

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.**

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

**SEPTEMBER 30, 2015**

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	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	8-12
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues and Support	13-14
Schedule of Expenditures of State Awards	15
<b>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></b>	16-17
<b>MANAGEMENT LETTER</b>	18



# 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  
Pocahontas County Senior Citizens, Inc.  
Marlinton, West Virginia

We have audited the accompanying financial statements of Pocahontas County Senior Citizens, 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**

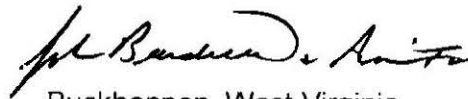
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pocahontas County Senior Citizens, Inc. as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles 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 March 10, 2016, on our consideration of Pocahontas County Senior Citizens, 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 Pocahontas County Senior Citizens, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia  
March 10, 2016

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2015**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 4,062
Accounts receivable, net	14,579
Grants receivable	37,428
Prepaid expense	<u>9,592</u>

Total current assets	<u>65,661</u>
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**Property and Equipment**

537,812

**TOTAL ASSETS**

\$ 603,473

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Line of credit	\$ 44,460
Current portion long-term debt	11,023
Accounts payable	12,718
Accrued wages and taxes	<u>37,799</u>

Total current liabilities	<u>106,000</u>
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**Long-Term Debt**

144,207

**Net Assets**

Unrestricted	353,266
Temporarily restricted	<u>          </u>

**TOTAL NET ASSETS**

353,266

**TOTAL LIABILITIES AND NET ASSETS**

\$ 603,473

The accompanying notes are an integral part of this statement

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Federal financial assistance	\$ 200,744	\$	\$ 200,744
State grants	288,348		288,348
County Commission	42,518		42,518
Other grants	29,753		29,753
Donations/Match	18,366		18,366
Medicaid	29,659		29,659
Waiver	137,552		137,552
Project income	44,372		44,372
Interest income	20		20
Other	20,353		20,353
Net assets released from restrictions:			
Restrictions released with time	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenue and Support	<u>811,685</u>	<u>                    </u>	<u>811,685</u>
 <b>EXPENSES</b>			
Program Services			
Title III-B	62,842		62,842
Title III-D	3,008		3,008
Title III-E	10,206		10,206
Title III-C - congregate	65,371		65,371
Title III-C - home delivered	143,050		143,050
Lighthouse	28,074		28,074
FAIR	9,936		9,936
LIFE	140,458		140,458
Personal Care	370,976		370,976
Support Services:			
Management and general	<u>12,999</u>	<u>                    </u>	<u>12,999</u>
Total Expenses	<u>846,920</u>	<u>                    </u>	<u>846,920</u>
Change in Net Assets	(35,235)		(35,235)
 <b>NET ASSETS AT BEGINNING OF YEAR</b>	 <u>388,501</u>	 <u>                    </u>	 <u>388,501</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 353,266</u>	<u>\$</u>	<u>\$ 353,266</u>

The accompanying notes are an integral part of this statement

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Salaries and wages	\$ 39,051	\$ 2,705	\$ 8,193	\$ 27,459	\$ 64,072
Fringe benefits	4,032	303	805	4,730	10,591
Travel			1,208		
Printing and supplies	536				
Fuel, repairs and maintenance	13,814				180
Communications and utilities	5,409			4,394	3,059
Insurance					
Professional fees					
Rawfood				19,829	46,865
Disposables				8,017	18,283
Depreciation					
Interest					
Other				942	
<b>Total Functional Expenses</b>	<b>\$ 62,842</b>	<b>\$ 3,008</b>	<b>\$ 10,206</b>	<b>\$ 65,371</b>	<b>\$ 143,050</b>

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Lighthouse</u>	<u>FAIR</u>	<u>LIFE</u>	<u>Personal Care</u>	<u>Admin General</u>	<u>Totals (Memorandum Only)</u>
Salaries and wages	\$ 21,983	\$ 8,483	\$ 64,875	\$ 240,390	\$	\$ 477,211
Fringe benefits	2,734	1,078	13,900	46,461		84,634
Travel	3,357	375		14,811		19,751
Printing and supplies			11,558	4,885		16,979
Fuel, repairs and maintenance			23,675	1,600	1,191	40,460
Communications and utilities			17,047	15,123		45,032
Insurance			7,343	4,611		11,954
Professional fees			2,000	5,500		7,500
Rawfood						66,694
Disposables						26,300
Depreciation				34,554		34,554
Interest					11,336	11,336
Other			60	3,041	472	4,515
<b>Total Functional Expenses</b>	<b><u>\$ 28,074</u></b>	<b><u>\$ 9,936</u></b>	<b><u>\$ 140,458</u></b>	<b><u>\$ 370,976</u></b>	<b><u>\$ 12,999</u></b>	<b><u>\$ 846,920</u></b>

The accompanying notes are an integral part of this statement.



**POCAHONTAS COUNTY SENIOR CITIZENS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (35,235)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	34,554
(Increase) decrease in operating assets:	
Accounts and grants receivable	(1,022)
Prepaid expenses	(8,155)
Increase (decrease) in operating liabilities:	
Accounts payable	12,574
Accrued wages payable and taxes	5,508
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>8,224</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	<u>(11,060)</u>
<u>NET CASH USED IN INVESTING ACTIVITIES</u>	<u>(11,060)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from short-term borrowing	1,618
Repayment of long-term borrowing	<u>(10,707)</u>
<u>NET CASH USED IN FINANCING ACTIVITIES</u>	<u>(9,089)</u>

Decrease in cash and cash equivalents	(11,925)
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<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>15,987</u>
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<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 4,062</u></u>
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**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Interest paid during the year	<u><u>\$ 11,336</u></u>
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The accompanying notes are an integral part of this statement

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

**Note 1. Summary of Significant Accounting Policies**

The Pocahontas County Senior Citizens, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Pocahontas County, West Virginia. The purpose of the Organization is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for the seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

This summary of significant accounting policies of the Pocahontas County Senior Citizens, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

**Basis of Accounting**

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

**Basis of Presentation**

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

**Cash and Cash Equivalents**

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

**Allowance for Doubtful Accounts**

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

**Inventories**

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

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

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Property and Equipment**

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

**Restricted and Unrestricted Revenue and Support**

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

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

**Federal and State Grant Revenues**

Grants Monies are received on a reimbursement basis; this is utilized for Title III-B, Title III-D, Title III-E, Title VII, and LIFE grants. Upon completion of a grant year, any unexpended grants have to be approved for carryover to the next grant year.

Title III-C monies are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses. Total federal and state grant revenues for the year ended September 30, 2015, were \$ 200,744 and \$ 288,348 respectively.

**Donated Services**

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

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Expense Allocation**

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

**Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that 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.

**Income Taxes**

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

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

**Note 2. Insurance of Cash and Deposits**

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

**Note 3. Grants Receivable**

Grants receivable at September 30, 2015, consisted of the following:

Federal Title III-C	\$ 10,459
Federal Title III-E	97
LIFE Program	18,539
Lighthouse	4,940
Fair	882
Lighthouse	538
Fair	1,973
	-----
Total	\$ 37,428
	=====

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

**Note 4. Property and Equipment**

Property and equipment consisted of the following at September 30, 2015:

Land	\$ 65,500
Buildings	576,125
Vehicles	438,179
Equipment, furniture and fixtures	181,372
	-----
	1,261,176
Less accumulated depreciation	(723,364)
	-----
Net property and equipment	\$ 537,812
	=====

**Note 5. Restrictions on Net Assets**

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

**Note 6. Concentration**

The Organization receives about 61 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization receives about 21 percent of its total support and revenues from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

**Note 7. Notes Payable Line Of Credit**

As of September 30, 2015 the organization had a business revolving line of credit account with a total credit limit of \$50,000 at Pendleton Community Bank. The interest rate on the account is 4.9%. The balance on the account as of September 30, 2015 was \$44,460 with \$5,540 available to be drawn on this line of credit.

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

**Note 8. Long-Term Debt**

Long-term debt consists of the following as of September 30, 2015

Pendleton Community Bank

4.90% installment note maturing 9/30/25, monthly payments of \$ 1,531.99 secured by real estate.	\$ 155,230
Less: current portion	11,023
Noncurrent portion	\$ 144,207
	=====

Scheduled maturities at September 30, 2015 are as follows:

September 30, 2016	\$ 11,023
2017	11,575
2018	12,156
2019	12,765
2020	13,404
Thereafter	94,307
	-----
Total	\$ 155,230
	=====

**Note 9. Contingent Liabilities**

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

The Center participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Center does not provide post retirement health benefits.

**Note 10. Subsequent Events**

Management has evaluated subsequent events through March 10, 2016, the date which the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**



**POCAHONTAS COUNTY SENIOR CITIZENS, INC.  
SCHEDULE OF REVENUES AND SUPPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Federal financial assistance	\$ 27,622	\$ 987	\$ 5,896	\$ 44,718	\$ 82,841
State grant	12,000	1,000	4,299		
LIFE allocated			6,000	21,500	28,000
County Commission					
Other grants					
Donations/Match	2,000	1,000	2,000		
Medicaid Waiver					
Project income	4,847		879	24,727	6,862
Interest income					
Other					
<b>Total Revenue and Support</b>	<b>46,469</b>	<b>2,987</b>	<b>19,074</b>	<b>90,945</b>	<b>117,703</b>

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.  
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

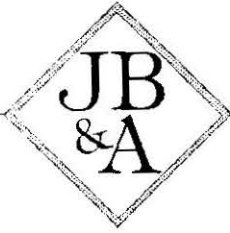
<u>LIFE</u>	<u>Ship</u>	<u>Medicaid Waiver</u>	<u>Fair</u>	<u>Lighthouse</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$	\$ 4,500	\$	\$	\$	\$ 34,180	\$ 200,744
196,331			17,268	47,450	10,000	288,348
(65,844)				10,344		
					42,518	42,518
					29,753	29,753
					13,366	18,366
		29,659				29,659
		137,552				137,552
18		671	1,429	4,939		44,372
					20	20
		1,443			18,910	20,353
<u>130,505</u>	<u>4,500</u>	<u>169,325</u>	<u>18,697</u>	<u>62,733</u>	<u>148,747</u>	<u>811,685</u>

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

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership	June 30, 2015	SC21033A	\$ 10,000
Lighthouse	June 30, 2016	IH1651	15,504
Lighthouse	June 30, 2015	IH1551	31,946
FAIR	June 30, 2016	IH1651	2,376
FAIR	June 30, 2015	IH1551	<u>14,892</u>
Total Direct Programs			<u>74,718</u>
 Pass through Awards			
Appalachian Area Agency on Aging			
IIIB State	June 30, 2015	21538-09	12,000
IIID	June 30, 2015	21538-09	1,000
IIIE	June 30, 2015	21538-09	4,299
LIFE	June 30, 2016	21605-09	37,170
LIFE	June 30, 2015	21505-09	<u>159,161</u>
Total pass-through awards			<u>213,630</u>
 TOTAL EXPENDITURES OF STATE AWARDS			 <u><u>\$ 288,348</u></u>

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



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT 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

The Board of Directors of  
Pocahontas County Senior Citizens, Inc.  
Marlinton, 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 Pocahontas County Senior Citizens, 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 March 10, 2016.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pocahontas County Senior Citizens, 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 Pocahontas County Senior Citizens, 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.

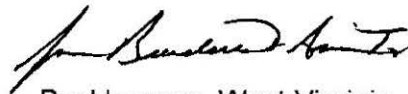
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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**

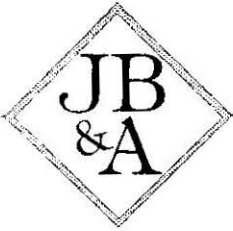
As part of obtaining reasonable assurance about whether Pocahontas County Senior Citizens, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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*.

**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  
March 10, 2016



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## MANAGEMENT LETTER

The Board of Directors of  
Pocahontas County Senior Citizens, Inc.  
Marlinton, West Virginia

In planning and performing our audit of the financial statements of Pocahontas County Senior Citizens, Inc. for the year ended September 30, 2015, we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control structure.

However, during our audit, we noted certain matters involving internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated March 9, 2016, on the financial statements of Pocahontas County Senior Citizens, Inc.

We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

### **Segregation of Duties**

We noted that two employees are responsible for most of the accounting and financial duties. As a result, many aspects of the internal accounting control which rely upon an adequate segregation of duties are, for all practical purposes, missing in Pocahontas County Senior Citizens, Inc. We recognize that the Organization is not large enough to make the employment of additional people for the purpose of segregating duties practicable from a financial standpoint, but we are required, under our professional responsibilities to describe the situation.

### **Bank Reconciliations**

Bank accounts should be reconciled on a timely basis to the general ledger accounts. Accurate and timely bank reconciliations reduce the risk that errors on the part of the Organization or the bank will remain undetected and uncorrected.

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

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization.

Buckhannon, West Virginia  
March 10, 2016