



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

June 6, 2017

To the Board of Directors
Calhoun County Committee on Aging, Inc.

We have audited the financial statements of Calhoun County Committee on Aging, Inc. for the year ended September 30, 2016, and have issued our report thereon dated June 6, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Calhoun County Committee on Aging, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2016. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimate affecting the financial statements were:

Management's estimate of the accumulated depreciation and depreciation expense is based on the straight line basis of the estimated useful service lives of the various classes of property. Management's estimate of allowance for doubtful accounts is based on historical percentages of collections. We evaluated the key factors and assumptions used to develop the accumulated depreciation, depreciation expense, and allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of capital assets and related accumulated depreciation in Note 2 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 6, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Calhoun County Committee on Aging, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Tetrick & Bartlett, PLLC

Tetrick & Bartlett, PLLC

CALHOUN COUNTY COMMITTEE ON AGING, INC.

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2016

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Calhoun County Committee on Aging, Inc.
Grantsville, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Calhoun County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, functional expenses 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 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 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 Calhoun County Committee on Aging, Inc. as of September 30, 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of federal and state funds and the notes to the schedule of federal and state funds on pages 14 thru 16 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2017 on our consideration of Calhoun 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 Calhoun County Committee on Aging, Inc.'s internal control over financial reporting and compliance.

Patrick A. Bantua, Ph.D.

Clarksburg, West Virginia
June 6, 2017

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016**

ASSETS	
CURRENT ASSETS	
Cash	\$ 16,783
Grants and Contracts Receivable	68,166
Prepaid Expenses	<u>3,874</u>
TOTAL CURRENT ASSETS	<u>88,823</u>
PROPERTY AND EQUIPMENT	
Property and Equipment	1,453,465
Accumulated Depreciation	<u>(764,535)</u>
NET PROPERTY AND EQUIPMENT	<u>688,930</u>
OTHER ASSETS	
Certificate of Deposit	<u>125,889</u>
TOTAL ASSETS	<u>\$ 903,642</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 17,799
Accrued Payroll	21,619
Payroll Taxes and Withholding Payable	10,109
Accrued Vacation	<u>11,525</u>
TOTAL CURRENT LIABILITIES	<u>61,052</u>
LONG-TERM LIABILITIES	
Accrued Vacation	<u>11,524</u>
TOTAL LONG-TERM LIABILITIES	<u>11,524</u>
TOTAL LIABILITIES	72,576
UNRESTRICTED NET ASSETS	<u>831,066</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 903,642</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT			
Medicaid	\$ 328,759	\$ -	\$ 328,759
NSIP	18,608	-	18,608
Title IIIC	74,605	-	74,605
LIFE	180,352	-	180,352
Contributions and Fundraising	15,894	-	15,894
Lighthouse	52,844	-	52,844
Fair	28,455	-	28,455
Veterans	22,606	-	22,606
Title IIIB	-	39,636	39,636
Title IIIE	-	140	140
Senior Medical Patrol	2,000	-	2,000
MIPPA	1,000	-	1,000
Community Partnership Grant	52,000	-	52,000
Other	1,601	-	1,601
Net Assets Released From Donor Restrictions	39,776	(39,776)	-
TOTAL SUPPORT	<u>818,500</u>	<u>-</u>	<u>818,500</u>
REVENUES			
Program Income	27,315	-	27,315
Gain on Sale of Assets	8,325	-	8,325
Interest Income	2,208	-	2,208
TOTAL REVENUES	<u>37,848</u>	<u>-</u>	<u>37,848</u>
TOTAL SUPPORT AND REVENUES	<u>856,348</u>	<u>-</u>	<u>856,348</u>

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
EXPENSES			
Program Expense:			
Other Programs	\$ 428,501	\$ -	\$ 428,501
Health Benefits	1,761	-	1,761
LIFE	180,352	-	180,352
Lighthouse	52,844	-	52,844
Title III-B	43,403	-	43,403
Title III-E	546	-	546
Title III-C - Congregate	68,372	-	68,372
Title III-C - Home Delivered	83,437	-	83,437
Management & General	13,030	-	13,030
Fundraising	9,153	-	9,153
	<u>881,399</u>	<u>-</u>	<u>881,399</u>
TOTAL EXPENSES			
	881,399	-	881,399
CHANGE IN NET ASSETS	(25,051)	-	(25,051)
BEGINNING UNRESTRICTED NET ASSETS	<u>856,117</u>	<u>-</u>	<u>856,117</u>
ENDING UNRESTRICTED NET ASSETS	<u>\$ 831,066</u>	<u>\$ -</u>	<u>\$ 831,066</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Program Services				
	Other Programs	SHIP	LIFE	Light- house	Title III-B
Wages & Taxes	\$ 321,117	\$ 1,761	113,554	\$ 52,844	\$ 29,875
Fringe Benefits	24,438	-	7,461	-	-
Supplies	1,280	-	7,930	-	-
Repairs & Maintenance	16,813	-	2,420	-	157
Communications & Utilities	10,569	-	23,452	-	-
Other	454	-	-	-	-
Depreciation	30,746	-	-	-	-
Transportation	4,161	-	1,408	-	13,371
Professional Services	11,228	-	6,442	-	-
Insurance	-	-	12,396	-	-
Trips & Supplies	-	-	-	-	-
Taxes & Licenses	25	-	-	-	-
Nutrition Supplies	6,940	-	-	-	-
Rent	-	-	5,289	-	-
Dues & Subscriptions	730	-	-	-	-
	<u>\$ 428,501</u>	<u>\$ 1,761</u>	<u>180,352</u>	<u>\$ 52,844</u>	<u>\$ 43,403</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Program Services		Title III-C		Management and General	Fundraising	Totals (Memorandum Only)
	Title III-E	Congregate	Home Delivered				
Wages & Taxes	\$ 546	37,283	38,519	8,788	-	\$ 604,287	
Fringe Benefits	-	11,627	11,627	988	-	56,141	
Supplies	-	-	-	-	-	9,210	
Repairs & Maintenance	-	1,865	-	-	-	21,255	
Communications & Utilities	-	-	-	-	-	34,021	
Other	-	1,975	-	-	-	2,429	
Depreciation	-	-	-	3,254	-	34,000	
Transportation	-	-	8,253	-	-	27,193	
Professional Services	-	-	-	-	-	17,670	
Insurance	-	-	-	-	-	12,396	
Trips & Supplies	-	-	-	-	9,153	9,153	
Taxes & Licenses	-	-	-	-	-	25	
Nutrition Supplies	-	15,044	25,038	-	-	47,022	
Rent	-	-	-	-	-	5,289	
Dues & Subscriptions	-	578	-	-	-	1,308	
	\$ <u>546</u>	\$ <u>68,372</u>	\$ <u>83,437</u>	\$ <u>13,030</u>	\$ <u>9,153</u>	\$ <u>881,399</u>	

The accompanying independent auditor's report and notes are integral parts of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (25,051)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	34,000
Gain on Sale of Equipment	(8,325)
(Increase) Decrease In:	
Grants and Contracts Receivable	1,731
Prepaid Expenses and Deposits	707
Increase (Decrease) In:	
Accounts Payable	6,339
Accrued Vacation	(2,683)
Accrued Payroll	(3,326)
Payroll Taxes Payable	(1,313)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,079</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in Certificates of Deposit	(2,180)
Cash Received for Sale of Equipment	8,325
Acquisition of Property and Equipment	(36,585)
NET CASH (USED BY) INVESTING ACTIVITIES	<u>(30,440)</u>
 NET (DECREASE) IN CASH	(28,361)
 CASH - BEGINNING OF PERIOD	<u>45,144</u>
 CASH - END OF PERIOD	<u>\$ 16,783</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Entity

The Calhoun County Committee on Aging, Inc. is a non-profit corporation located in Grantsville, West Virginia. The Corporation's operations consist of a variety of social services for the elderly of Calhoun County. The Organization is funded by various federal and state grants and from funds obtained through local fund raising projects.

Financial Statement Presentation

The Organization has adopted FASB Standards Codification 958, Not-for-Profit Entities. There are no permanently restricted assets as of September 30, 2016.

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions would be reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets would be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Summary of Significant Accounting Policies

Basis of Accounting and Reporting

Calhoun County Committee on Aging, Inc. uses the cash basis of accounting throughout the program year but prepares its annual financial statements on the accrual basis.

Cash

All cash, except for cash on hand, is on deposit with institutions which are insured by the F.D.I.C.

For the purpose of the statement of cash flows, the Organization considers both restricted and unrestricted cash as well as certificates of deposit with an original maturity of three months or less to be cash and cash equivalents.

Cash and equivalents consist of the following:

	Unrestricted Cash	\$	16,783
	Total Cash	\$	16,783
Other Assets	Amount		Maturity Date
Certificate of Deposit	\$ 125,889		11/01/20

The accompanying independent auditor's report is an integral part of these notes.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

The Organization does not maintain an inventory. Supplies are purchased on an as needed basis.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; all fixed assets are capitalized with an original cost of \$500 or more.

Revenue Recognition

Unconditional grants and promises to give are recorded when the grant or promise is made. Conditional grants and promises to give are recorded when the related condition is met. Project income is recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Accrued Annual Leave

Accrued compensated absences are included in these financial statements at the employees' current hourly rate for September 30, 2016.

Functional Expenses

The operating expenses of the Organization have been classified in the Statement of Functional Expenses on a direct basis whenever possible. Other expenses have been allocated based on personnel time worked, space utilized or some other rational allocation method.

Donated Services

Donated services are recognized as contributions in accordance with FASB Standards Codification 958-605, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The accompanying independent auditor's report is an integral part of these notes.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax – Exempt Status

The Calhoun County Committee on Aging, Inc. has been determined to be an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's Forms 990 US income tax returns for the years ending 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after they are filed.

Income Taxes

The Calhoun County Committee on Aging, Inc. is a not-for-profit organization and is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code of 1986. The Organization owed \$0 in unrelated business income taxes as of September 30, 2016.

Risks and Uncertainties

The majority of the funding for the operation of Calhoun County Committee on Aging, Inc. comes from Medicaid and the Northwestern Area Agency on Aging. A loss of or decrease in this funding could adversely affect the operation of the Organization.

Subsequent Events – Subsequent events have been evaluated through June 6, 2017, which is the date the financial statements were available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or fair market value at date of donation.

Property and equipment consisted of the following at September 30, 2016:

Land & Land Improvements	\$	192,072
Buildings and Additions		872,327
Vehicles		246,749
Equipment & Furniture		142,317
		1,453,465
TOTAL PROPERTY AND EQUIPMENT		
Less, Accumulated Depreciation		(764,535)
NET PROPERTY AND EQUIPMENT	\$	688,930

Property and equipment are depreciated over their useful lives:

Buildings & Additions	7 – 39 Years
Vehicles	5 Years
Equipment & Furniture	5 – 7 Years

The accompanying independent auditor's report is an integral part of these notes.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 SCHEDULE OF FEDERAL AND STATE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>FEDERAL AWARDS</u>				
U.S. Department of Health and Human Services, Administration for Community Living				
Passed through the WV Bureau of Senior Services and Bel-O-Mar Regional Council:				
	Title III-B - Special Programs for the Aging	93.044	21635	\$ 26,658
	Title III-E - National Family Caregiver Support	93.052	21635	140
	Title IIIC - Special Programs for the Aging - Nutrition Services	93.045	N/A	18,100
	Nutritional Service Incentive	93.053	N/A	18,608
	Medicare Improvements for Patients and Providers (MIPPA)	93.518	MIPPA1601	<u>1,000</u>
		TOTAL FEDERAL \$		<u><u>64,506</u></u>

The accompanying independent auditor's report and notes are integral parts of this schedule.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>STATE AWARDS</u>				
WV Bureau of Senior Services through the Bel-O-Mar Regional Council:				
	Title III-B - State	N/A	21635	\$ 12,978
	LIFE	N/A	21602 21402	180,352
	Lighthouse In-Home Services	N/A	IH1601 & IH701	52,844
	Community Partnership	N/A	SC21363, SC21463, SC21025A, & SC21563	52,000
	Alzheimer's Respite/ Fair	N/A	IH1601 & IH701	28,455
	Senior Medicare Patrol (SMP)	N/A	SMP1704	2,000
	Title IIIC - State	N/A	N/A	<u>56,505</u>
			TOTAL STATE FUNDS	\$ <u><u>385,134</u></u>

The accompanying independent auditor's report and notes are integral parts of this schedule.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO THE SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Federal and State Funds is prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements.

The accompanying independent auditor's report is an integral part of these notes.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**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**

The Board of Directors
Calhoun County Committee on Aging, Inc.
Grantsville, 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 Calhoun County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 6, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Calhoun 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 Calhoun County Committee on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Calhoun County Committee on Aging, Inc.'s internal control.

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. 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.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item #2016-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calhoun 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Calhoun County Committee on Aging, Inc.'s Response to Findings

Calhoun County Committee on Aging, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Calhoun County Committee on Aging, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

J. Stuck, Bachelor, PAAC

Clarksburg, West Virginia
June 6, 2017

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

#2016-001 Segregation of Duties

Criteria: Analysis of the internal control system indicated a lack of segregation of duties.

Condition: Responsibilities of approval, execution, recording and custody associated with all financial transactions should be distributed among the accounting staff to the highest degree possible.

Cause: The Organization has a limited number of employees who are responsible for the approval, execution, recording and custody associated with all financial transactions. This limits the degree to which these responsibilities can be segregated.

Effect: Because of the lack of segregation of duties, internal control elements do not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: Responsibilities of approval, execution, recording and custody should be distributed among the office staff to the best degree possible. We recommend that management and the Board of Directors provide oversight and independent review functions and to continue exercising due diligence and professional skepticism in relation to the Committee's financial operations.

Entity's Response: To the extent possible, the Organization has segregated the responsibilities of approval, execution, recording and custody associated with all financial transactions. Any further segregation of duties would not be economically feasible.

Status: This condition was reported as finding #2015-001 in the September 30, 2015 audit report.