

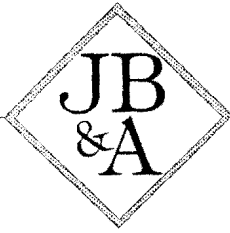
APPALACHIAN AREA AGENCY ON AGING, INC.

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

SEPTEMBER 30, 2016

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Appalachian Area Agency on Aging, Inc.
Princeton, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Appalachian Area Agency on Aging, 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

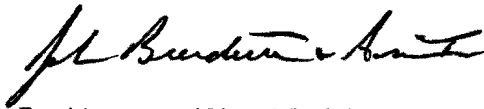
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Appalachian Area Agency on Aging, Inc. as of September 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and 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 June 15, 2017, on our consideration of Appalachian Area Agency on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Appalachian Area Agency on Aging, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
June 15, 2017

**APPALACHIAN AREA AGENCY ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016**

ASSETS

Current Assets

Cash	\$ 467,461
Grants receivable	528,770
	<hr/>
Total current assets	996,231

Property and Equipment, net

TOTAL ASSETS

\$ 996,231

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 18,645
Due to sub-recipients	599,606
Payroll taxes payable	2,159
Accrued compensation	53,009
Deferred revenue	110,048
	<hr/>

Total current liabilities

783,467

NET ASSETS

Unrestricted 212,764

Temporarily restricted

Total net assets

212,764

TOTAL LIABILITIES AND NET ASSETS

\$ 996,231

The accompanying notes are an integral part of this financial statement.

APPALACHIAN AREA AGENCY ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Unrestricted	Temporarily Unrestricted	Total
REVENUE AND SUPPORT			
Federal financial assistance	\$ 2,725,838	\$	\$ 2,725,838
State grant awards	4,134,655		4,134,655
Other grant awards	1,770		1,770
Other income	13,680		13,680
 Net assets released from restrictions: Restrictions satisfied with payments	 	 	
 Total Revenue Support	 6,875,943		 6,875,943
EXPENSES			
Program Services	6,923,279		6,923,279
Change in Net Assets	(47,336)		(47,336)
 NET ASSETS AT BEGINNING OF YEAR	 260,100	 	 260,100
 NET ASSETS AT END OF YEAR	 \$ 212,764	 \$	 \$ 212,764

The accompanying notes are an integral part of this statement.

**APPALACHIAN AREA AGENCY ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Title III-B	Title III-C		Title III-E	Title III-D	Money Follows the Person	LIFE
		C-1	C-2				
FUNCTIONAL EXPENSES							
Personnel/manpower	\$ 193,588	\$	\$	\$	\$	\$ 30,430	\$ 24,202
Travel	11,940					1,005	
Printing and supplies	4,878					2,605	
Space	3,864					2,200	
Contract services	500					1,000	
Communications and utilities	6,008					2,578	
Other	519						
Insurance	895					177	
Advertising	100						
Passed-thru to sub-recipients:							
Federal awards	532,919	550,239	1,017,464	226,217	35,165		
State awards	<u>285,271</u>	<u>349,628</u>	<u>823,201</u>	<u>64,733</u>	<u>5,929</u>		<u>2,433,116</u>
Total Expenses	<u>\$ 1,040,482</u>	<u>\$ 899,867</u>	<u>\$ 1,840,665</u>	<u>\$ 290,950</u>	<u>\$ 41,094</u>	<u>\$ 39,995</u>	<u>\$ 2,457,318</u>

**APPALACHIAN AREA AGENCY ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FUNCTIONAL EXPENSES	<u>MCAP</u>	<u>Elder Abuse</u>	<u>ADRC</u>	<u>LIEAP</u>	<u>SHIP</u>	<u>Navigator</u>	<u>Other</u>	<u>Total</u>
Personnel/manpower	\$ 3,809	\$	\$ 40,872	\$ 8,220	\$ 44,744	\$ 124,528	\$ 13,632	\$ 484,025
Travel			297		940	4,759	240	19,181
Printing and supplies	872		7,762		1,726	3,775	830	22,448
Space	2,450		5,650		500	3,200	300	18,164
Contract services			1,000			3,200		5,700
Communications and utilities	775		3,521		2,116	199	423	15,620
Other			14,087				329	14,935
Insurance			431		448	557		2,508
Advertising					509			609
Passed-thru to sub-recipients:								
Federal awards		2,024		14,183				2,378,211
State awards								3,961,878
Total Expenses	<u>\$ 7,906</u>	<u>\$ 2,024</u>	<u>\$ 73,620</u>	<u>\$ 22,403</u>	<u>\$ 50,983</u>	<u>\$ 140,218</u>	<u>\$ 15,754</u>	<u>\$ 6,923,279</u>

The accompanying notes are an integral part of this statement.

APPALACHIAN AREA AGENCY ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (47,336)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
(Increase) decrease in operating assets:	
Accounts and grants receivable	26,694
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	1,473
Accrued compensation	(12,819)
Due to sub-recipients	(65,495)
Deferred revenue	99,396
	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	1,913
CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 465,548
CASH AND CASH EQUIVALENTS, end of year	<hr/> <u>\$ 467,461</u>

The accompanying notes are an integral part of this statement.

**APPALACHIAN AREA AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

Organization - Appalachian Area Agency on Aging, 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 Service Code Section 501(c)(3).

The Agency's purpose is to improve the quality of life for senior citizens in Southeastern West Virginia by studying and documenting their needs; encouraging, promoting and aiding in the establishment of programs for these seniors; conducting programs of public education on the problems on aging; utilizing opportunities to establish demonstration programs; and implementing and administering federal, state and local programs for the aging that no other agency is implementing.

Basis of Accounting

The financial statements of Appalachian Area Agency on Aging, 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.

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.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. In addition, all property and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501 (c)(3).

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

**APPALACHIAN AREA AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Restricted and Unrestricted Revenue and Support

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

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2. Property and Equipment

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

Equipment, furniture and fixtures	\$ 19,352
Accumulated depreciation	19,352

Net property and equipment	\$ -0-
	=====

Note 3. Restrictions on Net Assets

There are no restricted net assets at September 30, 2016.

**APPALACHIAN AREA AGENCY ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 4. Retirement Program

All full-time employees are eligible to be included in the Organization's retirement program. The employee contributes 4.5% of his/her gross salary, which is combined with 14% match contributed by the Organization.

The covered employees are eligible to draw benefits upon retirement. The Organization contributions to the retirement program of \$ 37,756 are included in personnel costs on the statement of functional expenses.

Note 5. Cash Deposited

The Organization routinely at various times during the course of the year will have more than the FDIC insured limit of \$ 250,000 in the bank on any given day. The bank in which all monies are deposited has pledged a \$ 1,000,000 security to the Organization in order to maintain insurance on all of the Organization's deposits.

Note 6. Subsequent Events

Management has evaluated subsequent events through June 15, 2017, the date which the financial statements were available to be issued.

ADDITIONAL INFORMATION

**APPALACHIAN AREA AGENCY ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass-thru Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U. S. Department of Health and Human Services				
Low Income Energy Assistance Program		93.568	\$ 22,400	\$ 14,183
Navigators Support		93.332	150,000	
 Pass-through from West Virginia Bureau of Senior Services				
Special Programs for the Aging -				
Aging Cluster				
Title III, Part B	21638	93.044	674,919	532,919
Title III, Part C	21638	93.045	1,076,688	1,076,688
NSIP	21638	93.053	<u>491,015</u>	<u>491,015</u>
Total Aging Cluster			<u>2,242,622</u>	<u>2,100,622</u>
Title III, Part D	21638	93.043	35,165	35,165
Title III, Part E	21638	93.052	226,217	226,217
Title VII Elder Abuse	21682	93.041	2,024	2,024
Health Benefits/SHIP	1648	93.779	27,410	
Senior Medicare Patrol	SMP1644	93.048	<u>20,000</u>	
Total			<u>\$ 2,725,838</u>	<u>\$ 2,378,211</u>

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Appalachian Area Agency on Aging, Inc. under programs of the federal government for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Appalachian Area Agency on Aging, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Appalachian Area Agency on Aging, Inc.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

**APPALACHIAN AREA AGENCY ON AGING, 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:			
IIIB State	June 30, 2016	21638	\$ 365,271
IIIC-1	June 30, 2016	21638	349,628
IIIC-2	June 30, 2016	21638	809,704
IIID	June 30, 2016	21638	5,929
IIIE	June 30, 2016	21638	64,733
LIFE	June 30, 2017	21705	583,728
LIFE	June 30, 2016	21605	1,873,588
ADRC	June 30, 2017	21768	13,837
ADRC	June 30, 2016	21668	38,237
MIPPA	January 31, 2016	MIPPA1558	15,000
MIPPA	September 30, 2016	MIPPA1658	<u>15,000</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 4,134,655</u></u>

The independent auditors' report on supplemental information is an integral part of this schedule.

**APPALACHIAN AREA AGENCY ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

SECTION I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	_____ yes	___X___ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?	_____ yes	___X___ no

Federal Awards

Internal control over major programs?

Material weakness identified?	_____ yes	___X___ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	___X___ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____ yes	___X___ no
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Identification of major programs:

CFDA Number	Name of Federal Program Cluster
93.044, 93.045, 93.053	Aging Cluster (Title III, Part B) (Title III, Part C) (NSIP)

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>
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Auditee qualified as low-risk auditee?	_____ yes	___X___ no
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Section II - Financial Statements Findings

None

Section III - Federal Award Findings and Questions Costs

None

The accompanying notes are an integral part of this schedule.



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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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
Appalachian Area Agency on Aging, Inc.
Princeton, 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 Appalachian Area Agency on Aging, 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 June 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Appalachian Area Agency on Aging, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Appalachian Area Agency on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

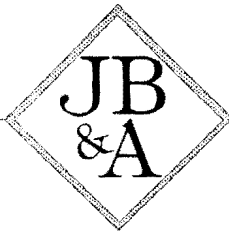
As part of obtaining reasonable assurance about whether Appalachian Area Agency on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Buckhannon, West Virginia
June 15, 2017



JOHN BURDETTE & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Appalachian Area Agency on Aging, Inc.
Princeton, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Appalachian Area Agency on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Appalachian Area Agency on Aging, Inc.'s major federal programs for the year ended September 30, 2016. Appalachian Area Agency on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Appalachian Area Agency on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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



Buckhannon, West Virginia
June 15, 2017