

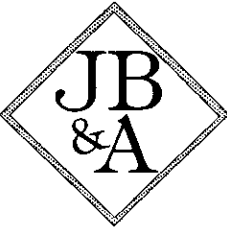
BARBOUR COUNTY SENIOR CENTER, INC.

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

SEPTEMBER 30, 2010

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	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
SUPPLEMENTAL INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION	13
Schedule of Revenues, Support and Expenditures	14-15
Schedule of Expenditures of State Awards	16
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>	17-18
MANAGEMENT LETTER	19



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

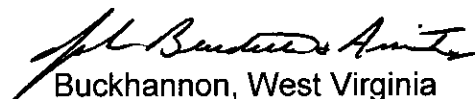
To the Board of Directors
Barbour County Senior Center, Inc.
Philippi, West Virginia

We have audited the accompanying statements of financial position of Barbour County Senior Center, Inc. (a nonprofit organization) as of September 30, 2010, 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Barbour County Senior Center, Inc. as of September 30, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 24, 2011, on our consideration of Barbour County Senior Center, 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.


Buckhannon, West Virginia
February 24, 2011

BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010

ASSETS

Current Assets

Cash and cash equivalents	\$ 372,591
Certificate of deposit	158,685
Investments	72,291
Accounts receivable, net	43,912
Grants receivable	<u>35,186</u>

Total current assets 682,665

Property and Equipment, net 493,539

TOTAL ASSETS \$ 1,176,204

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 46,578
Accrued payroll and taxes	28,685
Accrued annual leave	19,104
Deferred revenue	<u>3,012</u>

Total current liabilities 97,379

Net Assets

Unrestricted	1,034,551
Permanently restricted	<u>44,274</u>
Total net assets	<u>1,078,825</u>

TOTAL LIABILITIES AND NET ASSETS \$ 1,176,204

The accompanying notes are an integral part of this statement.

BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Unrestricted	Permanently Restricted	Total
REVENUE AND SUPPORT			
Federal grant awards	\$ 418,426	\$	\$ 418,426
State grant	436,203		436,203
Donations	125,482		125,482
Continuum of care fees	195,088		195,088
Medicaid waiver fees	348,828		348,828
Project income	94,704		94,704
Interest income	10,729		10,729
Other income	47,013	3,424	50,437
Net assets released from restrictions:			
Restrictions satisfied with lapse of time			
Total Revenue and Support	1,676,473	3,424	1,679,897
EXPENSES			
Program Services			
Title III-B	49,287		49,287
Title III-D	1,497		1,497
Title III-E	12,379		12,379
Fair	41,663		41,663
Title III-C - Congregate	55,713		55,713
Title III-C - Home Delivered	285,881		285,881
Transportation	481,691		481,691
Community Care	177,180		177,180
Medicaid waiver	364,554		364,554
Lighthouse	71,401		71,401
Other programs	136,465		136,465
Support Services			
Management and General			
Total Expenses	1,677,711		1,677,711
Change in Net Assets	(1,238)	3,424	2,186
NET ASSETS AT BEGINNING OF YEAR	1,035,789	40,850	1,076,639
NET ASSETS AT END OF YEAR	\$ 1,034,551	\$ 44,274	\$ 1,078,825

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, 2010**

Program Services

	Title III-B	Title III-D	Title III-E	Fair	Title III-C		Transportation
					Congregate	Home Delivered	
FUNCTIONAL EXPENSES							
Salaries and wages	\$ 29,449	691	\$ 6,315	\$ 28,695	\$ 20,172	\$ 85,994	\$ 183,857
Fringe benefits	5,336	124	913	3,867	2,676	11,409	53,820
Travel	4,334		599	2,706			907
Printing and supplies							619
Other operating supplies							42,925
Rawfood					17,384	86,148	
Disposables					566	21,233	
Repairs and maintenance					494	1,976	16,259
Broad base providers tax							
Communications and utilities							5,516
Rent occupancy costs							6,250
Dues/subscriptions/training							455
Insurance							14,000
Other costs	3,324	528	3,144		8,556	30,865	13,481
Professional fees						25,569	1,011
Transportation					1,369	3,522	101,669
Depreciation expense							
Allocated indirect costs	6,844	154	1,408	6,395	4,496	19,165	40,922
Total	\$ 49,287	\$ 1,497	\$ 12,379	\$ 41,663	\$ 55,713	\$ 285,881	\$ 481,691

**BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Program Services</u>				<u>Support Services</u>		<u>Total</u>
	<u>Community Care</u>	<u>Medicaid Waiver</u>	<u>Lighthouse</u>	<u>Other Programs</u>	<u>Management and General</u>	<u>Program Services</u>	
Salaries and wages	\$ 110,264	\$ 237,301	\$ 44,509	\$ 32,102	\$ 99,495	\$ 779,349	\$ 878,844
Fringe benefits	16,435	40,239	6,035	6,839	34,791	147,693	182,484
Travel	16,555	33,196	10,937	8,027	140	77,261	77,401
Printing and supplies	264				1,426	883	2,309
Other operating supplies					6,993	42,925	49,918
Rawfood						103,532	103,532
Disposables						21,799	21,799
Repairs and maintenance				3,021	497	21,750	22,247
Broad base providers tax	21					21	21
Communications and utilities	276				19,173	5,792	24,965
Rent occupancy costs	930	930		16,740		24,850	24,850
Dues/subscriptions/training	620				185	1,075	1,260
Insurance					2,252	14,000	16,252
Other costs	7,596			53,883	2,226	121,377	123,603
Professional fees					6,249	1,011	7,260
Transportation						25,569	25,569
Depreciation expense				8,837		115,397	115,397
Allocated indirect costs	24,219	52,888	9,920	7,016	(173,427)	173,427	
Total	\$ 177,180	\$ 364,554	\$ 71,401	\$ 136,465	\$	\$ 1,677,711	\$ 1,677,711

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, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 2,186
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	115,397
(Increase) decrease in operating assets:	
Accounts receivable	2,142
Grants receivable	29,218
Increase (decrease) in operating liabilities:	
Accounts payable	(18,563)
Accrued payroll	6,947
Accrued annual leave	1,022
Deferred revenue	928
	139,277
NET CASH PROVIDED BY OPERATING ACTIVITIES	139,277

CASH FLOWS FROM INVESTING ACTIVITIES

Investments	(5,165)
Certificate of Deposits	(4,427)
Capital expenditures	(84,751)
	(94,343)
NET CASH USED IN INVESTING ACTIVITIES	(94,343)

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

NET INCREASE IN CASH AND CASH EQUIVALENTS	44,934
CASH AND CASH EQUIVALENTS, beginning of year	327,657
CASH AND CASH EQUIVALENTS, end of year	\$ 372,591

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 2010.

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. 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, 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 a reimbursement basis in which the Center requests monies based on expenditures made; this is utilized for Title III-B, Title III-D, Title III-E, Transit and Title VII grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next grant year.

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, 2010, were \$ 418,426 and \$ 436,203, 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, 2010.

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. 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 \$ 158,685 are 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 at September 30, 2010, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
BCCF-Barbour	\$ 15,477	\$ 1,980	\$ -0-	\$ 17,457
BCCF-Tenney	9,389	1,171	-0-	10,560
BCCF-Shaffer	39,330	4,944	-0-	44,274
	----- \$ 64,196 =====	----- \$ 8,095 =====	----- \$ -0- =====	----- \$ 72,291 =====

Note 4. Accounts Receivable

Accounts receivable at September 30, 2010, were as follows:

Medicaid Waiver/Continuum of Care	\$ 42,348
Project income	1,564
	----- 43,912
Less: Allowance for uncollectible accounts	0

Total accounts receivable	\$ 43,912 =====

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

Note 5. Grants Receivable

Grants receivable at September 30, 2010, were as follows:

Title III-B	\$	2,694
Title III-C		387
Title III-E		632
Life		14,885
Transportation		5,385
FAIR		4,627
Lighthouse		6,576

Total grants receivable	\$	35,186
		=====

Note 6. Property and Equipment

Property and equipment consisted of the following at September 30, 2010:

Equipment, furniture and fixtures	\$	189,899
Vehicles		587,002
Leasehold improvements		235,939
 Accumulated depreciation		 (519,301)

Net property and equipment	\$	493,539
		=====

Note 7. Restrictions on Net Assets

Permanently restricted net assets at September 30, 2010, consist of the BCCF Shaffer Trust which is an endowment fund.

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 \$ 26,760 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 47 percent of its total support and revenue from various grants from the Federal and State governments.

In addition, the Center also receives about 32 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 four financial institutions. The balance in these institutions at September 30, 2010 were covered by FDIC insurance.

Note 10. Contingent Liabilities

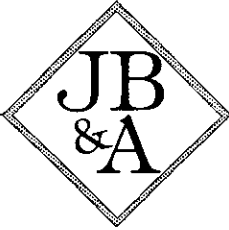
In the normal course of operations, the Center receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the grant. Any liability for reimbursement 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, and therefore there is no liability for such benefits.

Note 11. Subsequent Events

Management has evaluated subsequent event through February 24, 2011, the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

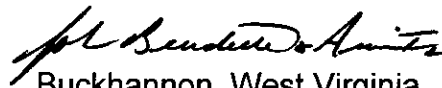
CERTIFIED PUBLIC ACCOUNTANTS

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
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, 2010 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, Support and Expenditures, and Schedule of Expenditures of State Awards, are 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 24, 2011

**BARBOUR COUNTY SENIOR CENTER, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Title III-B	Title III-D	Title III-E	Fair	Title III-C	
					Congregate	Home Delivered
Federal financial assistance	\$ 24,819	\$ 1,162	\$ 8,713	\$ -	\$ 26,654	\$ 125,046
State grant	19,709	84		54,320	3,764	19,125
State LIFE allocated	1,434	191	2,970		50,702	68,374
Donations	3,025	60	696			23,509
Continuum of care Medicaid waiver fees						
Project income	300			4,765	14,914	35,900
Interest income						
Other						
Total Revenue and Support	<u>49,287</u>	<u>1,497</u>	<u>12,379</u>	<u>59,085</u>	<u>96,034</u>	<u>271,954</u>
Functional Expenses	<u>49,287</u>	<u>1,497</u>	<u>12,379</u>	<u>41,663</u>	<u>55,713</u>	<u>285,881</u>
Net Revenue (Expenditures)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 17,422</u>	<u>\$ 40,321</u>	<u>\$ (13,927)</u>

BARBOUR COUNTY SENIOR CENTER, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

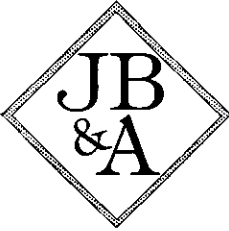
<u>Transportation</u>	<u>Personal Care</u>	<u>Lighthouse</u>	<u>Direct LIFE</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$ 225,693	\$	\$	\$	\$ 6,339	\$ 418,426
31,833		87,650	204,718	15,000	436,203
66,099			(204,718)	14,948	
				98,192	125,482
	195,088				195,088
	348,828				348,828
33,018		5,807			94,704
				10,729	10,729
				50,437	50,437
<u>356,643</u>	<u>543,916</u>	<u>93,457</u>		<u>195,645</u>	<u>1,679,897</u>
<u>481,691</u>	<u>541,734</u>	<u>71,401</u>		<u>136,465</u>	<u>1,677,711</u>
<u>\$ (125,048)</u>	<u>\$ 2,182</u>	<u>\$ 22,056</u>	<u>\$</u>	<u>\$ 59,180</u>	<u>\$ 2,186</u>

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

**BARBOUR COUNTY SENIOR CENTER, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
			\$ 15,000
			<u>15,000</u>
Total Direct Programs			
			<u>15,000</u>
Pass through Awards			
Upper Potomac Area Agency on Aging			
IIIB State	June 30, 2010	21037	19,709
IIIC-1	June 30, 2010	2911	3,764
IIIC-2	June 30, 2010	2911	19,125
IIID	June 30, 2010	21037	84
LIFE	June 30, 2010	21004	145,716
LIFE	June 30, 2011	21104	59,002
Lighthouse	June 30, 2010	21051	67,450
Lighthouse	June 30, 2011	21151	20,200
FAIR	June 30, 2010	21051	37,485
FAIR	June 30, 2011	21151	16,835
Transit	June 30, 2010	WV-86-X001-01	26,000
Transit	June 30, 2011	WV-State- 10	5,833
			<u>421,203</u>
Total pass-through awards			
			<u>421,203</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 436,203</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
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, 2010, and have issued our report thereon dated February 24, 2011. 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 Barbour County Senior Center, 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.

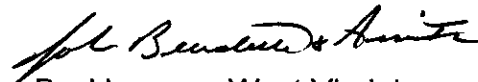
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designated to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

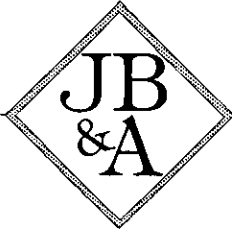
Compliance and Other Matters

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 24, 2011.

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-thru entities and is not intended to be and should not be used by anyone other than these specified parties.


Buckhannon, West Virginia
February 24, 2011



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

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, 2010 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 24, 2011, on the financial statements of Barbour County Senior Center, Inc.

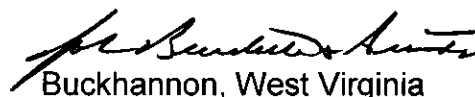
We will review the status of these comments during our next audit engagement. Our comments and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased 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 24, 2011