

WIRT COUNTY COMMITTEE ON AGING, INC

Financial Statements

September 30, 2016

WIRT COUNTY COMMITTEE ON AGING, INC
FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Table of Contents

Independent Auditor's Report	
Financial Statements:	
Statement of Financial Position	1
Statement of Activities	2
Statement of Functional Expenses	3
Statement of Cash Flows	4
Notes to Financial Statements	5-7
Supplementary Information	
Schedule of Support, Revenue and Expenses-Personal Care	8
Schedule of Support, Revenue and Expenses- Nutrition Programs	9
Schedule of Support, Revenue and Expenses-Transportation Programs	10
Schedule of Support, Revenue and Expenses-Adult Day Care	11
Schedule of Support, Revenue and Expenses-Other Programs	12
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	13
Schedule of Findings and Questioned Costs	14

Altman and Associates, PLLC
Certified Public Accountants

2803 Dudley Ave.
Parkersburg, West Virginia, 26101

Phone 304-428-2191
Fax 304-428-2193

Member of the
West Virginia Society &
American Institute of CPA's

Independent Auditor's Report

Wirt County Committee on Aging, Inc.
Elizabeth, West Virginia

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of **Wirt County Committee on Aging, Inc.** (a non-profit organization) which comprise the statement of financial position as of September 30, 2016, and 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 Organization'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.

Basis for Qualified Opinion

Wirt County Committee on Aging, Inc. expenses the cost of long-lived property and equipment acquired by purchase, donation or capital lease. Accounting principles generally accepted in the United States of America require long-lived property and equipment to be capitalized and depreciated over their estimated useful lives. It was not practical to determine the effects of the unrecorded long-lived property and equipment and related capital lease debt on the financial statement.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of **Wirt County Committee on Aging, 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 11-17 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 June 19, 2017, on our consideration of the Organizations internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 the Organization's internal control over financial reporting and compliance.



John J. Altman, Jr. CPA
Altman and Associates, PLLC
June 19, 2019

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2016

ASSETS

Current assets:

Cash and cash equivalents	\$ 19,788
Accounts and grants receivable	49,252
Total Current Assets	<u>\$ 69,040</u>

Property and equipment

Vehicles	\$ 66,232
Building improvements	41,891
Total property and equipment	108,123
Less accumulated depreciation	98,227
Net property and equipment	<u>\$ 9,896</u>
Total Assets	<u><u>\$ 78,936</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:

Line of credit	\$ 33,947
Accounts payable	5,634
Accrued wages	20,635
Accrued vacation payable	10,581
Payroll taxes payable	1,245
Total current liabilities	<u>\$ 72,042</u>

Total Liabilities	<u>\$ 72,042</u>
-------------------	------------------

Net assets (deficit)

Unrestricted	\$ 6,894
Temporarily restricted	
Permanently restricted	
Total net assets	<u>\$ 6,894</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 78,936</u></u>
---	-------------------------

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue and Reclassifications:				
Federal grant awards	\$ 86,229	-	-	\$ 86,229
State grant awards	586,090	-	-	586,090
Project income	82,232	-	-	82,232
Medicaid	145,005	-	-	145,005
Community partnership grants	-	-	-	-
Legislative initiative/elderly	-	-	-	-
Other income	128,146	-	-	128,146
Total Support & revenue before reclassifications	\$ 1,027,702	-	-	\$ 1,027,702
Reclassifications:				
Net assets released from restrictions				
Total support, revenue and reclassifications	\$ 1,027,702	-	-	\$ 1,027,702
 Expenses:				
Program expenses:				
Personal Care	\$ 433,300	-	-	\$ 433,300
Nutrition	94,935	-	-	94,935
Transportation	61,873	-	-	61,873
Adult day care	39,236	-	-	39,236
Other programs	322,353	-	-	322,353
Total program expenses	\$ 951,697	-	-	\$ 951,697
 Supporting services:				
Management and general	\$ 94,332	-	-	\$ 94,332
Total expenses	\$ 1,046,029	-	-	\$ 1,046,029
 Change in net assets	 \$ (18,327)	 -	 -	 \$ (18,327)
Net assets, beginning of the year	\$ 25,222	-	-	\$ 25,222
Net assets, end of the year	\$ 6,895	-	-	\$ 6,895

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF FUNCTIONAL EXPENSES
SEPTEMBER 30, 2016

	Personal Care	Nutrition	Transportation	Day Care	Other Programs	Total Program Expenses
Personnel	\$ 278,410	\$ 35,485	\$ 37,458	\$ 26,906	\$ 85,806	\$ 464,065
Fringe benefits	38,110	5,459	6,762	4,149	11,022	65,502
Travel and training	13,065	-	75	-	1,898	15,038
Occupancy	-	-	-	-	21,221	21,221
Equipment	-	70	-	-	6,450	6,520
Food and disposable supplie	-	42,422	3,983	26	-	46,431
Fuel-automobiles	-	1,979	-	-	12,933	14,912
Insurance	-	-	-	-	59,215	59,215
Other program costs	102,514	9,520	13,595	7,235	105,392	238,256
Supplies	1,201	-	-	-	7,428	8,629
Auto parts & maintenance	-	-	-	920	3,567	4,487
Professional fees	-	-	-	-	4,882	4,882
Depreciation	-	-	-	-	2,539	2,539
Total expenses	\$ 433,300	\$ 94,935	\$ 61,873	\$ 39,236	\$ 322,353	\$ 951,697

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2016

Cash flows from operating activities:	
Change in net assets	\$ (18,328)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,538
(Increase) decrease in assets:	
Accounts receivable	(12,389)
Other receivables	
Prepaid insurance	3,733
Increase (decrease) in liabilities:	
Accounts payable	(2,425)
Accrued payroll	855
Accrued vacation payable	(2,149)
Payroll taxes payable	1,151
Net cash provided by operating activities	<u>\$ (27,014)</u>
Cash flows from financing activities:	
Repayment of line of credit	<u>4,937</u>
Net cash used in financing activities	4,937
Increase (decrease) in cash and cash equivalents	<u>\$ (22,077)</u>
Cash and cash equivalents, beginning of year	41,865
Cash and cash equivalents, end of year	<u><u>\$ 19,788</u></u>
Supplemental cash flow disclosures:	
Cash paid for:	
Income taxes	
Interest Expense	\$ 2,137

The accompanying notes are an integral part of the financial statements
Page 4

WIRT COUNTY COMMITTEE ON AGING, INC.
Notes to Financial Statements

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities- The purpose of Wirt County Committee on Aging, Inc., (a not-for-profit organization) is to study the social service needs of Wirt County and its contiguous counties; and to unify senior citizens into an organization dedicated to working for a common goal of promoting life and health, honor and dignity to citizens 55 years of age and older in Wirt County, West Virginia.

Basis of Accounting- The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally in the United States of America with the exception that the Organization does not capitalize and depreciate the cost of long-lived property and equipment.

Basis of Presentation- The Organization has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, an organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

- Unrestricted net assets- Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets- Net assets subject to donor –imposed stipulations that may or will by met either by actions of the organization and/or passage of time.
- Permanently restricted net assets- Net assets subject to donor imposed stipulations that they be maintained permanently by the organization. Generally, the donors of the assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

Contributions- All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

Contributed Property and Equipment- Contributed property and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, then the contributions are recorded as temporarily restricted support. In the absence of such stipulations, contributions of property and equipment are unrestricted support.

Cash and Cash Equivalents- For purposes of the Statements of Cash Flows, Wirt County Committee on Aging, Inc., considers all highly-liquid investments purchased with maturities of three months or less to be cash and cash equivalents.

Advertising- It is policy of Wirt County Committee of Aging, Inc. to expense all advertising costs as incurred. There were no advertising costs incurred during the audit period.

Functional expenses- The Organization allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated according to their natural classifications.

Inventory- Inventory, if any, consists of raw food and supplies and is stated at the lower of cost or market determined by the first-in-first-out method.

Income Tax Status- The organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization that is not a private foundation under Section 509(a) (2).

For the year ended September 30, 2016, the Organization has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management represents that the Organization is no longer subject to taxes through income tax examination for years prior to 2012.

Property and Equipment- All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments are expensed during the year of purchase. This policy is not in accordance with accounting principles generally accepted in the United States of America which require that all acquisitions of property and equipment be capitalized and depreciated over the estimated useful life of the assets. The independent auditor's report has been qualified to reflect this departure from accounting principles generally accepted in the United States of America.

Fair Value of Financial Instruments- Wirt County on Aging, Inc. has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at September 30, 2016 does not differ materially from the aggregate carrying values of its financial instruments recorded in accompanying statements of financial position. The estimated fair value of all financial instruments has been determined by the organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop that estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATIONS OF RISK DISCLOSURE

The Organization is economically dependent on grants from various federal, state and local governments for the operation of their programs. The Organization's ability to receive these grants is somewhat dependent on the national, state and local economy.

ACCOUNTS AND GRANTS RECEIVABLE

The Organization operates in the Wirt County, WV area and receives support from various sources, substantially all of whom are local individuals or government agencies.

LINE OF CREDIT

The Organization obtained a \$60,000 line of credit from Wesbanco Bank. The line of credit is due on demand with interest at Wall Street Prime plus 1% (6.0% at September 30, 2016) This line of credit is secured by accounts receivable. At September 30, 2016, the outstanding balance was \$ 33,947.

Interest Expense paid during the year ended September 30, 2017 totaled \$2,137.

ACCRUED ANNUAL LEAVE

Accrued annual leave includes all obligations for vacation leave at the current rate of employee pay. Employees vest in earned but unused vacation leave up to a maximum of 120 hours. At September 30, 2016 the liability for accrued annual leave totaled \$10,581.

RETIREMENT PLAN

The Organization maintains a retirement plan under Internal Revenue Code Section 403(b). Under the plan employees are permitted to defer a portion of their salaries to be contributed to the retirement plan. Currently, there are no matching provisions for the Organization.

RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Organization manages these risks of loss through the purchases of various insurance policies.

EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 19, 2016 the date which the financial statements were available to be issued.

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-PERSONAL CARE
SEPTEMBER 30, 2016

Schedule 1

	Title III B	Title III D	Title III E	Medicaid	Waiver	Lighthouse	FAIR	VA Funds	Totals
Support and revenue									
Federal grant awards	\$ 20,240	\$ -	\$ 2,503	\$ -	\$ -	\$ -	\$ -	\$ 2,688	\$ 25,431
State grant awards	9,256	-	-	-	-	186,021	54,124	-	249,401
Project income	1,288	-	-	-	-	18,074	5,725	-	25,087
Medicaid	-	-	-	14,821	130,184	-	-	-	145,005
Medication management	-	-	-	-	-	-	-	-	-
Other income	-	-	834	-	-	-	-	-	834
Total support & revenue	\$ 30,784	\$ -	\$ 3,337	\$ 14,821	\$ 130,184	\$ 204,095	\$ 59,849	\$ 2,688	\$ 445,758
Expenses:									
Personnel	\$ -	\$ -	\$ -	\$ 25,191	\$ 85,227	\$ 126,037	\$ 40,472	\$ 1,483	\$ 278,410
Fringe Benefits	-	-	-	4,139	12,226	16,320	5,154	271	38,110
Travel and Training	-	-	-	13,041	-	-	-	24	13,065
Occupancy	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Food and disposable supplies	-	-	-	-	-	-	-	-	-
Fuel-automobiles	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Other program costs	-	-	-	1,588	-	-	-	-	1,588
Supplies	-	-	-	1,201	-	-	-	-	1,201
Auto parts & maintenance	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Total direct expenses	\$ -	\$ -	\$ -	\$ 45,160	\$ 97,453	\$ 142,357	\$ 45,626	\$ 1,778	\$ 332,374
Indirect cost allocation	560	-	-	7,217	21,317	28,460	8,987	473	67,014
Matching funds, transfers	30,768	-	3,144	-	-	-	-	-	33,912
Total expenses	31,328	-	3,144	52,377	118,770	170,817	54,613	2,251	433,300
Net income (loss)	\$ (544)	\$ -	\$ 193	\$ (37,556)	\$ 11,414	\$ 33,278	\$ 5,236	\$ 437	\$ 12,458

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-NUTRITION PROGRAMS
SEPTEMBER 30, 2016

	Title C-1	Title C-2	Totals
Support and revenue			
Federal grant awards	\$ -	\$ -	\$ -
State grant awards	23,858	\$ -	\$ 23,858
Overserving	-	52,894	52,894
Project income	12,885	6,631	19,516
Other Income	1,847	3,144	4,991
Total support & revenue	<u>\$ 38,590</u>	<u>\$ 62,669</u>	<u>\$ 101,259</u>
Expenses:			
Personnel	\$ 8,287	\$ 27,198	\$ 35,485
Fringe benefits	1,255	4,204	5,459
Travel and Training	-	-	-
Occupancy	-	-	-
Equipment	70	-	70
Food and disposable supplies	14,435	27,987	42,422
Fuel-automobiles	-	1,979	1,979
Insurance	-	-	-
Other program costs	-	-	-
Supplies	-	-	-
Auto parts & maintenance	-	-	-
Professional fees	-	-	-
Depreciation	-	-	-
Total direct expenses	<u>\$ 24,047</u>	<u>\$ 61,368</u>	<u>\$ 85,415</u>
Indirect cost allocation	\$ 2,189	\$ 7,331	\$ 9,520
Matching funds, transfers			
Total Expenses	<u>\$ 26,236</u>	<u>\$ 68,699</u>	<u>\$ 94,935</u>
Net program income (loss)	<u>\$ 12,354</u>	<u>\$ (6,030)</u>	<u>\$ 6,324</u>

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-TRANSPORTATION PROGRAMS
SEPTEMBER 30, 2016

	Transport.	Totals
Support and revenue:		
Grant revenue	\$ -	\$ -
State grant awards	43,015	43,015
Project Income	4,897	4,897
Legislative initiative/elderly	-	-
Other revenues	10,000	10,000
Total support and revenue	<u>\$ 57,912</u>	<u>\$ 57,912</u>
Expenses		
Personnel	37,458	37,458
Fringe Benefits	6,762	6,762
Travel and training	75	75
Occupancy	-	-
Equipment	-	-
Food and Disposable supplies	3,983	3,983
Fuel-automobiles	-	-
Insurance	-	-
Other program costs	1,150	1,150
Supplies	-	-
Auto parts & maintenance	-	-
Professional fees	-	-
Depreciation	-	-
Total direct expenses	<u>\$ 49,428</u>	<u>\$ 49,428</u>
Indirect cost allocation	2,445	2,445
Matching finance transfers	10,000	10,000
Total Expenses	<u>\$ 61,873</u>	<u>\$ 61,873</u>
Net Program income (loss)	<u>\$ (3,961)</u>	<u>\$ (3,961)</u>

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-ADULT DAY CARE PROGRAMS
SEPTEMBER 30, 2016

	Adult Day Care	Totals
Support and revenue		
Adult day care revenue	\$ 32,732	\$ 32,732
Federal grant awards III B & III E	36,940	36,940
Total support & revenue	<u>\$ 69,672</u>	<u>\$ 69,672</u>
Expenses:		
Personnel	\$ 26,906	\$ 26,906
Fringe benefits	4,149	4,149
Travel and Training	-	-
Occupancy	-	-
Equipment	-	-
Food and disposable supplies	26	26
Fuel-automobiles	-	-
Insurance	-	-
Other program costs	-	-
Supplies	920	920
Auto parts & maintenance	-	-
Professional fees	-	-
Depreciation	-	-
Total direct expenses	<u>\$ 32,001</u>	<u>\$ 32,001</u>
Indirect cost allocation	7,235	7,235
Matching funds transfers	-	-
Total expenses	<u>39,236</u>	<u>39,236</u>
Net program income (loss)	<u>\$ 30,436</u>	<u>\$ 30,436</u>

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-OTHER PROGRAMS
SEPTEMBER 30, 2016

	General Fund	Health	Life	Totals
Support and revenue:				
Federal grant awards				
State grant awards	\$ 60	\$ 3,000	\$ 237,720	\$ 240,780
Community partnership grants	-	-	-	-
Legislative initiative/elderly	-	-	-	-
Other revenues	112,321	-	-	112,321
Total support and revenue	<u>\$ 112,381</u>	<u>\$ 3,000</u>	<u>\$ 237,720</u>	<u>\$ 353,101</u>
Expenses				
Personnel	\$ 9,844	\$ 446	\$ 75,516	\$ 85,806
Fringe Benefits	1,952	71	8,999	11,022
Travel and training	1,898	-	-	1,898
Occupancy	21,221	-	-	21,221
Equipment	-	-	6,450	6,450
Food and Disposable supplies	-	-	-	-
Fuel-automobiles	-	-	12,933	12,933
Insurance	56,037	-	3,178	59,215
Other program costs	34,456	-	14,044	48,500
Supplies	7,428	-	-	7,428
Auto parts & maintenance	3,567	-	-	3,567
Professional fees	4,882	-	-	4,882
Depreciation	2,539	-	-	2,539
Total direct expenses	<u>\$ 143,824</u>	<u>\$ 517</u>	<u>\$ 121,120</u>	<u>\$ 265,461</u>
Indirect cost allocation	-	124	15,691	15,815
Matching finance transfers	-	-	41,077	41,077
Total Expenses	<u>\$ 143,824</u>	<u>\$ 641</u>	<u>\$ 177,888</u>	<u>\$ 322,353</u>
Net Program income (loss)	<u>\$ (31,443)</u>	<u>\$ 2,359</u>	<u>\$ 59,832</u>	<u>\$ 30,748</u>

The accompanying notes are an integral part of the financial statements

**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 of
Wirt County Committee on Aging, Inc.

We have audited the financial statements of the Wirt County Committee on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2016, and have issued our report thereon dated June 19, 2017. 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.

Internal Control over Financial Reporting

Management of the Wirt County Committee on Aging, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Wirt County Committee on Aging Inc.'s internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial standards, but not for the purpose of expressing an opinion on the effectiveness of the Wirt County Committee on Aging Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assignment functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. I did not identify any deficiencies in control over financial reporting that I consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies in internal control over financial reporting. (2014-1). 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.

Compliance and Other Matters

As part of obtaining assurance about whether Wirt County Committee on Aging, Inc.'s financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 my audit, and accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reporting under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

**WIRT COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2016**

STATUS OF PRIOR YEAR FINDINGS:

Finding Number 2016-001

Significant Deficiency (Repeat of Prior Year Finding 2013-001)

Capitalization of Assets Purchased with Grant Funds:

For grant reporting purposes, the Organization has elected to expense all capital assets purchased with grant funds rather than recording them as an asset on the statement of financial position and depreciating them over their useful lives.

Management Response: We have elected to expense property and equipment purchased with grant funds in order to more closely track expenditures made with grant funds. We recognize that this is not in accordance with generally accepted accounting principles. However, due to the reconciliation required to comply with GAAP and the fact that we have limited accounting resources, we do not feel it is economically feasible to change our process of expensing property and equipment when purchased. We accept the fact that our auditor has qualified our audit opinion due to this departure from generally accepted accounting principles and our funding sources understand the reasoning behind our decision not to capitalize these equipment purchases.

**WIRT COUNTY COMMITTEE ON AGING, INC
AUDIT DIFFERENCE EVALUATION FORM
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

ENGAGEMENT PLANNING VALUES

Planning Materiality	\$ 15,000
Tolerable Misstatement	\$ 11,000
Individually Significant Items	\$ 1,000

Financial Statement Effect			
Amount of Overstatement (Understatement) of :			
Total Assets	Total Liabilities	Equity or Net Assets	Net Income

Description (Nature) of Audit Difference Over \$ 250

General Fund:

Correct accrued vacation		(10,581)	(10,581)	(10,581)
Accured account's receivable for year end	49,252			49,252
Accured account's payable for year end		5,634		(5,634)

Total		(4,947)	(4,947)	33,037
Less Audit Adjustments Booked by Client		4,947	4,947	
Net Uadjusted Audit Differences-This Year		-	-	-
Financial Statement Caption Totals	78,936	72,042	6,894	(18,328)
Net Audit Differences as % of F/S Captions	0.00%	0.00%	0.00%	0.00%