesBanco Bank, due in monthly payments of \$743.94, at a interest rate of 7.84%, due 4-14-2026, secured by land and building	68,285
Note payable to GMAC, due in monthly payments of \$366.03, at a interest rate of 8.50%, due 2-11-2010, secured by 2005 Chevrolet Colorado Truck	<u>6,589</u>
Total debt at September 30, 2008	83,616
Less current portion of long-term debt due in next twelve months	<u>(10,906)</u>
Total long-term debt at September 30, 2008	<u>\$72,710</u>

Future scheduled maturities of long-term debt are as follow:

Years ending September 30:	
2009	\$10,906
2010	10,040
2011	6,427
2012	4,684
2013	5,065
Thereafter	<u>46,494</u>
	<u>\$83,616</u>

THE COUNCIL OF SENIOR TYLER COUNTIANS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

NOTE 6 – DONATED SERVICES

The Council receives donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

NOTE 7 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities by the Council have been summarized on a functional basis in the statement of activities and are accounted for in greater detail in the statement of functional of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 8 – PRIOR PERIOD ADJUSTMENT

The prior period adjustment contained in the Council's financial statements was recorded to correct errors that resulted in an over statement of net assets at the beginning of the year ended September 30, 2008. The correction has no effect on the results of the activities for the year ended September 30, 2008 however, the cumulative effect decreases net assets by \$9,136. The error was a result of an under statement of amounts for grants receivable, accounts payable, and accrued liabilities contained in the Council's financial statements for the year ended September 30, 2007 as summarized below:

Errors contained in financial statements for year ended September 30, 2007:

Additional Grants Receivable that were unrecorded	\$21,986
Additional Accounts Payable that were unrecorded	(28,099)
Additional Accrued Liabilities that were unrecorded	<u>(3,024)</u>
Cumulative effect of unrecorded items – Decrease in Net Assets	<u><u>\$(9,136)</u></u>

HARTLEY & STRAUB, PLLC

Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
The Council of Senior Tyler Countians, Inc.
Middlebourne, WV

We have audited the financial statements of The Council of Senior Tyler Countians, Inc. (a nonprofit organization) as of and for the year ended September 30, 2008 and have issued our report thereon dated May 21, 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 The Council of Senior Tyler Countians, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Council of Senior Tyler Countians, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the

organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in 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 The Council of Senior Tyler Countians, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of The Council of Senior Tyler Countians, Inc., in a separate letter dated May 21, 2009.

This report is intended solely for the information and use of management, the board of directors, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Moundsville, WV
May 21, 2009