

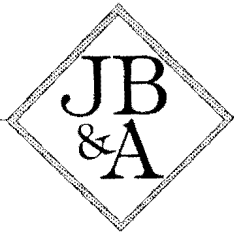
BARBOUR COUNTY SENIOR CENTER, INC.

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

SEPTEMBER 30, 2016

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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
Barbour County Senior Center, Inc.
Philippi, West Virginia

We have audited the accompanying financial statements of Barbour County Senior Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, 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

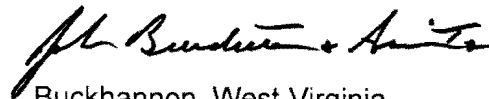
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barbour County Senior Center, Inc. as of September 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of revenues, support and expenditures 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 28, 2017, on our consideration of Barbour County Senior 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 Barbour County Senior Center, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
July 28, 2017

BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016

ASSETS

Current Assets

Cash and cash equivalents	\$ 281,756
Certificate of deposit	171,493
Investments - endowments	147,370
Accounts receivable, net	46,674
Grants receivable	73,468
Prepaid expenses	<u>13,599</u>

Total current assets 734,360

Property and Equipment, net 1,942,807

TOTAL ASSETS \$ 2,677,167

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 43,249
Accrued payroll and taxes	50,356
Accrued annual leave	<u>18,316</u>

Total current liabilities 111,921

Net Assets

Unrestricted	2,521,213
Permanently restricted	<u>44,033</u>

Total net assets 2,565,246

TOTAL LIABILITIES AND NET ASSETS \$ 2,677,167

The accompanying notes are an integral part of this statement.

BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Unrestricted	Permanently Restricted	Total
REVENUE AND SUPPORT			
Federal grant awards	\$ 384,470	\$ -	\$ 384,470
State grant	498,884		498,884
Donations	54,792		54,792
Medicaid contractual fees	643,484		643,484
Project income	123,865		123,865
Investment income	5,927		5,927
Other income	29,277	1,165	30,442
Net assets released from restrictions: Restrictions satisfied with lapse of time	-	-	-
Total Revenue and Support	1,740,699	1,165	1,741,864
EXPENSES			
Program Services			
Title III-B	40,317		40,317
Title III-E	10,143		10,143
Fair	30,615		30,615
Title III-C - Congregate	183,604		183,604
Title III-C - Home Delivered	143,929		143,929
Transportation	556,336		556,336
Community Care	213,280		213,280
Medicaid waiver	399,131		399,131
Lighthouse	154,443		154,443
Other programs	100,024		100,024
Support Services			
Management and General	-	-	-
Total Expenses	1,831,822	-	1,831,822
Change in Net Assets	(91,123)	1,165	(89,958)
NET ASSETS AT BEGINNING OF YEAR	2,612,336	42,868	2,655,204
NET ASSETS AT END OF YEAR	\$ 2,521,213	\$ 44,033	\$ 2,565,246

The accompanying notes are an integral part of this statement.

**BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Program Services

FUNCTIONAL EXPENSES	Title III-B	Title III-E	Fair	Title III-C		
				Congregate	Home Delivered	Transportation
Salaries and wages	\$ 25,030	\$ 6,060	\$ 22,023	\$ 113,583	\$ 20,044	\$ 233,023
Fringe benefits	2,841	579	2,100	11,820	2,177	65,359
Travel	5,302	1,071	2,097			1,095
Printing and supplies				1,343	386	2,198
Other operating supplies				377	742	6,489
Rawfood				16,110	53,661	
Disposables				1,552	9,958	
Repairs and maintenance				4,403	4,173	24,510
Communications and utilities				3,688	7,054	34,754
Rent occupancy costs				4,446	14,154	
Dues/subscriptions/training				90	441	303
Insurance				3,526	913	6,436
Other costs	2,149	1,224				7,957
Professional fees						1,450
Transportation					13,133	41,046
Depreciation expense					13,093	85,215
Allocated indirect costs	4,995	1,209	4,395	22,666	4,000	46,501
Total	\$ 40,317	\$ 10,143	\$ 30,615	\$ 183,604	\$ 143,929	\$ 556,336

BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Program Services</u>				<u>Support Services</u>		<u>Total</u>
	<u>Community Care</u>	<u>Medicaid Waiver</u>	<u>Lighthouse</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	
Salaries and wages	\$ 114,043	\$ 267,257	\$ 98,791	\$ 24,070	\$ 923,924	\$ 110,114	\$ 1,034,038
Fringe benefits	28,150	41,171	9,185	3,049	166,431	30,918	197,349
Travel	15,121	27,860	25,685	3,059	81,290	2,761	84,051
Printing and supplies	4,230	14		5,673	13,844	3,882	17,726
Other operating supplies					7,608	7,061	14,669
Rawfood					69,771		69,771
Disposables					11,510		11,510
Repairs and maintenance				10,556	43,642	2,881	46,523
Communications and utilities	5,034	683		3,902	55,115	5,070	60,185
Rent occupancy costs	4,180	930		16,740	40,450		40,450
Dues/subscriptions/training	1,549	219			2,602	1,054	3,656
Insurance	8,623			1,555	21,053	9,353	30,406
Other costs	7,042	7,664	1,068	7,649	34,753		34,753
Professional fees	2,550				4,000	11,280	15,280
Transportation					54,179		54,179
Depreciation expense				18,968	117,276		117,276
Allocated indirect costs	22,758	53,333	19,714	4,803	184,374	(184,374)	
Total	\$ 213,280	\$ 399,131	\$ 154,443	\$ 100,024	\$ 1,831,822	\$	\$ 1,831,822

The accompanying notes are an integral part of this statement

**BARBOUR COUNTY SENIOR CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (89,958)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	117,276
Unrealized gain on investments	(123)
Loss on sale of investments	343
(Increase) decrease in operating assets:	
Accounts receivable	8,392
Grants receivable	40,782
Prepaid expenses	(13,599)
Increase (decrease) in operating liabilities:	
Accounts payable	8,096
Accrued payroll and taxes	14,346
Accrued annual leave	(101)
NET CASH PROVIDED BY OPERATING ACTIVITIES	85,454

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	4,700
Certificate of Deposits	15,047
Purchase of investments	(11,959)
Purchase of property and equipment	(94,965)
NET CASH USED IN INVESTING ACTIVITIES	(87,177)

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,723)
CASH AND CASH EQUIVALENTS, beginning of year	283,479
CASH AND CASH EQUIVALENTS, end of year	\$ 281,756

The accompanying notes are an integral part of this statement.

BARBOUR COUNTY SENIOR CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Organization - The Barbour County Senior Center, Inc. is a nonstock corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax exempt organization under Internal Revenue Code Section 501(c)(3). In addition, the Center has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2016.

Nature of Activities

The Center was developed to improve the quality of life for senior citizens in Barbour County, West Virginia. The purpose is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement federal, state and local programs for the aging that no other agency is implementing.

Basis of Accounting

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

Basis of Presentation

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

The financial statement presentation also follows the recommendations of the Financial Accounting Standards Board. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, Barbour County Senior Center, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

Cash and Cash Equivalents

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

Inventories

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

BARBOUR COUNTY SENIOR CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

Allowance for Doubtful Accounts

The Organization uses an allowance method of accounting for bad debts. Management feels the accounts and grants receivable shown on the statement of financial position are fully collectible.

Property and Equipment

Fixed assets acquired by the Center are considered to be owned by the Center. However, Federal and State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal and State Funding sources have a reversionary interest in those assets purchased with its funds for the estimated useful life of the asset.

Property and equipment are carried at Cost or, if donated, at the approximate fair value at the date of donation. The Center follows the practice of capitalizing such assets over their estimated useful life if the recorded cost or fair value exceeds \$ 5,000.

Depreciation is computed using the straight-line method. In addition, all property and equipment purchased with grant monies must be used in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

The West Virginia Department of Transportation – Division of Public Transit retains a reversionary interest in property and equipment acquired with its grant funds.

Federal Grants

Grant Monies are received on a reimbursement basis in which the Center requests monies based on expenditures made; this is utilized for Title III-B, Title III-D, Title III-E, LIFE, Transit and Title VII grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next grant year.

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

Total federal and state grant revenues for the year ended September 30, 2016, were \$ 384,470 and \$ 498,884, respectively.

Donated Services.

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

**BARBOUR COUNTY SENIOR CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Donated Facilities

The Center's administrative facilities are owned by the City of Philippi, Barbour County, West Virginia. The Nestorville, Union, and Mt. Liberty Satellite sites are owned by other nonprofit organizations. The Center has recorded \$37,200 for in kind rent for the year ended September 30, 2016.

Leased Facilities

On May 1, 1980, the Center signed a 99 year lease on the Belington Satellite Center. The Center must pay all property taxes, insurance and maintenance on this facility. Since a recent appraisal is not available, a fair rental value was unable to be calculated and recorded as donated in kind rent in these financial statements.

Revenue and Support

Barbour County Senior Center, Inc. receives its grant support primarily from the Upper Potomac Area Agency on Aging, Inc. Support received from those grants is recognized on a "net funded" basis whereby the Federal and State Grant funding is recognized on a last-dollar-in basis. When using this basis, related expenses incurred are "netted" first by project income and local match in determining grant funds to be recognized. Barbour County Senior Center, Inc. receives client fee, Medicaid (Continuum of Care) income, and Medicaid Waiver income for billable client in home services and recognized these fees and income when earned.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

**BARBOUR COUNTY SENIOR CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 2. Certificates of Deposit

Two certificates of deposit totaling \$ 171,493 are included in the accompanying financial statements. The certificates have a maturity of one year, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Note 3. Investments-Endorsements

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
BCCF-Barbour	\$ 92,235	\$ 168	\$ -0-	\$ 92,403
BCCF-Tenney	9,353	1,581	-0-	10,934
BCCF-Shaffer	37,522	6,511	-0-	44,033
	-----	-----	-----	-----
	\$139,110	\$ 8,260	\$ -0-	\$147,370
	=====	=====	=====	=====

Note 4. Accounts Receivable

Accounts receivable at September 30, 2016, were as follows:

Medicaid Waiver/Continuum of Care	\$ 39,164
Medical Transportation	7,510

	46,674
Less: Allowance for uncollectible accounts	0

Total accounts receivable	\$ 46,674
	=====

**BARBOUR COUNTY SENIOR CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 5. Grants Receivable

Grants receivable at September 30, 2016, were as follows:

Title III-B	\$ 2,314
Title III-C	15,667
Title III-E	1,372
Life	11,194
Transportation	18,886
FAIR	2,643
Lighthouse/Data Entry	21,392

Total grants receivable	\$ 73,468
	=====

Note 6. Property and Equipment

Property and equipment consisted of the following at September 30, 2016:

Land	\$ 153,511
Building	1,550,935
Equipment, furniture and fixtures	238,368
Vehicles	670,756
Leasehold improvements	235,921

Total	2,849,491
Accumulated depreciation	(906,684)

Net property and equipment	\$ 1,942,807
	=====

Note 7. Restrictions on Net Assets

Permanently restricted net assets at September 30, 2016, consist of the BCCF Shaffer Trust which is an endowment fund.

Note 8. Retirement Program

The Center sponsors a defined contribution retirement plan whereby certain employees are eligible to be included in the Center's retirement program. The employee contributes 4.5% of his/her gross wages which is combined with 9.5% contributed by the Barbour County Senior Center, Inc.

The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program of \$ 31,345 are included in fringe benefits costs on the statement of functional expenses.

BARBOUR COUNTY SENIOR CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9. Concentrations

The Center receives about 51 percent of its total support and revenue from various grants from the Federal and State governments.

In addition, the Center also receives about 37 percent of its total support and revenue from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

The Center maintains its cash balances with four financial institutions. The balance in these institutions at September 30, 2016 were covered by FDIC insurance.

Note 10. Contingent Liabilities

In the normal course of operations, the Center 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 relevant to the grant. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Center participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Center does not provide post retirement health benefits, and therefore there is no liability for such benefits.

Note 11. Subsequent Events

Management has evaluated subsequent event through July 28, 2017 the date on which the financial statements were available to be issued.

**BARBOUR COUNTY SENIOR CENTER, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Title III-B	Title III-E	Fair	Title III-C	
				Congregate	Home Delivered
Federal financial assistance	\$ 22,381	\$ 7,416	\$	\$ 28,849	\$ 132,010
State grant	16,750	2,727	33,228		
State LIFE allocated				11,219	25,963
Donations					18,600
Medicaid contractual fees					
Project income	1,186			17,337	36,967
Investment income					
Other					
Total Revenue and Support	<u>40,317</u>	<u>10,143</u>	<u>33,228</u>	<u>57,405</u>	<u>213,540</u>
Functional Expenses	<u>40,317</u>	<u>10,143</u>	<u>30,615</u>	<u>183,604</u>	<u>143,929</u>
Net Revenue (Expenditures)	<u>\$</u>	<u>\$</u>	<u>\$ 2,613</u>	<u>\$ (126,199)</u>	<u>\$ 69,611</u>

BARBOUR COUNTY SENIOR CENTER, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

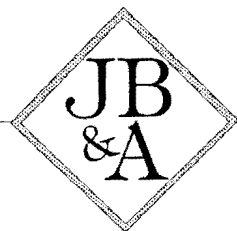
<u>Transportation</u>	<u>Personal Care</u>	<u>Lighthouse</u>	<u>Direct LIFE</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$ 193,814	\$	\$	\$	\$	\$ 384,470
78,579		159,592	203,008	5,000	498,884
93,173			(203,008)	72,653	
				36,192	54,792
	643,484				643,484
41,199	27,176				123,865
	8,605			5,927	5,927
				21,837	30,442
<u>406,765</u>	<u>679,265</u>	<u>159,592</u>		<u>141,609</u>	<u>1,741,864</u>
<u>556,336</u>	<u>612,411</u>	<u>154,443</u>		<u>100,024</u>	<u>1,831,822</u>
<u>\$ (149,571)</u>	<u>\$ 66,854</u>	<u>\$ 5,149</u>	<u>\$</u>	<u>\$ 41,585</u>	<u>\$ (89,958)</u>

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

**BARBOUR COUNTY SENIOR CENTER, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Lighthouse	June 30, 2016	IH1627	109,368
FAIR	June 30, 2016	IH1627	25,403
Data Entry	June 30, 2017	IH1727	5,000
Lighthouse	June 30, 2017	IH1727	50,224
FAIR	June 30, 2017	IH1727	<u>7,825</u>
Total Direct Programs			<u>197,820</u>
Pass through Awards			
Upper Potomac Area Agency on Aging			
IIIB State	June 30, 2016	21637	16,750
IIIE	June 30, 2016	21637	2,727
LIFE	June 30, 2016	21604	165,558
LIFE	June 30, 2017	21704	37,450
WV Department of Transportation			
Transit	June 30, 2016	S531115	56,734
Transit	June 30, 2017	S531116	<u>21,845</u>
Total pass-through awards			<u>301,064</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 498,884</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
Barbour County Senior Center, Inc.
Philippi, 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 Barbour County Senior Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2017

Internal Control Over Financial Reporting

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

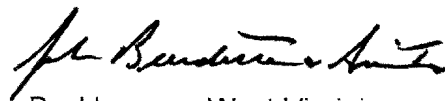
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barbour County Senior 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Barbour County Senior Center, Inc. in a separate letter dated July 28, 2017 on page 19.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Buckhannon, West Virginia
July 28, 2017

JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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



JB
&A

MANAGEMENT LETTER

To the Senior Management and
The Board of Directors
Barbour County Senior Center, Inc.
Philippi, West Virginia

In planning and performing our audit of the financial statements of Barbour County Senior Center, Inc. for the year ended September 30, 2016 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 the internal control structure.

However, during our audit, we noted a certain matter involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated July 28, 2017, on the financial statements of Barbour County Senior Center, Inc.

We will review the status of these comments during our next audit engagement. Our comments and recommendation, 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 as follows:

Segregation of Duties

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

Bank Reconciliations

It was noted during the audit that bank accounts were not being reconciled timely. All bank accounts should be reconciled to the general ledger on a monthly basis in a timely manner.

Retirement Contributions

It was noted during the audit that retirement contributions for August and September 2016 were not made timely. Contributions should be submitted as soon as the liability can be determined.

Accrual Basis Accounting Records

The Organization's policy is to prepare its financial statements on the accrual basis of accounting and therefore all accrued revenue and expenses should be recorded in the general ledger at year end.

Accrued liabilities and accounts receivable should be recorded in the general ledger at September 30, 2016. Although acceptable for the auditor to help convert the Organization from cash to accrual basis, there are advantages for maintaining books on the accrual basis. The most important being more accurate financial reporting with better matching of income and expenses during the year.

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 with the Organization.



Buckhannon, West Virginia
July 28, 2017