B35313

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

December 10, 2009

Board of Directors
Wells County Council
on Aging, Inc.
225 W. Water St.
Bluffton, IN 46714

We have reviewed the audit report prepared by David Culp & Co., LLP, Independent Public Accountants, for the period January 1, 2008 to December 31, 2008. 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 Wells County Council on Aging, Inc., as of December 31, 2008, 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

WELLS COUNTY COUNCIL ON AGING, INC.

AUDIT REPORT

DECEMBER 31, 2008 AND 2007

CONTENTS

To the Board of Directors
Wells County Council on Aging, Inc.
Bluffton, Indiana

Independent Auditor's Report

We have audited the accompanying statements of financial position of Wells County Council on Aging, Inc. (a nonprofit organization) as of December 31, 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 audits.

We conducted our audits 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 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 Wells County Council on Aging, Inc. as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with the basis of accounting described in Note 1.

As discussed in Note 7 to the financial statements, the Organization has adjusted its 2007 financial statements to retrospectively apply the change from the modified cash basis in accounting to the accrual method.

Our audits were 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 federal awards is presented for purposes of additional analysis and is not a required part of the 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.

David Culp & Co. LLP
Certified Public Accountants

Huntington, Indiana
April 3, 2009

WELLS COUNTY COUNCIL ON AGING, INC.

COMPARATIVE STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2008 AND 2007

ASSETS

	2008	Restated 2007
Current Assets:		
Cash and cash equivalents - Notes 1 and 2	$224,394	$174,047
Accounts receivable	4,359	4,853
Investments - Notes 1 and 3	28,333	27,434
Total current assets	257,086	206,334
Fixed Assets - Note 1:		
Vehicles	437,500	317,500
Less: Accumulated depreciation	283,632	249,616
Total fixed assets	153,868	67,884
Total assets	$410,954	$274,218

LIABILITIES AND NET ASSETS

	2008	Restated 2007
Current Liabilities:		
Accounts payable	$ 1,431	$ -
Withheld and accrued payroll taxes	933	27
Accrued payroll - Note 7	12,198	10,468
Total liabilities	14,562	10,495
Net Assets:		
Unrestricted	242,524	195,839
Temporarily restricted - Note 8	153,868	67,884
Total net assets	396,392	263,723
Total liabilities and net assets	$410,954	$274,218

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

WELLS COUNTY COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2008

	Unrestricted	Temporarily Restricted	Total
Revenue, gains and other support -			
Contributions -			
United Way	$ 37,750	$ -	$ 37,750
Foundations	2,000	-	2,000
Other	1,873	-	1,873
In kind - Note 5	13,500	-	13,500
Grants -			
Government	214,074	120,000	334,074
Other - Note 6	55,000	-	55,000
Medicaid income	43,773	-	43,773
Program service fees	69,348	-	69,348
Special events -			
Proceeds	27,235	-	27,235
Less: Direct benefits to donors	(6,265)	-	(6,265)
Interest	3,380	-	3,380
Total revenues, gains and other support before net assets released from program restrictions	461,668	120,000	581,668
Net assets released from program restrictions	34,016	(34,016)	-
Total revenues, gains and other support	495,684	85,984	581,668
Expenses -			
Program	398,377	-	398,377
Management and general	47,900	-	47,900
Fundraising	2,722	-	2,722
Total expenses	448,999	-	448,999
Change in net assets	46,685	85,984	132,669
Net assets, beginning of year	195,839	67,884	263,723
Net assets, end of year	$ 242,524	$ 153,868	$396,392

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

WELLS COUNTY COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2007 (RESTATED)

	Unrestricted	Temporarily Restricted	Total
Revenue, gains and other support -			
Contributions -			
United Way	$ 39,250	$ -	$ 39,250
Foundations	1,500	-	1,500
Other	1,808	-	1,808
In kind - Note 5	13,500	-	13,500
Grants -			
Government	150,743	44,000	194,743
Other - Note 6	53,000	-	53,000
Medicaid income	38,734	-	38,734
Program service fees	62,363	-	62,363
Special events -			
Proceeds	27,430	-	27,430
Less: Direct benefits to donors	(5,550)	-	(5,550)
Interest	5,823	-	5,823
Total revenues, gains and other support before net assets released from program restrictions	388,601	44,000	432,601
Net assets released from program restrictions	29,550	(29,550)	-
Total revenues, gains and other support	418,151	14,450	432,601
Expenses -			
Program	348,453	-	348,453
Management and general	40,607	-	40,607
Fundraising	2,367	-	2,367
Total expenses	391,427	-	391,427
Change in net assets	26,724	14,450	41,174
Net assets, beginning of year	169,115	53,434	222,549
Net assets, end of year	$ 195,839	$ 67,884	$263,723

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

WELLS COUNTY COUNCIL ON AGING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2008

	Program	Management And General	Fund-raising	Total
Salaries	$212,304	$ 34,968	$ 2,497	$249,769
Payroll taxes	16,964	2,794	200	19,958
Unemployment benefits	2,116	349	25	2,490
Total salaries and related expenses	231,384	38,111	2,722	272,217
Advertising - Note 1	-	685	-	685
Education and training	1,674	-	-	1,674
Equipment	5,246	640	-	5,886
Insurance	29,097	-	-	29,097
Landscaping	3,925	-	-	3,925
Legal and professional	-	4,052	-	4,052
Miscellaneous	464	52	-	516
Postage	811	90	-	901
Printing	1,002	111	-	1,113
Rent	12,150	1,350	-	13,500
Repairs and maintenance	774	1,376	-	2,150
Supplies	1,972	219	-	2,191
Telephone	5,273	586	-	5,859
Travel and entertainment	2,229	-	-	2,229
Utilities	5,661	628	-	6,289
Vehicle expense	62,699	-	-	62,699
Depreciation - Note 1	34,016	-	-	34,016
Total expenses	$398,377	$ 47,900	$ 2,722	$448,999

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

WELLS COUNTY COUNCIL ON AGING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2007 (RESTATED)

	Program	Management And General	Fund-raising	Total
Salaries	$188,093	$ 30,684	$ 2,192	$220,969
Payroll taxes	14,297	2,355	168	16,820
Unemployment benefits	627	103	7	737
Total salaries and related expenses	203,017	33,142	2,367	238,526
Advertising - Note 1	-	331	-	331
Education and training	1,572	-	-	1,572
Equipment	4,577	90	-	4,667
Insurance	26,926	-	-	26,926
Landscaping	3,720	-	-	3,720
Legal and professional	-	3,092	-	3,092
Miscellaneous	277	31	-	308
Postage	699	78	-	777
Printing	277	31	-	308
Rent	12,150	1,350	-	13,500
Repairs and maintenance	746	1,326	-	2,072
Supplies	1,928	214	-	2,142
Telephone	2,842	316	-	3,158
Travel and entertainment	1,615	-	-	1,615
Utilities	5,454	606	-	6,060
Vehicle expense	53,103	-	-	53,103
Depreciation - Note 1	29,550	-	-	29,550
Total expenses	$348,453	$ 40,607	$ 2,367	$391,427

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

WELLS COUNTY COUNCIL ON AGING, INC.

COMPARATIVE STATEMENTS OF CASH FLOWS

DECEMBER 31, 2008 AND 2007

	2008	Restated 2007
Cash flows from operating activities:		
Change in net assets	$ 132,669	$ 41,174
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	34,016	29,550
Realized (gain) from investment transactions	(899)	(812)
Noncash contribution of fixed assets	(120,000)	(44,000)
(Increase) Decrease in -		
Accounts receivable	494	(1,340)
Increase in -		
Accounts payable	1,431	-
Withheld and accrued payroll taxes	933	27
Accrued payroll	1,703	1,795
Net cash provided by operating activities	50,347	26,394
Net increase in cash and cash equivalents	50,347	26,394
Cash and cash equivalents at beginning of year	174,047	147,653
Cash and cash equivalents at end of year	$ 224,394	$174,047

The accompanying notes are integral part of these financial statements.

WELLS COUNTY COUNCIL ON AGING, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

Note 1: Organization and summary of significant accounting policies -

Organization – Wells County Council on Aging, Inc. is an Indiana non-profit organization organized on December 3, 1975. Its purpose is to help assure that the major needs of older adults in Wells County are being met through appropriate programs and services and to serve as a clearinghouse for opportunities and problems of senior residents of Wells County.

The Organization receives funding from various state and local governmental agencies. The Organization requests reimbursement of qualified expenses and receives grants for programs as detailed on the schedule of program expenses. The Organization also receives support from donations.

Basis of accounting - The Organization's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned, and expenses are recognized when the obligation is incurred. Also, equipment purchased through grant awards is charged to expense in the period during which it is approved by funding sources and purchased. The equipment acquired is owned by the Organization while used in current or other future authorized programs. The funding sources have a reversionary interest in the equipment purchased with grant funds; therefore, its disposition as well as the ownership of any sale proceeds, is subject to funding source regulations.

In the accompanying statements of financial position, the 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.

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.

WELLS COUNTY COUNCIL ON AGING, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

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.

Pledges 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.

Investments - Investments are carried at fair value. Substantially all investments have readily determinable values.

Property and equipment - Property and equipment are stated at cost. Donated property is recorded at its estimated fair value at the date of receipt. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Assets	Years
Vehicles	4-5

Depreciation expense totaled $34,016 and $29,550 for the years ended December 31, 2008 and 2007, respectively.

WELLS COUNTY COUNCIL ON AGING, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

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

Property and equipment (Continued) -

The carrying value of long-lived and intangible assets is reviewed annually to determine if facts and circumstances suggest that the assets may be impaired or that the useful life may need to be changed. The Organization considers internal and external factors relating to each asset in making this determination. If these factors and the projected undiscounted cash flows of the business over the remaining useful life indicate that the asset will not be recoverable, the carrying value will be adjusted to the estimated fair value.

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 estimated.

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.

Donated equipment – The Organization reports gifts of equipment and other capital items as unrestricted unless explicit donor stipulations specify how the donated assets must be used. If such stipulations are made, the assets are recorded as restricted until the stipulation is met. Gifts are recorded at fair market value when received.

WELLS COUNTY COUNCIL ON AGING, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

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

Accounts receivable - Accounts receivable are due from government and other significant funding sources. Based upon 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, 2008 and 2007 was $685 and $331, respectively.

Note 2: Credit risk and concentrations - The Organization maintains its cash accounts at local banks. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. At December 31, 2008, the deposits were fully insured.

The Organization receives a significant amount of its funding from the federal government. A substantial reduction in the level of this support, if it were to occur, may have an effect on the Organization's programs and activities.

Note 3: Investments - The Organization's investments at December 31, 2008 and 2007 are summarized as follows:

	2008	2007
Certificates of Deposit	$24,333	$23,434
	=======	=======
H H Series United States Treasury Bonds maturing in 2018	$ 4,000	$ 4,000
	=======	=======

Note 4: Bank line of credit - The Organization has a $100,000 revolving bank line of credit that is due on demand. At December 31, 2008 and 2007 there was $0 borrowed against this line. Interest varies at the Bank's prime rate, which was 3.25% and 7.25% at December 31, 2008 and 2007, respectively, and is payable monthly. The line of credit is secured by substantially all of the Organization's assets.

Note 5: In-kind contributions – Operating facilities for the Organization are provided by Wells County, Indiana at a charge of $1 per year. The fair rental value of the facility, in the amount of $13,500, is included in in-kind contributions for the years ended December 31, 2008 and 2007.

Note 6: Funds received from other government funding -

Wells County -	
Senior transportation	$18,000
General and administrative	8,412
WOW	26,588
Other local government grants -	
WOW	2,000
Total other government funding	$55,000

Note 7: Change in basis of accounting – In previous years, the Organization prepared its financial statements using the modified cash basis of accounting. Since some of those principles differed from the principles used for accrual basis reporting, the Organization did not record the accrual for payroll and payroll taxes. In 2008, the Organization adopted the accrual basis of accounting as the basis for its financial statements. The 2007 financial statements have been restated to conform with the new basis of accounting. As a result of the differences described previously in this footnote between the modified cash basis and the accrual basis of accounting, net assets at the beginning of 2007 are $8,673 lower, change in net assets for 2007 is $1,795 lower, and net assets at the end of 2007 are $10,468 lower than the amounts previously reported.

Note 8: Correction of an error – In prior years, the Organization did not record vans received from the Indiana Department of Transportation (INDOT). The value of the receipt of the vans is considered to be a temporarily restricted grant. Each year the van is utilized by the Organization, a portion of the restriction is released to unrestricted activities. Corresponding depreciation expense equal to the released restrictions is recorded in the unrestricted program expenses. Vans received prior to January 1, 2007 were restated to the temporarily restricted net assets at their net book value of $53,434. The 2007 statement of activities has been restated to include two vans received along with the depreciation.

WELLS COUNTY COUNCIL ON AGING, INC.

STATEMENT OF PROGRAM EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2008

	Title III Trans-portation	Locally-Funded Homemaker	SSBG Homemaker	Private Pay Homemaker	Other Trans-portation	Handyman	Total 2008	Total Restated 2007
Salaries	$ 140,385	$ 3,152	$ 2,123	$ 2,123	$ 63,924	$ 597	$212,304	$188,093
Payroll taxes	11,220	248	170	170	5,108	48	16,964	14,297
Unemployment benefits	1,400	31	21	21	637	6	2,116	627
Education and training	1,106	25	17	17	504	5	1,674	1,572
Equipment	3,470	77	52	52	1,580	15	5,246	4,577
Insurance	19,246	426	291	291	8,761	82	29,097	26,926
Landscaping	2,597	57	39	39	1,182	11	3,925	3,720
Miscellaneous	306	7	5	5	140	1	464	277
Postage	537	12	8	8	244	2	811	699
Printing	662	15	10	10	302	3	1,002	277
Rent	8,038	178	121	121	3,658	34	12,150	12,150
Repairs and maintenance	512	11	8	8	233	2	774	746
Supplies	1,303	29	20	20	594	6	1,972	1,928
Telephone	3,487	77	53	53	1,588	15	5,273	2,842
Travel and entertainment	1,475	33	22	22	671	6	2,229	1,615
Utilities	3,744	83	57	57	1,704	16	5,661	5,454
Vehicle expense	41,473	918	627	627	18,878	176	62,699	53,103
Depreciation	22,493	505	340	340	10,242	96	34,016	29,550
Total	$ 263,454	$ 5,884	$ 3,984	$ 3,984	$ 119,950	$ 1,121	$398,377	$348,453

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

WELLS COUNTY COUNCIL ON AGING, INC.

SCHEDULE OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2008

Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Amount
FTA - Public Mass Transportation Fund	Passed through Indiana Department of Transportation	20.509	$184,515
HHS - Older Americans	Passed through Aging and In-Home Services of Northeast Indiana	93.044	29,559
FTA - Capital Assistance Program for elderly persons and persons with disabilities	Passed through Indiana Department of Transportation	20.513	96,000
FTA - Capital Assistance Program for elderly persons and persons with disabilities	Passed through Indiana Family & Social Services Administration	20.513	24,000
			$334,074

Notes To Schedule:

1. This schedule includes the federal awards activity of Wells County Council on Aging, Inc. and is presented on the accrual basis of accounting.

2. Of the federal expenditures presented in this schedule, Wells County Council on Aging, Inc. provided no federal awards to subrecipients.

April 3, 2009

Board of Directors
Wells County Council on Aging, Inc.
225 West Water Street
Bluffton, Indiana 46714

In planning and performing our audit of the financial statements of Wells County Council on Aging, Inc. (the Organization) as of and for the year ended December 31, 2008, 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 segregation of duties exists with respect to cash transactions that results in inadequate control over cash receipts. The Executive Director prepares the deposit, records the deposit and reconciles the bank account. We recommend that a second person be involved with the preparation of the deposit.

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. Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, results of operations, cash flows, and disclosures in the financial statements, in conformity with U.S. generally accepted accounting principles (GAAP). The Organization does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with GAAP. As such, management requested us to prepare a draft of the financial statements, including the related footnote disclosures. The outsourcing of these services is not unusual in organizations of your size and is a result of management's cost benefit decision to rely on our accounting expertise rather than incurring this internal resource cost.

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

April 3, 2009

To the Board of Directors
Wells County Council on Aging, Inc.

We have audited the financial statements of Wells County Council on Aging, Inc. for the year ended December 31, 2008, and have issued our report thereon dated April 3, 2009. Professional standards require that we provide you with the following information related to our audit.

<u>Our Responsibility under U.S. Generally Accepted Auditing Standards</u>

As stated in our engagement letter dated December 1, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

1. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

2. As part of our audit, we considered the internal control of Wells County Council on Aging, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

3. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to the Executive Director in our meeting about planning matters on December 18, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wells County Council on Aging, Inc. are described in Note 1 to the financial statements. In 2008, a new accounting policy was adopted. The Organization adopted the accrual basis of accounting. The 2007 financial statements were restated to reflect the adoption. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. The correcting entries are attached.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 3, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Wells County Council on Aging, Inc. 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

Enclosure