

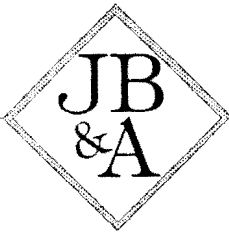
JACKSON COUNTY COMMISSION ON AGING, INC.

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

SEPTEMBER 30, 2016

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5-6
Statement of cash flows	7
Notes to financial statements	8-13
SUPPLEMENTAL INFORMATION	
Schedule of Revenues and Support	14-15
Schedule of Expenditures of State Awards	16
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17-18
MANAGEMENT LETTER	19



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, 2016, 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, 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.

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 May 30, 2017 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
May 30, 2017

**JACKSON COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016**

ASSETS

Current Assets

Cash and cash equivalents	\$ 235,303
Accounts receivable, net	7,350
Grants receivable	55,564
Annuity - American Investors	71,667
Prepaid expenses	<u>6,127</u>

Total current assets	<u>376,011</u>
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Property and Equipment

1,539,580

TOTAL ASSETS

\$ 1,915,591

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 7,097
Accrued wages payable	28,631
Accrued vacation	17,275
Payroll taxes payable	<u>1,372</u>

Total current liabilities	<u>54,375</u>
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Net Assets

Unrestricted	321,636
Investments in fixed assets	<u>1,539,580</u>

Total unrestricted net assets	1,861,216
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Temporarily restricted

Total net assets	<u>1,861,216</u>
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TOTAL LIABILITIES AND NET ASSETS

\$ 1,915,591

The accompanying notes are an integral part of this statement

JACKSON COUNTY COMMISSION ON AGING, INC.
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal financial assistance	\$ 158,725	\$	\$ 158,725
State grant allocations	513,448		513,448
Donations and match	46,220		46,220
County commission	50,350		50,350
Medicaid	65,438		65,438
Waiver	4,992		4,992
Project income	91,728		91,728
Interest income	1,374		1,374
Rent	15,610		15,610
 Net assets released from restrictions:			
Restrictions released with time	_____	_____	_____
Total Revenue and Support	947,885	_____	947,885
 EXPENSES			
Program Services:			
Title III-B	76,853		76,853
Title III-E	14,588		14,588
Title III-C - congregate	151,315		151,315
Title III-C - home delivered	146,821		146,821
LIFE	105,438		105,438
Medicaid and waiver	84,455		84,455
Fair	47,718		47,718
Lighthouse/SAMS	211,949		211,949
Aqua fitness	28,989		28,989
Veterans	11,215		11,215
Support Services:			
Management and general	100,896	_____	100,896
Total Expenses	980,237	_____	980,237
Change in Net Assets	(32,352)		(32,352)
NET ASSETS AT BEGINNING OF YEAR	1,893,568	_____	1,893,568
NET ASSETS AT END OF YEAR	\$ 1,861,216	\$ _____	\$ 1,861,216

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, 2016**

	Title III-B	Title III-E	Title III-C		LIFE	Medicaid Waiver	Veterans
			Congregate	Home Delivered			
Salaries and wages	\$51,228	\$12,270	\$ 56,169	\$ 63,620	\$ 50,417	\$65,424	\$ 9,554
Fringe benefits	9,756	1,482	10,842	11,010	10,802	9,783	1,135
Travel		632	2,051	725		6,652	77
Printing and supplies		204	1,936	930	3,710	34	99
Repairs and maintenance	10,909		9,573	2,841	16,911	475	
Communications and utilities	1,261		27,913	7,842	5,820	623	8
Insurance					8,673	1,200	200
Professional services			68		4,000		
Rawfood			39,082	48,919			
Disposables			3,247	9,920			
Transportation costs	3,603			1,014	5,105		
Depreciation							
Other	96		434			264	142
Total Functional Expenses	\$76,853	\$14,588	\$ 151,315	\$146,821	\$105,438	\$84,455	\$ 11,215

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

	Fair	Lighthouse/ SAMS	Aqua Fitness	Admin General	Totals (Memorandum Only)
Salaries and wages	\$ 40,114	\$ 167,669	\$ 13,928	\$ 4,662	\$ 535,055
Fringe benefits	6,185	27,351	1,471	199	90,016
Travel	958	10,698	103	1,085	22,981
Printing and supplies		815	402	6,989	15,119
Repairs and maintenance			4,542	7,676	52,927
Communications and utilities	443	3,335	4,943	2,005	54,193
Insurance			3,600	2,252	15,925
Professional services				2,021	6,089
Rawfood					88,001
Disposables					13,167
Transportation costs					9,722
Depreciation				73,965	73,965
Other	18	2,081		42	3,077
Total Functional Expenses	\$ 47,718	\$ 211,949	\$ 28,989	\$ 100,896	\$ 980,237

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, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (32,352)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	73,965
(Increase) decrease in operating assets:	
Accounts and grants receivable	(11,731)
Prepaid expenses	(366)
Increase (decrease) in operating liabilities:	
Accounts payable	(3,192)
Accrued wages payable	908
Accrued payroll taxes	152
	152
	908
	(3,192)
	(11,731)
	73,965
	(32,352)
	27,384
	27,384

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(67,221)
Increase in annuity	(1,046)
	(68,267)
NET CASH USED IN INVESTING ACTIVITIES	(68,267)

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES	
Decrease in cash and cash equivalents	(40,883)
CASH AND CASH EQUIVALENTS, beginning of year	276,186
CASH AND CASH EQUIVALENTS, end of year	\$ 235,303

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, 2016, 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, 2016:

Accounts receivable	\$	7,350
Grants receivable		55,564

Total	\$	62,914
		=====

NOTE 5. PROPERTY AND EQUIPMENT

A summary of the components of property and equipment as of September 30, 2016, is as follows:

Land	\$	201,566
Buildings and Improvements		2,318,152
Equipment		134,177
Vehicles		248,262

Total		2,902,157
Less: Accumulated Depreciation		(1,362,577)

Total property and equipment	\$	1,539,580
		=====

Depreciation expense for the year ended September 30, 2016 was \$73,965.

**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, 2016.

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

2017	\$ 1
2018	1
2019	1
2020	1
2021	1
Thereafter	23
Total	----- \$ 28 =====

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, 2016, 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, 2016, the Organization received \$50,350 unrestricted monies from the County Commission of which \$10,147 was used as matching funds for the Title IIIB, Tile IIID & Title IIIE grant awards. These matching funds are as follows:

Title IIIE	3,647
Title IIIC-1	4,400
Title IIIC-2	2,100

Total	\$ 10,147
	=====

NOTE 10. TEMPORARILY RESTRICTED NET ASSETS

There were no restricted net assets at September 30, 2016.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 30, 2017 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, 2016**

	Title III-B	Title III-E	Title III-C		LIFE
			Congregate	Home Delivered	
Federal financial assistance	\$ 40,267	\$ 10,939	\$ 43,974	\$ 51,273	\$
State grant	29,397		39,601	43,601	196,030
State LIFE allocated	5,973		33,240	30,050	(89,736)
Donations and match					
County Commission		3,647	4,400	2,100	
Medicaid					
Waiver					
Project income	1,089		30,100	19,798	
Interest income					
Rent income					
Total Revenue and Support	<u>76,726</u>	<u>14,586</u>	<u>151,315</u>	<u>146,822</u>	<u>106,294</u>
Functional Expenses	76,853	14,588	151,843	146,225	105,438
Less: Depreciation					
Add: Capital Expenditures					
Total Expenditures	<u>76,853</u>	<u>14,588</u>	<u>151,843</u>	<u>146,225</u>	<u>105,438</u>
Net Revenue (Expenditures)	<u>\$ (127)</u>	<u>\$ (2)</u>	<u>\$ (528)</u>	<u>\$ 597</u>	<u>\$ 856</u>

**JACKSON COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

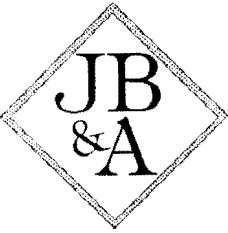
Medicaid Waiver	Fair	Lighthouse/ SAMS	Aqua Fitness	Veterans	Other	Total (Memorandum Only)
\$	\$	\$	\$	\$ 12,272	\$	\$ 158,725
	34,356	170,463				513,448
	925	19,548				
			41,002		5,218	46,220
					40,203	50,350
65,438						65,438
4,992						4,992
	4,334	16,721	19,686			91,728
					1,374	1,374
			890		14,720	15,610
<u>70,430</u>	<u>39,615</u>	<u>206,732</u>	<u>61,578</u>	<u>12,272</u>	<u>61,515</u>	<u>947,885</u>
84,455	47,718	211,949	28,989	11,215	100,964	980,237
			41,871		(73,965)	(73,965)
					25,350	67,221
<u>84,455</u>	<u>47,718</u>	<u>211,949</u>	<u>70,860</u>	<u>11,215</u>	<u>52,349</u>	<u>973,493</u>
<u>\$ (14,025)</u>	<u>\$ (8,103)</u>	<u>\$ (5,217)</u>	<u>\$ (9,282)</u>	<u>\$ 1,057</u>	<u>9,166</u>	<u>\$ (25,608)</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, 2016**

	Grant Period	Grant Identificaiton Number	State Expenditures
Direct Programs:			
WV Bureau of Senior Services			
Lighthouse	June 30, 2016	IH1618	133,492
Lighthouse	June 30, 2017	IH1718	32,008
FAIR	June 30, 2016	IH1618	28,154
FAIR	June 30, 2017	IH1718	6,202
In-Home - Data Entry	June 30, 2016	IH1618	3,750
In-Home - Data Entry	June 30, 2017	IH1718	1,213
Total Direct Programs			204,819
Pass through Awards			
WVSC Metro Area Agency on Aging			
IIIB State	June 30, 2016	21636	29,397
IIIC-1	June 30, 2016	2916	39,601
IIIC-2	June 30, 2016	2916	43,601
LIFE	June 30, 2016	21603	184,244
LIFE	June 30, 2017	21703	11,786
Total pass-through awards			308,629
TOTAL EXPENDITURES OF STATE AWARDS			\$ 513,448

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, 2016, 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 May 30, 2017.

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.

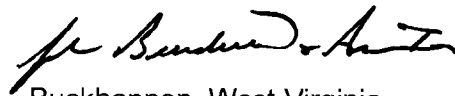
Compliance and Other Matters

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*.

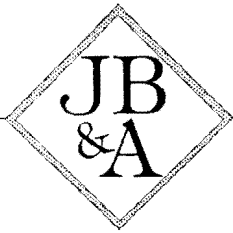
We noted certain other matters that we reported to management of Jackson County Commission on Aging, Inc. in a separate letter dated May 30, 2017 on page 19.

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
May 30, 2017



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2016, 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 May 30, 2017 contains our communication of significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated May 30, 2017, 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
May 30, 2017