

**Lewis County Senior Citizens Center, Inc.**  
**AUDITED FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 & 2017**

***Williams & Bright, A.C.***  
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**Lewis County Senior Citizens Center, Inc.**

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**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, 2018 and 2017, 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, 2018 and 2017, 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 December 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.*

December 10, 2018

**Lewis County Senior Citizens Center, Inc.**  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION**  
**September 30, 2018 & 2017**

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>Current Assets</b>		
Cash & Equivalents	\$ 47,972	\$ 39,180
Certificates of Deposit	4,690	4,643
Investments	69,775	159,125
Accounts Receivable	76,779	101,842
Grants Receivable	71,538	45,252
Prepaid Expenses	8,843	8,523
Inventory	3,849	1,068
Total Current Assets	<u>\$ 283,446</u>	<u>\$ 359,633</u>
 <b>Property &amp; Equipment, net</b>	 <u>352,721</u>	 <u>349,742</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 636,167</u></u>	 <u><u>\$ 709,375</u></u>
 <b>LIABILITIES &amp; NET ASSETS</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 8,096	\$ 2,318
Line of Credit	50,000	50,000
Deferred Revenue	9,400	-
Accrued Wages & Vacation	62,515	64,613
Total Current Liabilities	<u>\$ 130,011</u>	<u>\$ 116,931</u>
 <b>TOTAL LIABILITIES</b>	 130,011	 116,931
 <b>Net Assets</b>		
Net Assets Without Donor Restrictions	489,554	553,520
Net Assets With Donor Restrictions	3,056	3,056
Unrealized Gain(Loss) on Investments	13,546	35,868
<b>TOTAL NET ASSETS</b>	<u>506,156</u>	<u>592,444</u>
 <b>TOTAL LIABILITIES &amp; NET ASSETS</b>	 <u><u>\$ 636,167</u></u>	 <u><u>\$ 709,375</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, 2018 & 2017**

	2018			2017		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Public Support	\$ 88,438		\$ 88,438	\$ 52,354		\$ 52,354
Government Grants	645,688		645,688	650,812		650,812
Program Service Fees	877,382		877,382	896,396		896,396
Interest/Dividend Income	6,707		6,707	7,275		7,275
Fundraising	22,567		22,567	34,049		34,049
Project Income	234,501		234,501	237,309		237,309
In-kind Donations	38,076		38,076	38,076		38,076
Activities/Trips	169,470		169,470	-		-
Other	64,056		64,056	157,395		157,395
<b>TOTAL REVENUE AND SUPPORT</b>	<u>2,146,885</u>	<u>-</u>	<u>2,146,885</u>	<u>2,073,666</u>	<u>-</u>	<u>2,073,666</u>
<b>EXPENSES</b>						
Program Services	2,109,818		2,109,818	2,087,710		2,087,710
Support Services						
Fundraising	1,166		1,166	2,847		2,847
Management and General	99,867		99,867	83,175		83,175
<b>TOTAL EXPENSES</b>	<u>2,210,851</u>	<u>-</u>	<u>2,210,851</u>	<u>2,173,732</u>	<u>-</u>	<u>2,173,732</u>
<b>CHANGE IN NET ASSETS</b>	(63,966)	-	(63,966)	(100,066)	-	(100,066)
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			-	2,821	(2,821)	-
<b>UNREALIZED GAIN(LOSS) ON INVESTMENTS</b>	(22,322)		(22,322)			-
<b>NET ASSETS, Beginning of Year</b>	<u>589,388</u>	<u>3,056</u>	<u>592,444</u>	<u>686,633</u>	<u>5,877</u>	<u>692,510</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 503,100</u>	<u>\$ 3,056</u>	<u>\$ 506,156</u>	<u>\$ 589,388</u>	<u>\$ 3,056</u>	<u>\$ 592,444</u>

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, 2018 & 2017**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2018</u>	<u>2017</u>
Change in Net Assets	\$ (63,966)	\$ (100,066)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	37,955	42,252
(Increase)Decrease in Accounts Receivable	25,063	10,422
(Increase)Decrease in Grants Receivable	(26,286)	(2,236)
(Increase)Decrease in Prepaid Expenses	(320)	6,531
(Increase)Decrease in Inventory	(2,781)	998
Increase(Decrease) in Accounts Payable	5,777	(2,717)
Increase(Decrease) in Deferred Revenue	9,400	-
Increase(Decrease) in Accrued Wages & Benefits	<u>(2,098)</u>	<u>(8,282)</u>
<b>NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES</b>	<u>(17,256)</u>	<u>(53,098)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Line of Credit	756,801	661,000
Payments on Line of Credit	(756,801)	(611,000)
Increase in Certificates of Deposit	(47)	(46)
Purchases of Fixed Assets	<u>(40,933)</u>	<u>-</u>
<b>NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES</b>	<u>(40,980)</u>	<u>49,954</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Sales of Investments	72,678	-
Reinvested Interest/Dividend on Investments	(5,650)	(8,228)
Reinvested Gains on Investments	<u>-</u>	<u>(7,228)</u>
<b>NET CASH PROVIDED BY(USED IN) FINANCING ACTIVITIES</b>	<u>67,028</u>	<u>(15,456)</u>
 <b>INCREASE(DECREASE) IN CASH &amp; EQUIVALENTS</b>	 8,792	 (18,600)
<b>CASH &amp; EQUIVALENTS, Beginning of Year</b>	<u>39,180</u>	<u>57,780</u>
<b>CASH &amp; EQUIVALENTS, End of Year</b>	<u>\$ 47,972</u>	<u>\$ 39,180</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, 2018**

EXPENSE	Programs											TOTAL
	III-C			III-E	LIFE	Transit	FAIR/LH	COC/ Waiver	Other Programs	Subtotal	Admin	
	III-B	Congregate	Home-Delivered									
Personnel	\$30,952	\$ 49,116	\$ 38,387	\$ 8,135	\$ 123,559	\$ 27,363	\$ 208,221	\$ 647,452	\$ 177,796	\$ 1,310,981	\$ 83,245	\$ 1,394,226
Taxes/Benefits	7,806	9,889	7,703	1,419	14,662	6,687	38,158	114,592	28,645	229,561	18,467	248,028
Advertisement										-	2,918	2,918
Printing/Office Supplies					2,612			349	637	3,598	9,063	12,661
Depreciation										-	37,955	37,955
Disposables		311	1,116							1,427	-	1,427
Equipment Maintenance	32,894	3,276	2,501		10,486	728				49,885	4,202	54,087
Fundraising										-	1,166	1,166
Supplies							315	2,346		2,661	605	3,266
Professional Fees										-	16,118	16,118
Raw Food		36,135	29,465						6,409	72,009	-	72,009
Travel/Meetings				1,822	315		19,682	41,130		62,949	5,791	68,740
Staff Development							772	1,899	19,924	22,595	878	23,473
Equipment Rent										-	4,663	4,663
Rent										-	38,076	38,076
Utilities/Communications										-	40,466	40,466
Insurance										-	22,348	22,348
Interest										-	1,393	1,393
Activities/Trips									151,193	151,193	-	151,193
Other		4,441	3,619				1,655	2,621	284	12,620	4,018	16,638
Indirect	4,794	7,299	5,701	1,182	17,098	4,212	30,477	94,039	25,537	190,339	(190,339)	-
<b>Totals</b>	<b>\$76,446</b>	<b>\$ 110,467</b>	<b>\$ 88,492</b>	<b>\$ 12,558</b>	<b>\$ 168,732</b>	<b>\$ 38,990</b>	<b>\$ 299,280</b>	<b>\$ 904,428</b>	<b>\$ 410,425</b>	<b>\$ 2,109,818</b>	<b>\$ 101,033</b>	<b>\$ 2,210,851</b>

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										Subtotal	Admin	TOTAL
	III-C			III-E	LIFE	Transit	FAIR/LH	COC/ Waiver	Other Programs				
	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)	-	
<b>Totals</b>	<b>\$53,461</b>	<b>\$ 103,687</b>	<b>\$ 107,326</b>	<b>\$ 36,761</b>	<b>\$ 202,969</b>	<b>\$ 45,220</b>	<b>\$ 282,273</b>	<b>\$ 896,834</b>	<b>\$ 359,179</b>	<b>\$ 2,087,710</b>	<b>\$ 86,022</b>	<b>\$ 2,173,732</b>	

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, 2018 & 2017**

**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, 2018 and 2017, all grants receivable are deemed collectible.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 & 2017**

**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, 2018 and 2017.

**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, 2018 & 2017**

**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 grant revenues for the years ended September 30, 2018 and 2017 were \$173,991, and \$198,551, respectively. Total state grant revenues for the years ended September 30, 2018 and 2017 were \$471,697, and \$452,261, respectively.

**Cash and cash Equivalents**

For 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, 2018 & 2017:

- 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, 2019. The balance as of September 30, 2018 and 2017 was \$4,690 and \$4,643, respectively.

**Note 3. Investments**

The cost and estimated market value of investment securities at September 30, 2018 and 2017 are as follows:

	September 30, 2018		
	Original Cost	Gross Unrealized Gains	Estimated Market Value
Edward Jones	<u>\$ 56,229</u>	<u>\$13,546</u>	<u>\$ 69,775</u>
	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>

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, 2018 & 2017**

**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, 2018 and 2017, 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>2018</u>	<u>2017</u>
Lighthouse	\$ 12,248	\$ 11,512
Title III monies	34,933	10,090
LIFE	15,686	18,570
FAIR	4,559	2,615
Transit	4,112	0
BEC	0	1,284
DHHR Rapids	0	1,181
Total	<u>\$ 71,538</u>	<u>\$ 45,252</u>

Accounts receivable as of September 30, 2018 and 2017 were \$76,779 and \$101,842, respectively. All accounts are deemed collectible.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 & 2017**

**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, 2018 and 2017 was \$3,849 and \$1,068, respectively

**Note 6. Property and Equipment, net**

Property and equipment consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 141,097	\$ 141,097
Building & Improvements	342,017	342,017
Vehicles	275,158	189,855
Equipment	<u>310,024</u>	<u>294,870</u>
Total Property and Equipment	\$ 1,068,296	\$ 967,839
Less Accumulated Depreciation	<u>(\$ 715,575)</u>	<u>(\$ 618,097)</u>
Net Property and Equipment	<u>\$ 352,721</u>	<u>\$ 349,742</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 \$64,274 and \$65,314 for the fiscal years ended September 30, 2018 and 2017, 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 41% 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 30% 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, 2018 and 2017, 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.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 & 2017**

**Note 10. Advertising**

Advertising costs are expensed as incurred and totaled \$2,918 and \$1,822 for the years ended September 30, 2018 and 2017, respectively.

**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, 2018 & 2017 was \$50,000 each year.

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, 2018 and 2017. The balance on the line of credit as of September 30, 2018 and 2017 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.

**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.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 & 2017**

**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, 2018**

	Programs							Subtotal	Admin	TOTAL	
	III-B	III-C	III-E	LIFE	Transit	FAIR/ LH	COC/CM/ Waiver				Other Programs
<b>Grant Revenues</b>											
Federal	\$ 37,908	\$ 122,777	\$ 8,306					\$ 5,000	\$ 173,991	\$ 173,991	
State	11,921	5,995	2,769	\$ 177,247	\$ 41,600	\$ 211,649		20,516	471,697	471,697	
Other								31,150	31,150	31,150	
<b>Total Grant Revenues</b>	<b>49,829</b>	<b>128,772</b>	<b>11,075</b>	<b>177,247</b>	<b>41,600</b>	<b>211,649</b>	<b>-</b>	<b>56,666</b>	<b>676,838</b>	<b>-</b>	<b>676,838</b>
<b>Other Revenues</b>											
Program Service Fees							877,382		877,382		877,382
Project Income	2,231	34,732	990		2,240	22,075		172,233	234,501		234,501
Donations									-	57,288	57,288
Interest Income									-	6,707	6,707
Fundraising									-	22,567	22,567
In-Kind Revenue									-	38,076	38,076
Activities/Trips								169,470	169,470	-	169,470
Other								9,348	9,348	54,708	64,056
<b>Total Other Revenues</b>	<b>2,231</b>	<b>34,732</b>	<b>990</b>	<b>-</b>	<b>2,240</b>	<b>22,075</b>	<b>877,382</b>	<b>351,051</b>	<b>1,290,701</b>	<b>179,346</b>	<b>1,470,047</b>
<b>Total Revenues</b>	<b>\$ 52,060</b>	<b>\$ 163,504</b>	<b>\$ 12,065</b>	<b>\$ 177,247</b>	<b>\$ 43,840</b>	<b>\$ 233,724</b>	<b>\$ 877,382</b>	<b>\$ 407,717</b>	<b>\$ 1,967,539</b>	<b>\$ 179,346</b>	<b>\$ 2,146,885</b>

**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, 2017**

	Programs							Subtotal	Admin	TOTAL	
	III-B	III-C	III-E	LIFE	Transit	FAIR/ LH	COC/CM/ Waiver				Other Programs
<b>Grant Revenues</b>											
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	
<b>Total Grant Revenues</b>	<b>50,168</b>	<b>140,660</b>	<b>13,821</b>	<b>190,055</b>	<b>36,240</b>	<b>199,418</b>	<b>-</b>	<b>49,386</b>	<b>679,748</b>	<b>-</b>	<b>679,748</b>
<b>Other Revenues</b>											
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
<b>Total Other Revenues</b>	<b>4,211</b>	<b>55,633</b>	<b>-</b>	<b>-</b>	<b>1,799</b>	<b>28,357</b>	<b>896,396</b>	<b>293,163</b>	<b>1,279,559</b>	<b>114,359</b>	<b>1,393,918</b>
<b>Total Revenues</b>	<b>\$ 54,379</b>	<b>\$ 196,293</b>	<b>\$ 13,821</b>	<b>\$ 190,055</b>	<b>\$ 38,039</b>	<b>\$ 227,775</b>	<b>\$ 896,396</b>	<b>\$ 342,549</b>	<b>\$ 1,959,307</b>	<b>\$ 114,359</b>	<b>\$ 2,073,666</b>

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, 2018**

	<b>CFDA Number</b>	<b>Expenditures</b>
<b>FEDERAL:</b>		
<b>U.S. Department of Health and Human Services:</b>		
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	37,908
Special Programs for the Aging Title III Part E		
National Family Caregiver Support	93.052	8,306
Special Programs for the Aging Title III Part C		
Nutrition Services (includes expenditures of states awards)	93.045	122,777
		<b>\$ 173,991</b>
<i>Total Expenditures of Federal Awards</i>		
<b>STATE:</b>	<b>Grant Period</b>	<b>Grant Year</b>
LIFE	7/1/18-6/30/19	2018
LIFE	7/1/17-6/30/18	2017
Lighthouse	7/1/18-6/30/19	2018
Lighthouse	7/1/17-6/30/18	2017
FAIR	7/1/18-6/30/19	2018
FAIR	7/1/17-6/30/18	2017
III-B	10/1/17-9/30/18	2018
III-C	10/1/17-9/30/18	2018
III-E	10/1/17-9/30/18	2018
Transit	10/1/17-9/30/18	2018
Other		
		<b>\$ 471,697</b>
<i>Total Expenditures of State Awards</i>		
<b>TOTAL EXPENDITURES OF FEDERAL &amp; STATE AWARDS</b>		<b>\$ 645,688</b>

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

**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, 2018 and 2017, 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 December 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 December 10, 2018, and included in this report on page 20.

### **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  
December 10, 2018

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, 2018 and 2017, 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  
December 10, 2018