

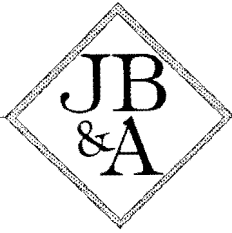
**AGING & FAMILY SERVICES OF  
MINERAL COUNTY, INC.**

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

**SEPTEMBER 30, 2016**

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to financial statements	8-13
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues and Support	14-15
Schedule of Expenditures of State Awards	16
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	17-18
<b>MANAGEMENT LETTER</b>	19



# 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  
Aging & Family Services of Mineral County, Inc.  
Keyser, West Virginia

We have audited the accompanying financial statements of Aging & Family Services of Mineral County, 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.

### **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. 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 Aging & Family Services of Mineral County, 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 and support 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 May 31, 2017, on our consideration of Aging & Family Services of Mineral County, 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 Aging & Family Services of Mineral County, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia  
May 31, 2017

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2016**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 712,005
Accounts receivable, net	124,068
Grants receivable	34,797
Inventory	<u>10,851</u>

Total current assets	<u>881,721</u>
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**Property and Equipment**

1,321,141

**TOTAL ASSETS**

\$ 2,202,862

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Current portion long-term debt	\$ 14,647
Accounts payable	9,621
Accrued wages and taxes	<u>71,281</u>

Total current liabilities	<u>95,549</u>
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**Long-Term Debt**

280,855

**Net Assets**

Unrestricted	<u>1,826,458</u>
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**TOTAL NET ASSETS**

1,826,458

**TOTAL LIABILITIES AND NET ASSETS**

\$ 2,202,862

The accompanying notes are an integral part of this statement

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Federal financial assistance	\$ 253,030	\$	\$ 253,030
State grant allocations	432,050		432,050
Donations/match	28,022		28,022
Contractual revenues	1,411,152		1,411,152
Project income	96,504		96,504
Interest income	4,591		4,591
Other	164,980		164,980
 Net assets released from restrictions: Restrictions released with time	 	 	 
Total Revenue and Support	2,390,329		2,390,329
 <b>EXPENSES</b>			
Program Services			
Title III-B	61,691		61,691
Title III-E	16,029		16,029
Title III-C - congregate	134,206		134,206
Title III-C - home delivered	237,141		237,141
Personal Care	1,391,422		1,391,422
LIFE	133,385		133,385
Summer Food	28,095		28,095
Marketplace	23,333		23,333
Support Services:			
Management and general	156,672		156,672
Total Expenses	2,181,974		2,181,974
 Change in Net Assets	 208,355	 	 208,355
 <b>NET ASSETS AT BEGINNING OF YEAR</b>	 1,618,103	 	 1,618,103
 <b>NET ASSETS AT END OF YEAR</b>	 \$ 1,826,458	 \$	 \$ 1,826,458

The accompanying notes are an integral part of this statement

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Title III-B	Title III-E	Title III-C		Personal Care
			Congregate	Home Delivered	
Personnel expenses	\$ 54,834	\$ 15,567	\$ 81,044	\$ 82,788	\$ 1,241,973
Travel	1,050	207	736	1,972	33,956
Printing and supplies	2,600	136		5,348	23,143
Repairs and maintenance				8,617	5,002
Communications and utilities	1,424	77	10,094	15,119	20,753
Other	233	42	1,002	9,890	38,610
Depreciation					
Raw food			37,895	78,333	
Disposables			3,435	13,993	
Transportation and Trips	308			6,080	2,188
Licenses and permits				773	1,023
Professional services					4,000
Insurance	1,242			13,884	15,959
Dues and subscriptions				36	648
Advertising				308	4,167
Interest					
	<u>\$ 61,691</u>	<u>\$ 16,029</u>	<u>\$ 134,206</u>	<u>\$ 237,141</u>	<u>\$ 1,391,422</u>

The accompanying notes are an integral part of this statement.

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>LIFE</u>	<u>Summer Food</u>	<u>SHIP/ Marketplace</u>	<u>Management and General</u>	<u>Totals (Memorandum Only)</u>
Personnel expenses	\$ 123,619	\$ 12,135	\$ 20,148	\$	\$ 1,632,108
Travel	1,045	324			39,290
Printing and supplies	5,491		815		37,533
Repairs and maintenance					13,619
Communications and utilities	1,569		370		49,406
Other		18		6,500	56,295
Depreciation				24,183	24,183
Raw food		15,618			131,846
Disposables					17,428
Transportation and Trips	1,661			123,498	133,735
Licenses and permits					1,796
Professional services					4,000
Insurance					31,085
Dues and subscriptions					684
Advertising			2,000	150	6,625
Interest				2,341	2,341
	<u>\$ 133,385</u>	<u>\$ 28,095</u>	<u>\$ 23,333</u>	<u>\$ 156,672</u>	<u>\$ 2,181,974</u>

The accompanying notes are an integral part of this statement.



**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 208,355
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	24,183
(Increase) decrease in operating assets:	
Accounts and grants receivable	47,139
Inventory	1,050
Increase (decrease) in operating liabilities:	
Accounts payable	1,071
Accrued wages payable and taxes	<u>15,537</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>297,335</b></u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of capital assets	<u>(718,679)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u><b>(718,679)</b></u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Long-term loan proceeds	300,000
Repayment of long-term debt	<u>(4,498)</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u><b>295,502</b></u>

Decrease in cash and cash equivalents	(125,842)
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<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u><b>837,847</b></u>
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<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u><b>\$ 712,005</b></u></u>
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**SUPPLEMENTAL DISCLOSURE:**

Interest paid	<u><u><b>\$ 2,341</b></u></u>
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The accompanying notes are an integral part of this statement

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies**

The Aging & Family Services of Mineral County, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Mineral County, West Virginia. The purpose of the Organization is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for the seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

This summary of significant accounting policies of the Aging Family Services of Mineral County, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

**Basis of Accounting**

The financial statements of Aging & Family Services of Mineral County, 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.

**Allowance for Doubtful Accounts**

The Organization uses the allowance method for accounting for bad debts. Management feels the accounts and grants receivable shown on the balance sheet are fully collectible.

**Inventories**

The inventory of raw food on hand at September 30, 2016 at the various nutrition sites has been recorded at cost, as determined by the first in first out method.

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Investment Securities**

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**Interest**

All interest incurred during the period has been expensed in the Statement of Activities.

**Property and Equipment**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization has adopted a \$ 5,000 capitalization policy whereby all property and equipment over \$ 5,000 is depreciated using the straight-line method over its estimated useful life. 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.

**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 reclassified to unrestricted net assets and 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.

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Federal Grants**

Grants Monies are received on a reimbursement basis in which the Organization requests monies based upon expenditures made; this is utilized for Title III-B, Title, III-D, Title III-E grants and LIFE. Upon completion of a grant year, any unexpected money has to be approved for carryover to the next grant year, but if approval is denied, the money has to be reimbursed to the grantor.

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, was \$ 253,030 and \$ 432,050 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 recorded in these financial statements in related to such volunteer services.

**Expense Allocation**

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**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.

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

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

**Note 2. Insurance of Cash and Deposits**

Cash funds are deposited in institutions insured by the Federal Deposit Insurance Corporation. Deposits in excess of the \$250,000 FDIC insured amount at September 30, 2016 was \$36,620.

**Note 3. Retirement Plan**

The Agency's Section 403(B) retirement plan is funded through the purchase of a group insurance annuity contract. Full-time and some part-time employees are eligible to participate in the plan; employee contributions are voluntary and are made on a pretax basis. Employer will match up to 6% of the employee's earnings; the employer's share of retirement payments for the current year was \$ 21,070.

**Note 4. Grants Receivable**

Grants receivable at September 30, 2016, consisted of the following:

FAIR	\$ 1,722
LIFE Program	21,525
Lighthouse	11,236
Other	314
	-----
Total	\$ 34,797
	=====

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 5. Property and Equipment**

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

Land	\$ 418,500
Buildings	1,119,824
Vehicles and equipment	175,954
Equipment	26,168
	1,740,446
Less accumulated depreciation	(419,305)
	\$1,321,141

**Note 6. Long-Term Debt**

Long-term debt consists of the following as of September 30, 2016

M & T Bank

4.4% installment note maturing July 2031, monthly payments of \$ 2,279.68 secured by real estate.	\$ 295,502
Less: current portion	14,647
Noncurrent portion	\$ 280,855

Scheduled maturities at September 30, 2016 are as follows:

September 30, 2017	\$ 14,647
2018	15,305
2019	15,992
2020	16,710
2021	17,460
Thereafter	215,388
	\$ 295,502
	\$ 295,502

**Note 7. Restrictions on Net Assets**

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

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 8. Concentration**

The Organization receives about 29 percent of its total support and revenues from various grants from the Federal and State governments. The Organization also receives about 59 percent of its total support and revenues from medicaid/waiver for in-home care services.

**Note 9. Contingent Liabilities**

In the normal course of operations, the Organization 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 precedent to the granting funds. 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. However, PEIA shows a liability of \$ 269,534 at September 30, 2016 for post retirement benefits. The Center does not expect to have to pay this liability.

**Note 10. Total Columns**

The total columns are not required components of the financial statements and are presented for analytical purposes only.

**Note 11. Subsequent Events**

Management has evaluated subsequent events through May 31, 2017 the date on which the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**



**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
SCHEDULE OF REVENUES AND SUPPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Title III-B	Title III-E	Title III-C	
			Congregate	Home Delivered
Federal financial assistance	\$ 34,512	\$ 12,027	\$ 74,941	\$ 94,941
State Grants:				
State grant regular	21,974			
Lighthouse grant				
Fair grant				
Senior Olympics				
State LIFE allocated				43,540
Donations/match	6,087	4,009	260	17,229
Personal care				
Medicaid waiver fees				
Project income	4,260	921	45,390	45,933
Investment income				
Other			1,283	8,350
<b>Total Revenue and Support</b>	<u>66,833</u>	<u>16,957</u>	<u>121,874</u>	<u>209,993</u>
Functional Expenses	61,691	16,029	134,206	237,141
Less: Depreciation				
Add: Capital Expenditures				
<b>Total Expenditures</b>	<u>61,691</u>	<u>16,029</u>	<u>134,206</u>	<u>237,141</u>
<b>Net Revenue (Expenditures)</b>	<u>\$ 5,142</u>	<u>\$ 928</u>	<u>\$ (12,332)</u>	<u>\$ (27,148)</u>

**AGING & FAMILY SERVICES OF MINERAL COUNTY, INC.  
 SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Personal Care	LIFE	Summer Food	SHIP/ Marketplace	Management & General	Total (Memorandum Only)
\$	\$	\$ 24,433	\$ 10,676	\$ 1,500	\$ 253,030
5,000	180,848		18,590		226,412
150,353					150,353
50,285					50,285
				5,000	5,000
	(43,540)				
387		50			28,022
576,062					576,062
835,090					835,090
				96,504	96,504
				4,591	4,591
				155,347	164,980
<u>1,617,177</u>	<u>137,308</u>	<u>24,483</u>	<u>29,266</u>	<u>166,438</u>	<u>2,390,329</u>
1,391,422	133,385	28,095	23,333	156,672	2,181,974
				(24,183)	(24,183)
<u>1,391,422</u>	<u>133,385</u>	<u>28,095</u>	<u>23,333</u>	<u>132,489</u>	<u>2,157,791</u>
<u>\$ 225,755</u>	<u>\$ 3,923</u>	<u>\$ (3,612)</u>	<u>\$ 5,933</u>	<u>\$ 33,949</u>	<u>\$ 232,538</u>

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

**AGING & FAMILY SERVICES OF MINERAL COUNTY, 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			
Senior Olympics	June 30, 2016	21683	\$ 5,000
Lighthouse	June 30, 2016	IH1634	116,813
Lighthouse	June 30, 2017	IH1734	33,540
FAIR	June 30, 2016	IH1634	36,509
FAIR	June 30, 2017	IH1734	13,776
Client Tracking	June 30, 2017	IH1734	5,000
Marketplace	June 30, 2016	MCAP1410	<u>18,590</u>
Total Direct Programs			<u>229,228</u>
Pass through Awards			
Upper Potomac Area Agency on Aging			
IIIB State	June 30, 2016	21637	21,974
LIFE	June 30, 2016	21604	118,983
LIFE	June 30, 2017	21704	<u>61,865</u>
Total pass-through awards			<u>202,822</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u><u>\$ 432,050</u></u>

The accompanying 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  
Aging & Family Services of Mineral County, Inc.  
Keyser, 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 Aging & Family Services of Mineral County, 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 May 31, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Aging & Family Services of Mineral County, 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 Aging & Family Services of Mineral County, 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.

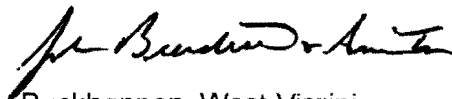
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Aging & Family Services of Mineral County, 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*.

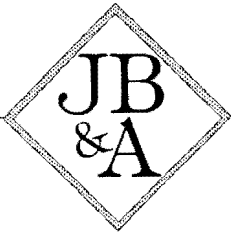
We noted certain other matters that we reported to management of Aging & Family Services of Mineral County, Inc. in a separate letter dated May 31, 2017 on page 19.

**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  
May 31, 2017



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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## MANAGEMENT LETTER

To the Board of Directors  
and Senior Management  
Aging & Family Services of Mineral County, Inc.  
Keyser, West Virginia

In planning and performing our audit of the financial statements of Aging & Family Services of Mineral County, Inc. for the year ended September 30, 2016, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter on pages 17 and 18, dated May 31, 2017 contains our communication of significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated May 31, 2017, on the financial statements of Aging & Family Services of Mineral County, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Organization personnel, and we will be pleased to discuss them 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 summarized as follows:

### Organizational Structure

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

We wish to thank the Executive Director and his staff for their support and assistance during our audit.

This report is intended solely for the information and use of management, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Buckhannon, West Virginia  
May 31, 2017