

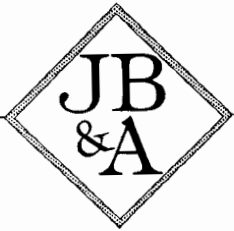
MONROE COUNTY COUNCIL ON AGING, INC.

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

SEPTEMBER 30, 2018

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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
Monroe County Council on Aging, Inc.
Lindside, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Monroe County Council on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

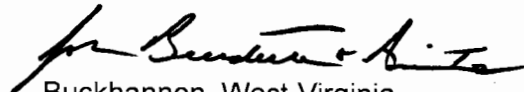
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Monroe County Council on Aging, Inc. as of September 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles 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 expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the 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 July 26, 2019, on our consideration of Monroe County Council 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 Monroe County Council on Aging, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
July 26, 2019

**MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018**

ASSETS

Current Assets

Cash and cash equivalents	\$ 363,451
Accounts receivable, net	7,586
Grants receivable	61,782
Prepaid expense	<u>19,210</u>

Total current assets	<u>452,029</u>
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Property and equipment, net	<u>2,215,156</u>
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TOTAL ASSETS	<u><u>\$ 2,667,185</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	10,008
Accrued compensation	14,452
Payroll taxes	<u>7,072</u>

Total current liabilities	<u>31,532</u>
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Net Assets

Unrestricted	2,635,653
Temporarily restricted	<u> </u>
Total net assets	<u>2,635,653</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,667,185</u></u>
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The accompanying notes are an integral part of this statement.

MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal grants	\$ 882,422	\$	\$ 882,422
State grants	398,553		398,553
Other grants-AHP	931,271		931,271
Donations	8,507		8,507
Medicaid/waiver fees	150,345		150,345
Program income	67,780		67,780
Interest income	33		33
Other income	10,171		10,171
Net assets released from restrictions:			
Restrictions released with time	<u> </u>	<u> </u>	<u> </u>
Total Revenue and Support	<u>2,449,082</u>	<u> </u>	<u>2,449,082</u>
 EXPENSES			
Program Services			
Title III-B	62,632		62,632
Title III-E	11,097		11,097
Title III-C - congregate	165,420		165,420
Title III-C - home delivered	107,074		107,074
LIFE	143,192		143,192
GHS	16,104		16,104
Personal Care -medicaid/waiver	166,612		166,612
Lighthouse	75,378		75,378
FAIR	31,503		31,503
Transportation 5310 and MTM	75,517		75,517
Other costs	<u>65,424</u>	<u> </u>	<u>65,424</u>
Total Expenses	<u>919,953</u>	<u> </u>	<u>919,953</u>
Change in Net Assets	1,529,129		1,529,129
 NET ASSETS AT BEGINNING, RESTATED	 <u>1,106,524</u>	 <u> </u>	 <u>1,106,524</u>
 NET ASSETS AT END OF YEAR	 <u><u>\$ 2,635,653</u></u>	 <u><u>\$</u></u>	 <u><u>\$ 2,635,653</u></u>

The accompanying notes are an integral part of this statement.

**MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Title III-B	Title III-E	Title III-C		LIFE	GHS
			Congregate	Home Delivered		
Personnel expenses	\$ 25,397	\$ 9,328	\$ 82,790	\$ 45,705	\$ 69,355	\$ 3,412
Travel	276	294	481	8	2,847	200
Transportation - fuel and oil				2,436		
Printing and supplies	1,732		477	65	4,204	79
Repairs and maintenance	14,111		3,166	2,391	20,960	240
Communications and utilities	11,335	179	2,102	1,609	14,667	92
Insurance	2,398		82	82	19,213	
Contract services	4,250	1,246	2,655	2,655	11,086	7,259
Rawfood	83		68,228	51,104		
Disposables			5,382	946		
Meetings and training				18	14	
Depreciation						
Interest						2,837
Other	3,050	50	57	55	846	1,985
Total Functional Expenses	\$ 62,632	\$ 11,097	\$ 165,420	\$ 107,074	\$ 143,192	\$ 16,104

**MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Personal Care</u>	<u>Lighthouse</u>	<u>FAIR</u>	<u>Transportation 5310 & MTM</u>	<u>Other Costs</u>	<u>Totals Memorandum Only</u>
Personnel expenses	\$ 132,620	\$ 71,326	\$ 29,221	\$ 60,768	\$	\$ 529,922
Travel	2,227	2,022	558	188		9,101
Transportation - fuel/oil				10,004		12,440
Printing and supplies	1,857	113	101	862		9,490
Repairs and maintenance	5,842	63	63		16,176	63,012
Communications and utilities	9,056	1,109	964	888	487	42,488
Insurance	812			1,276		23,863
Contract services	5,122	506	362	1,485		36,626
Rawfood	6,478					125,893
Disposables	847					7,175
Meetings and training		7	7	16		62
Depreciation					38,182	38,182
Interest					1,707	4,544
Other	1,751	232	227	30	8,872	17,155
Total Functional Expenses	<u>\$ 166,612</u>	<u>\$ 75,378</u>	<u>\$ 31,503</u>	<u>\$ 75,517</u>	<u>\$ 65,424</u>	<u>\$ 919,953</u>

The accompanying notes are an integral part of this statement.

**MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 1,529,129
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	38,182
(Increase) decrease in operating assets:	
Accounts and grants receivable	86,131
Loan receivable	4,999
Prepaid expenses	3,804
Increase (decrease) in operating liabilities:	
Accounts payable	(1,111)
Accrued wages and taxes payable	<u>(19,264)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,641,870</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Addition of fixed assets	<u>(1,425,881)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,425,881)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of short-term debt	<u>(101,471)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>(101,471)</u>

Increase in cash and cash equivalents	114,518
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CASH AND CASH EQUIVALENTS, beginning of year	<u>248,933</u>
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CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 363,451</u></u>
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Supplemental Disclosure:

Interest expense	<u><u>\$ 4,544</u></u>
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The accompanying notes are an integral part of this statement.

MONROE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

Basis of Accounting

The financial statements of Monroe County Council on Aging, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payable 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 the 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.

MONROE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

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

Restricted and Unrestricted Revenue and Support

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

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

Federal and State Grants

Grants funds are received on a reimbursement basis; this is utilized for Title III-B, Title III-D, Title III-E, and 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 funds are received on a meal reimbursement basis but not to exceed the total grant award. Lighthouse and FAIR are drawn down per unit of service as are Medicaid and Waiver personal care services. The Division of Public Transit provides Federal Transit Administration, Section 5310 funding to purchase transportation services from Monroe County Council on Aging, Inc. on a reimbursement basis, per service mile. The transportation services are to be provided to seniors and individuals with disabilities.

Total federal and state grant revenues for the year ended September 30, 2018, was \$ 882,422 and \$ 698,553 respectively.

**MONROE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Taxes

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

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

Note 2. Grants Receivable

Grants receivable at September 30, 2018, consisted of the following:

Title III-B	\$	8,322
Title III-C		16,080
In-Home		15,839
LIFE		19,375
5310 Grant		2,166

Total	\$	61,782
		=====

Note 3. Property and Equipment

Property and equipment consisted of the following at September 30, 2018:

Land and building	\$	75,500
Buildings and Improvements		2,034,839
Vehicles		414,346
Equipment		63,173

		2,587,858
Less accumulated depreciation		(372,702)

Total	\$	2,215,156
		=====

**MONROE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 4. Concentration

The Organization receives about 53 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 7 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 5. 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 Organization participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Organization does not provide post retirement health benefits.

The Organization has a grant/loan agreement with the West Virginia Housing Development Fund that will be forgiven as long as the Organization complies with the grant and loan agreements. The compliance period is for a period of twenty years. The amount of this grant/ loan agreement is \$700,000.

Note 6. Net Assets

There are no restrictions on net assets at September 30, 2018.

Note 7. Subsequent Events

Management has evaluated subsequent events through July 26, 2019, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**MONROE COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass-thru Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Department of Housing & Urban Development			
Pass-through WV Housing Development Fund Home Investment Partnership Program	July 2017	14.239	<u>\$ 674,301</u>
U.S. Department of Transportation			
Pass-through from WV Department of Transportation Enhanced Mobility for Seniors & Individuals with Disabilities	WV-2017-012	20.513	15,581
Enhanced Mobility for Seniors & Individuals with Disabilities	WV-2018-017	20.513	<u>3,190</u>
Total U.S. Department of Transportation			<u>18,771</u>
U.S. Department of Health and Human Services			
Pass-through Appalachian Area Agency on Aging, Inc. Aging Cluster			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	21838-07	93.044	31,078
Special Programs for the Aging - Title III, Part C - Nutrition Services	21838-07	93.045	<u>112,335</u>
Total Aging Cluster			<u>143,413</u>
Special Programs for the Aging - Title III, Part E - Caregiver	21838-07	93.052	<u>7,529</u>
Total U.S. Department of Health and Human Services			<u>150,942</u>
U.S. Department of Agriculture			
Senior Farmers Market Nutrition Program		10.576	<u>38,408</u>
Total Expenditures of Federal Awards			<u><u>\$ 882,422</u></u>

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Monroe County Council on Aging, Inc. under programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Monroe County Council on Aging, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Monroe County Council on Aging, Inc.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Monroe County Council on Aging, Inc. elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

**MONROE COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Title III-B	Title III-E	Title III-C		LIFE	WVHDF
			Congregate	Home Delivered		
Federal financial assistance	\$ 31,078	\$ 7,529	\$ 47,326	\$ 65,009	\$	\$ 674,301
State grant	28,030		44,302	61,180	160,830	
State LIFE allocated		6,697	957	1,274	(19,461)	
Other grants						
Donations and match						
Medicaid and Waiver						
Program income	2,173	3846	35,867	11,486	2,381	
Interest income						
Other income						
Total Revenue and Support	\$ 61,281	\$ 18,072	\$ 128,452	\$ 138,949	\$ 143,750	\$ 674,301

**MONROE COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

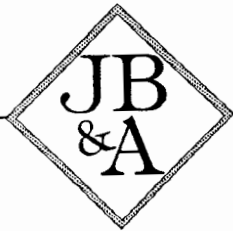
	Personal Care Medicaid Waiver	FAIR	Lighthouse	Transportation 5310 & MTM	Other	Total (Memorandum Only)
Federal financial assistance	\$	\$	\$	\$ 18,771	\$ 38,408	\$ 882,422
State grant		26,323	77,888			398,553
State LIFE allocated	4,295	2,970	3,268			
Other grants					931,271	931,271
Donations and match	2,142				6,365	8,507
Medicaid and Waiver	104,178			46,167		150,345
Program income	499	2,189	9,147	192		67,780
Interest income					33	33
Other income					10,171	10,171
Total Revenue and Support	<u>\$ 111,114</u>	<u>\$ 31,482</u>	<u>\$ 90,303</u>	<u>\$ 65,130</u>	<u>\$ 986,248</u>	<u>\$ 2,449,082</u>

The independent auditor's report is an integral part of this schedule.

**MONROE COUNTY COUCIL ON AGING, INC.
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Lighthouse	June 30, 2018	IH1849	\$ 55,611
Lighthouse	June 30, 2019	IH1949	17,277
FAIR	June 30, 2018	IH1849	20,377
FAIR	June 30, 2019	IH1949	5,946
Data Entry	June 30, 2018	IH1849	<u>5,000</u>
Total Direct Programs			<u>104,211</u>
Pass through Awards			
Appalachian Area Agency on Aging			
IIIB State	June 30, 2018	21838-07	28,030
IIIC State	June 30, 2018	21838-07	105,482
LIFE	June 30, 2018	21805-07	136,046
LIFE	June 30, 2019	21905-07	<u>24,784</u>
Total pass-through awards			<u>294,342</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 398,553</u></u>

The independent auditor's report 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

To the Board of Directors
Monroe County Council on Aging, Inc.
Lindside, 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 Monroe County Council on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, 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 July 26, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe County Council 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 Monroe County Council 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.

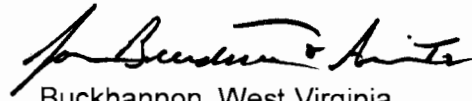
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

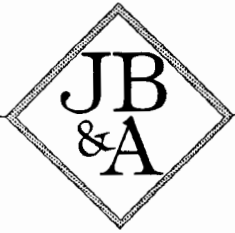
As part of obtaining reasonable assurance about whether Monroe County Council on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

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
July 26, 2019



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 FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Monroe County Council on Aging, Inc.
Lindside, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Monroe County Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Monroe County Council on Aging, Inc.'s major federal programs for the year ended September 30, 2018. Monroe County Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Monroe County Council on Aging, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Monroe County Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Monroe County Council on Aging, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Monroe County Council on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

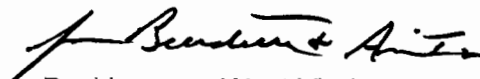
Report on Internal Control Over Compliance

Management of Monroe County Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Monroe County Council on Aging, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Monroe County Council on Aging, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Buckhannon, West Virginia
July 26, 2019

**MONROE COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? ___ yes _X_ no

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

Noncompliance material to financial statements noted? ___ yes _X_ no

Federal Awards

Internal control over major programs?

Material weakness identified? ___ yes _X_ no

Significant deficiencies identified that are not considered to be material weaknesses? ___ yes _X_ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ___ yes _X_ none reported

Identification of major programs?

CFDA
Number

14.239

Name of Federal Program Cluster

Home Investment Partnership Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? ___ yes _X_ no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

The accompanying notes are an integral part of this schedule.

**MONROE COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

A. Financial Statement Findings

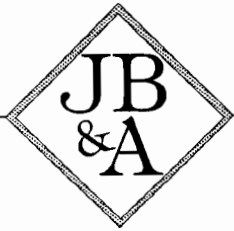
MATERIAL WEAKNESS

2017-001 Internal Controls

Condition: Bank accounts were not timely reconciled, electronic deposits and withdrawals in bank accounts were not recorded in general ledger, transactions were misclassified in the general ledger by posting to incorrect account and incorrect period, grant drawdowns were not submitted timely, general ledger was maintained on the cash basis of accounting rather than full accrual basis on which the financial statements are prepared, and internal financial statements were not prepared nor submitted to those charged with governance of the Organization.

Recommendation: The Organization should hire qualified accounting personnel and provide adequate training as necessary or contract these services with an outside service provider. The board of directors should demand accurate and timely financial information be presented to them periodically throughout the year for their review and approval.

Current Status: Resolved



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

To the Senior Management and
The Board of Directors of
Monroe County Council on Aging, Inc.
Lindside, West Virginia

In planning and performing our audit of the financial statements of Monroe County Council on Aging, Inc. for the year ended September 30, 2018, 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 the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated July 26, 2019, on the financial statements of Monroe County Council on Aging, Inc.

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

Organizational Structure

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

Bank Reconciliations

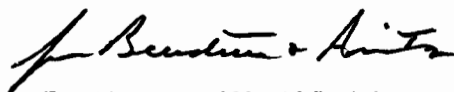
Bank accounts should be reconciled on a timely basis to the general ledger accounts. Accurate and timely bank reconciliations reduce the risk that errors on the part of the Organization or the bank will remain undetected and uncorrected.

Fund Accounting

All transactions for all funds must be recorded into the accounting system to have complete and accurate financial records. It was noted that two fund's transactions were not entered into the accounting system. However, there was a spreadsheet with transactions listed for one of these funds but not the other. It was also noted that one fund was setup as a separate company in the accounting system and with different year end than that of the Organization.

We wish to thank the Director and her 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.

A handwritten signature in black ink, appearing to read "Brenton & Associates". The signature is fluid and cursive, with a large initial letter.

Buckhannon, West Virginia
July 26, 2019