

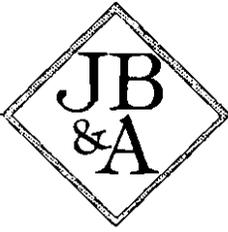
BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.

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

SEPTEMBER 30, 2008

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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

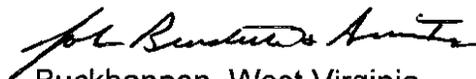
To Board of Directors
Braxton County Senior Citizens Center, Inc.
Gassaway, West Virginia

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Braxton County Senior Citizens Center, Inc. as of September 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with auditing standards generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, we have also issued a report dated June 16, 2009, 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 grants. 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 16, 2009

BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008

ASSETS

Cash and cash equivalents	\$ 216,236
Accounts receivable	325,222
Grants receivable	43,798
Prepaid expenses	<u>13,763</u>
Total current assets	599,019
Property and equipment, net	<u>3,727,495</u>
TOTAL ASSETS	<u>\$ 4,326,514</u>

LIABILITIES

Current portion of long-term debt	\$ 63,571
Accounts payable	32,914
Accrued compensation	<u>70,952</u>
TOTAL LIABILITIES	<u>167,437</u>
Long-Term Debt	<u>1,402,244</u>
NET ASSETS, unrestricted	<u>2,756,833</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,326,514</u>

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, 2008**

SUPPORT	UNRESTRICTED
Public support	\$ 6,568
Grants	
Federal monies	184,393
State monies	491,771
Program service fees	2,004,098
Local monies	11,869
Program Income	40,597
Interest Income	2,907
Fundraising	8,598
Other	4,326
Loss on sale of assets	<u>(160,209)</u>
TOTAL SUPPORT	<u>2,594,918</u>
EXPENSES	
Program services	2,286,733
Support services	<u>153,157</u>
TOTAL EXPENSES	<u>2,439,890</u>
INCREASE IN NET ASSETS	155,028
NET ASSETS, BEGINNING OF YEAR, RESTATED	<u>2,601,805</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,756,833</u></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, 2008**

Program Services

FUNCTIONAL EXPENSES	<u>Community Care/ Medicaid Waiver</u>	<u>LIFE Program</u>	<u>Title IIIB</u>	<u>Title IIIC C-1</u>	<u>Title IIIC C-2</u>	<u>Lighthouse</u>
Personnel/manpower	\$ 1,283,985	\$ 94,367	\$ 40,601	\$ 42,440	\$ 35,176	\$ 57,256
Contractual services	244,901	210				158
Travel	110,811	2,360				208
Printing and supplies	1,191	32,442	23	319	31	29
Rawfood				20,688	20,363	
Disposables				2,306	4,732	
Conferences and training	1,299	1,670	11			8
Transportation	10,880		23,949		1,246	
Communications and utilities	17,989	7,331	348			627
Medical supplies	2,127	1,061				79
Fundraising						
Other	8,766	6,638		14,883	7,319	12
Medicaid taxes						
Insurance	9,829	7,722	533			373
Depreciation						
Repairs & maintenance	6,986	34	7,264			
Interest						
Total Functional Expenses	<u>\$ 1,698,764</u>	<u>\$ 153,835</u>	<u>\$ 72,729</u>	<u>\$ 80,636</u>	<u>\$ 68,867</u>	<u>\$ 58,750</u>

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

<u>Program Services</u>					<u>Support Services</u>	<u>Total all Accounts (Memorandum Only)</u>	
<u>Title IIID</u>	<u>Title IIIE</u>	<u>Insurance Benefits</u>	<u>Veterans Care</u>	<u>FAIR</u>	<u>Total Program Services</u>	<u>Management & General</u>	<u>Total all Accounts (Memorandum Only)</u>
\$ 1,108	\$ 10,687	\$ 4,608	\$ 64,249	\$ 60,588	\$ 1,695,065	\$ 2,137	\$ 1,697,202
			128	126	245,523		245,523
	17	133	274	41	113,844		113,844
1,574	321	215	220	21	36,386		36,386
					41,051		41,051
					7,038		7,038
	455			103	3,546		3,546
					36,075		36,075
			8		8		8
121	1,698		2,648	448	31,210		31,210
240	303		109	40	3,959		3,959
					-		-
578			10	10	38,216		38,216
					-		-
	485		1,319	267	20,528		20,528
					-	95,299	95,299
					14,284		14,284
					-	55,721	55,721
<u>\$ 3,621</u>	<u>\$ 13,966</u>	<u>\$ 4,956</u>	<u>\$ 68,965</u>	<u>\$ 61,644</u>	<u>\$ 2,286,733</u>	<u>\$ 153,157</u>	<u>\$ 2,439,890</u>

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, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 155,028
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	95,299
Loss on sale of assets	160,209
(Increase) decrease in operating assets:	
Accounts receivable	(168,390)
Grants receivable	(14,529)
Prepaid expenses	5,923
Increase (decrease) in operating liabilities:	
Accounts payable	12,458
Accrued compensation	<u>8,974</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>254,972</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of assets	75,000
Purchases of property and equipment	(1,984,747)
Investment redeemed	<u>127,776</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,781,971)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from long-term borrowing	1,500,000
Re-Payment of long-term debt	<u>(34,185)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>1,465,815</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(61,184)
CASH AND CASH EQUIVALENTS, beginning	<u>277,420</u>
CASH AND CASH EQUIVALENTS, ending	<u><u>\$ 216,236</u></u>
Supplemental Disclosure:	
Interest paid	<u><u>\$ 55,721</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, 2008

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, 2008, 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, 2008, all accounts receivable are deemed collectible.

**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

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).

Grant Monies

Grant monies are received in three ways:

- 1- On a cost reimbursement basis for which the Organization request reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2- On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-D, Title III-E, Insurance Benefits, Medication Management and Veterans Care grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next year, but if approval is denied, the money has to be reimbursed to the grantor.
- 3- 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, 2008 was \$ 676,164.

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, 2008**

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, 2008:

FAIR	\$ 6,202
Title III-C monies	1,072
LIFE Grant	26,019
Lighthouse	10,092
Transportation	413

	\$ 43,798
	=====

Note 3. Property and Equipment, net

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

Land	\$ 485,152
Building	3,269,456
Vehicles	150,538
Equipment	80,034

	3,985,180
Less accumulated depreciation	257,685

Net property and equipment	\$ 3,727,495
	=====

**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Note 4. Support Concentration

The Braxton County Senior Citizens Center, Inc. receives approximately 66% 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 two financial institution. The cash balance in one financial institution was over the federally insured amount of \$ 100,000. The balance on September 30, 2008 with this institution was \$ 216,236 of which only \$ 100,000 was insured by FDIC.

Note 6. Grant Revenues

The following grants have years ending other than September 30. Revenues were recognized as follows for fiscal year ended September 30, 2008.

Grant	Grant Revenue	Support Recognized Year Ended 9/30/08
Lighthouse	7/1/07 – 6/30/08	\$ 73,838
Lighthouse	7/1/08 – 6/30/09	27,880
	Total	\$ 101,718
<hr/>		
LIFE	7/1/07 – 6/30/08	\$ 156,010
LIFE	7/1/08 – 6/30/09	74,496
	Total	\$ 230,506
<hr/>		
FAIR	7/1/07 – 6/30/08	\$ 76,641
FAIR	7/1/08 – 6/30/09	18,298
	Total	\$ 94,939
<hr/>		

**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Note 7. Long-Term Debt

Long-term debt consists of the following as of September 30, 2008

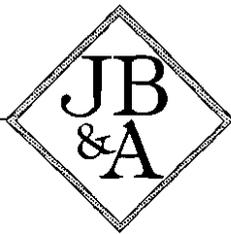
Bank of Gassaway

7.50% installment note maturing 1/20/23, monthly payments of \$ 13,905.18 secured by real estate.	\$ 1,465,815
Less: current portion	63,571
Noncurrent portion	<u>\$ 1,402,244</u> <u>=====</u>

Scheduled maturities at September 30, 2008 are as follows:

September 30, 2009	\$ 63,571
2010	63,860
2011	68,817
2012	74,160
2013	79,917
Thereafter	1,115,490
	<u>\$ 1,465,815</u> <u>=====</u>

ADDITIONAL INFORMATION



JOHN BURDETTE & ASSOCIATES

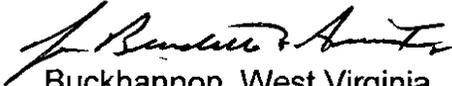
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

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, 2008 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 16, 2009

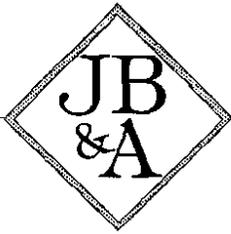
**BRAXTON COUNTY SENIOR CITIZENS CENTER, INC.
SCHEDULE OF REVENUES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Community Care/ Medicaid Waiver</u>	<u>Direct LIFE Program</u>	<u>Other Programs</u>	<u>Title IIB</u>	<u>FAIR</u>
GRANT REVENUES					
Federal monies	\$ -	\$ -	\$ 3,523	\$ 30,248	\$ -
State monies		217,089	5,934	20,129	94,939
NSIP monies					
Total Grant Revenues	<u>-</u>	<u>217,089</u>	<u>9,457</u>	<u>50,377</u>	<u>94,939</u>
OTHER REVENUES					
Program service fees	2,004,098				
Local monies			6,568		
Program income				5,871	
Interest income			2,907		
Fundraising			8,598		
Other			4,326		
Loss on sale of assets			<u>(160,209)</u>		
Total Other Revenues	<u>2,004,098</u>	<u>-</u>	<u>(137,810)</u>	<u>5,871</u>	<u>-</u>
Total Revenues	<u>\$ 2,004,098</u>	<u>\$ 217,089</u>	<u>\$ (128,353)</u>	<u>\$ 56,248</u>	<u>\$ 94,939</u>

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

<u>Lighthouse</u>	<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>
\$ -	\$ 23,338	\$ 12,965	\$ 1,514	\$ 9,270	\$ 5,000	\$ 76,780	\$ 162,638
101,718	26,174	24,105		1,683			491,771
	<u>13,488</u>	<u>8,267</u>					<u>21,755</u>
<u>101,718</u>	<u>63,000</u>	<u>45,337</u>	<u>1,514</u>	<u>10,953</u>	<u>5,000</u>	<u>76,780</u>	<u>676,164</u>
	5,385	4,615	462	1,407			2,004,098
	25,263	9,463					18,437
							40,597
							2,907
							8,598
							4,326
							(160,209)
<u>-</u>	<u>30,648</u>	<u>14,078</u>	<u>462</u>	<u>1,407</u>	<u>-</u>	<u>-</u>	<u>1,918,754</u>
<u>\$ 101,718</u>	<u>\$ 93,648</u>	<u>\$ 59,415</u>	<u>\$ 1,976</u>	<u>\$ 12,360</u>	<u>\$ 5,000</u>	<u>\$ 76,780</u>	<u>\$ 2,594,918</u>

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



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
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, 2008, and have issued our report thereon dated June 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 the Braxton County Senior Citizens Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Braxton County Senior Citizens Center, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

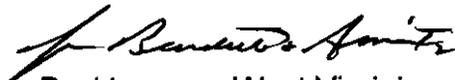
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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
June 16, 2009