

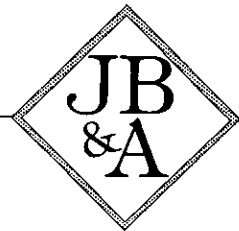
**PRESTON COUNTY SENIOR CITIZENS, INC.**

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

**SEPTEMBER 30, 2011**

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# 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  
Preston County Senior Citizens, Inc.  
Kingwood, West Virginia

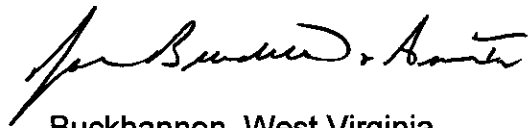
We have audited the accompanying statements of financial position of Preston County Senior Citizens, Inc. (a nonprofit organization) as of September 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility 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 Preston County Senior Citizens, Inc. as of September 30, 2011, 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 a report dated May 3, 2012, on our consideration of Preston County Senior Citizens, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Preston County Senior Citizens, Inc. taken as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U. S. Office Management and Budget Circular A-133, Audits of State, Local Government, and Non-Profit Organizations, and West Virginia Department of Health and Human Services, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Buckhannon, West Virginia  
May 3, 2012

**PRESTON COUNTY SENIOR CITIZENS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2011**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 510,792
Accounts receivable, net	207,593
Grants receivable	283,410
Prepaid expense	6,731
Inventory	<u>6,708</u>

Total current assets 1,015,234

**Property and Equipment, net** 2,154,942

**TOTAL ASSETS** \$ 3,170,176

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 385,181
Accrued payroll and taxes	<u>135,590</u>

Total current liabilities 520,771

**Net Assets**

Unrestricted 2,189,481

Temporarily restricted 459,924

Total net assets 2,649,405

**TOTAL LIABILITIES AND NET ASSETS** \$ 3,170,176

The accompanying notes are an integral part of this statement.

**PRESTON COUNTY SENIOR CITIZENS, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Federal grant awards	\$ 1,830,642	\$ -	\$ 1,830,642
State grant	708,482		708,482
Donations and match	171,615		171,615
Contractual/medicaid/sliding fee	232,338		232,338
Project income	85,140		85,140
Interest income	40		40
Other income	123,178		123,178
Net assets released from restrictions:			
Restrictions satisfied with lapse of time	141,758	(141,758)	-
<b>Total Revenue and Support</b>	<b>3,293,193</b>	<b>(141,758)</b>	<b>3,151,435</b>
<b>EXPENSES</b>			
Program Services			
Title III-B	87,269		87,269
Title III-D	2,601		2,601
Title III-E	18,703		18,703
Fair	55,931		55,931
Title V	1,288,830		1,288,830
Title VII - Elder Abuse	521		521
Title III-C - Congregate	107,631		107,631
Title III-C - Home Delivered	167,307		167,307
Transportation	1,072,391		1,072,391
Personal Care	169,575		169,575
LIFE	82,299		82,299
Lighthouse	167,879		167,879
Other programs	76,504		76,504
Support Services			
Mangement and General	-	-	-
<b>Total Expenses</b>	<b>3,297,441</b>	<b>-</b>	<b>3,297,441</b>
<b>Change in Net Assets</b>	<b>(4,248)</b>	<b>(141,758)</b>	<b>(146,006)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>2,193,729</b>	<b>601,682</b>	<b>2,795,411</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,189,481</b>	<b>\$ 459,924</b>	<b>\$ 2,649,405</b>

The accompanying notes are an integral part of this statement.

**PRESTON COUNTY SENIOR CITIZENS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**Program Services**

	Title II-B	Title II-D	Title III-E	Fair	Title V	Elder Abuse	Title III-C		
							Congregate	Home Delivered	Transportation
Salaries and wages	\$ 19,354	\$ 1,163	\$ 4,967	\$ 4,603	\$ 936,122	\$ -	\$ 14,611	\$ 30,545	\$ 278,959
Fringe benefits	14,476	774	3,302	3,427	124,960	-	9,103	14,852	100,203
Travel and transportation	210				2,750			1,582	260
Printing and supplies	131	664		60	1,468	521	1,992	2,370	557
Postage and shipping					11				
Rawfood							45,242	64,202	
Disposables							445	10,250	
Repairs and maintenance					1,000		1,814	313	49,826
Taxes, licenses and permits							126	174	270
Communications and utilities					1,931		2,725	1,135	20,254
Rent occupancy costs	600				10,174		6,852	9,048	2,236
Dues/subscriptions/training					3,066				393
Insurance							1,007	1,536	30,141
Other costs							3,830	1,724	16,382
Contractual services	47,622		8,973	46,454			3,180	4,560	6,913
Fuel and oil									84,647
Advertising							1,179		8,698
Depreciation expense									368,496
Allocated indirect costs	4,876		1,461	1,387	192,713		15,525	25,016	104,156
<b>Total</b>	<b>\$ 87,269</b>	<b>\$ 2,601</b>	<b>\$ 18,703</b>	<b>\$ 55,931</b>	<b>\$ 1,288,830</b>	<b>\$ 521</b>	<b>\$ 107,631</b>	<b>\$ 167,307</b>	<b>\$ 1,072,391</b>

**PRESTON COUNTY SENIOR CITIZENS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Program Services</u>				<u>Support Services</u>		
	Personal Care	LIFE	Lighthouse	Other Programs	Total Program Services	Management and General	Total
Salaries and wages	\$ 11,265	\$ 42,494	\$ 6,566	\$ 14,623	\$ 1,365,272	\$ 177,577	\$ 1,542,849
Fringe benefits	12,631	15,075	4,785	3,493	307,081	52,583	359,664
Travel				9,118	13,920	13,538	27,458
Printing and supplies	149		60	42	8,014	13,375	21,389
Postage and shipping					11	3,209	3,220
Rawfood					109,444		109,444
Disposables					10,695		10,695
Repairs and maintenance				126	53,079	27,034	80,113
Taxes, licenses and permits					570	337	907
Communications and utilities					26,045	19,098	45,143
Rent occupancy costs				690	29,600	828	30,428
Dues/subscriptions/training					3,459	2,245	5,704
Insurance		14,826			32,684	748	33,432
Other costs				41,794	78,556	28,510	107,066
Contractual services	142,813		154,515	6,433	413,723	5,118	418,841
Fuel and oil					92,387		92,387
Advertising					23,333	15,693	39,026
Depreciation expense					369,675		369,675
Allocated indirect costs	2,717	9,904	1,953	185	359,893	(359,893)	-
<b>Total</b>	<u>\$ 169,575</u>	<u>\$ 82,299</u>	<u>\$ 167,879</u>	<u>\$ 76,504</u>	<u>\$ 3,297,441</u>	<u>\$ -</u>	<u>\$ 3,297,441</u>

The accompanying notes are an integral part of this statement.



**PRESTON COUNTY SENIOR CITIZENS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (146,006)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	368,496
(Increase) decrease in operating assets:	
Accounts receivable	5,894
Grants receivable	(113,215)
Inventory	(2,684)
Prepaid expense	12,685
Increase (decrease) in operating liabilities:	
Accounts payable	21,370
Accrued payroll and taxes	548
	147,088
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>147,088</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditures	(52,538)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(52,538)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

**NET CASH USED IN FINANCING ACTIVITIES**

<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	94,550
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	416,242
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 510,792</b>

The accompanying notes are an integral part of this statement.

**PRESTON COUNTY SENIOR CITIZENS, INC.  
NOTES TO FINANCIAL STATEMENTS**

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

Organization - The Preston County Senior Citizens, 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 Organization 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 2011.

**Nature of Activities**

The Organization was developed to improve the quality of life for senior citizens in Preston 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 Preston County Senior Citizens, 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. 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. 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, Preston County Senior Citizens, 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**

Inventory is valued at the lower of cost or market using the first-in, first-out method.

**PRESTON COUNTY SENIOR CITIZENS, 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 Organization are considered to be owned by the Organization. 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 Organization follows the practice of capitalizing such assets over their estimated useful life if the recorded cost or fair value exceeds \$ 5,000.

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 a reimbursement basis in which the Organization requests monies based upon expenditures made; this is utilized for Title III-B, Title III-D, Title III-E, and Transit grants. Upon completion of a grant year, any unexpended grant funds has to be approved for carryover. Title V funds are received on an as need basis in which the Organization requests monies that it feels it will need in the immediate future. Any unexpended funds must be returned to 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, 2011, were \$ 1,830,642 and \$ 708,482, 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.

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

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

**Revenue and Support**

Preston County Senior Citizens, Inc. receives its grant support primarily from the Upper Potomac Area Agency on Aging, Inc. 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. Preston County Senior Citizens, 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.

**Note 2. Accounts Receivable**

Accounts receivable at September 30, 2011, were as follows:

Medicaid Waiver/Continuum of Care	\$ 26,115
General and indirect	181,478
	-----
	207,593
Less: Allowance for uncollectible accounts	0
	-----
Total accounts receivable	\$207,593
	=====

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

**Note 3. Grants Receivable**

Grants receivable at September 30, 2011, were as follows:

Title III-B	\$ 15,717
Title III-C	9,932
Title III-E	1,778
Life	50,523
Transportation	83,012
FAIR	7,115
Lighthouse	32,674
Title V	82,659
	-----
Total grants receivable	\$ 283,410
	=====

**Note 4. Property and Equipment**

Property and equipment consisted of the following at September 30, 2011:

Land and buildings	\$ 2,143,267
Vehicles	1,955,200
Equipment, furniture and fixtures	254,436
	-----
Accumulated depreciation	(2,197,961)
	-----
Net property and equipment	\$ 2,154,942
	=====

**Note 5. Restrictions on Net Assets**

Temporarily restricted net assets at September 30, 2011, consisted of assets in which federal and state funding agencies have a reversionary interest.

**Note 6. Retirement Program**

The Organization sponsors a defined contribution retirement plan whereby certain employees are eligible to be included in the Organization's retirement program. The employee contributes 4.5% of his/her gross wages which is combined with 10.5% contributed by the Preston County Senior Citizens, Inc.

The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program of \$ 62,351 are included in fringe benefits costs on the statement of functional expenses.

**PRESTONCOUNTY SENIOR CITIZENS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 7. Concentrations**

The Organization receives about 80 percent of its total support and revenue from various grants from the Federal and State governments.

**Note 8. Contingent Liabilities**

In the normal course of operations, the Organization 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.

**Note 9. Subsequent Events**

Management has evaluated subsequent events through May 3, 2012 the date on which the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

**PRESTON COUNTY SENIOR CITIZENS, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

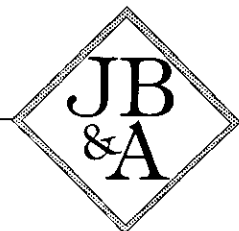
<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<b>U.S. Department of Transportation</b>		
Pass-through from WV Department of Transportation		
Public Transportation in Nonurban Area - 49 USC Sec. 5311	20.509	\$ 259,125
Public Transportation in Nonurban Area - 49 USC Sec. 5311-AARA	20.509	140,561
<b>U.S. Department of Health and Human Services</b>		
Pass-through from Upper Potomac Area Agency on Aging, Inc.		
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	47,875
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	111,235
Special Programs for the Aging - Title III, Part E - Cargiver	93.052	14,027
Special Programs for the Aging - Title III, Part D - Preventive Health Services/Medical Management	93.043	2,211
Special Programs for the Aging - Title VII, Elder Abuse Prevention	93.041	521
Health Benefits/SHIP	93.071	7,000
<b>U.S. Department of Labor</b>		
Pass-through from WV Bureau of Senior Services		
Title V - Senior Community Service Employment Program	17.235	1,081,930
Title V - Senior Community Service Employment Program - ARRA	17.235	157,413
<b>Department of Veterans Affairs</b>		
Veterans Medical Care Benefits	64.009	<u>8,744</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 1,830,642</u></u>

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards included in the federal grant activity of Preston County Senior Citizens, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The accompanying notes are an integral part of this schedule.





# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors  
Preston County Senior Citizens, Inc.  
Kingwood, West Virginia

Our report on our audit of the basic financial statements of the Preston County Senior Citizens, Inc. for the year ended September 30, 2011 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

May 3, 2012

**PRESTON COUNTY SENIOR CITIZENS, INC.  
SCHEDULE OF REVENUES AND SUPPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Title III-B	Title III-D	Title III-E	Fair	Title III-C	
					Congregate	Home Delivered
Federal financial assistance	\$ 47,875	\$ 2,211	\$ 14,027	\$ -	\$ 42,897	\$ 68,338
State grant	33,762	130		47,662	25,916	42,283
State LIFE allocated	5,632	260	4,676		4,380	4,806
Donations and match						
Contractual/medicaid/sliding fee				9,143		
Project income					37,045	48,095
Interest income						
Other						
<b>Total Revenue and Support</b>	<b>87,269</b>	<b>2,601</b>	<b>18,703</b>	<b>56,805</b>	<b>110,238</b>	<b>163,522</b>
Functional Expenses	87,269	2,601	18,703	55,931	107,631	167,307
Depreciation					(1,179)	
Capital Expenditures						
<b>Total Expenditures</b>	<b>87,269</b>	<b>2,601</b>	<b>18,703</b>	<b>55,931</b>	<b>106,452</b>	<b>167,307</b>
<b>Net Revenue (Expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 874</b>	<b>\$ 3,786</b>	<b>\$ (3,785)</b>

**PRESTON COUNTY SENIOR CITIZENS, INC.  
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

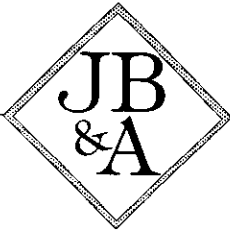
Title V	Transportation	Personal Care	Direct LIFE	Lighthouse	Other	Total (Memorandum Only)
\$ 1,239,343	\$ 399,686	\$ -	\$ -	\$ -	\$ 16,265	\$ 1,830,642
	168,407	-	215,299	150,273	24,750	708,482
	114,546		(134,300)			-
126,268	41,575				3,772	171,615
	4,716	196,732		21,747		232,338
					40	85,140
	32,142				91,035	40
<u>1,365,611</u>	<u>761,072</u>	<u>196,732</u>	<u>80,999</u>	<u>172,020</u>	<u>135,862</u>	<u>3,151,434</u>
1,288,830	1,072,391	169,575	82,299	167,879	77,025	3,297,441
	(368,496)					(369,675)
	35,000				16,300	51,300
<u>1,288,830</u>	<u>738,895</u>	<u>169,575</u>	<u>82,299</u>	<u>167,879</u>	<u>93,325</u>	<u>2,979,066</u>
<u>\$ 76,781</u>	<u>\$ 22,177</u>	<u>\$ 27,157</u>	<u>\$ (1,300)</u>	<u>\$ 4,141</u>	<u>\$ 42,537</u>	<u>\$ 172,368</u>

The independent auditors' report on supplemental information is an integral part of this schedule.

**PRESTON COUNTY SENIOR CITIZENS, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
Community Partnership Grant			\$ 24,750
Total Direct Programs			<u>24,750</u>
Pass through Awards			
IIIB State	June 30, 2011	21137	33,762
IIIC State	June 30, 2011		68,199
IIID	June 30, 2011	21137	130
LIFE	June 30, 2012	21204	71,956
LIFE	June 30, 2011	21104	143,343
Lighthouse	June 30, 2012	21251	44,693
Lighthouse	June 30, 2011	21151	105,580
FAIR	June 30, 2012	21251	9,744
FAIR	June 30, 2011	21051	37,918
Division of Public Transit	June 30, 2012	State 12	44,230
Division of Public Transit	June 30, 2011	State 11	<u>124,177</u>
Total pass-through awards			<u>683,732</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u><u>\$ 708,482</u></u>

The independent auditors' report on supplemental information is an integral part of this schedule.



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## **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  
Preston County Senior Citizens, Inc.  
Kingwood, West Virginia

We have audited the financial statements of Preston County Senior Citizens, Inc. (a nonprofit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated May 3, 2012. 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 Preston County Senior Citizens, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Preston County Senior Citizens, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

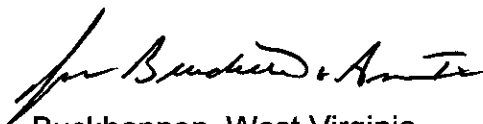
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designated to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

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.

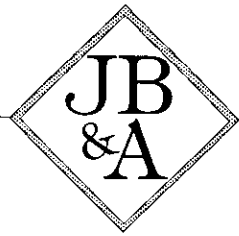
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Preston County Senior Citizens, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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  
May 3, 2012



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
Preston County Senior Citizens, Inc.  
Kingwood, West Virginia

### **Compliance**

We have audited Preston County Senior Citizens, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct material effect on each of Preston County Senior Citizens, Inc.'s major federal programs for the year ended September 30, 2011. Preston County Senior Citizens, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Preston County Senior Citizens, Inc.'s management. Our responsibility is to express an opinion on Preston County Senior Citizens, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Preston County Senior Citizens, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Preston County Senior Citizens, Inc.'s compliance with those requirements.

In our opinion, Preston County Senior Citizens, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2011.

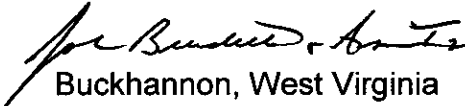
## Internal Control Over Compliance

Management of Preston County Senior Citizens, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Preston County Senior Citizens, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Preston County Senior Citizens, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization 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  
May 3, 2012



**PRESTON COUNTY SENIOR CITIZENS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**Section 1 - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? \_\_\_ yes  X  no

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ yes  X  no

Noncompliance material to financial statements noted? \_\_\_ yes  X  no

**Federal Awards**

Internal control over major programs?

Material weakness identified? \_\_\_ yes  X  no

Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ yes  X  none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_ yes  X  none reported

Identification of major programs?

<u>CFDA Number</u>	<u>Name of Federal Program Cluster</u>
17.235	Title V
20.509	Public Transportation

Dollar threshold used to distinguish between type A and type B programs:  \$ 300,000

Auditee qualified as low-risk auditee? \_\_\_ yes  X  no

**Section II - Financial Statement Findings**

None

**Section III - Federal Awards Findings and Questioned Costs**

None

The accompanying notes are an integral part of this schedule.