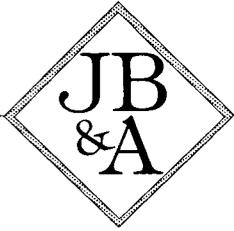


BARBOUR COUNTY SENIOR CENTER, INC.
INDEPENDENT AUDITORS' REPORT AND
RELATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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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
Barbour County Senior Center, Inc.
Philippi, West Virginia

We have audited the accompanying statement of financial position of Barbour County Senior Center, Inc. (a nonprofit organization) as of September 30, 2012, 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 Barbour County Senior Center, Inc. as of September 30, 2012, 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 15, 2013, 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 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
February 15, 2013

BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2012

ASSETS

Current Assets

Cash and cash equivalents	\$ 356,287
Certificate of deposit	179,514
Investments	75,516
Accounts receivable, net	58,161
Grants receivable	<u>150,288</u>

Total current assets 819,766

Property and Equipment, net 562,301

TOTAL ASSETS \$ 1,382,067

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 44,214
Accrued payroll and taxes	31,407
Accrued annual leave	16,032
Deferred revenue	<u>1,614</u>

Total current liabilities 93,267

Net Assets

Unrestricted	1,243,128
Permanently restricted	<u>45,672</u>
Total net assets	<u>1,288,800</u>

TOTAL LIABILITIES AND NET ASSETS \$ 1,382,067

The accompanying notes are an integral part of this statement.

BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Unrestricted	Permanently Restricted	Total
REVENUE AND SUPPORT			
Federal grant awards	\$ 423,527	\$	\$ 423,527
State grant	466,208		466,208
Donations	115,638		115,638
Continuum of care fees	196,530		196,530
Medicaid waiver fees	548,087		548,087
Project income	105,289		105,289
Investment income	21,175	5,334	26,509
Other income	50,405		50,405
Net assets released from restrictions: Restrictions satisfied with lapse of time			
Total Revenue and Support	1,926,859	5,334	1,932,193
EXPENSES			
Program Services			
Title III-B	46,884		46,884
Title III-D	1,841		1,841
Title III-E	10,893		10,893
Fair	40,007		40,007
Title III-C - Congregate	69,627		69,627
Title III-C - Home Delivered	323,634		323,634
Transportation	488,585		488,585
Community Care	180,094		180,094
Medicaid waiver	518,587		518,587
Lighthouse	122,244		122,244
Other programs	88,126		88,126
Support Services			
Management and General			
Total Expenses	1,890,522		1,890,522
Change in Net Assets	36,337	5,334	41,671
NET ASSETS AT BEGINNING OF YEAR	1,206,791	40,338	1,247,129
NET ASSETS AT END OF YEAR	\$ 1,243,128	\$ 45,672	\$ 1,288,800

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, 2012**

Program Services

FUNCTIONAL EXPENSES	Title III-B	Title III-D	Title III-E	Fair	Title III-C		
					Congregate	Home Delivered	Transportation
Salaries and wages	\$ 31,601	\$ 704	\$ 7,551	\$ 27,026	\$ 22,321	\$ 101,687	\$ 181,193
Fringe benefits	4,169	147	944	3,278	4,034	10,670	57,569
Travel	4,684	413	887	4,293			5,864
Printing and supplies					489	1,006	1,924
Other operating supplies		156					58,550
Rawfood					24,167	105,353	
Disposables					1,008	24,541	
Repairs and maintenance					3,534	3,897	19,555
Communications and utilities					2,251	23,533	9,948
Rent occupancy costs							4,250
Dues/subscriptions/training					95	5	310
Insurance					33	124	12,500
Other costs	105	280				204	9,590
Professional fees							
Transportation					3,563	24,607	
Depreciation expense					3,453	8,057	90,873
Allocated indirect costs	6,325	141	1,511	5,410	4,679	19,950	36,459
Total	\$ 46,884	\$ 1,841	\$ 10,893	\$ 40,007	\$ 69,627	\$ 323,634	\$ 488,585

BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<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>Total Program Services</u>	<u>Management and General</u>	
Salaries and wages	\$ 112,350	\$ 346,342	\$ 77,446	\$ 16,585	\$ 924,806	\$ 103,069	\$ 1,027,875
Fringe benefits	16,812	51,875	9,223	5,262	163,983	33,675	197,658
Travel	14,812	50,103	20,073	2,845	103,974	47	104,021
Printing and supplies	2,475			279	6,173	2,727	8,900
Other operating supplies					58,706	10,110	68,816
Rawfood					129,520		129,520
Disposables					25,549		25,549
Repairs and maintenance				68	27,054		27,054
Communications and utilities	1,340			95	37,167	17,384	54,551
Rent occupancy costs	930	930		16,740	22,850		22,850
Dues/subscriptions/training	306				716	379	1,095
Insurance				215	12,872	10,702	23,574
Other costs	8,581			24,051	42,811		42,811
Professional fees				46	46	6,844	6,890
Transportation					28,170		28,170
Depreciation expense				18,805	121,188		121,188
Allocated indirect costs	22,488	69,337	15,502	3,135	184,937	(184,937)	
Total	<u>\$ 180,094</u>	<u>\$ 518,587</u>	<u>\$ 122,244</u>	<u>\$ 88,126</u>	<u>\$ 1,890,522</u>	<u>\$</u>	<u>\$ 1,890,522</u>

**BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 41,671
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	90,873
(Increase) decrease in operating assets:	
Accounts receivable	6,674
Grants receivable	(38,372)
Increase (decrease) in operating liabilities:	
Accounts payable	1,325
Accrued payroll and taxes	2,091
Accrued annual leave	(1,245)
Deferred revenue	1,606
	104,623
NET CASH PROVIDED BY OPERATING ACTIVITIES	104,623

CASH FLOWS FROM INVESTING ACTIVITIES

Investments	(8,777)
Certificate of Deposits	(17,269)
Capital expenditures	(35,200)
	(61,246)
NET CASH USED IN INVESTING ACTIVITIES	(61,246)

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

NET INCREASE IN CASH AND CASH EQUIVALENTS	43,377
CASH AND CASH EQUIVALENTS, beginning of year	312,910
CASH AND CASH EQUIVALENTS, end of year	\$ 356,287

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 2012.

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 \$ 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 Center requests monies based on expenditures made; this is utilized for Title III-B, Title III-D, Title III-E, LIFE, 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, 2012, were \$ 423,527 and \$ 466,208, 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, 2012.

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 \$ 179,514 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, 2012, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
BCCF-Barbour	\$ 16,295	\$ 2,662	\$ -0-	\$ 18,957
BCCF-Tenney	9,341	1,546	-0-	10,887
BCCF-Shaffer	39,169	6,503	-0-	45,672
	-----	-----	-----	-----
	\$ 64,805	\$ 10,711	\$ -0-	\$ 75,516
	=====	=====	=====	=====

Note 4. Accounts Receivable

Accounts receivable at September 30, 2012, were as follows:

Medicaid Waiver/Continuum of Care	\$ 56,532
Project income	1,629

	58,161
Less: Allowance for uncollectible accounts	0

Total accounts receivable	\$ 58,161
	=====

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

Note 5. Grants Receivable

Grants receivable at September 30, 2012, were as follows:

Title III-B	\$ 4,602
Title III-C	2,831
Title III-E	1,036
Life	81,032
Transportation	20,642
FAIR	7,084
Lighthouse	33,061

Total grants receivable	\$ 150,288
	=====

Note 6. Property and Equipment

Property and equipment consisted of the following at September 30, 2012:

Land	\$ 153,511
Equipment, furniture and fixtures	202,152
Vehicles	698,426
Leasehold improvements	235,939

Total	1,290,028
Accumulated depreciation	(727,727)

Net property and equipment	\$ 562,301
	=====

Note 7. Restrictions on Net Assets

Permanently restricted net assets at September 30, 2012, 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 \$ 24,055 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 46 percent of its total support and revenue from various grants from the Federal and State governments.

In addition, the Center also receives about 28 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, 2012 were covered by FDIC insurance.

Note 10. Contingent Liabilities

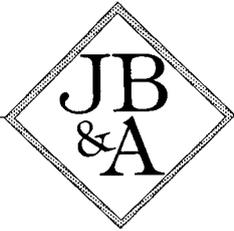
In the normal course of operations, the Center receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the grant. Any liability for reimbursement 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 15, 2013, the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

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

Our report on our audit of the basic financial statements of the Barbour County Senior Center, Inc. for the year ended September 30, 2012 appears on page 1. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of the purpose of forming an opinion of the basic financial statements taken as a whole. The schedule of revenues and support, is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Buckhannon, West Virginia
February 15, 2013

**BARBOUR COUNTY SENIOR CENTER, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Title III-B	Title III-D	Title III-E	Fair	Title III-C	
					Congregate	Home Delivered
Federal financial assistance	\$ 25,695	\$ 1,431	\$ 8,684	\$	\$ 39,333	\$ 151,733
State grant	19,730	63		37,434		
State LIFE allocated	1,459	191	2,971		16,252	82,346
Donations	3,000		47			26,330
Continuum of care						
Medicaid waiver fees						
Project income	806		50	3,694	14,616	42,037
Investment income						
Other						
Total Revenue and Support	50,690	1,685	11,752	41,128	70,201	302,446
Functional Expenses	46,884	1,841	10,893	40,007	69,627	323,634
Net Revenue (Expenditures)	\$ 3,806	\$ (156)	\$ 859	\$ 1,121	\$ 574	\$ (21,188)

BARBOUR COUNTY SENIOR CENTER, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 202

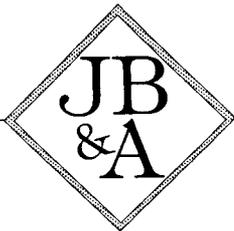
<u>Transportation</u>	<u>Personal Care</u>	<u>Lighthouse</u>	<u>Direct LIFE</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$ 192,651	\$	\$	\$	\$ 4,000	\$ 423,527
51,000		144,432	199,549	14,000	466,208
94,930			(199,549)	1,400	
				86,261	115,638
	196,530				196,530
	548,087				548,087
34,110		9,976			105,289
				26,509	26,509
				50,405	50,405
<u>372,691</u>	<u>744,617</u>	<u>154,408</u>		<u>182,575</u>	<u>1,932,193</u>
<u>488,585</u>	<u>698,681</u>	<u>122,244</u>		<u>88,126</u>	<u>1,890,522</u>
<u>\$ (115,894)</u>	<u>\$ 45,936</u>	<u>\$ 32,164</u>	<u>\$</u>	<u>\$ 94,449</u>	<u>\$ 41,671</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, 2012**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants			\$ <u>14,000</u>
Total Direct Programs			<u>14,000</u>
Pass through Awards			
Upper Potomac Area Agency on Aging			
IIIB State	June 30, 2012	21237	19,730
IIID	June 30, 2012	21237	63
LIFE	June 30, 2012	21204	84,367
LIFE	June 30, 2013	21304	115,182
Lighthouse	June 30, 2012	21251	98,179
Lighthouse	June 30, 2013	21351	41,253
SAMS Data Entry	June 30, 2012	21251	5,000
FAIR	June 30, 2012	21251	29,412
FAIR	June 30, 2013	21351	8,022
Transit	June 30, 2012	S531110	36,000
Transit	June 30, 2013	S531111	<u>15,000</u>
Total pass-through awards			<u>452,208</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 466,208</u></u>

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



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of Barbour County Senior Center, Inc. (a nonprofit organization) as of and for the year ended September 30, 2012, and have issued our report thereon dated February 15, 2013. 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.

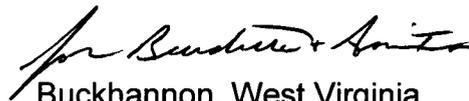
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Barbour County Senior Center, Inc. in a separate letter dated February 15, 2013.

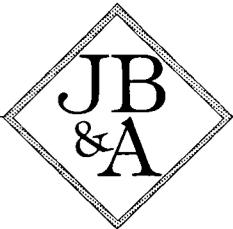
Compliance and Other Matters

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*.

This report is intended solely for the information and use of the management, the audit committee, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Buckhannon, West Virginia
February 15, 2013



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, 2012 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 15, 2013, on the financial statements of Barbour County Senior Center, Inc.

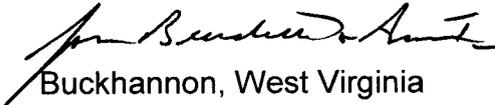
We will review the status of these comments during our next audit engagement. Our comments and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased 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 15, 2013