

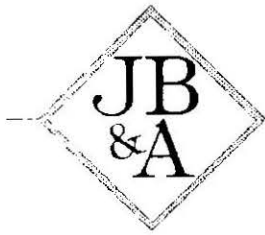
**JACKSON COUNTY COMMISSION ON AGING, INC.**

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

**SEPTEMBER 30, 2015**

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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 AUDITOR'S REPORT

To the Board of Directors  
Jackson County Commission on Aging, Inc.  
Ripley, West Virginia

We have audited the accompanying financial statements of Jackson County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, 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 Jackson County Commission on Aging, Inc. as of September 30, 2015, 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 Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of revenues and support and schedule of expenditures of state awards are presented for purposes of additional analysis and are 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, the 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 9, 2016, on our consideration of Jackson County Commission 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 Jackson County Commission on Aging, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia  
June 9, 2016

**JACKSON COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2015**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 276,186
Accounts receivable, net	6,566
Grants receivable	44,617
Annuity - American Investors	70,621
Prepaid expenses	<u>5,761</u>

Total current assets	<u>403,751</u>
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<b>Property and Equipment</b>	<u>1,546,324</u>
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<b>TOTAL ASSETS</b>	<u><u>\$ 1,950,075</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 10,289
Accrued wages payable	23,055
Accrued vacation	21,943
Payroll taxes payable	<u>1,220</u>

Total current liabilities	<u>56,507</u>
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**Net Assets**

Unrestricted	347,244
Investments in fixed assets	<u>1,546,324</u>

Total unrestricted net assets	1,893,568
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Temporarily restricted	<u>                    </u>
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Total net assets	<u>1,893,568</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,950,075</u></u>
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The accompanying notes are an integral part of this statement

**JACKSON COUNTY COMMISSION ON AGING, INC.  
STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Federal financial assistance	\$ 156,919	\$	\$ 156,919
State grant allocations	508,176		508,176
Donations and match	22,460		22,460
County commission	15,000		15,000
Medicaid	90,618		90,618
Waiver	19,107		19,107
Project income	94,621		94,621
Interest income	2,811		2,811
Rent	14,485		14,485
Net assets released from restrictions:			
Restrictions released with time	_____	_____	_____
Total Revenue and Support	<u>924,197</u>	_____	<u>924,197</u>
<b>EXPENSES</b>			
Program Services:			
Title III-B	80,327		80,327
Title III-E	17,370		17,370
Title III-C - congregate	145,977		145,977
Title III-C - home delivered	145,201		145,201
LIFE	113,131		113,131
Medicaid and waiver	117,296		117,296
Fair	50,608		50,608
Lighthouse/SAMS	205,284		205,284
Aqua fitness	34,076		34,076
Support Services:			
Management and general	<u>105,743</u>	_____	<u>105,743</u>
Total Expenses	<u>1,015,013</u>	_____	<u>1,015,013</u>
Change in Net Assets	(90,816)		(90,816)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,984,384</u>	_____	<u>1,984,384</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,893,568</u>	<u>\$</u>	<u>\$ 1,893,568</u>

The accompanying notes are an integral part of this statement

**JACKSON COUNTY COMMISSION ON AGING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Title III-B	Title III-E	Title III-C		LIFE	Medicaid Waiver
			Congregate	Home Delivered		
Salaries and wages	\$ 53,416	\$ 15,083	\$ 50,795	\$ 51,772	\$ 50,906	\$ 95,362
Fringe benefits	9,384	1,792	14,944	13,515	9,147	13,205
Travel	8	495	888	439		7,459
Printing and supplies			1,326	1,632	4,449	
Repairs and maintenance	11,848		9,299	3,887	22,515	
Communications and utilities	1,367		24,351	8,309	5,820	907
Insurance	562				7,876	
Professional services					4,000	
Rawfood			41,114	52,998		
Disposables			3,130	10,746		
Transportation costs	3,742			1,647	8,418	
Depreciation						
Other			130	256		363
<b>Total Functional Expenses</b>	<b>\$ 80,327</b>	<b>\$ 17,370</b>	<b>\$ 145,977</b>	<b>\$ 145,201</b>	<b>\$ 113,131</b>	<b>\$ 117,296</b>

**JACKSON COUNTY COMMISSION ON AGING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Fair	Lighthouse/ SAMS	Aqua Fitness	Admin General	Totals (Memorandum Only)
Salaries and wages	\$ 43,122	\$ 163,600	\$ 16,186	\$ 5,291	\$ 545,533
Fringe benefits	5,440	26,042	1,707	3,022	98,198
Travel	1,658	11,038	16	2,577	24,578
Printing and supplies		942	378	2,353	11,080
Repairs and maintenance			3,279	10,680	61,508
Communications and utilities	388	2,865	8,910	4,047	56,964
Insurance			3,600	1,496	13,534
Professional services				2,616	6,616
Rawfood					94,112
Disposables					13,876
Transportation costs					13,807
Depreciation				70,456	70,456
Other		797		3,205	4,751
<b>Total Functional Expenses</b>	<b>\$ 50,608</b>	<b>\$ 205,284</b>	<b>\$ 34,076</b>	<b>\$ 105,743</b>	<b>\$ 1,015,013</b>

The accompanying notes are an integral part of this statement.



**JACKSON COUNTY COMMISSION ON AGING, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (90,816)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	70,456
(Increase) decrease in operating assets:	
Accounts and grants receivable	8,308
Prepaid expenses	(1,451)
Increase (decrease) in operating liabilities:	
Accounts payable	841
Accrued wages payable	3,386
Accrued payroll taxes	(119)
<u>NET CASH USED IN OPERATING ACTIVITIES</u>	<u>(9,395)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Increase in annuity	<u>(2,412)</u>
<u>NET CASH USED IN INVESTING ACTIVITIES</u>	<u>(2,412)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

<u>NET CASH USED IN FINANCING ACTIVITIES</u>	<u>_____</u>
Decrease in cash and cash equivalents	(11,807)

<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>287,993</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 276,186</u></u>

The accompanying notes are an integral part of this statement

**JACKSON COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. NATURE OF OPERATIONS**

Jackson County Commission on Aging, Inc. is a non-profit organization which provides services to low income individuals and families in Jackson County, West Virginia. Jackson County Commission on Aging, Inc.'s headquarters are located in Ripley, West Virginia.

The objectives of Jackson County Commission on Aging, Inc. are to:

Establish, conduct, implement, operate, coordinate and finance programs for the benefit of the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County in the fields of education, economics, health recreation, natural planning, transportation, industrial and business development, and other social and public welfare programs;

Consult with and advise the regional agencies in the development plans as specified by grantee agency, state and federal regulation as they would affect the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County;

Enter into cooperative agreements with municipal, county, Area Agency on Aging, state, federal or other public bodies and/or agencies in establishing, conducting, implementing operation and coordinating and financing of said programs for the benefit of low-income minority, elderly, disadvantaged and handicapped citizens of Jackson County;

Act as a "community focal point" in Jackson County for the coordination of the broadest range of services to benefit the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County;

Develop and administer multi-purpose senior citizens and a network of satellite centers in Jackson County;

Develop and promote cooperative relationships between Jackson County Commission on Aging, Inc. and other allied organizations, agencies and programs interested in the needs and aspirations of the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County; and

Develop and administer such rules, policies, procedures and guidelines as may be necessary to carry out the above objectives consistent with local, state and federal laws and grant and contract agreements entered into by the organization.

**JACKSON COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized as they are incurred.

**Property and Depreciation**

It is the Organization's policy to capitalize property and equipment with cost criteria greater than \$5,000. All items below this threshold are expensed when purchased. Property and equipment are depreciated using the straight line method. The estimated useful lives of the related assets are as follows:

Building	39 years
Equipment	5 - 10 years
Vehicles	5 years

**Maintenance and Repairs**

Minor renewals and replacements are charged against income-major renewals and replacements are charged to appropriate asset accounts.

**Income Tax**

Jackson County Commission on Aging, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain activities are considered unrelated to the Organization's exempt purpose and the Organization reports those activities as unrelated business income. As such, the Organization, if necessary, will record a provision for federal income taxes.

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.

**Estimates**

In preparing financial statements management must make estimates based on future events that affect 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.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**JACKSON COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activity. Accordingly, all costs have been allocated among the programs. No Schedule of Functional Expenses is provided because substantially all cost is considered to be part of program cost.

**Accrued Vacation**

In accordance with the Organization's personnel policies, employees earn vacation time throughout the year. Vacation time earned but not taken at the time of an employee's termination will be paid to the employee. Therefore, all unpaid vacation expense as of the end of each fiscal year is accrued under the rules of a vested plan.

**Financial Statement Presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. At September 30, 2015 the Organization had unrestricted and temporarily restricted net assets and did not have any permanently restricted net assets.

**Temporarily Restricted Net Assets**

The Organization reports grants and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from restrictions.

**Inventory**

In accordance with grant award budgets approved by funding sources, inventory is recorded at cost as an asset in the period during which it is purchased.

**Donated Services, Space and Other**

Donated hourly services are valued at the federal established minimum wage or the fair value of skilled services. Donated space is valued at the estimated fair rental value. Donated other is valued at the estimated fair market value at the date of receipt. The Organization does not record donated services, space and other in excess of the amount required to meet grant matching agreements.

**JACKSON COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Advertising**

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred.

**NOTE 3. CONTINGENCIES**

Jackson County Commission on Aging, Inc, receives a substantial amount of support from federal, state, and local governments. A significant reduction in the level of this support, if such were to occur, would have a material effect on the Organization's programs and activities.

**NOTE 4. ACCOUNTS AND GRANTS RECEIVABLE**

Accounts and grants receivable consist of the following at September 30, 2015:

Accounts receivable	\$ 6,566
Grants receivable	44,617
	-----
Total	\$ 51,183
	-----

**NOTE 5. PROPERTY AND EQUIPMENT**

A summary of the components of property and equipment as of September 30, 2015, is as follows:

Land	\$ 201,566
Buildings and Improvements	2,292,802
Equipment	92,306
Vehicles	248,262
	-----
Total	2,834,936
Less: Accumulated Depreciation	(1,288,612)
	-----
Total property and equipment	\$ 1,546,324
	-----

Depreciation expense for the year ended September 30, 2015 was \$70,456.

**JACKSON COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 6. OPERATING LEASE**

The Organization leases the building and land associated with the Sandyville senior center. This lease was entered into on January 1, 1995, and is for a period of fifty (50) years ending December 31, 2044. Intent to terminate the lease must be made known at least 30 days prior to the first day of each calendar year. The base rent for the premises is set at \$1 per year. Lease expense was \$1 for the year ended September 30, 2015.

The following is a schedule of future minimum lease payments required under the Organization's operating lease:

2016	\$ 1
2017	1
2018	1
2019	1
2020	1
Thereafter	24
Total	----- \$ 29 =====

**NOTE 7. CONCENTRATIONS OF CREDIT RISK**

**Cash**

The Organization maintains cash balances in checking and savings accounts at various banks throughout the region in which it operates. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2015, deposits in any one financial institution did not exceed \$250,000.

**Funds Receivable**

The Organization provides various services to the elderly and low-income individuals in Jackson County, West Virginia, on a third-party reimbursement basis. The Organization bills the various funding sources in accordance with contractual agreements without requiring collateral or any other security. Funds receivable have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been created because the amount, if any, is not considered material.

**JACKSON COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 8. CONTINGENT LIABILITIES**

The Organization's programs are generally funded from federal, state and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

**NOTE 9. MATCHING FUNDS**

During the year ended September 30, 2015, the Organization received \$15,000 unrestricted monies from the County Commission of which \$5,234 was used as matching funds for the Title IIIB, Tile IIID & Title IIIE grant awards. These matching funds are as follows:

Title IIIB	\$ 1,517
Title IIIE	3,717
	-----
Total	\$ 5,234
	=====

**NOTE 10. TEMPORARILY RESTRICTED NET ASSETS**

There were no restricted net assets at September 30, 2015.

**NOTE 11. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 9, 2016 the date on which the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**



**JACKSON COUNTY COMMISSION ON AGING, INC.  
SCHEDULE OF REVENUES AND SUPPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Title III-B	Title III-E	Title III-C		LIFE
			Congregate	Home Delivered	
Federal financial assistance	\$ 42,467	\$ 11,151	\$ 54,910	\$ 48,391	\$
State grant	29,397		26,150	46,299	191,717
State LIFE allocated	5,973		27,615	26,450	(77,038)
State Community Partnership Donations and match					
County Commission	1,517	3,717			
Medicaid Waiver					
Project income	972		27,942	20,394	
Interest income					
Rent income					
<b>Total Revenue and Support</b>	<u>80,326</u>	<u>14,868</u>	<u>136,617</u>	<u>141,534</u>	<u>114,679</u>
Functional Expenses	80,327	17,370	145,977	145,201	113,131
Less: Depreciation					
Add: Capital Expenditures					
<b>Total Expenditures</b>	<u>80,327</u>	<u>17,370</u>	<u>145,977</u>	<u>145,201</u>	<u>113,131</u>
<b>Net Revenue (Expenditures)</b>	<u>\$ (1)</u>	<u>\$ (2,502)</u>	<u>\$ (9,360)</u>	<u>\$ (3,667)</u>	<u>\$ 1,548</u>

**JACKSON COUNTY COMMISSION ON AGING, INC.  
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Medicaid Waiver	Fair	Lighthouse/ SAMS	Aqua Fitness	Other	Total (Memorandum Only)
\$	\$	\$	\$		\$ 156,919
	41,306	170,307 17,000			505,176
				3,000	3,000
			17,363	5,097	22,460
				9,766	15,000
90,618					90,618
19,107					19,107
	4,939	19,080	20,911	383	94,621
				2,811	2,811
			220	14,265	14,485
<u>109,725</u>	<u>46,245</u>	<u>206,387</u>	<u>38,494</u>	<u>35,322</u>	<u>924,197</u>
120,896	50,608	205,284	31,972	104,247 (70,456)	1,015,013 (70,456)
<u>120,896</u>	<u>50,608</u>	<u>205,284</u>	<u>31,972</u>	<u>33,791</u>	<u>944,557</u>
<u>\$ (11,171)</u>	<u>\$ (4,363)</u>	<u>\$ 1,103</u>	<u>\$ 6,522</u>	<u>\$ 1,531</u>	<u>\$ (20,360)</u>

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

**JACKSON COUNTY COMMISSION ON AGING, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	Grant Period	Grant Identificaiton Number	State Expenditures
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants	June 30, 2015	SC21536	\$ 3,000
Lighthouse	June 30, 2016	IH1618	32,120
Lighthouse	June 30, 2015	IH1518	133,188
FAIR	June 30, 2016	IH1618	10,997
FAIR	June 30, 2015	IH1518	30,309
In-Home - Data Entry	June 30, 2016	IH1618	1,251
In-Home - Data Entry	June 30, 2015	IH1518	3,748
 Total Direct Programs			 214,613
 Pass through Awards			
WVSC Metro Area Agency on Aging			
IIB State	June 30, 2015	21536	29,397
IIC-1	June 30, 2015	2915	26,150
IIC-2	June 30, 2015	2915	46,299
LIFE	June 30, 2016	21603	11,265
LIFE	June 30, 2015	21503	180,452
 Total pass-through awards			 293,563
 TOTAL EXPENDITURES OF STATE AWARDS			 \$ 508,176

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



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S 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  
Jackson County Commission on Aging, Inc.  
Ripley, 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 Jackson County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, 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 9, 2016.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jackson County Commission 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 Jackson County Commission on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

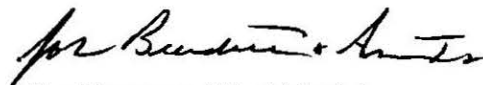
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jackson County Commission 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*.

We noted certain other matters that we reported to management of Jackson County Commission on Aging, Inc. in a separate letter dated June 9, 2016 on page 19.

**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 9, 2016



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## MANAGEMENT LETTER

To the Board of Directors  
and Senior Management  
Jackson County Commission on Aging, Inc.  
Ripley, West Virginia

In planning and performing our audit of the financial statements of Jackson County Commission on Aging, Inc. for the year ended September 30, 2015, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter on pages 17 and 18, dated June 9, 2016 contains our communication of significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated June 9, 2016, on the financial statements of Jackson County Commission on Aging, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Organization personnel, and we will be pleased to discuss them 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.

We wish to thank the Executive Director and her staff for their support and assistance during our audit.

This report is intended solely for the information and use of management, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Buckhannon, West Virginia  
June 9, 2016