

**MCDOWELL COUNTY COMMISSION ON AGING, INC.**

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

**SEPTEMBER 30, 2021**

## 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
Statement of Cash Flows	6
Notes to Financial Statements	7-11
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues and Support	12
Schedule of Expenditures of State Awards	13
<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>	14-15
<b>MANAGEMENT LETTER</b>	16



# 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  
McDowell County Commission on Aging, Inc.  
Welch, West Virginia

We have audited the accompanying financial statements of McDowell County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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**

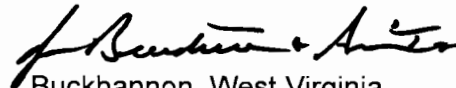
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McDowell County Commission on Aging, Inc. as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting 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 August 8, 2022, on our consideration of McDowell County Commission 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 McDowell County Commission on Aging, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia  
August 8, 2022

**MCDOWELL COUNTY COMMISSION ON AGING, INC.  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2021**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 769,491
Accounts receivable, net	232,393
Grants receivable	174,725
Investment	214,076
Prepaid expenses	<u>24,127</u>

Total current assets	<u>1,414,812</u>
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Property and equipment, net	<u>303,136</u>
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<b>TOTAL ASSETS</b>	<b><u><u>\$ 1,717,948</u></u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 48,141
Accrued compensation	49,566
Accrued payroll taxes	<u>7,263</u>

Total current liabilities	<u>104,970</u>
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**Net Assets**

Without donor restrictions	1,612,978
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With donor restrictions	<u>                    </u>
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Total net assets	<u>1,612,978</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 1,717,948</u></u></b>
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The accompanying notes are an integral part of this statement.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF ACTIVITIES**  
**SEPTEMBER 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Federal financial assistance	\$ 565,446	\$	\$ 565,446
State grants	865,014		865,014
Other grants	378,099		378,099
Donations	169,662		169,662
Medicaid fees	844,368		844,368
Project income	64,082		64,082
Interest income	2,681		2,681
Unrealized gain on investment	7,996		7,996
Other	29,470		29,470
Net assets released from restrictions:			
Restrictions released with time	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenue and Support	<u>2,926,818</u>	<u>                    </u>	<u>2,926,818</u>
<b>EXPENSES</b>			
Program Services			
Title III-B	68,146		68,146
Title III-D	1,100		1,100
Title III-C - congregate	14,261		14,261
Title III-C - home delivered	304,985		304,985
Title III-E	36,485		36,485
5310 Grant	52,269		52,269
LIFE	148,838		148,838
Personal Care	951,073		951,073
Other programs	<u>556,100</u>	<u>                    </u>	<u>556,100</u>
Total Expenses	<u>2,133,257</u>	<u>                    </u>	<u>2,133,257</u>
Change in Net Assets	793,561		793,561
<b>NET ASSETS AT BEGINNING</b>	<u>819,417</u>	<u>                    </u>	<u>819,417</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 1,612,978</u></u>	<u><u>\$</u></u>	<u><u>\$ 1,612,978</u></u>

The accompanying notes are an integral part of this statement.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Title III-B	Title III-D	Title III-C		Title III-E	5310 Grant	LIFE	Personal Care	Other Programs	Totals (Memorandum Only)
			Congregate	Home Delivered						
Salaries and wages	\$ 47,199	\$	\$ 5,124	\$ 126,515	\$ 24,293	\$ 34,194	\$ 56,860	\$ 776,321	\$ 70,311	\$ 1,140,817
Fringe benefits	5,915		567	15,454	2,945	4,295	6,791	117,945	10,456	164,368
Travel						120	17	13,304	4,325	17,766
Printing and supplies	1,452		196	870			33,141	355	4,926	40,940
Repairs and maintenance	1,160		171	6,174		5	29,187	84		36,781
Communications and utilities	4,744		671	10,606			10,274	11,563	185	38,043
Other	212	1,100	66	993	9,247	20	6,398	18,166	27,905	64,107
Rawfood			6,214	111,255					12,372	129,841
Disposables	310		1,232	19,747				79		21,368
Transportation/Trip	3,345			9,839		7,868		1,132		22,184
Professional services	61		12	49				183	1,386	1,691
Insurance	3,748		8	3,483		5,767	6,170	11,941		31,117
Depreciation									61,470	61,470
Contractual services									20,514	20,514
Program services									342,250	342,250
	<u>\$ 68,146</u>	<u>\$ 1,100</u>	<u>\$ 14,261</u>	<u>\$ 304,985</u>	<u>\$ 36,485</u>	<u>\$ 52,269</u>	<u>\$ 148,838</u>	<u>\$ 951,073</u>	<u>\$ 556,100</u>	<u>\$ 2,133,257</u>

The accompanying notes are an integral part of this statement.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 793,561
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	61,470
Gain on sale of vehicles	(2,000)
Unrealized gain on investment	(7,996)
(Increase) decrease in operating assets:	
Accounts and grants receivable	(180,595)
Prepaid expenses	(5,014)
Increase (decrease) in operating liabilities:	
Accounts payable	2,639
Accrued wages and taxes payable	1,958
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>664,023</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investment	(206,081)
Proceeds from sale of vehicles	2,000
Purchase of property and equipment	<u>(130,848)</u>
<u>NET CASH USED IN INVESTING ACTIVITIES</u>	<u>(334,929)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

NET CASH USED IN FINANCING ACTIVITIES	<u>                    </u>
Increase in cash and cash equivalents	329,094
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>440,397</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 769,491</u></u>

The accompanying notes are an integral part of this statement.



**MCDOWELL COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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

The McDowell County Commission on Aging, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in McDowell County, West Virginia. The purpose of the Organization is to study 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 McDowell County Commission on Aging, 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 McDowell County Commission on Aging, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payable and other liabilities.

**Basis of Presentation**

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

**Without donor restrictions** – Consists of net assets available to support operations and not subject to donor restrictions.

**With donor restrictions** – Consists of net assets that are subject to donor-imposed restrictions. Some restrictions may be temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Support that is restricted by the donor is reported as an increase in without donor restrictions 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 with donor restrictions 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), with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the Statement of Activities as net assets released from restrictions. Grant awards are classified as refundable advances until expended for the purpose of the grants since they are conditional promises to give.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

**Basis of Presentation (Continued)**

Gifts of land, buildings, and equipment are presented as without restrictions support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restrictions support.

**Cash and Cash Equivalents**

For the 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**

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

**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.

**Federal and State Grant Revenues**

Grant funds are received on a reimbursement basis; this is utilized for Title III-B, Title III-D, Title III-E, Title VII, and LIFE grants. Upon completion of a grant year, any unexpended grants have to be approved for carryover to the next grant year.

Title III-C monies are received on a meal reimbursement basis but not to exceed the total grant award. Lighthouse and FAIR are drawn down per unit of service as are Medicare and Waiver personal care services. The Division of Public Transit provides Federal Transit Administration, Section 5310 funding to purchase transportation services from McDowell County Commission on Aging, Inc. on a reimbursement basis, per service hour. The transportation services are to be provided to seniors and individuals with disabilities.

Total federal and state grant revenues for the year ended September 30, 2021, was \$565,446 and \$865,014 respectively.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

**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.

**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. Grants Receivable**

Grants receivable at September 30, 2021, consisted of the following:

IIIB	\$ 2,817
IIIC	36,429
IIIE	1,335
LIFE	39,575
Lighthouse	15,836
5310 Grant	5,244
FAIR	2,356
Tobacco Grant	19,998
Veterans Admin	2,040
Summer Feeding	49,095
	-----
Total	\$ 174,725
	=====

**Note 3. Property and Equipment**

Property and equipment consisted of the following at September 30, 2021:

Land and building	\$ 263,883
Vehicles	425,401
Equipment	58,462
	-----
	747,746
Less accumulated depreciation	(444,610)
	-----
Total	\$ 303,136
	=====

**MCDOWELL COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 4. Investment – MCNB Banks Trust Fund**

Cost and fair value of MCNB Banks Trust Fund at September 30, 2021 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	-----	-----	-----	-----
MCNB Trust Fund	\$ 206,081	\$ 7,995	\$	\$ 214,076
	=====	=====	=====	=====

Available-for-sale securities are carried in the financial statements at fair value. Net unrealized holding gains of \$7,995 have been included in income. The MCNB Trust Fund consists of common stocks and Federated Government Obligations.

**Note 5. Liquidity and Availability of Financial Assets**

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 769,491
Accounts receivable	232,393
Grants receivable	174,725
Investments	214,076
	-----
Total	\$1,390,685
	=====

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**Note 6. Concentration**

The Organization receives about 49 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 29 percent of its total support and revenues from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

**MCDOWELL COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 7. 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.

**Note 8. Net Assets**

There were no restricted net assets at September 30, 2021.

**Note 8. Subsequent Events**

Management has evaluated subsequent events through August 8, 2022, the date which the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**MCDOWELL COUNTY COMMISSION ON AGING, INC.  
SCHEDULE OF REVENUES AND SUPPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Title III-B	Title III-D	Title III-C		Title III-E	5310 Transportation	LIFE	Personal Care	Other Programs	Totals (Memorandum Only)
			Congregate	Home Delivered						
Federal grants	\$ 39,318	\$ 229	\$ 7,786	\$ 375,120	\$20,731	\$ 70,144	\$	\$ 2,318	\$ 49,800	\$ 565,446
State grants	28,656	871	2,595	75,768	1,983					313,694
State grant FAIR								31,363		31,363
State grant Lighthouse								183,190		183,190
Sate grant Data Entry								5,000		5,000
Sate grant tobacco									53,457	53,457
Sate grant Summer Feeding									278,310	278,310
Other grants									378,099	378,099
Donations					9,247				160,415	169,662
Contractual revenues								844,368		844,368
Project income	156		17,497	22,285	447	2,039		20,780	878	64,082
Interest income									2,681	2,681
Unrealized gain on investment									7,996	7,996
Other Income									29,470	29,470
<b>Total</b>	<b>\$ 68,130</b>	<b>\$ 1,100</b>	<b>\$ 27,878</b>	<b>\$ 473,173</b>	<b>\$32,408</b>	<b>\$ 72,183</b>	<b>\$203,821</b>	<b>\$ 1,087,019</b>	<b>\$ 961,106</b>	<b>\$ 2,926,818</b>

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

**MCDOWELL COUNTY COMMISSION ON AGING, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Lighthouse	June 30, 2022	IH2247	\$ 31,094
Lighthouse	June 30, 2021	IH2147	152,096
FAIR	June 30, 2022	IH2247	6,898
FAIR	June 30, 2021	IH2147	24,465
Data Entry	June 30, 2021	IH2147	<u>5,000</u>
Total WV Bureau of Senior Services			<u>219,553</u>
Pass through Awards:			
Appalachian Area Agency on Aging			
IIIB State	June 30, 2021	22138-05	28,656
IIIC State	June 30, 2021	22138-05	78,363
IIID State	June 30, 2021	22138-05	871
IIIE State	June 30, 2021	22138-05	1,983
LIFE	June 30, 2022	22205-05	56,941
LIFE	June 30, 2021	22105-05	146,880
Summer Feeding	Sept 30, 2021	22138-05	<u>278,310</u>
Total Appalachian Area Agency on Aging			<u>592,004</u>
WV Dept of Health and Human Resources			
Tobacco Grant	Aug 2020 - June 2021	G210504	33,459
Tobacco Grant	July 2021 - June 2022	G220900	9,999
Tobacco Grant	July 2021 - June 2022	G220687	<u>9,999</u>
Total Dept of Health and Human Resources			<u>53,457</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b><u><u>\$ 865,014</u></u></b>

The accompanying independent auditor's report and notes are integral parts 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  
McDowell County Commission on Aging, Inc.  
Welch, 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 McDowell County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 August 8, 2022.

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

In planning and performing our audit of the financial statements, we considered McDowell County Commission 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 McDowell County Commission 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.

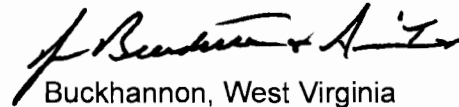
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether McDowell County Commission 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*.

We noted certain other matters that we reported to management of McDowell County Commission on Aging, Inc. in a separate letter dated August 8, 2022 on page 16.

**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  
August 8, 2022



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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## MANAGEMENT LETTER

To the Senior Management and  
The Board of Directors of  
McDowell County Commission on Aging, Inc.  
Welch, West Virginia

In planning and performing our audit of the financial statements of McDowell County Commission on Aging, Inc. for the year ended September 30, 2021, we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated August 8, 2022, on the financial statements of McDowell County Commission on Aging, Inc.

We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

### **Segregation of Duties**

We noted that two employees are responsible for the accounting and financial duties. As a result, many aspects of the internal accounting control which rely upon an adequate segregation of duties are, for all practical purposes, missing in McDowell County Commission on Aging, Inc. We recognize that the Organization is not large enough to make the employment of additional people for the purpose of segregating duties practicable from a financial standpoint, but we are required, under our professional responsibilities to describe the situation.

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

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization.

Buckhannon, West Virginia  
August 8, 2022