

Lewis County Senior Citizens Center, Inc.
AUDITED FINANCIAL STATEMENTS
For the Years Ended September 30, 2017 & 2016

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Lewis County Senior Citizens Center, Inc.

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Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lewis County Senior Citizens Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Lewis County Senior Citizens Center, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2017 and 2016, and the related comparative statements of activities, cash flows, and functional expenses 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.

Auditors' 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 Lewis County Senior Citizens Center, Inc. as of September 30, 2017 and 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of revenue and support and schedule of expenditures of federal and 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 January 10, 2018, on our consideration of Lewis County Senior Citizens Center 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 Lewis County Senior Citizens Center, Inc.'s internal control over financial reporting and compliance.

Williams & Bright, A.C.
January 10, 2018

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF FINANCIAL POSITION
September 30, 2017 & 2016

ASSETS	<u>2017</u>	<u>2016</u>
Current Assets		
Cash & Equivalents	\$ 39,180	\$ 57,780
Certificates of Deposit	4,643	4,597
Investments	159,125	143,669
Accounts Receivable	101,842	112,264
Grants Receivable	45,252	43,017
Prepaid Expenses	8,523	15,054
Inventory	1,068	2,066
Total Current Assets	<u>\$ 359,633</u>	<u>\$ 378,447</u>
Property & Equipment, net	<u>349,742</u>	<u>391,993</u>
TOTAL ASSETS	<u><u>\$ 709,375</u></u>	<u><u>\$ 770,440</u></u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 2,318	\$ 5,035
Line of Credit	50,000	-
Accrued Wages & Vacation	64,613	72,895
Total Current Liabilities	<u>\$ 116,931</u>	<u>\$ 77,930</u>
TOTAL LIABILITIES	116,931	77,930
Net Assets		
Net Assets Without Donor Restrictions	553,520	663,805
Net Assets With Donor Restrictions	3,056	5,877
Unrealized Gain(Loss) on Investments	35,868	22,828
TOTAL NET ASSETS	<u>592,444</u>	<u>692,510</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 709,375</u></u>	<u><u>\$ 770,440</u></u>

The accompanying notes are an integral part of these financial statements.

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF ACTIVITIES
For the Years Ended September 30, 2017 & 2016

	2017			2016		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT						
Public Support	\$ 52,354		\$ 52,354	\$ 52,426		\$ 52,426
Government Grants	650,812		650,812	697,562		697,562
Program Service Fees	896,396		896,396	886,264		886,264
Interest/Dividend Income	7,275		7,275	8,858		8,858
Fundraising	34,049		34,049	90,402		90,402
Project Income	237,309		237,309	279,552		279,552
In-kind Donations	38,076		38,076	38,076		38,076
Other	157,395		157,395	150,683		150,683
TOTAL REVENUE AND SUPPORT	2,073,666	-	2,073,666	2,203,823	-	2,203,823
EXPENSES						
Program Services	2,087,710		2,087,710	1,962,615		1,962,615
Support Services						
Fundraising	2,847		2,847	54,949		54,949
Management and General	83,175		83,175	212,839		212,839
TOTAL EXPENSES	2,173,732	-	2,173,732	2,230,403	-	2,230,403
CHANGE IN NET ASSETS	(100,066)	-	(100,066)	(26,580)	-	(26,580)
NET ASSETS RELEASED FROM RESTRICTIONS	2,821	(2,821)	-	10,871	(10,871)	-
UNREALIZED GAIN(LOSS) ON INVESTMENTS			-	4,968		4,968
NET ASSETS, Beginning of Year	686,633	5,877	692,510	697,374	16,748	714,122
NET ASSETS, End of Year	\$ 589,388	\$ 3,056	\$ 592,444	\$ 686,633	\$ 5,877	\$ 692,510

The accompanying notes are an integral part of these financial statements.

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2017 & 2016

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2017</u>	<u>2016</u>
Change in Net Assets	\$ (100,066)	\$ (26,580)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	42,252	40,284
(Increase)Decrease in Accounts Receivable	10,422	14,994
(Increase)Decrease in Grants Receivable	(2,236)	(806)
(Increase)Decrease in Prepaid Expenses	6,531	5,027
(Increase)Decrease in Inventory	998	4,304
Increase(Decrease) in Accounts Payable	(2,717)	(2,010)
Increase(Decrease) in Accrued Wages & Benefits	<u>(8,282)</u>	<u>(25,315)</u>
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	<u>(53,098)</u>	<u>9,898</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Line of Credit	661,000	718,000
Payments on Line of Credit	(611,000)	(734,000)
Increase in Certificates of Deposit	(46)	(46)
Purchases of Fixed Assets	<u>-</u>	<u>(49,213)</u>
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	<u>49,954</u>	<u>(65,259)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Sales of Investments	-	45,000
Reinvested Interest/Dividend on Investments	(8,228)	(8,805)
Reinvested Gains on Investments	<u>(7,228)</u>	<u>(4,521)</u>
NET CASH PROVIDED BY(USED IN) FINANCING ACTIVITIES	<u>(15,456)</u>	<u>31,674</u>
 INCREASE(DECREASE) IN CASH & EQUIVALENTS	<u>(18,600)</u>	<u>(23,687)</u>
 CASH & EQUIVALENTS, Beginning of Year	<u>57,780</u>	<u>81,467</u>
 CASH & EQUIVALENTS, End of Year	<u><u>\$ 39,180</u></u>	<u><u>\$ 57,780</u></u>

The accompanying notes are an integral part of these financial statements.

Lewis County Senior Citizens Center, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2017

EXPENSE	Programs										Admin	TOTAL
	III-C			III-E	LIFE	Transit	FAIR/LH	COC/ Waiver	Other Programs	Subtotal		
	III-B	Congregate	Home-Delivered									
Personnel	\$32,339	\$ 40,611	\$ 45,492	\$ 9,674	\$ 127,750	\$ 29,049	\$ 194,946	\$ 655,809	\$ 172,647	\$ 1,308,317	\$ 68,250	\$ 1,376,567
Taxes/Benefits	5,149	7,920	9,267	1,521	20,945	10,890	35,209	118,514	31,568	240,983	25,373	266,356
Advertisement							7	250		257	1,565	1,822
Printing/Office Supplies					2,980			24	7,039	10,043	4,552	14,595
Depreciation										-	42,252	42,252
Disposables		342	1,364							1,706		1,706
Equipment Maintenance	11,015	1,785	2,623	23,106	12					38,541	2,815	41,356
Fundraising										-	2,847	2,847
Supplies							238	1,942	461	2,641		2,641
Professional Fees										-	4,973	4,973
Raw Food		36,821	32,666							69,487		69,487
Travel/Meetings				979	450		19,892	41,134	17,361	79,816	2,957	82,773
Staff Development							647	1,972	676	3,295		3,295
Equipment Rent										-	2,378	2,378
Rent										-	38,076	38,076
Utilities/Communications							3	464	1,757	2,224	31,751	33,975
Insurance										-	20,920	20,920
Interest										-	267	267
Other		9,790	8,672		31,167		894	5,504	100,668	156,695	10,751	167,446
Indirect	4,958	6,418	7,242	1,481	19,665	5,281	30,437	71,221	27,002	173,705	(173,705)	-
Totals	\$53,461	\$ 103,687	\$ 107,326	\$ 36,761	\$ 202,969	\$ 45,220	\$ 282,273	\$ 896,834	\$ 359,179	\$ 2,087,710	\$ 86,022	\$ 2,173,732

The accompanying notes are an integral part of these financial statements.

Lewis County Senior Citizens Center, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2016

EXPENSE	Programs										Admin	TOTAL
	III-C			III-E	LIFE	Transit	FAIR/LH	COC/ Waiver	Other Programs	Subtotal		
	III-B	Congregate	Home-Delivered									
Personnel	\$28,704	\$ 33,455	\$ 42,659	\$ 13,540	\$ 106,514	\$ 28,296	\$ 187,854	\$ 697,055	\$ 76,221	\$1,214,298	\$ 150,867	\$1,365,165
Taxes/Benefits	3,917	10,740	15,423	2,558	21,515	10,780	34,972	129,367	14,047	243,319	36,338	279,657
Advertisement							47	169		216	1,810	2,026
Printing/Office Supplies					1,495		367	116	749	2,727	13,015	15,742
Depreciation										-	40,284	40,284
Disposables		294	2,651							2,945		2,945
Equipment Maintenance	8,350	995	1,194		31,167	105				41,811	5,483	47,294
Fundraising										-	54,949	54,949
Supplies								2,518		2,518	1,435	3,953
Professional Fees										-	5,818	5,818
Raw Food		56,760	52,805							109,565		109,565
Transportation										-		-
Travel/Meetings				1,638	419		14,434	45,459	11,168	73,118	7,371	80,489
Staff Development							567	2,052	347	2,966		2,966
Equipment Rent											6,295	6,295
Rent										-	38,076	38,076
Utilities/Communications							41		137	178	31,347	31,525
Insurance										-	24,086	24,086
Interest										-	722	722
Other		7,244	8,095				1,115	2,123	90,965	109,542	9,304	118,846
Indirect	3,327	5,838	7,673	1,642	13,059	3,986	22,729	87,120	14,038	159,412	(159,412)	-
Totals	\$44,298	\$ 115,326	\$ 130,500	\$ 19,378	\$ 174,169	\$ 43,167	\$ 262,126	\$ 965,979	\$ 207,672	\$ 1,962,615	\$ 267,788	\$ 2,230,403

The accompanying notes are an integral part of these financial statements.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2017 & 2016

Note 1. Summary of Significant Accounting Policies

The Lewis County Senior Citizens Center, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Lewis 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 on 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. The main funding sources for the Organization are grants through the local agency on aging and program services fees from WV Department of Health and Human Services through the Medicaid Waiver and Community Care programs.

This summary of significant accounting policies of the Lewis County Senior Citizens Center 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. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205, formerly Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions (both temporary and permanent).

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures 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.

Grants Receivable

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization uses the allowance method to determine collectibility of grants receivable. As of September 30, 2017 and 2016, all grants receivable are deemed collectible.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2017 & 2016

Note 1. Summary of Significant Accounting Policies (Continued)

Accounts Receivable/Allowance for Doubtful Accounts

Accounts receivable represent amounts owed the organization for services it provided under the West Virginia Department of Health and Human Resources-Medicaid Waiver and Community Care programs. In addition, the organization uses the allowance method for accounting for bad debts whereby an allowance for doubtful accounts is established based on the realization of the accounts receivable at year end. All accounts receivable are deemed collectible as of September 30, 2017 and 2016.

Property and Equipment

The Organization records all equipment purchases at cost and all donated property, equipment, and land at fair market value. The Organization uses the straight-line method of depreciation over their estimated useful lives. All property and equipment purchased with grant monies must have prior approval from the grantor agency to dispose of such equipment. The organization has adopted a capitalization policy in the amount of \$1000.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The last three years' tax returns remain open to examination.

Grant Monies

Grant monies are received in four main ways:

1 - On a cost reimbursement basis for which the organization requests reimbursement for monies already spent. This is utilized for the LIFE Program and Division of Public Transit grants.

2 - On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-D, Title III-E, SHIP, Medication Management, Elder Abuse, and Veterans Care grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next year, but if approval is denied, the money has to be reimbursed to the grantor.

3 - Title III-C monies are received on a meal reimbursement basis but are not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title-III program operating expenses.

4 - On an application only basis from the WV Department of Transportation, Division of Public Transit, through the Federal Transit Administration (FTA) for the purchase of vehicles or communication equipment to be used in transporting seniors and individuals with disabilities.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2017 & 2016

Note 1. Summary of Significant Accounting Policies (Continued)

Operating expenditures made against federal and state grants are subject to audit by the grantor agency. These agencies may subsequently make adjustment to the grant as originally awarded due to their audit findings. All federal monies received and net assets are restricted for use in those programs sponsored by the federal grants.

Total federal and state grant revenues for the year ended September 30, 2017 were \$198,551 and \$452,261, respectively. Total federal and state grant revenues for the year ended September 30, 2016 were \$239,743 and \$457,819, respectively.

Cash and cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Note 2. Certificates of Deposit

The Organization had one certificate of deposit as of September 30, 2017 & 2016:

- Citizens Bank 60-month certificate of deposit in the amount of \$4,461.33 at an annual rate of 1.00% and maturing on September 10, 2018. The balance as of September 30, 2017 and 2016 was \$4,643 and \$4,597, respectively.

Note 3. Investments

The cost and estimated market value of investment securities at September 30, 2017 and 2016 are as follows:

	September 30, 2017		
	Original Cost	Gross Unrealized Gains	Estimated Market Value
Edward Jones	<u>\$123,257</u>	<u>\$35,868</u>	<u>\$159,125</u>
	September 30, 2016		
	Original Cost	Gross Unrealized Gains	Estimated Market Value
Edward Jones	<u>\$116,029</u>	<u>\$27,640</u>	<u>\$143,669</u>

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Organization determines fair values using other valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instruments.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2017 & 2016

Note 3. Investments (Continued)

The Organization measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Organization reports investments in marketable securities with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets. As of September 30, 2017 and 2016, all of the organization's investments are Level 1 investments.

Note 4. Grants/Accounts Receivable

Grants receivable consisted of the following at September 30,

	<u>2017</u>	<u>2016</u>
Lighthouse	\$ 11,512	\$ 11,968
Title III monies	10,090	4,562
LIFE	18,570	16,995
FAIR	2,615	4,676
Transit	0	4,816
BEC	1,284	0
DHHR Rapids	1,181	0
Total	<u>\$ 45,252</u>	<u>\$ 43,017</u>

Accounts receivable as of September 30, 2017 and 2016 were \$101,842 and \$112,264, respectively. All accounts are deemed collectible.

Note 5. Inventory

Inventory consists of food and supplies used in the Title III-C nutrition programs. Inventory is valued at cost on the first-in, first out basis. The value of inventory as of September 30, 2017 and 2016 was \$1,068 and \$2,066, respectively

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2017 & 2016

Note 6. Property and Equipment, net

Property and equipment consisted of the following at September 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 141,097	\$ 141,097
Building & Improvements	342,017	430,958
Vehicles	189,855	268,044
Equipment	<u>294,870</u>	<u>205,928</u>
Total Property and Equipment	\$ 967,839	\$ 1,046,027
Less Accumulated Depreciation	(<u>\$ 618,097</u>)	(<u>\$ 654,034</u>)
Net Property and Equipment	<u>\$ 349,742</u>	<u>\$ 391,993</u>

Note 7. Retirement Program

Certain employees are eligible to be included in the Organization's 403(b) retirement program, a defined contribution plan. The employee contributes 4.5% of their gross wages which is combined with 9.5% contributed by the Organization. The covered employees are eligible to draw benefits upon retirement. The Organization's contributions to the retirement plan of \$65,314 and \$52,930 for the fiscal years ended September 30, 2017 and 2016, respectively, are included in taxes and benefits in the statement of functional expenses.

Note 8. Support Concentration

The Lewis County Senior Citizens Center, Inc. received more than 43% of its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs and nearly 33% from federal and state grants. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

Note 9. Donated Facilities

During the years ended September 30, 2017 and 2016, the Organization recorded in-kind donations for the rent-free use of the facilities it operates in Weston, West Virginia. The in-kind donation, and respective rent expense, in the amount of \$3,173 per month, was recorded in the statements of activities and functional expenses.

Note 10. Advertising

Advertising costs are expensed as incurred and totaled \$1,822 and \$2,026 for the years ended September 30, 2017 and 2016, respectively.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2017 & 2016

Note 11. Subsequent Events

Management has evaluated subsequent events through the date of issuance of this report and no reportable events have occurred.

Note 12. Lines of Credit

The Organization has a line of credit at Huntington Bank in Weston, WV, with a limit of \$55,000. The current interest rate is 3.5%. This line is renewed bi-annually. The balance on the line of credit at September 30, 2017 & 2016 was \$50,000 and \$0, respectively.

The Organization has a line of credit at Edward Jones Investments with a limit of \$83,162. The interest rate is based on the assets in the account, 5.75% as of September 30, 2017 and 2016. The balance on the line of credit as of September 30, 2017 and 2016 was \$0.

Note 13. Leases

The Organization entered into a 5-year operating lease with De Lage Landen Financial Services, Inc. on June 28, 2017 for a Konica Minolta digital copier, with 60 payments of \$181.00.

Note 14. Concentration of Credit Risk

The Organization maintains most of its cash at one bank which, at times, may be in excess of federally insured limits. Management monitors the soundness of this financial institution and feels the Organization's risk is negligible. The Organization has not experienced any losses in such accounts.

Note 15. Net Assets

Donor restricted net assets consist of Title III-C Nutrition funds of \$3,056. Additionally, the Board has restricted \$5,000 in the special account for equipment maintenance and repairs.

Note 16. Indirect Costs

Indirect costs are costs the Organization incurs for common or joint objectives, that cannot be readily and specifically identified with a particular grant project or other program activity. These costs include rent and utilities, clerical and administrative salaries, taxes and benefits, office supplies, communications, repairs and maintenance, etc., and are allocated on a percentage of payroll basis based on the previous fiscal year.

Lewis County Senior Citizens Center, Inc.
SCHEDULE OF REVENUES & SUPPORT
For the Year Ended September 30, 2017

	Programs							Subtotal	Admin	TOTAL	
	III-B	III-C	III-E	LIFE	Transit	FAIR/ LH	COC/CM/ Waiver				Other Programs
Grant Revenues											
Federal	\$ 32,247	\$ 140,660	\$ 11,057					\$ 14,587	\$ 198,551	\$ 198,551	
State	17,921		2,764	\$ 190,055	\$ 36,240	\$ 199,418		5,863	452,261	452,261	
Other								28,936	28,936	28,936	
Total Grant Revenues	50,168	140,660	13,821	190,055	36,240	199,418	-	49,386	679,748	-	679,748
Other Revenues											
Program Service Fees							896,396		896,396		896,396
Project Income	4,211	55,633			1,799	28,357		147,309	237,309		237,309
Donations									-	23,417	23,417
Interest Income									-	7,275	7,275
Fundraising									-	34,049	34,049
In-Kind Revenue									-	38,076	38,076
Other								145,854	145,854	11,542	157,396
Total Other Revenues	4,211	55,633	-	-	1,799	28,357	896,396	293,163	1,279,559	114,359	1,393,918
Total Revenues	\$ 54,379	\$ 196,293	\$ 13,821	\$ 190,055	\$ 38,039	\$ 227,775	\$ 896,396	\$ 342,549	\$ 1,959,307	\$ 114,359	\$ 2,073,666

The accompanying notes are an integral part of these financial statements.

Lewis County Senior Citizens Center, Inc.
SCHEDULE OF REVENUES & SUPPORT
For the Year Ended September 30, 2016

	Programs							Subtotal	Admin	TOTAL	
	III-B	III-C	III-E	LIFE	Transit	FAIR/ LH	COC/CM/ Waiver				Other Programs
Grant Revenues											
Federal	\$ 32,247	\$ 156,806	\$ 8,293					\$ 42,397	\$ 239,743	\$ 239,743	
State	17,921		2,764	\$ 179,486	\$ 40,274	\$ 211,874		5,500	457,819	457,819	
Total Grant Revenues	50,168	156,806	11,057	179,486	40,274	211,874	-	47,897	697,562	-	697,562
Other Revenues											
Program Service Fees							886,264		886,264		886,264
Project Income	13,237	69,855	252	1,245	1,383	23,039		170,541	279,552		279,552
Donations								50,979	50,979	1,447	52,426
Interest Income									-	8,858	8,858
Fundraising									-	90,402	90,402
In-Kind Revenue									-	38,076	38,076
Other								136,712	136,712	13,971	150,683
Total Other Revenues	13,237	69,855	252	1,245	1,383	23,039	886,264	358,232	1,353,507	152,754	1,506,261
Total Revenues	\$ 63,405	\$ 226,661	\$ 11,309	\$ 180,731	\$ 41,657	\$ 234,913	\$ 886,264	\$ 406,129	\$ 2,051,069	\$ 152,754	\$ 2,203,823

The accompanying notes are an integral part of these financial statements.

Lewis County Senior Citizens Center, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL & STATE AWARDS
For the Year Ended September 30, 2017

	CFDA Number	Expenditures
FEDERAL:		
U.S. Department of Health and Human Services:		
Administration for Children and Families		
Low Income Energy Assistance Program	93.568	\$ 587
<i>Passthrough from AARP Foundation of WV</i>		
Administration for Community Living		
Medicare Enrollment Assistance Program	93.071	9,000
<i>Passthrough from WV Bureau of Senior Services</i>		
Administration for Community Living		
Creating and Sustaining Dementia-Capable Service Systems for People with Dementia and Their Family Caregivers	93.051	5,000
<i>Passthrough from UPAAA:</i>		
Administration for Community Living		
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers	93.044	32,247
Special Programs for the Aging Title III Part E National Family Caregiver Support	93.052	11,057
Special Programs for the Aging Title III Part C Nutrition Services (includes expenditures of states awards)	93.045	140,660
<i>Total Expenditures of Federal Awards</i>		\$ 198,551
STATE:		
	Grant Period	Grant Year
LIFE	7/1/16-6/30/17	2017
LIFE	7/1/17-6/30/18	2018
Lighthouse	7/1/16-6/30/17	2017
Lighthouse	7/1/17-6/30/18	2018
FAIR	7/1/16-6/30/17	2017
FAIR	7/1/17-6/30/18	2018
III-B	10/1/16-9/30/17	2017
III-E	10/1/16-9/30/17	2017
Transit	10/1/16-9/30/17	2017
DHHR Rapids		3,863
SMP		2,000
<i>Total Expenditures of State Awards</i>		\$ 452,261
TOTAL EXPENDITURES OF FEDERAL & STATE AWARDS		\$ 650,812

The accompanying notes are an integral part of these financial statements.

Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Lewis County Senior Citizens Center, Inc.

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 Lewis County Senior Citizens Center, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2017 and 2016, and the related comparative statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 10, 2018.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying management letter on page 19, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.



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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lewis County Senior Citizens Center, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which we have reported to management of the Lewis County Senior Citizens Center, Inc., in a separate letter dated January 10, 2018, and included in this report 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. The 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 purposes.

Williams & Bright, A.C.

Elkins, West Virginia

January 10, 2018

Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

To the Board of Directors
Lewis County Senior Citizens Center, Inc
171 W Second Street
Weston, WV 26452

Our audit of the financial statements of Lewis County Senior Citizens Center, Inc., for the years ended September 30, 2017 and 2016, highlighted areas where we would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since our audit was not designed to include a complete review of all systems, procedures and controls, the following comments and recommendations should not be considered to be all inclusive of the areas where improvements may be necessary.

Segregations of Duties

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

Williams & Bright, A.C.

Elkins, West Virginia
January 10, 2018

