

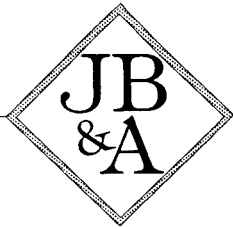
PRESTON COUNTY SENIOR CITIZENS, INC.

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

SEPTEMBER 30, 2012

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Preston County Senior Citizens, Inc. (a nonprofit organization) as of September 30, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preston County Senior Citizens, Inc. as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2013, on our consideration of Preston County Senior Citizens, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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



Buckhannon, West Virginia
June 7, 2013

PRESTON COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2012

ASSETS

Current Assets

Cash and cash equivalents	\$ 483,728
Accounts receivable, net	183,050
Grants receivable	255,141
Prepaid expense	2,606
Inventory	<u>4,073</u>

Total current assets 928,598

Property and Equipment, net 1,836,160

TOTAL ASSETS \$ 2,764,758

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 323,757
Accrued payroll and taxes	<u>116,176</u>

Total current liabilities 439,933

Net Assets

Unrestricted 2,036,800

Temporarily restricted 288,025

Total net assets 2,324,825

TOTAL LIABILITIES AND NET ASSETS \$ 2,764,758

The accompanying notes are an integral part of this statement.

**PRESTON COUNTY SENIOR CITIZENS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Federal grant awards	\$ 1,536,140	\$ 20,769	\$ 1,556,909
State grant	658,144		658,144
Donations and match	104,009		104,009
Contractual/medicaid/sliding fee	235,427		235,427
Project income	98,579		98,579
Other income	99,465		99,465
 Net assets released from restrictions:			
Restrictions satisfied with lapse of time	192,668	(192,668)	
 Total Revenue and Support	2,924,432	(171,899)	2,752,533
 EXPENSES			
Program Services			
Title III-B	87,270		87,270
Title III-D	2,600		2,600
Title III-E	18,702		18,702
Fair	53,606		53,606
Title V	1,093,765		1,093,765
Title VII - Elder Abuse	1,113		1,113
Title III-C - Congregate	122,973		122,973
Title III-C - Home Delivered	174,879		174,879
Transportation	963,575		963,575
Personal Care	175,195		175,195
LIFE	64,955		64,955
Lighthouse	177,724		177,724
Other programs	140,756		140,756
 Support Services			
Mangement and General			
 Total Expenses	3,077,113		3,077,113
 Change in Net Assets	(152,681)	(171,899)	(324,580)
NET ASSETS AT BEGINNING OF YEAR	2,189,481	459,924	2,649,405
NET ASSETS AT END OF YEAR	\$ 2,036,800	\$ 288,025	\$ 2,324,825

The accompanying notes are an integral part of this statement.

**PRESTON COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

FUNCTIONAL EXPENSES	Program Services								
	Title III-B	Title III-D	Title III-E	Fair	Title V	Elder Abuse	Title III-C		
							Congregate	Home Delivered	Transportation
Salaries and wages	\$ 21,400	\$ 1,214	\$ 5,925	\$ 1,395	\$ 815,774	\$	\$ 22,335	\$ 32,033	\$ 289,921
Fringe benefits	14,830	722	3,356	1,034	97,036		9,446	13,732	81,373
Travel	654				1,970		66	441	1,194
Printing and supplies		664		22	869	1,113	1,727	2,297	592
Postage and shipping					326				
Rawfood							49,216	67,580	
Disposables								10,717	
Repairs and maintenance							930	155	11,400
Taxes, licenses and permits							126	174	
Communications and utilities					3,401		1,303	1,047	18,408
Rent occupancy costs	600				8,700		6,951	8,949	1,636
Dues/subscriptions/training					6,140				
Insurance							997	1,394	23,956
Other costs							7,530	6,747	6,087
Contractual services	44,178		8,070	50,922					10,188
Fuel and oil							3,900	5,202	90,519
Advertising					1,540				285
Depreciation expense							1,962		337,589
Allocated indirect costs	5,608		1,351	233	158,009		16,484	24,411	90,427
Total	\$ 87,270	\$ 2,600	\$18,702	\$ 53,606	\$ 1,093,765	\$ 1,113	\$ 122,973	\$ 174,879	\$ 963,575

**PRESTON COUNTY SENIOR CITIZENS, 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>Personal Care</u>	<u>LIFE</u>	<u>Lighthouse</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	
Salaries and wages	\$ 34,118	\$ 39,126	\$ 5,520	\$ 8,993	\$ 1,277,754	\$ 169,165	\$ 1,446,919
Fringe benefits	11,998	12,085	2,338	1,258	249,208	48,057	297,265
Travel	117			8,311	12,753	7,519	20,272
Printing and supplies	22		22	526	7,854	13,638	21,492
Postage and shipping					326	2,591	2,917
Rawfood					116,796		116,796
Disposables					10,717		10,717
Repairs and maintenance				57,980	70,465	17,829	88,294
Taxes, licenses and permits					300	252	552
Communications and utilities					24,159	17,639	41,798
Rent occupancy costs					26,836	790	27,626
Dues/subscriptions/training					6,140	1,622	7,762
Insurance					26,347		26,347
Other costs		5,097		55,750	81,211	2,788	83,999
Contractual services	124,702		168,785	6,439	413,284	4,500	417,784
Fuel and oil					99,621		99,621
Advertising					1,825	25,576	27,401
Depreciation expense					339,551		339,551
Allocated indirect costs	<u>4,238</u>	<u>8,647</u>	<u>1,059</u>	<u>1,499</u>	<u>311,966</u>	<u>(311,966)</u>	
Total	<u><u>\$ 175,195</u></u>	<u><u>\$ 64,955</u></u>	<u><u>\$ 177,724</u></u>	<u><u>\$ 140,756</u></u>	<u><u>\$ 3,077,113</u></u>	<u><u>\$</u></u>	<u><u>\$ 3,077,113</u></u>

The accompanying notes are an integral part of this statement.

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

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (324,580)
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation	339,551
(Increase) decrease in operating assets:	
Accounts receivable	24,543
Grants receivable	28,269
Inventory	2,635
Prepaid expense	4,125
Increase (decrease) in operating liabilities:	
Accounts payable	(61,424)
Accrued payroll and taxes	<u>(19,414)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(6,295)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures	<u>(20,769)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(20,769)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,064)
CASH AND CASH EQUIVALENTS, beginning of year	<u>510,792</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 483,728</u></u>

The accompanying notes are an integral part of this statement.

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

Note 1. Summary of Significant Accounting Policies

Organization - The Preston County Senior Citizens, Inc. is a nonstock corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax exempt organization under Internal Revenue Code Section 501(c)(3). In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2012.

Nature of Activities

The Organization was developed to improve the quality of life for senior citizens in Preston County, West Virginia. The purpose is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement federal, state and local programs for the aging that no other agency is implementing.

Basis of Accounting

The financial statements of Preston County Senior Citizens, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The financial statement presentation also follows the recommendations of the Financial Accounting Standards Board. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, Preston County Senior Citizens, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Inventories

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

Allowance for Doubtful Accounts

The Organization uses an allowance method of accounting for bad debts. Management feels the accounts and grants receivable shown on the statement of financial position are fully collectible.

Property and Equipment

Fixed assets acquired by the Organization are considered to be owned by the Organization. However, Federal and State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal and State Funding sources have a reversionary interest in those assets purchased with its funds for the estimated useful life of the asset.

Property and equipment are carried at Cost or, if donated, at the approximate fair value at the date of donation. The Organization follows the practice of capitalizing such assets over their estimated useful life if the recorded cost or fair value exceeds \$ 5,000.

Depreciation is computed using the straight-line method. In addition, all property and equipment purchased with grant monies must be used in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

Federal Grants

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

Title III-C monies are received on a meal reimbursement basis, but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2012, were \$ 1,536,140 and \$ 658,144, respectively.

Donated Services.

The members of the Board of Directors receive no fees for performing their duties as members, officers, or special committee members. However, no revenues or expenses have been recognized in these financial statements in relation to such volunteer services.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue and Support

Preston County Senior Citizens, Inc. receives its grant support primarily from the Upper Potomac Area Agency on Aging, Inc. Support received from those grants is recognized on a "net funded" basis whereby the Federal and State Grant funding is recognized on a last-dollar-in basis. When using this basis, related expenses incurred are "netted" first by project income and local match in determining grant funds to be recognized. Preston County Senior Citizens, Inc. receives client fee, Medicaid (Continuum of Care) income, and Medicaid Waiver income for billable client in home services and recognized these fees and income when earned.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 2. Accounts Receivable

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

Medicaid Waiver/Continuum of Care	\$ 21,667
General and indirect	161,383

	183,050
Less: Allowance for uncollectible accounts	0

Total accounts receivable	\$183,050
	=====

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

Note 3. Grants Receivable

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

Title III-B	\$ 5,896
Title III-C	4,610
Title III-D	112
Title III-E	1,872
Life	43,110
Transportation	99,041
FAIR	11,720
Lighthouse	36,455
Title V	52,029
Elder Abuse	296

Total grants receivable	\$ 255,141
	=====

Note 4. Property and Equipment

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

Land and buildings	\$ 2,143,267
Vehicles	1,975,969
Equipment, furniture and fixtures	254,436

Accumulated depreciation	(2,537,512)

Net property and equipment	\$ 1,836,160
	=====

Note 5. Restrictions on Net Assets

Temporarily restricted net assets at September 30, 2012 of \$ 288,025, consisted of assets in which federal and state funding agencies have a reversionary interest.

Note 6. Retirement Program

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

The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program of \$ 65,195 are included in fringe benefits costs on the statement of functional expenses.

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

Note 7. Concentrations

The Organization receives about 79 percent of its total support and revenue from various grants from the Federal and State governments.

Note 8. Contingent Liabilities

In the normal course of operations, the Organization receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the grant. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 9. Subsequent Events

Management has evaluated subsequent events through June 7, 2013 the date on which the financial statements were available to be issued.

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

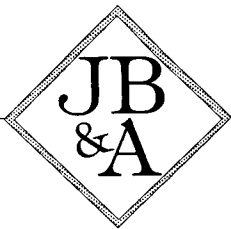
<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Transportation		
Pass-through from WV Department of Transportation		
Public Transportation in Nonurban Area - 49 USC Sec. 5311	20.509	\$ 302,393
Federal Transit Capital Improvement Grant	20.500	16,615
Capital Assistance Program For Elderly Persons	20.513	4,154
U.S. Department of Health and Human Services		
Pass-through from Upper Potomac Area Agency on Aging, Inc.		
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	47,875
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	188,123
Special Programs for the Aging - Title III, Part E - Cargiver	93.052	14,027
Special Programs for the Aging - Title III, Part D - Preventive Health Services/Medical Management	93.043	2,211
Special Programs for the Aging - Title VII, Elder Abuse Prevention	93.041	817
U.S. Department of Labor		
Pass-through from WV Bureau of Senior Services		
Title V - Senior Community Service Employment Program	17.235	971,526
Department of Veterans Affairs		
Veterans Medical Care Benefits	64.009	<u>9,168</u>
Total Expenditures of Federal Awards		<u><u>\$ 1,556,909</u></u>

BASIS OF PRESENTATION

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

The accompanying notes are an integral part of this schedule.

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

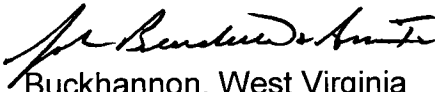
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

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

Our report on our audit of the basic financial statements of the Preston County Senior Citizens, Inc. for the year ended September 30, 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
June 7, 2013

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF REVENUES AND SUPPORT
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	\$ 47,875	\$ 2,211	\$ 14,027	\$	\$ 71,905	\$ 116,218
State grant	33,762	130		47,700		
State LIFE allocated	5,632	260	4,676		4,380	4,806
Donations and match						
Contractual/medicaid/sliding fee				4,963		
Project income					44,725	53,854
Other						
Total Revenue and Support	<u>87,269</u>	<u>2,601</u>	<u>18,703</u>	<u>52,663</u>	<u>121,010</u>	<u>174,878</u>
<i>Functional Expenses</i>	87,270	2,600	18,702	53,606	122,973	174,879
Depreciation					(1,962)	
Capital Expenditures						
Total Expenditures	<u>87,270</u>	<u>2,600</u>	<u>18,702</u>	<u>53,606</u>	<u>121,011</u>	<u>174,879</u>
Net Revenue (Expenditures)	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (943)</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

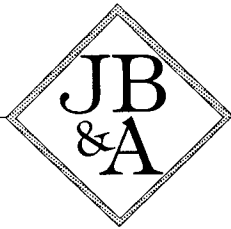
<u>Title V</u>	<u>Transportation</u>	<u>Personal Care</u>	<u>Direct LIFE</u>	<u>Lighthouse</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$ 971,526	\$ 323,162	\$	\$	\$	\$ 9,985	\$ 1,556,909
	155,391		204,588	158,323	58,250	658,144
	118,840		(138,594)			
98,995					5,014	104,009
	6,196	202,948		21,320		235,427
	25,921				73,544	98,579
<u>1,070,521</u>	<u>629,510</u>	<u>202,948</u>	<u>65,994</u>	<u>179,643</u>	<u>146,793</u>	<u>2,752,533</u>
1,093,765	963,575	175,195	64,955	177,724	141,869	3,077,113
	(337,589)					(339,551)
	20,769					20,769
<u>1,093,765</u>	<u>646,755</u>	<u>175,195</u>	<u>64,955</u>	<u>177,724</u>	<u>141,869</u>	<u>2,758,331</u>
<u>\$ (23,244)</u>	<u>\$ (17,245)</u>	<u>\$ 27,753</u>	<u>\$ 1,039</u>	<u>\$ 1,919</u>	<u>\$ 4,924</u>	<u>\$ (5,798)</u>

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

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
Community Partnership Grant	June 30, 2012	SC21207	\$ 23,250
Community Partnership Grant	June 30, 2012	SC2988	<u>35,000</u>
Total Direct Programs			<u>58,250</u>
Pass through Awards			
IIIB State	June 30, 2012	21237	33,762
IIID	June 30, 2012	21237	130
LIFE	June 30, 2012	21204	127,477
LIFE	June 30, 2013	21304	77,111
Lighthouse	June 30, 2012	21251	121,612
Lighthouse	June 30, 2013	21351	31,800
FAIR	June 30, 2012	21251	32,111
FAIR	June 30, 2013	21351	15,589
SAMS	June 30, 2012	21251	3,947
SAMS	June 30, 2013	21351	964
Division of Public Transit	June 30, 2012	S531109 / S531110	120,770
Division of Public Transit	June 30, 2013	S531111 / S531112	<u>34,621</u>
Total pass-through awards			<u>599,894</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 658,144</u></u>

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



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited the financial statements of Preston County Senior Citizens, Inc. (a nonprofit organization) as of and for the year ended September 30, 2012, and have issued our report thereon dated June 7, 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 Preston County Senior Citizens, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Preston County Senior Citizens, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

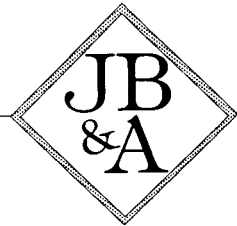
Compliance and Other Matters

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

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



Buckhannon, West Virginia
June 7, 2013



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 WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited Preston County Senior Citizens, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct material effect on each of Preston County Senior Citizens, Inc.'s major federal programs for the year ended September 30, 2012. Preston County Senior Citizens, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Preston County Senior Citizens, Inc.'s management. Our responsibility is to express an opinion on Preston County Senior Citizens, Inc.'s compliance based on our audit.

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

In our opinion, Preston County Senior Citizens, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2012.

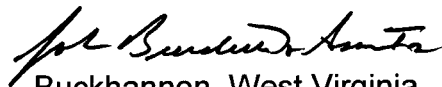
Internal Control Over Compliance

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

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

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

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


Buckhannon, West Virginia
June 7, 2013

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? ___ yes X no

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs?

Material weakness identified? ___ yes X no

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

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

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

Identification of major programs?

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

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

Auditee qualified as low-risk auditee? ___ yes X no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

The accompanying notes are an integral part of this schedule.