



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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November 6, 2009

Board of Directors
Huntington County Council
on Aging and Aged, Inc.
354 North Jefferson St.
Huntington, IN 46750

We have reviewed the audit report prepared by David Culp & Co., LLP, Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Huntington County Council on Aging and Aged, Inc., as of December 31, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

We call your attention to the findings in the report. The management letter contains two comments.

STATE BOARD OF ACCOUNTS

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

COMPARATIVE FINANCIAL STATEMENTS

DECEMBER 31, 2007 (AUDITED) AND 2006 (COMPILED)

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To the Board of Directors
Huntington County Council on Aging and Aged, Inc.
Huntington, Indiana

Independent Auditor's Report

We have audited the accompanying statement of financial position of Huntington County Council on Aging and Aged, Inc. (a non profit organization) as of December 31, 2007, 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. 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Huntington County Council on Aging and Aged, Inc. as of December 31, 2007, 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Statement of Program Expenses and Schedule of Expenditures of Federal, State and Local Awards 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 audit 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.

The December 31, 2006 financial statements were compiled by us, and our report thereon, dated June 7, 2007, stated we did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them.

David Culp & Co. LLP
Certified Public Accountants

Huntington, Indiana
October 17, 2008

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

COMPARATIVE STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2007 (AUDITED) AND 2006 (COMPILED)

<u>ASSETS</u>	<u>2007</u>	<u>Restated 2006</u>
<u>Current Assets:</u>		
Cash in bank - Note 1		
Unrestricted	\$115,862	\$ 75,075
Restricted	3,035	2,466
Accounts receivable - Note 1	10,077	5,531
Grants receivable - Note 1	<u>75,056</u>	<u>58,568</u>
Total current assets	<u>204,030</u>	<u>141,640</u>
<u>Fixed Assets - Note 1:</u>		
Property and equipment	318,929	230,697
Less: Accumulated depreciation	<u>206,356</u>	<u>166,108</u>
Total fixed assets	<u>112,573</u>	<u>64,589</u>
Total assets	\$316,603 =====	\$206,229 =====

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>		
Accounts payable	\$ 2,723	\$ -
Accrued payroll and payroll taxes	17,886	15,326
Senior Friday agency account	3,035	2,466
Current maturity of capital lease obligations - Note 2	<u>4,198</u>	<u>-</u>
Total current liabilities	<u>27,842</u>	<u>17,792</u>
<u>Long-Term Liabilities:</u>		
Capital lease payable - Note 2	21,932	-
Less: Amount due within one year, included in current liabilities above	<u>4,198</u>	<u>-</u>
Total long-term liabilities	<u>17,734</u>	<u>-</u>
Total liabilities	45,576	17,792
<u>Net Assets:</u>		
Unrestricted - Note 1	<u>271,027</u>	<u>188,437</u>
Total liabilities and net assets	\$316,603 =====	\$206,229 =====

The accompanying notes are an integral part of these financial statements.

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

COMPARATIVE STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2007 (AUDITED) AND 2006 (COMPILED)

	<u>2007</u>	<u>Restated 2006</u>
<u>Revenue, gains and other support -</u>		
Contributions -		
United Way	\$ 48,500	\$ 49,750
Fundraising	35,263	24,157
Foundations	12,657	23,440
Other	9,469	13,555
Government grants -		
Huntington County	24,000	25,000
City of Huntington	32,500	26,000
Indiana Department of Transportation	232,449	144,967
Public Mass Transportation	78,714	70,362
Program service fees -		
Older Americans Title III	40,811	20,490
Choice	8,050	6,547
Social Service Block grant	6,117	8,119
Medicaid	99,267	85,915
Homemaker	8,206	6,380
Transportation	51,503	90,692
Recreation	20,080	47,641
Other	2,472	4,690
Interest	130	131
Total revenues, gains and other support	<u>710,188</u>	<u>647,836</u>
<u>Expenses -</u>		
Program services	492,264	457,019
Management and general	91,998	136,730
Fundraising	<u>43,336</u>	<u>30,124</u>
Total expenses	<u>627,598</u>	<u>623,873</u>
Change in net assets	82,590	23,963
<u>Net assets, beginning of year</u>	<u>188,437</u>	<u>164,474</u>
<u>Net assets, end of year</u>	\$271,027 =====	\$188,437 =====

The accompanying notes are an integral part of these financial statements.

- David Culp & Co. LLP, Certified Public Accountants -

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2007 (AUDITED)

	<u>Program Services</u>	<u>Manage- ment and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and related expenses -				
Salaries	\$287,166	\$ 38,225	\$17,126	\$342,517
Payroll taxes	23,370	3,111	1,394	27,875
Employee benefits - Note 3	<u>1,857</u>	<u>247</u>	<u>111</u>	<u>2,215</u>
Total salaries and related expenses	312,393	41,583	18,631	372,607
Bank charges	-	195	-	195
Bad debt	2,263	251	-	2,514
Dues and subscriptions	65	65	-	130
Education and training	2,164	928	-	3,092
Employee bonus	2,083	292	125	2,500
Equipment	1,426	476	-	1,902
Fundraising	-	-	24,580	24,580
Insurance	22,674	5,669	-	28,343
Interest	520	173	-	693
Legal and professional	2,855	-	-	2,855
Miscellaneous	702	702	-	1,404
Postage	1,080	884	-	1,964
Printing and supplies	4,051	3,028	-	7,079
Advertising - Note 1	1,571	-	-	1,571
Recreation	-	21,992	-	21,992
Rent	4,800	7,200	-	12,000
Repairs and maintenance	1,009	336	-	1,345
Supplies	5,211	1,737	-	6,948
Telephone	2,248	1,839	-	4,087
Travel	4,360	-	-	4,360
Van operations	78,958	-	-	78,958
Depreciation - Note 1	<u>41,831</u>	<u>4,648</u>	<u>-</u>	<u>46,479</u>
Total expenses	\$492,264 =====	\$ 91,998 =====	\$43,336 =====	\$627,598 =====

The accompanying notes are an integral part of these financial statements.

- David Culp & Co. LLP, Certified Public Accountants -

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2006 (COMPILED) AND (RESTATED)

	<u>Program Services</u>	<u>Manage- ment and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and related expenses -				
Salaries	\$260,960	\$ 56,876	\$16,728	\$334,564
Payroll taxes	23,700	5,165	1,519	30,384
Employee benefits - Note 3	<u>2,490</u>	<u>543</u>	<u>160</u>	<u>3,193</u>
Total salaries and related expenses	287,150	62,584	18,407	368,141
Bank charges	-	98	-	98
Bad debt	1,273	142	-	1,415
Dues and subscriptions	120	119	-	239
Education and training	2,134	914	-	3,048
Employee bonus	1,735	375	-	2,110
Equipment	2,733	911	-	3,644
Fundraising	-	-	10,137	10,137
Insurance	25,083	765	-	25,848
Legal and professional	1,585	-	-	1,585
Miscellaneous	1,096	1,096	-	2,192
Postage	1,318	1,079	1,580	3,977
Printing and supplies	7,263	4,980	-	12,243
Advertising - Note 1	1,985	-	-	1,985
Recreation	-	49,139	-	49,139
Rent	4,800	7,200	-	12,000
Repairs and maintenance	803	268	-	1,071
Supplies	5,484	1,828	-	7,312
Telephone	2,499	2,045	-	4,544
Travel	3,357	-	-	3,357
Van operations	77,916	-	-	77,916
Depreciation - Note 1	<u>28,685</u>	<u>3,187</u>	<u>-</u>	<u>31,872</u>
 Total expenses	 \$457,019 =====	 \$136,730 =====	 \$30,124 =====	 \$623,873 =====

The accompanying notes are an integral part of these financial statements.

- David Culp & Co. LLP, Certified Public Accountants -

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

COMPARATIVE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2007 (AUDITED) AND 2006 (COMPILED)

	<u>2007</u>	<u>Restated 2006</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 82,590	\$ 23,963
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	46,479	31,872
(Increase) decrease in -		
Accounts receivable	(4,546)	7,958
Grants receivable	(16,488)	(38,568)
Increase in -		
Accounts payable	2,723	-
Accrued payroll and payroll taxes	<u>2,560</u>	<u>13,742</u>
Net cash provided by operating activities	<u>113,318</u>	<u>38,967</u>
 <u>Cash flows from investing activities:</u>		
Purchase of property and equipment	<u>(94,463)</u>	<u>(1,200)</u>
Net cash (used in) investing activities	<u>(94,463)</u>	<u>(1,200)</u>
 <u>Cash flows from financing activities:</u>		
Payments on capital lease	(2,457)	-
Increase in Senior Friday agency account	569	1,293
Proceeds from capital lease	<u>24,389</u>	<u>-</u>
Net cash provided by financing activities	<u>22,501</u>	<u>1,293</u>
 <u>Net increase in cash and cash equivalents</u>	41,356	39,060
 <u>Cash and cash equivalents at beginning of year</u>	<u>77,541</u>	<u>38,481</u>
 <u>Cash and cash equivalents at end of year</u>	\$118,897	\$ 77,541
	=====	=====
<u>Supplemental disclosures of cash flow information:</u>		
Cash paid during the year for -		
Interest	\$ 693	\$ -
	=====	=====

The accompanying notes are integral part of these financial statements.

- David Culp & Co. LLP, Certified Public Accountants -

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS

DECEMBER 31, 2007 (AUDITED) AND 2006 (COMPILED)

Note 1: Organization and summary of significant accounting policies -

Organization - Huntington County Council on Aging and Aged, Inc. (the Organization) is an Indiana non-profit organization organized on December 27, 1973. Its purpose is to help assure that the major needs of older adults in Huntington County are being met through appropriate programs and services and to serve as a clearinghouse for opportunities and problems of senior residents of Huntington County.

The Organization received funding from various federal, state, and local governmental agencies. The Organization requests reimbursement of qualified expenses and receives grants for programs as detailed on the Statement of Program Expenses. The Organization also receives support from donations.

Basis of accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Under this method, revenues are recognized when earned and expenses are recognized when liabilities are incurred.

In the accompanying Statement of Financial Position, net assets that have similar characteristics are presented based on donor restrictions as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Donor-imposed stipulations are reported as unrestricted net assets so long as the Organization maintains variance power over the use of the assets.

Temporarily restricted - Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by passage of time. There were no temporarily restricted net assets as of December 31, 2007 or 2006.

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 (AUDITED) AND 2006 (COMPILED)

Note 1: Organization and summary of significant accounting policies
(Continued) -

Contributions - Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit their use. In the case of temporarily restricted support, when the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. If a donor restriction is satisfied in the period the gift is received, this support is reported as unrestricted revenue. By definition, permanently restricted support must be maintained in perpetuity. Restrictions on these net assets do not expire and no assets are reclassified in the Statements of Activities.

Grants and contributions - Unconditional promises to give are recorded as receivables and revenues at fair value in the period the promise is made. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

Cash and cash equivalents - For the purpose of reporting cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Fixed assets - Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. Items with a cost or value of \$500 or more and a useful life of one year or more are capitalized. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. It is not the Organization's policy to imply time restrictions expiring over the useful life of donated assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support.

Depreciation - Depreciation charged against income was \$46,479 and \$31,872 for the years ended December 31, 2007 and 2006, respectively.

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 (AUDITED) AND 2006 (COMPILED)

Note 1: Organization and summary of significant accounting policies
(Continued) -

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 the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses and changes in net assets during the reporting period. Actual results could differ from those estimates.

Federal income taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. In addition, the Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Donated services - A substantial number of volunteers donate significant amounts of time in providing the Organization's services. No amounts have been recognized in the financial statements for these services because the criteria for recognition of such volunteer effort as contributed services has not been satisfied.

Accounts receivable - Accounts receivable are due from government and other significant funding sources. Based on historical collection experience with these agencies, no allowance for doubtful accounts is deemed necessary.

Advertising - Advertising costs are charged to operations as incurred. Total advertising costs expensed during the years ended December 31, 2007 and 2006 was \$1,571 and \$1,985, respectively.

Note 2: Leases - On June 14, 2007, the Company signed a five year lease for a copier. Payments of \$450 are due monthly through the lease ending date of August, 2012. The lease was recorded as a capital lease. At December 31, 2007, the gross amount of property and equipment recorded under the capital lease was \$24,389.

Depreciation of assets held under a capital lease is included with depreciation expense.

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 (AUDITED) AND 2006 (COMPILED)

Note 2: Leases (Continued) -

The future maturities of the capital lease is as follows:

Years ending December 31:

2008	\$ 4,198
2009	4,457
2010	4,732
2011	5,024
2012	<u>3,521</u>
Total	\$21,932 =====

Note 3: Employee benefits - In December 2003, the Organization adopted a tax deferred annuity plan, under Internal Revenue Code Section 403(b). All full-time employees are eligible to contribute a portion of their eligible compensation to the Plan in accordance with plan provisions. The Plan requires the Organization to match dollar-for-dollar employee contributions of up to \$50 per pay period. Total contributions made to the Plan by the Organization totaled \$1,160 and \$780 for the years ended December 31, 2007 and 2006, respectively.

Note 4: Community Foundation funds - The Huntington County Community Foundation holds funds donated on behalf of Huntington County Council on Aging and Aged, Inc. totaling \$1,635 and \$1,634 at December 31, 2007 and 2006, respectively. This balance has not been recorded as an asset of the Organization because the Community Foundation has maintained variance power over these funds. A portion of the earnings from these funds is made available to the Organization each year. At December 31, 2007 and 2006, \$65 and \$243 was available for distribution.

Note 5: Correction of errors - In 2006, the Organization did not record grant revenues earned but not received. Generally accepted accounting principles require that the receivable be included in the financial statements. The restatement in 2006 due to the correction results in an increase to grants receivable and net assets of \$58,568.

In 2006, the Organization did not accrue payroll and payroll taxes. Generally accepted accounting principles require that payroll expenses be recorded in the year incurred. The restatement in 2006 due to the correction results in an increase in accrued payroll and payroll taxes and a reduction to net assets of \$11,058.

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

STATEMENT OF PROGRAM EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Title III</u> <u>Transportation</u>	<u>Public</u> <u>Transportation</u>	<u>Medicaid</u>	<u>Private</u> <u>Pay</u> <u>Homemaker</u>	<u>Choice/</u> <u>SSBG</u> <u>Homemaker</u>	<u>Total</u>
Salaries	\$ 57,433	\$ 58,945	\$ 61,967	\$ 55,317	\$ 53,504	\$287,166
Payroll taxes	4,674	4,797	5,043	4,502	4,354	23,370
Employee benefits	371	381	401	358	346	1,857
Bad debt	453	465	488	436	421	2,263
Dues and subscriptions	-	65	-	-	-	65
Education and training	464	928	464	154	154	2,164
Employee bonus	417	428	449	401	388	2,083
Equipment	285	476	285	190	190	1,426
Insurance	5,277	8,657	5,442	1,649	1,649	22,674
Interest	104	107	112	100	97	520
Legal and professional	571	1,999	285	-	-	2,855
Miscellaneous	-	702	-	-	-	702
Postage	295	296	295	97	97	1,080
Printing and supplies	935	1,557	935	312	312	4,051
Advertising	363	603	363	121	121	1,571
Rent	1,200	1,200	1,200	600	600	4,800
Repairs and maintenance	202	335	202	135	135	1,009
Supplies	1,042	1,737	1,042	695	695	5,211
Telephone	613	614	613	204	204	2,248
Travel	1,006	973	235	738	1,408	4,360
Van operations	31,583	27,635	19,740	-	-	78,958
Depreciation	8,366	8,586	9,027	8,058	7,794	41,831
Total	\$ 115,654	\$ 121,486	\$108,588	\$ 74,067	\$ 72,469	\$492,264
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

HUNTINGTON COUNTY COUNCIL ON AGING AND AGED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2007

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Or Pass-Through Number</u>	<u>Expendi- tures</u>
<u>Federal:</u>			
Department of Transporta- tion -			
Federal Transit Admin- istration	20.509	Public Mass Transportation	\$ 78,714
Federal Transit Admin- istration	20.509	Indiana Depart- ment of Trans- portation	181,988
Federal Transit Admin- istration	20.513	Indiana Depart- ment of Trans- portation	<u>50,461</u>
Total			311,163
U.S. Department of Health and Human Services -			
Older Americans	93.044	Aging and In- Home Services of Northeast Indiana, Inc.	<u>40,811</u>
Total federal assistance			<u>351,974</u>
<u>Local:</u>			
Huntington County			24,000
City of Huntington			<u>32,500</u>
Total local assistance			<u>56,500</u>
Total federal, state and local awards			\$408,474 =====

October 17, 2008

Board of Directors
Huntington County Council on Aging
and Aged, Inc.
354 North Jefferson Street
Huntington, Indiana 46750

In planning and performing our audit of the financial statements of Huntington County Council on Aging and Aged, Inc. (the Organization) as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control.

1. An inadequate control exists in cash disbursements. The bookkeeper who prepares the checks, receives the checks back from the signers to be mailed. The check preparer should not regain control of the checks after preparation. We recommend that the check signer should be the one who mails the checks.

A material weakness is a significant deficiency, or a 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 entity's internal control. We believe that the following deficiency constitutes a material weakness:

1. The Organization's personnel do not have the expertise to draft the financial statements and footnotes at year-end in accordance with auditing standards generally accepted in the United States of America. We recommend that if additional accounting personnel is hired, consideration should be given to the financial statement and footnote preparation ability of the individual.

This communication 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.

Yours very truly,

David Culp & Co. LLP
Certified Public Accountants

October 17, 2008

Board of Directors
Huntington County Council on Aging
and Aged, Inc.
354 North Jefferson Street
Huntington, Indiana 46750

We have completed our audit of the statement of financial position of Huntington County Council on Aging and Aged, Inc. (the Organization) as of December 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. Our opinion on the financial statements, which was unqualified, is included in the bound copies of the financial statements. The purpose of this report is to provide you with required communications regarding the conduct of our audit as well as our recommendations and other information noted during the performance of our audit engagement.

This report is intended solely for the information and use of the Board of Directors, management and others within the Organization.

COMMUNICATION WITH THE BOARD OF DIRECTORS

U.S. Generally Accepted Auditing Standards (GAAS) require that certain matters relating to the conduct of our audit be communicated to you and to those who have responsibility of the financial reporting process. The matters to be communicated to you are as follows:

Auditors' Responsibility Under GAAS -

Management is responsible for the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management is also responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

We conducted our audit in accordance with GAAS, which requires that we plan and perform the audit to obtain reasonable, rather than absolute, 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.

Significant Accounting Policies, Management's Judgements And Accounting Estimates -

The significant accounting policies adopted by management and the use of significant estimates in the preparation of the financial statements are disclosed in the notes to the financial statements. As part of our audit, we reviewed and concur with the Organization's selection of accounting policies and its use of accounting estimates.

Significant Audit Adjustments -

Adjusting entries recorded and unrecorded during the course of our audit are attached hereto on a separate listing. Any differences noted below \$500 were considered immaterial, individually and in the aggregate, to the financial statements taken as a whole, and have not been recorded unless otherwise requested.

Disagreements With Management -

Management and other personnel were well prepared, cooperative and provided our representatives with all information requested during our audit. Our representatives were provided access to all employees and information requested was provided on a timely basis. There were no differences or disagreements with management or difficulties encountered in the performance of our audit.

Fraud Prevention -

During the current year audit, we performed additional procedures relating to the detection of fraud as required by Statement on Auditing Standards No. 99 (Consideration of Fraud in a Financial Statement Audit).

Internal Controls -

In planning and performing our audit of the financial statements of the Organization for the year ended December 31, 2007, we considered its internal control in order to determine our auditing procedures solely for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. Our findings on significant deficiencies or other deficiencies we consider to be material weaknesses are presented in a separate report.

RECOMMENDATIONS AND OTHER INFORMATION

The Organization is required to report all grant expenditures to the State Board of Accounts one month after the end of the calendar year. To facilitate this process, we recommend the preparation of a grant expenditure schedule. This schedule includes the date of the grant, grant name, federal agency and CFDA number, if necessary, pass-through entity and number, if necessary, and program amount. It is a rolling schedule including prior year, current year and next year. A schedule was prepared by our firm and was forwarded to your organization to be updated periodically throughout the year.

The Internal Revenue Service has revised the Form 990. The changes will be applied to the 2008 return. The key changes will be additional reporting of compensation, increased disclosures concerning organizational policies and procedures and detailed information on internal governance and management structure. While our firm prepares the Form 990, documentation of policies and procedures will need to be prepared by your Organization.

We would like to express our appreciation to you and your personnel for providing us the opportunity to serve a well-managed and successful organization like Huntington County Council on Aging and Aged, Inc. We want to assure you that you have access to our personnel at any time to discuss any matters relating to the conduct of our audit or any other matters. Please feel free to contact the undersigned at any time.

Yours very truly,

DAVID CULP & CO. LLP

William E. Miller, CPA

WEM/kp