

DODDRIDGE COUNTY SENIOR CITIZENS, INC.

**AUDITED FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMAITON**

SEPTEMBER 30, 2008

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Doddridge County Senior Citizens, Inc.
West Union, West Virginia

We have audited the accompanying consolidated statement of financial position of Doddridge County Senior Citizens, Inc. (a nonprofit organization) as of September 30, 2008, and the related consolidated statements of activities, functional expenses, operating expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Doddridge County Senior Citizens, Inc. and subsidiary as of September 30, 2008, and the changes in their net assets and their 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 June 2, 2009, on our consideration of Doddridge County Senior Citizens, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Doddridge County Senior Citizens, Inc. taken as a whole. The accompanying schedule of federal and state funds is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Detrick • Bartlett, PLLC

June 2, 2009

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008

ASSETS

Current Assets

Cash	\$ 1,041,398
Certificates of deposit	1,136,682
Grants and contracts receivable	194,758
Other accounts receivable	200,439
Interest receivable	6,488
Prepaid expenses and deposits	53,495
Inventories	<u>93,783</u>
Total current assets	2,727,043

Restricted Assets

Endowed certificate of deposit	10,000
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Non Current Assets

Investment in stock	30,000
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Property and Equipment

Net of accumulated depreciation (Note 2)	<u>3,014,346</u>
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TOTAL ASSETS	\$ <u><u>5,781,389</u></u>
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LIABILITIES AND NET ASSETS AND EQUITY

Current Liabilities

Accounts payable	\$ 327,365
Payroll taxes payable	2,903
Sales tax payable	9,869
Accrued payroll	5,375
Compensated absences	19,462
Total current liabilities	<u>364,974</u>

Net Assets and Equity

DCSC, INC.	
Unrestricted net assets	4,501,884
Permanently restricted net assets	10,000
Total net assets and equity	<u>4,511,884</u>

Equity in subsidiary 895,485

Minority Interest 9,046

Total net assets and equity 5,416,415

TOTAL LIABILITIES AND NET ASSETS AND EQUITY **\$ 5,781,389**

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Net Assets			Equity in Subsidiary	Minority Interest	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted			
Support						
Grants and contracts						
Title IIIB	\$ -0-	\$ 58,260	\$ -0-	\$ -0-	\$ -0-	\$ 58,260
Title IIID	-0-	610	-0-	-0-	-0-	610
Title IIIE	-0-	3,815	-0-	-0-	-0-	3,815
Health Benefits/SHIP	-0-	5,000	-0-	-0-	-0-	5,000
Medicaid	955,150	-0-	-0-	-0-	-0-	955,150
WV Bureau of Senior Services	-0-	12,000	-0-	-0-	-0-	12,000
Lighthouse In-Home Service	209,404	-0-	-0-	-0-	-0-	209,404
Respite program	55,078	-0-	-0-	-0-	-0-	55,078
Veterans	19,861	-0-	-0-	-0-	-0-	19,861
L.I.F.E.	203,086	-0-	-0-	-0-	-0-	203,086
Fuel grant	4,396	-0-	-0-	-0-	-0-	4,396
Transportation grant	3,725	-0-	-0-	-0-	-0-	3,725
Total support	<u>1,450,700</u>	<u>79,685</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,530,385</u>
Revenues						
Gross profit from sales	-0-	-0-	-0-	746,164	7,537	753,701
Program income	23,750	-0-	-0-	-0-	-0-	23,750
Investment income	46,535	-0-	-0-	1,286	12	47,833
Total revenues	<u>70,285</u>	<u>-0-</u>	<u>-0-</u>	<u>747,450</u>	<u>7,549</u>	<u>825,284</u>
Total support and revenue	<u>\$ 1,520,985</u>	<u>\$ 79,685</u>	<u>\$ -0-</u>	<u>\$ 747,450</u>	<u>\$ 7,549</u>	<u>\$ 2,355,669</u>

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Net Assets			Equity in Subsidiary	Minority Interest	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted			
Functional Expenses						
Program services						
Other programs	\$ 1,053,149	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,053,149
Health Benefits	5,000	-0-	-0-	-0-	-0-	5,000
LIFE	203,086	-0-	-0-	-0-	-0-	203,086
Title III-B	58,260	-0-	-0-	-0-	-0-	58,260
Title III-D	610	-0-	-0-	-0-	-0-	610
Title III-E	3,815	-0-	-0-	-0-	-0-	3,815
Management and general	131,770	-0-	-0-	-0-	-0-	131,770
Total functional expenses	<u>1,455,690</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,455,690</u>
Operating expenses	-0-	-0-	-0-	643,961	6,505	650,466
Loss on disposal of assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6,079</u>	<u>61</u>	<u>6,140</u>
Total expenses	1,455,690	-0-	-0-	650,040	6,566	2,112,296
Net assets released from donor restrictions	<u>79,685</u>	<u>(79,685)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in net assets and equity	144,980	-0-	-0-	97,410	983	243,373
Net assets and equity - beginning of period	<u>4,356,904</u>	<u>-0-</u>	<u>10,000</u>	<u>798,075</u>	<u>8,063</u>	<u>5,173,042</u>
Net assets and equity - end of period	<u>\$ 4,501,884</u>	<u>\$ -0-</u>	<u>\$ 10,000</u>	<u>\$ 895,485</u>	<u>\$ 9,046</u>	<u>\$ 5,416,415</u>

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Program Services						Management and General	Totals
	Other Programs	Health Benefits	LIFE	Title III-B	Title III-D	Title III-E		
Wages and taxes	\$ 773,948	\$ 5,000	\$ 203,086	\$ 58,260	\$ 610	\$ 3,815	\$ 82,229	\$ 1,126,948
Fringe benefits	59,361	-0-	-0-	-0-	-0-	-0-	10,222	69,583
Office	-0-	-0-	-0-	-0-	-0-	-0-	5,055	5,055
Repairs and maintenance	16,895	-0-	-0-	-0-	-0-	-0-	4,224	21,119
Communications and utilities	20,993	-0-	-0-	-0-	-0-	-0-	5,248	26,241
Other	5,281	-0-	-0-	-0-	-0-	-0-	-0-	5,281
Depreciation	41,915	-0-	-0-	-0-	-0-	-0-	3,976	45,891
Client support	32,029	-0-	-0-	-0-	-0-	-0-	-0-	32,029
Transportation	19,453	-0-	-0-	-0-	-0-	-0-	-0-	19,453
Professional services	-0-	-0-	-0-	-0-	-0-	-0-	2,350	2,350
Insurance	18,466	-0-	-0-	-0-	-0-	-0-	18,466	36,932
Loss on disposal of assets	61,339	-0-	-0-	-0-	-0-	-0-	-0-	61,339
Taxes and licenses	3,469	-0-	-0-	-0-	-0-	-0-	-0-	3,469
	<u>\$ 1,053,149</u>	<u>\$ 5,000</u>	<u>\$ 203,086</u>	<u>\$ 58,260</u>	<u>\$ 610</u>	<u>\$ 3,815</u>	<u>\$ 131,770</u>	<u>\$ 1,455,690</u>

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Equity in</u> <u>Subsidiary</u>	<u>Minority</u> <u>Interest</u>	<u>Total</u>
Personnel	\$ 339,439	\$ 3,429	\$ 342,868
Payroll taxes	46,063	466	46,529
Depreciation	86,346	873	87,219
Office	8,243	83	8,326
Communication and utilities	46,604	470	47,074
Maintenance	37,750	381	38,131
Rent	11,664	118	11,782
Advertising	851	9	860
Accounting and legal	17,864	180	18,044
Insurance	16,744	169	16,913
Taxes and licenses	22,315	226	22,541
Bad debt	5,478	55	5,533
Interest	1,689	17	1,706
Other	2,911	29	2,940
	<u>\$ 643,961</u>	<u>\$ 6,505</u>	<u>\$ 650,466</u>

See accompanying notes to the financial statements.

**DODDRIDGE COUNTY SENIOR CITIZENS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Cash Flows From Operating Activities	
Change in net assets and equity	\$ 243,373
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	133,110
Loss on disposal of equipment	67,479
(Increase) decrease In:	
Grants and contracts receivable	(47,404)
Other accounts receivable	(83,155)
Interest receivable	(6,488)
Prepaid expenses and deposits	(14,188)
Inventories	(14,049)
Increase (decrease) In:	
Accounts payable	110,356
Accrued payroll	492
Income taxes	(30,229)
Payroll taxes payable	(4,535)
Sales Tax Payable	1,653
Compensated absences	(449)
Net cash provided by operating activities	<u>355,966</u>
Cash Flows From Investing Activities	
Increase in certificates of deposit	(139,474)
Acquisition of property and equipment	(344,900)
Net cash (used by) investing activities	<u>(484,374)</u>
Net decrease in cash	(128,408)
Cash - beginning of period	<u>1,169,806</u>
Cash - end of period	<u>\$ 1,041,398</u>
Supplementary Information	
Income taxes paid	<u>\$ 54,229</u>
Interest paid	<u>\$ 1,706</u>

See accompanying notes to the financial statements.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Note 1 Description of Entity, Financial Statement Presentation and Summary of Significant Accounting Policies

Description of Entity

The Doddridge County Senior Citizens, Inc. is a non-profit corporation located in West Union, West Virginia. The Corporation's operations consist of a variety of social services for the elderly of Doddridge County Senior Citizens, Inc. The Organization is funded by various federal and state grants and from funds obtained through local fund raising projects.

Consolidation of Related Entity

U.S. generally accepted accounting principles states that a not-for-profit organization should consolidate a for-profit entity if the reporting not-for-profit organization has a controlling financial interest in the for-profit entity through the direct or indirect ownership of a majority voting interest.

Doddridge County Senior Citizens, Inc. has a 99% interest in DCSC Company, L. L. C. and Childers Manor, Inc., a related party, has the other 1% interest. DCSC Company, L. L. C. owns and operates a for-profit gas station, mini-mart, and restaurant in Doddridge County and provides Doddridge County Senior Citizens, Inc. with an additional source of operating revenue. Doddridge County Senior Citizens, Inc. purchased \$17,435 in Gas and Supplies from DCSC Company, L.L.C. during the year. At September 30, 2008 Doddridge County Senior Citizens, Inc. owed DCSC Company, L.L.C. \$1,927.

Under U.S. generally accepted accounting principles, all material related party transactions have been eliminated in the consolidating process and substantive disclosure of these amounts is not required.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standard No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116). The Organization has also adopted Statement of Financial Accounting Standard (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. There are permanently restricted assets as of September 30, 2008.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions would be reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets would be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Summary of Significant Accounting Policies

Basis of Accounting and Reporting

Doddridge County Senior Citizens, Inc. uses the cash basis of accounting throughout the program year but prepares its annual financial statements on the accrual basis.

Cash

Cash is on deposit with institutions which are insured by the F.D.I.C. During the fiscal year ended September 30, 2008, the Organization had various amounts in excess of F.D.I.C. coverage and pledged assets throughout the year. This represents a risk for potential loss.

Pledged securities are as follows:

<u>Name</u>	<u>Fair Market Value of Amount Pledged as of 09/30/08</u>	<u>Pledged Par Value</u>	<u>CUSIP Number</u>
Harris County, Texas Mun Util	250,000	250,000	414949GJO
Neshoba County Miss Sch District St	100,000	100,000	64100AAT9
Northeast Neb Solid Waste Coal	195,000	195,000	664330BQ9
Shelby Charter TWP Mich Wtr Su	170,000	170,000	82209LCV0
Winston City Ala Board of Education SPL TA	55,000	55,000	975606CY8

For the purpose of the statement of cash flows, the Organization considers both restricted and unrestricted cash as well as certificates of deposit with original maturity of three months or less to be cash and cash equivalents.

Cash and equivalents consist of the following:

Unrestricted Cash	\$ 1,041,398
Total Cash	\$ <u>1,041,398</u>

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Inventories

Inventories are stated at cost on a first-in-first-out basis.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; all fixed assets are capitalized.

Revenue Recognition

Unconditional grants and promises to give are recorded when the grant or promise is made. Conditional grants and promises to give are recorded when the related condition is met. Project income is recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Accrued Annual Leave

Accrued compensated absences are included in these financial statements at the employees current hourly rate for September 30, 2008.

Functional Expenses

The operating expenses of the Organization have been classified in the Statement of Functional Expenses on a direct basis whenever possible. Other expenses have been allocated based on personnel time worked, space utilized or some other rational allocation method.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received no services that met this criteria during the year.

Estimates

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

**DODDRIDGE COUNTY SENIOR CITIZENS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Income Taxes

The Doddridge County Senior Citizens, Inc. is a not-for-profit organization and is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code of 1986. The Organization owed \$0 in unrelated business income taxes as of September 30, 2008.

Its subsidiary, DCSC Company, L. L. C. had an operating loss of \$56,065 for the year ended September 30, 2008. The Partnership's income flows through to DCSC, Inc. and Childers Manor 990-T.

Risks and Uncertainties

The majority of the funding for the operation of Doddridge County Senior Citizens, Inc. comes as medicaid funding from the West Virginia Department of Health and Human Resources. A loss of or decrease in this funding could adversely affect the operation of the Organization.

Trade Accounts Receivable

Trade accounts receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. No allowance was determined to be necessary for the year ended September 30, 2008. \$5,533 was written off during the fiscal year ended September 30, 2008.

Note 2 Property and Equipment

Property and equipment are recorded at cost if purchased or fair market value at date of donation.

Property and equipment consisted of the following at September 30, 2008:

Land and land improvements	\$ 1,491,159
Buildings and additions	1,785,006
Furniture and fixtures	29,650
Equipment	<u>755,817</u>
Total property and equipment	4,061,632
Less, Accumulated depreciation	<u>(1,047,286)</u>
Net property and equipment	<u>\$ 3,014,346</u>

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Property and equipment are depreciated over their useful lives:

Land improvements	10 – 40 Years
Buildings and additions	10 – 40 Years
Furniture and fixtures	5 – 7 Years
Equipment	5 – 20 Years

Note 3 Endowment Fund

In 1981, the estate of Kenneth C. Longacre donated to the Doddridge County Senior Citizens, Inc. \$10,000 to be invested in money market certificates of an institution having F.D.I.C. coverage. The income therefrom shall be used for the upkeep and maintenance of the center and for no other purpose. Any deviation from these stipulations shall constitute a violation of the terms of Kenneth C. Longacre's last will and testament and the said funds shall revert to the estate for distribution. The funds are held by the Cornerstone Bank of West Union with the interest earnings from the certificate of deposit credited directly to a savings account. The funds consisted of the following at September 30, 2008:

Certificate	\$ <u>10,000</u>
	\$ <u>10,000</u>

Note 4 Inventories

Inventories at September 30, 2008 consist of:

Fuel	\$ 52,241
Tobacco	14,284
Beverages	10,944
Food and grocery	9,407
Novelty and other	<u>6,907</u>
	\$ <u>93,783</u>

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Note 5 Sales and Cost of Goods Sold

The gross profit from sales has been calculated as follows:

Sales		\$		9,941,994
Cost of goods sold:				
Beginning inventory	\$		79,734	
Purchases			9,202,342	
Less: Ending inventories			<u>(93,783)</u>	
Cost of goods sold				<u>9,188,293</u>
 Gross profit from sales		 \$		 <u>753,701</u>

All shipping and handling costs are expensed as incurred as purchases.

Note 6 Investment in Stock

In May 1999, Doddridge County Senior Citizens, Inc. purchased 100 shares of stock in the West Union Bank for \$300 per share that was converted to Tri-County Bancorp, Inc. In accordance with Statement of Financial Accounting Standards No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations," the securities have been adjusted to their fair market value as of September 30, 2008. The cost of the stock was the same as the fair market value as of September 30, 2008, resulting in no unrealized gain or loss. Investment income consists of interest and dividends.

Note 7 Rent

DCSC Company, L.L.C. rents equipment from Woodford Oil on a month to month basis. DCSC Company, L.L.C. leases land for \$200 per month. The lease expired on July 1, 2008 and is now on a quarter to quarter basis. Rent expense for the year was \$2,400.

Note 8 Concentration

The Center receives a majority of their monies from third party reimbursements. Any loss or decrease in this funding could be detrimental to the Center's ongoing activities.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Note 9 Advertising Costs

The Center expenses advertising costs as they are incurred.

Note 10 Deposits and Prepaid Expenses

Deposits and prepaid expenses consist of the following at September 30, 2008:

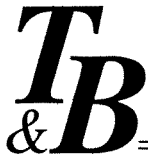
Prepaid title v	\$ 750
Prepaid rent	600
Prepaid Brickstreet Insurance	13,843
Prepaid insurance	14,302
Prepaid income taxes	<u>24,000</u>
Total	\$ <u>53,495</u>

Note 11 Retirement System

The Doddridge County Senior Citizens, Inc. is not a member of any retirement system.

Note 12 Contingency

The Organization has an agreement with a supplier which provides for revenues from the use of a particular product. If the Organization were to discontinue the use of this product, it would be required to repay a portion of these revenues.



**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**

The Board of Directors
Doddridge County Senior Citizens, Inc.
Fairmont, West Virginia

We have audited the financial statements of Doddridge County Senior Citizens, Inc. (a nonprofit organization) as of and for the year ended September 30, 2008, and have issued our report thereon dated June 2, 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 Doddridge County Senior Citizens, 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 Doddridge County Senior Citizens, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Doddridge County Senior Citizens, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 Doddridge County Senior Citizens, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally

accepted accounting principles, such that there is no more than a remote likelihood that a misstatement of Doddridge County Senior Citizens, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Doddridge County Senior Citizens, Inc.'s internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting.

08-1 Segregation of Duties

Criteria: Analysis of the internal control system indicated a lack of segregation of duties.

Condition: Responsibility for approving executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals.

Cause: Responsibility for approval, execution, recording and custody are not distributed among the office staff to the best degree possible. However, complete segregation of duties is not economically feasible.

Effect: Because of the lack of segregated duties, internal control elements do not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: Responsibilities of approval, executing, recording and custody should be distributed among the accounting staff to the degree possible. However, we recognize that complete segregation of duties is not economically feasible.

Entity's Response: To the extent possible, the Organization has segregated its duties. Any further segregation of duties would not be economically feasible

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 Doddridge County Senior Citizens, Inc.'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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 08-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Doddridge County Senior Citizens, 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*.

The Doddridge County Senior Citizens, Inc.'s response to the finding identified in our audit is described above. We did not audit the Doddridge County Senior Citizens, Inc.'s response and accordingly, we express no opinion on it.

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

Tetrick + Bartlett, PLLC

June 2, 2009

**DODDRIDGE COUNTY SENIOR CITIZENS CENTER, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>FEDERAL AWARDS</u>				
U.S. Department of Health and Human Services				
Passed through the WV Bureau of Senior Services and Bel-O-Mar Regional Council:				
	Health Benefits Counseling	93.779	11-P-20209/3-16	\$ 5,000
	Title III-B - Special Progress for the Aging	93.044	T3 B/D/E 04-08	27,927
	Title III-D - Special Progress for the Aging	93.043	T3 B/D/E 04-08	572
	National Family Caregiver Support	93.052	T3 B/D/E 04-08	<u>3,815</u>
			Total Federal Funds	\$ <u><u>37,314</u></u>

See accompanying notes to the schedule of federal and state funds.

**DODDRIDGE COUNTY SENIOR CITIZENS CENTER, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>STATE AWARDS</u>				
WV Bureau of Senior Services through the Bel-O-Mar Regional Council:	Title III-B - State	N/A	T3 B/D/E 04-08	\$ 30,333
	Title III-D - State	N/A	T3 B/D/E 04-08	38
	LIFE	N/A	04-08 04-09	203,086
	State Grant	N/A	SC2805	12,000
	Lighthouse In-Home Services	N/A	5405-2008-0508-917-083 5409-2008-0508-096-083 5407-2008-0508-099-083	213,129
	LIEAP	N/A	N/A	1,367
	Alzheimer's Respite	N/A	5405-643 5409-096 5407-099	55,078
	Fuel Grant	N/A	5405-2008-0508-917-083	<u>4,396</u>
			Total State Funds	\$ <u><u>519,427</u></u>

See accompanying notes to the schedule of federal and state funds.

DODDRIDGE COUNTY SENIOR CITIZENS, INC.
NOTES TO THE SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Note 1 Basis of Presentation:

The accompanying Schedule of Federal and State Funds is prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements.