

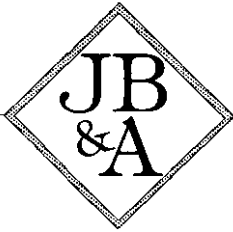
**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.**

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

**SEPTEMBER 30, 2011**

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4-5
Statement of Cash Flows	6
Notes to Financial Statements	7-11
<b>INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION</b>	<b>12</b>
Schedule of Revenues	13-14
Schedule of Expenditures of State Awards	15
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>16-17</b>
<b>MANAGEMENT LETTER</b>	<b>18-19</b>



# 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  
Braxton County Senior Citizens Center, Inc.  
Gassaway, West Virginia

We have audited the accompanying statements of financial position of Braxton County Senior Citizens Center, 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 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 Braxton County Senior Citizens Center, 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 auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2012, on our consideration of Braxton County Senior Citizens 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  
June 20, 2012

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

**ASSETS**

Cash and cash equivalents	\$ 604,344
Accounts receivable	576,613
Grants receivable	41,889
Prepaid expenses	<u>17,699</u>

Total current assets 1,240,545

**Property and equipment, net** 3,605,307

**TOTAL ASSETS** \$ 4,845,852

**LIABILITIES**

Current portion of long-term debt	\$ 78,863
Accounts payable	8,329
Accrued compensation	<u>81,018</u>

**TOTAL LIABILITIES** 168,210

**Long-Term Debt** 1,130,111

**NET ASSETS, unrestricted** 3,547,531

**TOTAL LIABILITIES AND NET ASSETS** \$ 4,845,852

The accompanying notes are an integral part of this statement.

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

<b>SUPPORT</b>	<b>UNRESTRICTED</b>
Grants	
Federal monies	\$ 225,277
State monies	376,693
Program service fees	2,740,958
Local monies	10,000
Program Income	38,186
Interest Income	1,007
Other	23,759
	<u>3,415,880</u>
<b>TOTAL SUPPORT</b>	<b>3,415,880</b>
<b>EXPENSES</b>	
Program services	2,827,335
Support services	244,163
	<u>3,071,498</u>
<b>TOTAL EXPENSES</b>	<b>3,071,498</b>
<b>INCREASE IN NET ASSETS</b>	<b>344,382</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>3,203,149</b>
	<u>3,203,149</u>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 3,547,531</b>
	<u>3,547,531</u>

The accompanying notes are an integral part of this statement.

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

	Program Services						
FUNCTIONAL EXPENSES	Community Care/ Medicaid Waiver	LIFE Program	Title IIIB	Title IIIC C-1	Title IIIC C-2	Lighthouse	Title IIID
Personnel/manpower	\$ 1,736,925	\$ 76,719	\$ 54,568	\$ 44,191	\$ 49,646	\$ 86,873	\$ 1,113
Contractual services	224,212	250	292	214	161	214	50
Travel	157,903	1,536	164	154	430	275	
Printing and supplies	8,233	20,807	201	1,815	95	1,079	46
Rawfood				16,537	15,678		
Disposables				1,285	6,272		
Conferences and training	952	182	112	48	150	76	
Transportation	11,905		21,236		5,664		
Communications and utilities	27,876	4,664	1,423	14,199	1,106	2,688	42
Medical supplies	3,007	434				504	
Fundraising							
Other	1,428	17,860	103	13,092			681
Medicaid taxes							
Insurance	13,119	7,614	1,520			1,902	
Depreciation							
Repairs & maintenance	4,730	5,742	1,233	3,379	2,315	71	22
Interest							
<b>Total Functional Expenses</b>	<b><u>\$ 2,190,290</u></b>	<b><u>\$ 135,808</u></b>	<b><u>\$ 80,852</u></b>	<b><u>\$ 94,914</u></b>	<b><u>\$ 81,517</u></b>	<b><u>\$ 93,682</u></b>	<b><u>\$ 1,954</u></b>

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

	Program Services				Total Program Services	Support Services	Total all Accounts (Memorandum Only)
	Title IIIE	Insurance Benefits	Veterans Care	FAIR		Management & General	
<b>FUNCTIONAL EXPENSES</b>							
Personnel/manpower	\$ 11,706	\$ 8,708	\$ 58,283	\$ 53,473	\$ 2,182,205	\$ 2,354	\$ 2,184,559
Contractual services	50		164	162	225,769	5	225,774
Travel	6	216	114	152	160,950		160,950
Printing and supplies	177	100	924	786	34,263		34,263
Rawfood					32,215		32,215
Disposables					7,557		7,557
Conferences and training	12	3	57	36	1,628		1,628
Transportation					38,805		38,805
Communications and utilities	565	856	2,208	1,869	57,496		57,496
Medical supplies	225		464	239	4,873		4,873
Fundraising Other	2,389				35,553	2,461	38,014
Medicaid taxes							.
Insurance		470	1,874	1,874	28,373		28,373
Depreciation						139,716	139,716
Repairs & maintenance		22	67	67	17,648	4,675	22,323
Interest						94,952	94,952
<b>Total Functional Expenses</b>	<b><u>\$ 15,130</u></b>	<b><u>\$ 10,375</u></b>	<b><u>\$ 64,155</u></b>	<b><u>\$ 58,658</u></b>	<b><u>\$ 2,827,335</u></b>	<b><u>\$ 244,163</u></b>	<b><u>\$ 3,071,498</u></b>

The accompanying notes are an integral part of this statement.

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

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Increase in net assets	\$ 344,382
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	139,716
(Increase) decrease in operating assets:	
Accounts receivable	(259,740)
Grants receivable	26,111
Prepaid expenses	(1,349)
Increase (decrease) in operating liabilities:	
Accounts payable	(7,076)
Accrued compensation	(391)
	<u>241,653</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of property and equipment	<u>(21,267)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(21,267)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Re-Payment of long-term debt	<u>(101,050)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(101,050)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	119,336
<b>CASH AND CASH EQUIVALENTS, beginning</b>	<u>485,008</u>
<b>CASH AND CASH EQUIVALENTS, ending</b>	<u><u>\$ 604,344</u></u>
<b>Supplemental Disclosure:</b>	
Interest paid	<u><u>\$ 94,952</u></u>

The accompanying notes are an integral part of this statement.



**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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

Braxton County Senior Citizens Center, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Braxton County, West Virginia. The purpose of the Organization is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for the seniors, to conduct programs of public education on the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

This summary of significant accounting policies of the Braxton County Senior Citizens Center, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of the management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosures 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.

**Grants Receivable**

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets. The Organization uses the allowance method to determine uncollectible contributions/grants receivable. As of September 30, 2011, all grants receivable are deemed collectible.

**Accounts Receivable**

Accounts receivable represent amounts owed the Organization for services it provided under the West Virginia Department of Health and Human Resources – Medicaid Waiver and Community Care Programs. In addition, the Organization uses the allowance method for accounting for bad debts whereby an allowance for doubtful accounts is established based on the realization of the accounts receivable at year end. As of September 30, 2011, the allowance for doubtful accounts is \$30,171.

**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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

**Property and Equipment**

Property and equipment of the Organization is recorded at historical cost and all donated property and equipment at fair market value. The Organization uses the straight line method of depreciating fixed assets over their estimated useful lives. All equipment purchased with grant monies as identified on the statement of financial position must have approval from the grantor agency to dispose of such equipment and the method of disposition. The Organization has adopted a capitalization policy in the amount of \$ 1,000.

**Income Taxes**

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501 (c)(3).

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are generally subject to examination by the Internal Revenue Service for three years after they are filed.

**Grant Monies**

Grant monies are received in two ways:

- 1- On a cost reimbursement basis for which the Organization request reimbursement for monies already spent. This is utilized for the Title III-B, Title III-D, Title III-E, Insurance Benefits, Medication Management and LIFE program grant.
- 2- 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 unexpended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2011 was \$ 601,970.

Operating expenditures made against federal and state grants are subject to audit by the grantor agency. These agencies may subsequently make adjustments to the grant as originally awarded due to their audit findings.

All federal monies received and net assets are restricted for use in those programs sponsored by the federal grants.

**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

**Memorandum Totals**

The accompanying financial statements reflect totals of all net assets and activities. The totals are shown for memorandum purposes only and do not reflect the elimination of interagency activities using principles of consolidation.

**Note 2. Grants Receivable**

Grants receivable consisted of the following at September 30, 2011:

FAIR	\$10,143
Title III-C monies	1,787
LIFE Grant	9,100
Lighthouse	19,240
Title III-E	1,619
	-----
	<b>\$ 41,889</b>
	=====

**Note 3. Property and Equipment, net**

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

Land	\$ 485,152
Building	3,281,160
Vehicles	351,205
Equipment	123,642
	-----
	4,241,159
Less accumulated depreciation	635,852
	-----
Net property and equipment	<b>\$ 3,605,307</b>
	=====

**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**Note 4. Support Concentration**

The Braxton County Senior Citizens Center, Inc. receives approximately 64% of its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

**Note 5. Concentration of Credit Risk**

The Organization does business with one financial institution. The cash balance in the financial institution was over the federally insured amount of \$ 250,000. The balance on September 30, 2011 with this institution was \$ 454,551 of which only \$ 250,000 was insured by FDIC.

**Note 6. Long-Term Debt**

Long-term debt consists of the following as of September 30, 2011

Bank of Gassaway

7.50% installment note maturing 1/20/23, monthly payments of \$ 13,905.18 secured by real estate.	\$ 1,208,974
Less: current portion	78,863
Noncurrent portion	\$ <u>1,130,111</u>

Scheduled maturities at September 30, 2011 are as follows:

September 30, 2012	\$ 78,863
2013	84,986
2014	91,583
2015	98,693
2016	106,355
Thereafter	748,494
	-----
	\$ <u>1,208,974</u>

**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**Note 7. Subsequent Events**

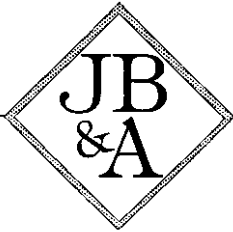
Management has evaluated subsequent events through June 20, 2012, the date which the financial statements were available to be issued.

**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 precedent to the granting funds. 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 Organization does not provide post retirement health benefits. However, PEIA shows a liability of \$174,129 at September 30, 2011 for post retirement benefits. The Organization does not expect to have to pay this liability.

## **ADDITIONAL INFORMATION**



# JOHN BURDETTE & ASSOCIATES

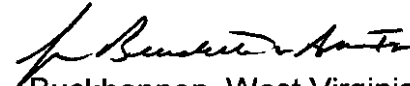
CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors  
Braxton County Senior Citizens Center, Inc.  
Gassaway, West Virginia

Our report on our audit of the basic financial statements of the Braxton County Senior Citizens Center, Inc. for the year ended September 30, 2011 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contain in *Government Auditing Standards*, issued by the Comptroller General of the United States, for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of revenues is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the 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  
June 20, 2012

**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.**  
**SCHEDULE OF REVENUES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Community Care/ Medicaid Waiver</u>	<u>Direct LIFE Program</u>	<u>Other Programs</u>	<u>Title IIIB</u>	<u>FAIR</u>	<u>Lighthouse</u>
<b>GRANT REVENUES</b>						
Federal monies	\$	\$	\$ 19,395	\$ 29,439	\$	\$
State monies		180,142	20,000	19,854	53,044	101,879
State LIFE allocated		(17,798)		13,679		
Total Grant Revenues		<u>162,344</u>	<u>39,395</u>	<u>62,972</u>	<u>53,044</u>	<u>101,879</u>
<b>OTHER REVENUES</b>						
Program service fees	2,730,764				3,231	6,963
Local monies						
Program income				4,502		
Interest income			1,007			
Other			23,759			
Total Other Revenues	<u>2,730,764</u>		<u>24,766</u>	<u>4,502</u>	<u>3,231</u>	<u>6,963</u>
<b>Total Revenues</b>	<u>\$ 2,730,764</u>	<u>\$ 162,344</u>	<u>\$ 64,161</u>	<u>\$ 67,474</u>	<u>\$ 56,275</u>	<u>\$ 108,842</u>



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

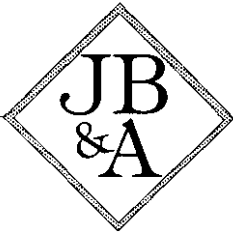
<u>Title IIIC C-1</u>	<u>Title IIIC C-2</u>	<u>Title IIID</u>	<u>Title IIIE</u>	<u>Insurance Benefits</u>	<u>Veterans Care</u>	<u>Total all Accounts (Memorandum Only)</u>
\$ 49,018	\$ 52,237	\$ 1,489	\$ 9,102	\$ 2,500	\$ 62,097	\$ 225,277
		465	1,774			376,693
<u>49,018</u>	<u>52,237</u>	<u>1,954</u>	<u>14,530</u>	<u>2,500</u>	<u>62,097</u>	<u>601,970</u>
3,447	6,553					2,740,958
22,601	10,483		600			10,000
						38,186
						1,007
						<u>23,759</u>
<u>26,048</u>	<u>17,036</u>		<u>600</u>			<u>2,813,910</u>
<u>\$ 75,066</u>	<u>\$ 69,273</u>	<u>\$ 1,954</u>	<u>\$ 15,130</u>	<u>\$ 2,500</u>	<u>\$ 62,097</u>	<u>\$ 3,415,880</u>

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

**BRAXTON COUNTY SENIOR CITIZENS CENTER, 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:			
WV Bureau of Senior Services			
Community Partnership Grants			\$ 20,000
Total Direct Programs			<u>20,000</u>
Pass through Awards			
Appalachian Area Agency on Aging			
IIIB State	June 30, 2011	2937	19,854
IIIE	June 30, 2011	2911	1,774
LIFE	June 30, 2012	21204	39,830
LIFE	June 30, 2011	21104	140,312
Lighthouse	June 30, 2012	21205	27,844
Lighthouse	June 30, 2011	21105	74,035
FAIR	June 30, 2012	21205	14,791
FAIR	June 30, 2011	21105	<u>38,253</u>
Total pass-through awards			<u>356,693</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u><u>\$ 376,693</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  
Braxton County Senior Citizens Center, Inc.  
Gassaway, West Virginia

We have audited the financial statements of Braxton County Senior Citizens Center, Inc. (a nonprofit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated June 20, 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 Braxton County Senior Citizens 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 Braxton County Senior Citizens 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.

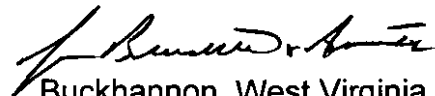
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designated to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

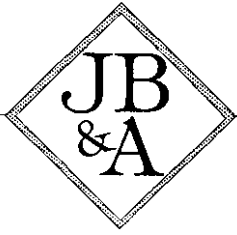
## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Braxton County Senior Citizens 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 Braxton County Senior Citizens Center, Inc. in a separate letter dated June 20, 2012.

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  
June 20, 2012



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## MANAGEMENT LETTER

To the Board of Directors  
and Senior Management  
Braxton County Senior Citizens Center, Inc.  
Gassaway, West Virginia

In planning and performing our audit of the financial statements of Braxton County Senior Citizens Center, Inc. for the year ended September 30, 2011, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Organization'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 organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter dated June 20, 2012 contains our communication of significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated June 20, 2012, on the financial statements of Braxton County Senior Citizens Center, Inc.

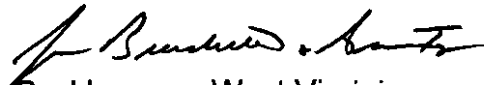
We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

### **Organizational Structure**

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

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

This report is intended solely for the information and use of management, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

  
Buckhannon, West Virginia  
June 20, 2012