

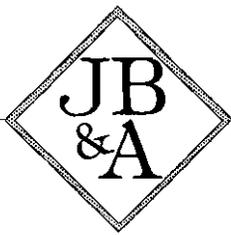
LEWIS COUNTY SENIOR CITIZENS CENTER, INC.

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

SEPTEMBER 30, 2008 AND 2007

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

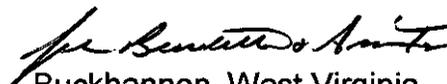
To the Board of Directors
Lewis County Senior Citizens Center, Inc.
Weston, West Virginia

We have audited the accompanying statements of financial position of Lewis County Senior Citizens Center, Inc. (a nonprofit organization) as of September 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows, for the years 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lewis County Senior Citizens Center, Inc. as of September 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years 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 April 28, 2009, on our consideration of Lewis County Senior Citizens Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. 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 should be considered in assessing the results of our audits.


Buckhannon, West Virginia
April 28, 2009

LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008 AND 2007

ASSETS	2008	2007
Current Assets		
Cash and cash equivalents	\$ 63,283	\$ 53,338
Certificates of deposit	109,081	108,822
Investment	131,923	103,221
Accounts receivable	105,936	86,645
Grants receivable	44,305	51,828
Interest receivable	500	623
Prepaid expenses	2,237	12,046
Inventory	<u>6,470</u>	<u>6,472</u>
Total current assets	463,735	422,995
Property and Equipment, net	<u>350,456</u>	<u>395,248</u>
TOTAL ASSETS	<u><u>\$ 814,191</u></u>	<u><u>\$ 818,243</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 26,929	\$ 9,123
Accrued wages payable	<u>68,264</u>	<u>66,103</u>
Total current liabilities	<u>95,193</u>	<u>75,226</u>
Net Assets		
Unrestricted	<u>718,998</u>	<u>743,017</u>
Total net assets	<u>718,998</u>	<u>743,017</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 814,191</u></u>	<u><u>\$ 818,243</u></u>

The accompanying notes are an integral part of this statement.

LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008 AND 2007

	Unrestricted	Temporarily Restricted	2008 Total	2007 Total
REVENUE AND SUPPORT				
Public support	\$ 104,497	\$	\$ 104,497	\$ 209,837
Grant revenues:				
Federal monies	209,283		209,283	213,881
State monies	422,397		422,397	305,704
Program service fees, net	1,442,732		1,442,732	1,311,570
Interest income	5,250		5,250	9,334
Fundraising	447,892		447,892	520,471
Other	64,497		64,497	965
Net assets released from restrictions:				
Restrictions satisfied with lapse of time	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenue and Support	<u>2,696,548</u>	<u> </u>	<u>2,696,548</u>	<u>2,571,762</u>
EXPENSES				
Program Services				
Lighthouse	106,467		106,467	14,006
Personal Care	1,180,896		1,180,896	1,100,932
LIFE	165,636		165,636	170,016
Title III-E	19,161		19,161	18,198
Title III-B	88,269		88,269	88,755
Title III-C C-1	113,476		113,476	98,064
Title III-C C-2	184,040		184,040	167,690
Title III-D	2,419		2,419	2,147
Alzheimer	65,387		65,387	54,093
Health Benefits	125		125	3,225
Elder Abuse	351		351	359
Veterans Care	68,025		68,025	49,789
Support Services				
Fundraising	394,746		394,746	452,998
Management & General	331,569		331,569	351,999
Total Expenses	<u>2,720,567</u>	<u> </u>	<u>2,720,567</u>	<u>2,572,271</u>
Change in Net Assets	(24,019)		(24,019)	(509)
NET ASSETS AT BEGINNING OF YEAR	<u>743,017</u>	<u> </u>	<u>743,017</u>	<u>743,526</u>
NET ASSETS AT END OF YEAR	<u>\$ 718,998</u>	<u>\$</u>	<u>\$ 718,998</u>	<u>\$ 743,017</u>

The accompanying notes are an integral part of this statement.

**LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008 AND 2007**

	Program Services						
	<u>Lighthouse</u>	<u>Personal Care</u>	<u>LIFE Program</u>	<u>Federal III-E</u>	<u>Federal III-B</u>	<u>Federal III-C</u>	
						<u>C-1</u>	<u>C-2</u>
Personnel	\$ 78,463	\$ 887,259	\$ 120,438	\$ 14,720	\$ 60,728	\$ 39,633	\$ 66,967
Travel	13,305	108,705	876	1,687			
Printing and supplies		5,910					
Rawfood						59,402	86,446
Disposables						680	4,274
Equipment/rental						1,175	2,946
Conference and training		864					
Transportation			21,282		16,028		3,867
Building rent							
Senior trips and activities							
Prizes awarded							
Advertising		1,420					
Depreciation		92					
Indirect costs	14,699	163,209	23,040	2,754	11,513	7,582	12,811
Other		13,437				5,004	6,729
Total	\$ 106,467	\$ 1,180,896	\$ 165,636	\$ 19,161	\$ 88,269	\$ 113,476	\$ 184,040

**LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008 AND 2007**

<u>Program Services</u>				<u>Support Services</u>					
<u>Federal III-D</u>	<u>FAIR Alzheimer</u>	<u>Elder Abuse</u>	<u>Veterans Care</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>2008 Total</u>	<u>2007 Total</u>	
\$ 1,659	\$ 50,662 5,033	\$	\$ 46,731 8,351	\$ 1,367,260 137,957 5,910 145,848 4,954 4,121 1,215 41,177	\$ 2,230 15,492 372,032 4,446	\$ 96,404 4,629 2,499 1,144 38,076 97,974	\$ 1,465,894 142,586 23,901 145,848 4,954 4,121 2,359 41,177 38,076 97,974 372,032 5,866 44,792 273,329 57,658	\$ 1,308,939 105,303 29,019 120,234 9,797 264 3,793 35,345 38,076 109,219 427,000 5,383 52,001 280,308 47,590	
317 443	9,692	351	12,943	258,560 25,613	427 119	44,700 14,342 31,926	44,792 273,329 57,658	280,308 47,590	
<u>\$ 2,419</u>	<u>\$ 65,387</u>	<u>\$ 351</u>	<u>\$ 68,025</u>	<u>\$ 1,994,127</u>	<u>\$ 394,746</u>	<u>\$ 331,694</u>	<u>\$ 2,720,567</u>	<u>\$ 2,572,271</u>	

The accompanying independent auditors' report and notes are integral parts of this statement.

LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (24,019)	\$ (509)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	44,792	52,001
(Increase) decrease in operating assets:		
Accounts receivable	(19,291)	(3,259)
Grants receivable	7,523	(27,975)
Interest receivable	123	423
Inventory	2	1,955
Prepaid expenses	9,809	908
Increase (decrease) in operating liabilities:		
Accounts payable	17,806	(623)
Accrued compensation	2,161	6,514
	38,906	29,435
NET CASH PROVIDED BY OPERATING ACTIVITIES	38,906	29,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in certificates of deposit	(259)	99,712
Capital expenditures	(29,667)	(29,667)
Increase in investment	(28,702)	(103,221)
	(28,961)	(33,176)
NET CASH USED IN INVESTING ACTIVITIES	(28,961)	(33,176)
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH USED IN FINANCING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,945	(3,741)
CASH AND CASH EQUIVALENTS, beginning of year	53,338	57,079
CASH AND CASH EQUIVALENTS, end of year	\$ 63,283	\$ 53,338

The accompanying notes are an integral part of this statement.

LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Lewis County Senior Citizens Center, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Lewis County, West Virginia. The purpose of the Organization is to study and document the needs of the seniors, to encourage and promote aid in the establishment of programs for the seniors, to conduct programs of public education on the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

This summary of significant accounting policies of the Lewis County Senior Citizens Center, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of the management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (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.

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from the estimates.

Grants Receivable

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor restricted contributions are 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 are classified to unrestricted net assets. The Organization uses the allowance method to determine uncollectible contributions/grants receivable. As of September 30, 2008 and 2007, all grants receivable are deemed collectible.

**LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Accounts Receivable/Allowance for Doubtful Accounts

Accounts receivable represent amounts owed the Organization for services it provided under the West Virginia Department of Health and Human Resources - Medicaid Waiver and Community Care programs. In addition, the Organization uses the allowance method for accounting for bad debts whereby an allowance for doubtful accounts is established based on the realization of the accounts receivable at year end.

Property and Equipment

The Organization records all equipment purchases at cost and all donated property, equipment, and land at fair market value. The Organization uses the straight-line method of depreciating fixed assets over their estimated useful lives. All property and equipment purchased with grant monies must have prior approval from the grantor agency to dispose of such equipment and the method of disposition. The Organization has adopted a capitalization policy in the amount of \$ 1,000.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

Grant Monies

Grant monies are received in three ways:

- 1 - On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2 - On an as needed basis in which in the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-D, Title III-E, SHINE, Medication Management, Elder Abuse, Veterans Care grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next year, but if approval is denied, the money has to be reimbursed to the grantor.
- 3 - Title III-C monies are received on a meal reimbursement basis but are not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title-III program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2008 and 2007 were \$ 631,680 and \$ 519,585.

Operating expenditures made against federal and state grants are subject to audit by the grantor agency. These agencies may subsequently make adjustments to the grant as originally awarded due to their audit findings.

All federal monies received and net assets are restricted for use in those programs sponsored by the federal grants.

**LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. In addition, a non-cash transaction in reference to in-kind rental expense \$ 38,076 occurred during the year ended September 30, 2008 and 2007.

Memorandum Totals

The accompanying financial statements reflect totals of all net assets and activities. The totals are shown for memorandum purposes only and do not reflect the elimination of interagency activities using principles of consolidation.

Note 2. Investments

The Cost and estimated market value of investment securities at September 30, 2008, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Edward Jones	\$ 152,045	\$ -0-	\$ 20,122	\$ 131,923
	=====	=====	=====	=====

Note 3. Grants Receivable

Grants receivable consisted of the following at September 30,:

	2008	2007
Title III monies	\$ 2,391	\$ 20,307
LIFE Grant	13,578	15,176
Alzheimer	4,067	8,820
Lighthouse	24,269	7,525
Total	----- \$ 44,305 -----	----- \$ 51,828 -----

**LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 4. Property and Equipment, net

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

	2008	2007
Land	\$ 141,097	\$ 141,097
Building	240,042	240,042
Vehicles	318,775	318,775
Equipment	262,328	262,328
	962,242	962,242
Less accumulated depreciation	611,786	566,994
	\$ 350,456	\$ 395,248

Note 5. Retirement Program

Certain employees are eligible to be included in the Organization's retirement program. The employee contributes 4.5% of their gross wages which is combined with 9.5% contributed by the Organization. The covered employees are eligible to draw benefits upon retirement. The Organization's contributions to the retirement program of \$ 62,429 and \$ 60,224 for September 30, 2008 and 2007 are included in personnel costs on the respective statement of functional expenses.

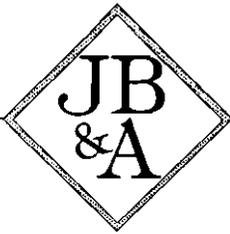
Note 6. Support Concentration

The Lewis County Senior Citizens Center, Inc. received approximately 38% and 40% for September 30, 2008 and 2007 its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

Note 7. Donated Facilities

During the year ended September 30, 2008 and 2007, the Organization recorded in-kind donations for the rent-free use of the facilities it operates in Weston, West Virginia. The in-kind donation, and respective rent expense, in the amount of \$ 3,173 per month, was based upon a recent appraisal. Total in-kind donation/rent expense of \$ 38,076 was recorded in the statement of functional expenses.

SUPPLEMENTAL INFORMATION



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Lewis County Senior Citizens Center, Inc.
Weston, West Virginia

Our report on our audit of the basic financial statements of the Lewis County Senior Citizens Center, Inc. for the year ended September 30, 2008 appears on page 1. 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 for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of grants and revenues is 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, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Buckhannon, West Virginia
April 28, 2009

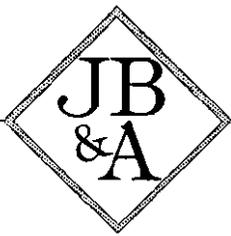
**LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
SCHEDULE OF GRANTS AND REVENUES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Veterans Care</u>	<u>Personal Care</u>	<u>Direct LIFE Program</u>	<u>Federal III-E</u>	<u>Other Programs</u>	<u>Lighthouse</u>
Grant Revenues						
Federal Grants	\$	\$	\$	\$ 9,386	\$ 5,877	\$
State Grants			198,916		20,500	149,326
NSIP - Federal						
Total Grant Revenues			<u>198,916</u>	<u>9,386</u>	<u>26,377</u>	<u>149,326</u>
Other Revenues						
Program service fees, net	79,578	1,028,174			192,434	7,212
Local monies				3,129	87,969	
Interest income					5,250	
Fundraising					447,892	
Rental					2,040	
Other						
Total Other Revenues	<u>79,578</u>	<u>1,028,174</u>		<u>3,129</u>	<u>735,585</u>	<u>7,212</u>
Total Revenues	<u>\$ 79,578</u>	<u>\$ 1,028,174</u>	<u>\$ 198,916</u>	<u>\$ 12,515</u>	<u>\$ 761,962</u>	<u>\$ 156,538</u>

**LEWIS COUNTY SENIOR CITIZENS CENTER, INC.
SCHEDULE OF GRANTS AND REVENUES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

<u>Federal III-B</u>	<u>Federal III-C</u>		<u>FAIR Alzheimer</u>	<u>Federal III-D</u>	<u>Elder Abuse</u>	<u>Total all Accounts (Memorandum Only)</u>
	<u>C-1</u>	<u>C-2</u>				
\$ 33,009	\$ 13,300	\$ 28,180	\$ 77,230	\$ 1,481	\$ 351	\$ 168,814
21,448	14,958	17,162		87		422,397
	<u>16,862</u>	<u>23,607</u>				<u>40,469</u>
<u>54,457</u>	<u>45,120</u>	<u>68,949</u>	<u>77,230</u>	<u>1,568</u>	<u>351</u>	<u>631,680</u>
10,504	61,689	51,985	11,156			1,442,732
5,822	2,346	4,970		261		104,497
	<u>4,321</u>	<u>58,136</u>				5,250
<u>16,326</u>	<u>68,356</u>	<u>115,091</u>	<u>11,156</u>	<u>261</u>		447,892
<u>\$ 70,783</u>	<u>\$ 113,476</u>	<u>\$ 184,040</u>	<u>\$ 88,386</u>	<u>\$ 1,829</u>	<u>\$ 351</u>	<u>2,064,868</u>
						2,040
						<u>62,457</u>

The accompanying independent auditors' report and notes are integral parts of this schedule.



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Lewis County Senior Citizens Center, Inc.
Weston, West Virginia

We have audited the financial statements of Lewis County Senior Citizens Center, Inc. (a nonprofit organization) as of and for the year ended September 30, 2008, and have issued our report thereon dated April 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lewis County Senior Citizens Center, 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 Lewis County Senior Citizens Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lewis County Senior Citizens Center, Inc.'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 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 Lewis County Senior Citizens Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, the audit committee, Board of Directors, 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.


Buckhannon, West Virginia
April 28, 2009