

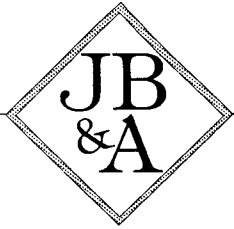
**GREENBRIER COUNTY COMMITTEE ON
AGING, INC.**

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

SEPTEMBER 30, 2013

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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
Greenbrier County Committee on Aging, Inc.
Rupert, West Virginia

We have audited the accompanying financial statements of Greenbrier County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

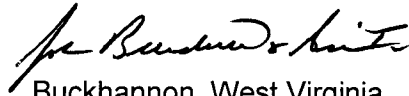
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenbrier County Committee on Aging, Inc. as of September 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014, on our consideration of Greenbrier County Committee on Aging, Inc.'s internal control over financial reporting and on 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* in considering Greenbrier County Committee on Aging, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
June 25, 2014

GREENBRIER COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2013

ASSETS

Current Assets

Cash and cash equivalents	\$ 57,103
Accounts receivable, net	3,229
Grants receivable	48,810
Prepaid expenses	<u>1,211</u>

Total current assets 110,353

Property and Equipment 453,167

TOTAL ASSETS \$ 563,520

LIABILITIES AND NET ASSETS

Current Liabilities

Line of credit	\$ 98,317
Loan payable	30,700
Accounts payable	4,860
Accrued wages and taxes	<u>27,704</u>

Total current liabilities 161,581

Net Assets

Unrestricted 401,939

TOTAL NET ASSETS 401,939

TOTAL LIABILITIES AND NET ASSETS \$ 563,520

The accompanying notes are an integral part of this statement

**GREENBRIER COUNTY COMMITTEE ON AGING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Federal financial assistance	\$ 316,701	\$	\$ 316,701
State grant allocations	408,717		408,717
County commission assistance	50,000		50,000
Sliding scale fees	18,071		18,071
Contractual revenues	41,876		41,876
Project income	29,947		29,947
Interest income	37		37
Other	25,974		25,974
 Net assets released from restrictions:			
Restrictions released with time	_____	_____	_____
Total Revenue and Support	891,323	_____	891,323
 EXPENSES			
Program Services			
Title III-B	88,815		88,815
Title III-D	4,333		4,333
Title III-E	32,572		32,572
Title III-C - congregate	127,793		127,793
Title III-C - home delivered	167,279		167,279
Lighthouse	114,581		114,581
Fair	57,938		57,938
Personal Care	75,147		75,147
LIFE	147,452		147,452
LIEAP	1,229		1,229
Support Services:			
Management and general	84,516	_____	84,516
Total Expenses	901,655	_____	901,655
Change in Net Assets	(10,332)		(10,332)
 NET ASSETS AT BEGINNING OF YEAR	412,271	_____	412,271
NET ASSETS AT END OF YEAR	\$ 401,939	\$ _____	\$ 401,939

The accompanying notes are an integral part of this statement

GREENBRIER COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Services and wages	\$ 40,981	\$ 1,280	\$ 24,628	\$ 80,746	\$ 69,777
Fringe benefits	4,749	102	2,645	8,941	8,344
Travel	967	42	1,898	133	3,426
Printing and supplies	2,086	388	300	1,148	1,338
Repairs and maintenance	1,710	277	854	2,764	3,440
Communications and utilities	9,542	718		3,002	3,440
Depreciation					
Raw food				25,180	52,756
Disposables				217	445
Transportation expenses	23,240		118	3,804	16,512
Licenses and permits	568	4	66	146	153
Professional services	3,507	1,044	1,311	659	4,079
Insurance	1,214	410	611	852	3,352
Dues and subscriptions	123		59	85	123
Interest					
Other	128	68	82	116	94
	<u>\$ 88,815</u>	<u>\$ 4,333</u>	<u>\$ 32,572</u>	<u>\$ 127,793</u>	<u>\$ 167,279</u>

The accompanying notes are an integral part of this statement.

**GREENBRIER COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Lighthouse</u>	<u>Fair</u>	<u>Personal Care</u>	<u>LIFE</u>	<u>LIEAP</u>	<u>Management and General</u>	<u>Totals (Memorandum Only)</u>
\$ 82,124	\$ 43,290	\$ 52,436	\$ 80,776	\$ 846	\$	\$ 476,884
11,055	5,078	5,656	11,427	79		58,076
11,003	2,868	4,118	7,524		97	32,076
991	970	1,791	1,845		8,264	19,121
1,264	667	1,537	8,210		475	21,198
2,202	961	2,520	10,732	2		33,119
			10,924		34,332	34,332
			37			699
303	77		9,428			53,482
159	110	150	292		52	1,700
4,525	3,367	5,429	3,479	302	2,169	29,871
611	410	1,222	1,937			10,619
58	40	114	540			1,142
					5,250	5,250
286	100	174	301		33,877	35,226
<u>\$ 114,581</u>	<u>\$ 57,938</u>	<u>\$ 75,147</u>	<u>\$ 147,452</u>	<u>\$ 1,229</u>	<u>\$ 84,516</u>	<u>\$ 901,655</u>

GREENBRIER COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (10,332)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	34,332
(Increase) decrease in operating assets:	
Accounts and grants receivable	12,116
Prepaid expenses	3,090
Increase (decrease) in operating liabilities:	
Accounts payable	(13,465)
Accrued wages payable and taxes	<u>(5,087)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>20,654</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of vehicle and equipment	<u>(28,111)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(28,111)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from short-term borrowing	<u>53,017</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>53,017</u>

Decrease in cash and cash equivalents	45,560
CASH AND CASH EQUIVALENTS, beginning of year	<u>11,543</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 57,103</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest paid during the year	<u><u>\$ 5,250</u></u>
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The accompanying notes are an integral part of this statement

GREENBRIER COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Greenbrier County Committee on Aging, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Greenbrier 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 in 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 Greenbrier County Committee on Aging, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

Basis of Accounting

The financial statements of Greenbrier County Committee on Aging, 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.

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.

Allowance for Doubtful Accounts

The Organization uses the allowance method for accounting for bad debts. Management feels the accounts and grants receivable shown on the balance sheet are fully collectible.

Inventories

Inventories of raw food, materials and supplies are deemed immaterial and are accordingly expensed as purchased.

GREENBRIER COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization has adopted a \$ 5,000 capitalization policy whereby all property and equipment over \$ 5,000 is depreciated using the straight-line method over its estimated useful life. In addition, all property and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Federal and State Grants

Grants Monies are received on as need 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 and LIFE grants. Upon completion of a grant year, any unexpected money has to be approved for carryover to the next grant year, but if approval is denied, the money has to be reimbursed to the 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. Lighthouse and Fair are received on a per unit of service basis. Total federal and state grant revenues for the year ended September 30, 2013, was \$ 725,418.

**GREENBRIER COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

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 recorded in these financial statements in related to such volunteer services.

Expense Allocation

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

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.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

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

Note 2. Insurance of Cash and Deposits

The Organization does business with two financial institutions and deposits are insured by FDIC insurance.

**GREENBRIER COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 3. Grants Receivable

Grants receivable at September 30, 2013, consisted of the following:

Federal Title III-B	\$ 10,291
Federal Title III-C	5,996
LIFE Program	20,816
Lighthouse	5,356
Fair	4,907
Client Tracking	345
Federal Title III-D	1,048
Federal Title III-E	51

Total	\$ 48,810
	=====

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30, 2013:

Land	\$ 100,000
Buildings	452,662
Vehicles	204,769
Equipment, furniture and fixtures	204,796

	962,227
Less accumulated depreciation	(509,060)

Net property and equipment	\$ 453,167
	=====

Note 5. Restrictions on Net Assets

There are no restricted net assets at September 30, 2013.

Note 6. Concentration

The Organization receives about 82 percent of its total support and revenues from various grants from the Federal and State governments.

**GREENBRIER COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 7. Line of Credit

The Organization had executed an agreement with Summit Community Bank, Rupert, West Virginia providing up to \$100,000 under a line of credit secured by real estate. As of September 30, 2013 the Organization had drawn \$98,317 on this line of credit.

Note 8. Note Payable

The Organization has a 6% note payable to the Monroe County Council on Aging, Inc. for \$30,700 at September 30, 2013.

Note 9. Contingent Liabilities

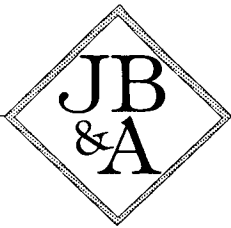
In the normal course of operations, the Organization receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for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

The Center participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Center does not provide post retirement health benefits. However, PEIA shows a liability of \$104,730 at September 30, 2013 for post retirement benefits. The Center does not expect to have to pay this liability.

Note 10. Subsequent Events

Management has evaluated subsequent event through June 25, 2014, 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
Greenbrier County Committee on Aging, Inc.
Rupert, West Virginia

Our report on our audit of the basic financial statements of Greenbrier County Committee on Aging, Inc., for the year ended September 30, 2013 appears on pages one and two (1-2). 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 for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Revenues and Support and Schedule of Expenditures of State Awards are presented for the purpose of additional analysis and are not required parts 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 25, 2014

**GREENBRIER COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Federal financial assistance	\$ 51,881	\$ 3,604	\$ 21,931	\$ 74,261	\$ 141,818
State Grant	34,134	685	7,660		
County assistance					
Sliding scale fees			2,465		
Personal care					
Medicaid waiver fees					
Project income	2,714			13,928	13,305
Interest income					
Other					
Total Revenue and Support	88,729	4,289	32,056	88,189	155,123

**GREENBRIER COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

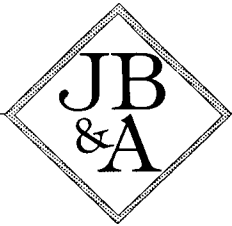
<u>Lighthouse</u>	<u>Fair</u>	<u>Personal Care</u>	<u>Direct LIFE</u>	<u>LIEAP</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$	\$	\$	\$	\$ 4,473	\$ 18,733	\$ 316,701
63,906	43,628		180,454		78,250	408,717
					50,000	50,000
5,155	2,384	8,067				18,071
		6,988				6,988
		34,888				34,888
						29,947
					37	37
					25,974	25,974
<u>69,061</u>	<u>46,012</u>	<u>49,943</u>	<u>180,454</u>	<u>4,473</u>	<u>172,994</u>	<u>891,323</u>

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

**GREENBRIER COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grant	June 30, 2013	SC21202A	\$ 25,000
Community Partnership Grant	June 30, 2013	SC213025	53,250
Lighthouse	June 30, 2014	IH	18,224
FAIR	June 30, 2014	IH	14,025
Data Entry	June 30, 2014	IH	<u>1,078</u>
Total Direct Programs			<u>111,577</u>
Pass through Awards			
Appalachain Area Agency on Aging			
IIIB State	June 30, 2013	21338-04	34,134
IIID	June 30, 2013	21338-04	685
IIIE	June 30, 2013	21338-04	7,660
LIFE	June 30, 2014	21405	50,964
LIFE	June 30, 2013	21305	129,490
Lighthouse	June 30, 2013	21352-04	40,788
FAIR	June 30, 2013	21352-04	29,603
Data Entry	June 30, 2013	21352-04	<u>3,816</u>
Total pass-through awards			<u>297,140</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 408,717</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 AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Greenbrier County Committee on Aging, Inc.
Rupert, West Virginia

We have audited, in accordance with the 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, the financial statements of Greenbrier County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greenbrier County Committee on Aging, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greenbrier County Committee on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned responses 2013-1 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned responses 2013-1 to be significant deficiencies.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greenbrier County Committee on Aging, Inc.'s financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned responses 2013-1 as items.

We noted certain other matters that we reported to management of Greenbrier County Committee on Aging, Inc. in a separate letter dated June 25, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Buckhannon, West Virginia
June 25, 2014

**GREENBRIER COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? X yes ___ no

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

Noncompliance material to financial statements noted? ___ yes X no

Financial Statement Findings

Material Weakness

2013-1 Internal Controls

Condition: An employee misappropriated assets by using the Organization's credit card and other charge accounts to pay personal expenses. Employee also made ATM withdrawals and wrote checks for personal use. Employee paid personal utilities and fuel with Organization's funds.

Criteria: Internal controls should be in place that provide reasonable assurance that credit card and charge account transactions are reviewed and approved by management. Internal controls over cash should be in place that provide reasonable assurance that transactions are for approved amounts and with proper documentation.

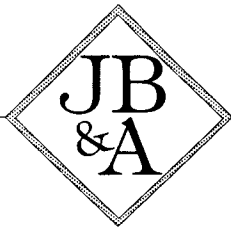
Cause: Internal controls in place were not being followed or were inadequately designed.

Effect: Because of the failure to review and approve all credit card and other charge account transactions, \$883 in questionable expenditures were made on the credit card and charge accounts. ATM withdrawals and checks written to cash and employee resulted in \$14,575 in questionable expenditures. Utilities and fuel paid for employee personal expenses amounted to \$2,531. Total questionable expenditures for year ended September 30, 2013 were \$17,989.

Recommendation: Internal controls in place should be followed or better designed to provide reasonable assurance that credit card and charge account transactions are approved and have proper documentation. Controls also need to be in place to insure that all ATM and checking transactions are approved and have proper documentation. All expenditures should be approved by someone other than the person writing checks and the bank accounts should be reconciled by someone other than the person writing checks. Someone without accounting duties should open the mail and particulary review items clearing the checking and credit card accounts.

Response: The Organization agrees with the findings and the recommended procedures are being implemented.

The accompanying notes are 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

MANAGEMENT LETTER

To the Senior Management and
The Board of Directors of
Greenbrier County Committee on Aging, Inc.
Rupert, West Virginia

In planning and performing our audit of the financial statements of Greenbrier County Committee on Aging, Inc. for the year ended September 30, 2013, 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 internal control structure.

However, during our audit, we noted certain matters involving internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated June 11, 2014, on the financial statements of Greenbrier County Committee on Aging, Inc.

We will review the status of these comments during our next audit engagement. Our comments and recommendations, 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 summarized as follows:

Organizational Structure

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

Budget

An Organization-wide budget should be developed and monitored on a continuous basis. Actual income and expenses should be compared to their budget to ensure that spending is in line with revenues. Budgets help identify misappropriation of funds by identifying unusual gaps between planned spending and actual expenses.

We wish to thank the Director and his 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 within the Organization.

Buckhannon, West Virginia
June 25, 2014