

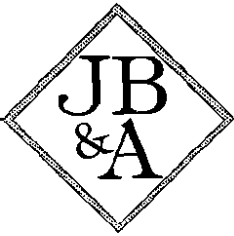
**BARBOUR COUNTY SENIOR CENTER, INC.**

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

**SEPTEMBER 30, 2008**

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
Statement of Financial Position	2
Statement of Activities	3
Schedule of Functional Expenses	4-5
Statement of Cash Flows	6
Notes to Financial Statements	7-12
<b>SUPPLEMENTAL INFORMATION</b>	
<b>INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION</b>	13
Schedule of Revenues and Support	14-15
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	16-17
<b>MANAGEMENT LETTER</b>	18



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 418 • BUCKHANNON, WV 26201 • (304) 472-3600 • FAX (304) 472-3601

## INDEPENDENT AUDITORS' REPORT


To the Board of Directors  
Barbour County Senior Center, Inc.  
Philippi, West Virginia

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2009, on our consideration of Barbour County Senior Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 should be considered in assessing the results of our audit.

  
Buckhannon, West Virginia  
February 20, 2009

**BARBOUR COUNTY SENIOR CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2008**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 249,008
Certificate of deposit	179,394
Investments	65,996
Accounts receivable, net	33,273
Grants receivable	49,567
	<hr/>

Total current assets 577,238

**Property and Equipment, net** 

---

407,682

**TOTAL ASSETS** 

---

**\$ 984,920**

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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 36,327
Accrued payroll and taxes	18,585
Accrued annual leave	14,910
	<hr/>

Total current liabilities 

---

69,822

**Net Assets**

Unrestricted 915,098

Temporarily restricted 

---

Total net assets 

---

915,098

**TOTAL LIABILITIES AND NET ASSETS** 

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**\$ 984,920**

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The accompanying notes are an integral part of this statement.

**BARBOUR COUNTY SENIOR CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Federal grant awards	\$ 348,599	\$	\$ 348,599
NSIP	32,154		32,154
State grant	463,642		463,642
Donations	126,114		126,114
Continuum of care fees	144,180		144,180
Medicaid waiver fees	266,818		266,818
Project income	212,665		212,665
Interest income	20,229		20,229
Other income	95,353		95,353
Net assets released from restrictions:			
Restrictions satisfied with lapse of time			
<b>Total Revenue and Support</b>	<b>1,709,754</b>		<b>1,709,754</b>
<b>EXPENSES</b>			
Program Services			
Title III-B	48,448		48,448
Title III-D	1,864		1,864
Title III-E	12,480		12,480
Fair	41,259		41,259
Title VII - Health Benefits Counseling	5,006		5,006
Title VII - Elder Abuse	359		359
Title III-C - Congregate	68,502		68,502
Title III-C - Home Delivered	247,069		247,069
Transportation	399,822		399,822
Community Care	111,968		111,968
Medicaid waiver	275,343		275,343
Lighthouse	79,610		79,610
Other programs	180,071		180,071
Support Services			
Mangement and General			
<b>Total Expenses</b>	<b>1,471,801</b>		<b>1,471,801</b>
<b>Change in Net Assets</b>	<b>237,953</b>		<b>237,953</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>677,145</b>		<b>677,145</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 915,098</b>	<b>\$</b>	<b>\$ 915,098</b>

The accompanying notes are an integral part of this statement.

**BARBOUR COUNTY SENIOR CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

FUNCTIONAL EXPENSES	Program Services								
	Title III-B	Title III-D	Title III-E	Fair	Title VII		Title III-C		Transportation
					HBCG	Elder Abuse	Congregate	Home Delivered	
Salaries and wages	\$ 29,665	\$ 790	\$ 6,042	\$ 27,569	\$ 4,000	\$	\$ 20,629	\$ 64,961	\$ 162,134
Fringe benefits	6,093	96	747	3,405			2,062	6,894	47,409
Travel	3,826		1,110	3,350					1,077
Printing and supplies									711
Other operating supplies									56,638
Rawfood							25,854	81,872	
Disposables							991	17,175	
Repairs and maintenance							1,167	3,696	14,770
Broad base providers tax									
Communications and utilities									3,435
Rent occupancy costs									7,592
Dues/subscriptions/training									959
Insurance									14,000
Other costs	1,399	778	3,061			359	8,173	25,882	13,929
Professional fees									
Transportation								19,377	225
Depreciation expense							4,556	11,156	36,490
Allocated indirect costs	<u>7,465</u>	<u>200</u>	<u>1,520</u>	<u>6,935</u>	<u>1,006</u>		<u>5,070</u>	<u>16,056</u>	<u>40,453</u>
<b>Total</b>	<b><u>\$ 48,448</u></b>	<b><u>\$ 1,864</u></b>	<b><u>\$ 12,480</u></b>	<b><u>\$ 41,259</u></b>	<b><u>\$ 5,006</u></b>	<b><u>\$ 359</u></b>	<b><u>\$ 68,502</u></b>	<b><u>\$ 247,069</u></b>	<b><u>\$ 399,822</u></b>

**BARBOUR COUNTY SENIOR CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Program Services</u>				<u>Support Services</u>		
	<u>Community Care</u>	<u>Medicaid Waiver</u>	<u>Lighthouse</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 64,976	\$ 175,561	\$ 50,412	\$ 17,289	\$ 624,028	\$ 91,826	\$ 715,854
Fringe benefits	12,538	27,828	6,618	4,650	118,340	31,295	149,635
Travel	9,397	26,590	9,898	6,199	61,447	257	61,704
Printing and supplies	891				1,602	1,582	3,184
Other operating supplies	276			52	56,966	4,351	61,317
Rawfood					107,726		107,726
Disposables					18,166		18,166
Repairs and maintenance				40,669	60,302	2,231	62,533
Broad base providers tax	79				79		79
Communications and utilities	84				3,519	15,254	18,773
Rent occupancy costs	930	930		16,740	26,192		26,192
Dues/subscriptions/training	861				1,820	140	1,960
Insurance					14,000	3,268	17,268
Other costs	5,747	270		83,324	142,922		142,922
Professional fees						3,682	3,682
Transportation					19,602		19,602
Depreciation expense				6,698	58,900	2,304	61,204
Allocated indirect costs	16,189	44,164	12,682	4,450	156,190	(156,190)	
<b>Total</b>	<b><u>\$ 111,968</u></b>	<b><u>\$ 275,343</u></b>	<b><u>\$ 79,610</u></b>	<b><u>\$ 180,071</u></b>	<b><u>\$ 1,471,801</u></b>	<b><u>\$</u></b>	<b><u>\$ 1,471,801</u></b>

The accompanying notes are an integral part of this statement.

**BARBOUR COUNTY SENIOR CENTER, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 237,953
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	61,204
Gain on sale of property	(186)
(Increase) decrease in operating assets:	
Accounts receivable	(3,004)
Grants receivable	63,129
Increase (decrease) in operating liabilities:	
Accounts payable	(8,057)
Accrued payroll	5,694
Accrued annual leave	2,966
	359,699
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>359,699</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sale of property	500
Investments	(46,986)
Investment in certificate of deposit	(6,552)
Capital expenditures	(144,541)
	(197,579)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(197,579)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

**NET CASH USED IN FINANCING ACTIVITIES**

<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	162,120
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	86,888
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 249,008</b>

The accompanying notes are an integral part of this statement.



**BARBOUR COUNTY SENIOR CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies**

Organization - The Barbour County Senior Center, Inc. is a nonstock corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax exempt organization under Internal Revenue Code Section 501(c)(3). In addition, the Center has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2008.

**Nature of Activities**

The Center was developed to improve the quality of life for senior citizens in Barbour County, West Virginia. The purpose is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement federal, state and local programs for the aging that no other agency is implementing.

**Basis of Accounting**

The financial statements of Barbour County Senior Center, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

**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.

The financial statement presentation also follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, Barbour County Senior Center, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Inventories**

The purchased inventories of raw food, materials and supplies are deemed immaterial and are accordingly expensed as purchased.

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Allowance for Doubtful Accounts**

The Organization uses an allowance method of accounting for bad debts. Management feels the accounts and grants receivable shown on the statement of financial position are fully collectible.

**Property and Equipment**

Fixed assets acquired by the Center are considered to be owned by the Center. However, Federal and State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal and State Funding sources have a reversionary interest in those assets purchased with its funds for the estimated useful life of the asset.

Property and equipment are carried at Cost or, if donated, at the approximate fair value at the date of donation. The Center follows the practice of capitalizing such assets over their estimated useful life if the recorded cost or fair value exceeds \$ 1,000.

Depreciation is computed using the straight-line method. In addition, all property and equipment purchased with grant monies must be used in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

**Federal Grants**

Grant Monies are received on an as need basis in which the Center 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 and Title VII grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next grant year, but if approval is denied, the money has to be reimbursed to the grantor.

Title III-C monies are received on a meal reimbursement basis, but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2008, were \$ 380,753 and \$ 463,642, respectively.

**Donated Services.**

The members of the Board of Directors receive no fees for performing their duties as members, officers, or special committee members. However, no revenues or expenses have been recognized in these financial statements in relation to such volunteer services.

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Donated Facilities**

The Center's administrative facilities are owned by the City of Philippi, Barbour County, West Virginia. The Nestorville, Union, and Mt. Liberty Satellite sites are owned by other nonprofit organizations. The Center has recorded \$37,200 for in kind rent for the year ended September 30, 2008.

**Leased Facilities**

On May 1, 1980, the Center signed a 99 year lease on the Belington Satellite Center. The Center must pay all property taxes, insurance and maintenance on this facility. Since a recent appraisal is not available, a fair rental value was unable to be calculated and recorded as donated services in these financial statements.

**Revenue and Support**

Barbour County Senior Center, Inc. receives its grant support primarily from the Upper Potomac Area Agency on Aging, Inc. (see Note 3 - Summary of Grant Funding). Support received from those grants is recognized on a "net funded" basis whereby the Federal and State Grant funding is recognized on a last-dollar-in basis. When using this basis, related expenses incurred are "netted" first by project income and local match in determining grant funds to be recognized. Barbour County Senior Center, Inc. receives client fee, Medicaid (Continuum of Care) income, and Medicaid Waiver income for billable client in home services and recognized these fees and income when earned.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**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 disclosure 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 these estimates.

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

**Note 2. Certificates of Deposit**

Three certificates of deposit totaling \$ 179,394 is included in the accompanying financial statements. The certificates have a maturity of one year, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**Note 3. Investments**

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Wesbanco Fund	\$ 28,116	\$ -0-	\$ 2,120	\$ 25,996
Real Estate	40,000	-0-	-0-	40,000
	-----	-----	-----	-----
	\$ 68,116	\$ -0-	\$ 2,120	\$ 65,996
	=====	=====	=====	=====

**Note 4. Accounts Receivable**

Accounts receivable at September 30, 2008, were as follows:

Medicaid Waiver/Continuum of Care	\$ 27,798
Project income	5,475
	-----
	33,273
Less: Allowance for uncollectible accounts	0
	-----
Total accounts receivable	\$ 33,273
	=====

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

**Note 5. Grants Receivable**

Grants receivable at September 30, 2008, were as follows:

Title III-C	\$ 1,806
Life	7,331
Transportation	27,068
FAIR	4,690
Lighthouse	8,672
	-----
Total grants receivable	\$ 49,567
	=====

**Note 6. Property and Equipment**

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

Equipment, furniture and fixtures	\$ 122,779
Vehicles	454,158
Leasehold improvements	233,339
Accumulated depreciation	(402,594)
	-----
Net property and equipment	\$ 407,682
	=====

**Note 7. Restrictions on Net Assets**

There are no restricted net assets at September 30, 2008.

**Note 8. Retirement Program**

The Center sponsors a defined contribution retirement plan whereby certain employees are eligible to be included in the Center's retirement program. The employee contributes 4.5% of his/her gross wages which is combined with 9.5% contributed by the Barbour County Senior Center, Inc.

The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program of \$ 22,754 are included in fringe benefits costs on the statement of functional expenses.

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

**Note 9. Concentrations**

The Center receives about 49 percent of its total support and revenue from various grants from the Federal and State governments.

In addition, the Center also receives about 24 percent of its total support and revenue from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

The Center maintains its cash balances with three financial institutions. The balance in one of these institutions at September 30, 2008 exceeded the \$ 100,000 FDIC insurance amount by \$ 140,405.

**Note 10. Trust Funds**

In December 1982, a trust indenture with Barbour County Community Foundation as trustee was created for the benefit of Barbour County Senior Center, Inc. The trust indenture cost basis at September 30, 2008 is \$ 45,729 and market value of \$ 40,419. The income derived from such trust is being deposited quarterly into the Organization's savings account to be used at their discretion.

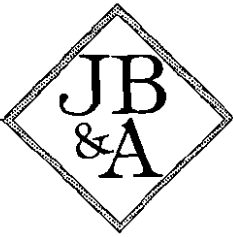
Earnings from this trust during the year totaled \$ 2,382 and is reflected as interest income on the Statement of Activities.

**Note 11. Contingent Liabilities**

In the normal course of operations, the Center receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the grant. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Center participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Center does not provide post retirement health benefits. However, PEIA shows a liability of \$ 10,790 at September 30, 2008 for post retirement benefits. The center does not expect to have to pay this liability.

## **SUPPLEMENTAL INFORMATION**



# JOHN BURDETTE & ASSOCIATES

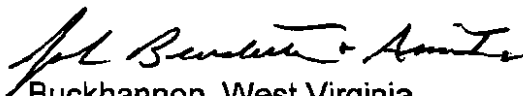
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors  
Barbour County Senior Center, Inc.  
Philippi, West Virginia

Our report on our audit of the basic financial statements of the Barbour County Senior Center, Inc. for the year ended September 30, 2008 appears on page 1. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of the purpose of forming an opinion of the basic financial statements taken as a whole. The schedule of revenues and support, is presented for purpose 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.

  
Buckhannon, West Virginia  
February 20, 2009



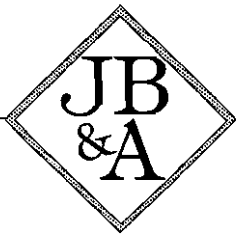
**BARBOUR COUNTY SENIOR CENTER, INC.  
SCHEDULE OF REVENUES AND SUPPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Title III-B	Title III-D	Title III-E	Fair	Title III-C	
					Congregate	Home Delivered
Federal financial assistance	\$ 20,180	\$ 1,455	\$ 9,187	\$	\$ 14,062	\$ 42,668
NSIP					7,170	24,984
State grant	20,184	86		68,705	8,001	20,001
State LIFE allocated	2,374	172	3,062		12,513	52,097
Donations	1,185	85				54,066
Continuum of care						
Medicaid waiver fees						
Project income	246				22,200	42,097
Interest income						
Other						
<b>Total Revenue and Support</b>	<b>44,169</b>	<b>1,798</b>	<b>12,249</b>	<b>68,705</b>	<b>63,946</b>	<b>235,913</b>
Functional Expenses	48,448	1,864	12,480	41,259	68,502	247,069
Capital Expenditures						
<b>Total Expenditures</b>	<b>48,448</b>	<b>1,864</b>	<b>12,480</b>	<b>41,259</b>	<b>68,502</b>	<b>247,069</b>
<b>Net Revenue (Expenditures)</b>	<b>\$ (4,279)</b>	<b>\$ (66)</b>	<b>\$ (231)</b>	<b>\$ 27,446</b>	<b>\$ (4,556)</b>	<b>\$ (11,156)</b>

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

<u>Transportation</u>	<u>Personal Care</u>	<u>Lighthouse</u>	<u>Direct LIFE</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$ 255,703	\$	\$	\$	\$ 5,344	\$ 348,599
		123,995	201,242	21,428	32,154
103,806	7,201		(201,242)	20,017	463,642
	144,180			70,778	126,114
	266,818				144,180
148,122					266,818
					212,665
				20,229	20,229
				95,353	95,353
<u>507,631</u>	<u>418,199</u>	<u>123,995</u>		<u>233,149</u>	<u>1,709,754</u>
399,822	387,311	79,610		185,436	1,471,801
98,183	1,668			44,690	144,541
<u>498,005</u>	<u>388,979</u>	<u>79,610</u>		<u>230,126</u>	<u>1,616,342</u>
<u>\$ 9,626</u>	<u>\$ 29,220</u>	<u>\$ 44,385</u>	<u>\$</u>	<u>\$ 3,023</u>	<u>\$ 93,412</u>

The independent auditors' report on supplemental information is an integral part 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  
Barbour County Senior Center, Inc.  
Philippi, West Virginia

We have audited the financial statements of Barbour County Senior Center, Inc. (a nonprofit organization) as of and for the year ended September 30, 2008, and have issued our report thereon dated February 20, 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 Barbour County Senior 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 Barbour County Senior Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Barbour County Senior 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.

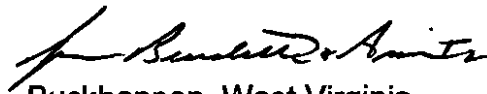
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

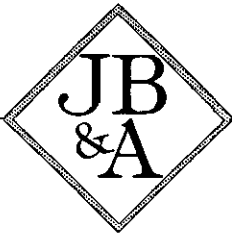
As part of obtaining reasonable assurance about whether Barbour County Senior Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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*.

We noted certain other matters that we reported to management of Barbour County Senior Center, Inc. in a separate letter dated February 20, 2009.

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  
February 20, 2009



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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## MANAGEMENT LETTER

To the Senior Management and  
The Board of Directors  
Barbour County Senior Center, Inc.  
Philippi, West Virginia

In planning and performing our audit of the financial statements of Barbour County Senior Center, Inc. for the year ended September 30, 2008 we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted a certain matter involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated February 20, 2009, on the financial statements of Barbour County Senior Center, Inc.

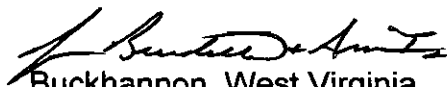
We will review the status of these comments during our next audit engagement. Our comments and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are as follows:

### **Segregation of Duties**

We noted that two employees are responsible for most accounting and financial duties. As a result, many aspects of the internal control which rely upon an adequate segregation of duties are, for all practical purposes, missing in Barbour County Senior Center, Inc. We recognize that the Organization has segregated financial duties as much as possible among its present staff and is not large enough to make the employment of additional people for the purpose of segregating duties practicable from a financial standpoint, but we are required, under our professional responsibilities to describe the situation.

We wish to thank the Director and her staff for their support and assistance during our audit.

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

  
Buckhannon, West Virginia  
February 20, 2009