

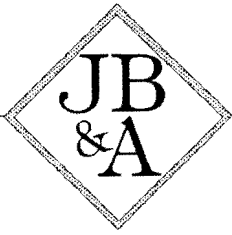
JACKSON COUNTY COMMISSION ON AGING, INC.

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

SEPTEMBER 30, 2017

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jackson County Commission on Aging, Inc.
Ripley, West Virginia

We have audited the accompanying financial statements of Jackson County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, 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 Jackson County Commission on Aging, Inc. as of September 30, 2017, 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 June 22, 2018 on our consideration of Jackson 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 Jackson County Commission on Aging, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
June 22, 2018

**JACKSON COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2017**

ASSETS

Current Assets

Cash and cash equivalents	\$ 228,548
Accounts receivable, net	2,388
Grants receivable	58,358
Annuity - American Investors	74,176
Prepaid expenses	<u>6,303</u>

Total current assets	<u>369,773</u>
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Property and Equipment

1,480,125

TOTAL ASSETS

\$ 1,849,898

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 7,728
Accrued wages payable	25,599
Accrued vacation	18,866
Payroll taxes payable	<u>630</u>

Total current liabilities	<u>52,823</u>
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Net Assets

Unrestricted	316,950
Investments in fixed assets	<u>1,480,125</u>

Total unrestricted net assets	1,797,075
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Temporarily restricted

Total net assets	<u>1,797,075</u>
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TOTAL LIABILITIES AND NET ASSETS

\$ 1,849,898

The accompanying notes are an integral part of this statement

JACKSON COUNTY COMMISSION ON AGING, INC.
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal financial assistance	\$ 164,560	\$	\$ 164,560
State grant allocations	548,421		548,421
Donations and match	34,006		34,006
Donations - In-Kind	10,800		10,800
County commission	15,000		15,000
Medicaid	41,193		41,193
Waiver	5,611		5,611
Project income	99,725		99,725
Interest income	3,226		3,226
Fundraising	3,175		3,175
Rent	18,145		18,145
Net assets released from restrictions:			
Restrictions released with time	<u> </u>	<u> </u>	<u> </u>
Total Revenue and Support	<u>943,862</u>	<u> </u>	<u>943,862</u>
 EXPENSES			
Program Services:			
Title III-B	78,107		78,107
Title III-E	14,798		14,798
Title III-C - congregate	150,254		150,254
Title III-C - home delivered	160,616		160,616
LIFE	97,695		97,695
Medicaid and waiver	51,847		51,847
Veterans	14,674		14,674
FAIR	51,251		51,251
Lighthouse/SAMS	221,675		221,675
Aqua fitness	45,084		45,084
Support Services:			
Management and general	<u>122,002</u>	<u> </u>	<u>122,002</u>
Total Expenses	<u>1,008,003</u>	<u> </u>	<u>1,008,003</u>
Change in Net Assets	(64,141)		(64,141)
NET ASSETS AT BEGINNING OF YEAR	<u>1,861,216</u>	<u> </u>	<u>1,861,216</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,797,075</u>	<u>\$</u>	<u>\$ 1,797,075</u>

The accompanying notes are an integral part of this statement

**JACKSON COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Title III-B	Title III-E	Title III-C		LIFE	Medicaid Waiver	Veterans
			Congregate	Home Delivered			
Salaries and wages	\$51,277	\$11,225	\$ 61,048	\$ 69,304	\$ 41,519	\$41,362	\$ 11,990
Fringe benefits	10,073	3,041	12,986	12,415	6,288	5,820	2,078
Travel		204	1,263	784		4,580	606
Printing and supplies			1,709	2,506	3,722		
Repairs and maintenance	9,402		10,257	1,634	18,406		
Communications and utilities	1,099	328	24,261	8,319	5,985	85	
Insurance	1,036				13,039		
Professional services					4,500		
Rawfood			35,151	52,017			
Disposables			3,364	10,980			
Transportation costs	5,220			2,106	4,236		
Rent							
Depreciation							
Other			215	551			
Total Functional Expenses	\$78,107	\$14,798	\$ 150,254	\$160,616	\$ 97,695	\$51,847	\$ 14,674

**JACKSON COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	FAIR	Lighthouse/ SAMS	Aqua Fitness	Admin General	Totals (Memorandum Only)
Salaries and wages	\$ 42,092	\$ 176,445	\$ 19,959	\$ 15,904	\$ 542,125
Fringe benefits	8,159	34,026	2,176	2,076	99,138
Travel	893	7,454	207	2,467	18,458
Printing and supplies		7	851	2,607	11,402
Repairs and maintenance			8,387	3,083	51,169
Communications and utilities	85	2,914	7,296	5,830	56,202
Insurance			3,600		17,675
Professional services			1,705	68	6,273
Rawfood					87,168
Disposables					14,344
Transportation costs					11,562
Rent				10,800	10,800
Depreciation				77,649	77,649
Other	22	829	903	1,518	4,038
Total Functional Expenses	\$ 51,251	\$ 221,675	\$ 45,084	\$ 122,002	\$ 1,008,003

The accompanying notes are an integral part of this statement.

**JACKSON COUNTY COMMISSION ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (64,141)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	77,649
(Increase) decrease in operating assets:	
Accounts and grants receivable	2,168
Prepaid expenses	(176)
Increase (decrease) in operating liabilities:	
Accounts payable	631
Accrued wages payable	(1,441)
Accrued payroll taxes	(742)
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>13,948</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(18,194)
Increase in annuity	(2,509)
<u>NET CASH USED IN INVESTING ACTIVITIES</u>	<u>(20,703)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

Decrease in cash and cash equivalents	(6,755)
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CASH AND CASH EQUIVALENTS, beginning of year	<u>235,303</u>
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CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 228,548</u></u>
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The accompanying notes are an integral part of this statement

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

NOTE 1. NATURE OF OPERATIONS

Jackson County Commission on Aging, Inc. is a non-profit organization which provides services to low income individuals and families in Jackson County, West Virginia. Jackson County Commission on Aging, Inc.'s headquarters are located in Ripley, West Virginia.

The objectives of Jackson County Commission on Aging, Inc. are to:

Establish, conduct, implement, operate, coordinate and finance programs for the benefit of the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County in the fields of education, economics, health recreation, natural planning, transportation, industrial and business development, and other social and public welfare programs;

Consult with and advise the regional agencies in the development plans as specified by grantee agency, state and federal regulation as they would affect the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County;

Enter into cooperative agreements with municipal, county, Area Agency on Aging, state, federal or other public bodies and/or agencies in establishing, conducting, implementing operation and coordinating and financing of said programs for the benefit of low-income minority, elderly, disadvantaged and handicapped citizens of Jackson County;

Act as a "community focal point" in Jackson County for the coordination of the broadest range of services to benefit the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County;

Develop and administer multi-purpose senior citizens and a network of satellite centers in Jackson County;

Develop and promote cooperative relationships between Jackson County Commission on Aging, Inc. and other allied organizations, agencies and programs interested in the needs and aspirations of the low-income, minority, elderly, disadvantaged and handicapped citizens of Jackson County; and

Develop and administer such rules, policies, procedures and guidelines as may be necessary to carry out the above objectives consistent with local, state and federal laws and grant and contract agreements entered into by the organization.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized as they are incurred.

Property and Depreciation

It is the Organization's policy to capitalize property and equipment with cost criteria greater than \$5,000. All items below this threshold are expensed when purchased. Property and equipment are depreciated using the straight line method. The estimated useful lives of the related assets are as follows:

Building	39 years
Equipment	5 - 10 years
Vehicles	5 years

Maintenance and Repairs

Minor renewals and replacements are charged against income-major renewals and replacements are charged to appropriate asset accounts.

Income Tax

Jackson County Commission on Aging, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain activities are considered unrelated to the Organization's exempt purpose and the Organization reports those activities as unrelated business income. As such, the Organization, if necessary, will record a provision for federal income taxes.

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.

Estimates

In preparing financial statements management must make estimates based on future events that affect 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activity. Accordingly, all costs have been allocated among the programs. No Schedule of Functional Expenses is provided because substantially all cost is considered to be part of program cost.

Accrued Vacation

In accordance with the Organization's personnel policies, employees earn vacation time throughout the year. Vacation time earned but not taken at the time of an employee's termination will be paid to the employee. Therefore, all unpaid vacation expense as of the end of each fiscal year is accrued under the rules of a vested plan.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. At September 30, 2017, the Organization had unrestricted and temporarily restricted net assets and did not have any permanently restricted net assets.

Temporarily Restricted Net Assets

The Organization reports grants and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from restrictions.

Inventory

In accordance with grant award budgets approved by funding sources, inventory is recorded at cost as an asset in the period during which it is purchased.

Donated Services, Space and Other

Donated hourly services are valued at the federal established minimum wage or the fair value of skilled services. Donated space is valued at the estimated fair rental value. Donated other is valued at the estimated fair market value at the date of receipt. The Organization does not record donated services, space and other in excess of the amount required to meet grant matching agreements.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred.

NOTE 3. CONTINGENCIES

Jackson County Commission on Aging, Inc, receives a substantial amount of support from federal, state, and local governments. A significant reduction in the level of this support, if such were to occur, would have a material effect on the Organization's programs and activities.

NOTE 4. ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable consist of the following at September 30, 2017:

Accounts receivable	\$ 2,388
Grants receivable	58,358

Total	\$ 60,746

NOTE 5. PROPERTY AND EQUIPMENT

A summary of the components of property and equipment as of September 30, 2017, is as follows:

Land	\$ 201,566
Buildings and Improvements	2,318,152
Equipment	134,177
Vehicles	218,790

Total	2,872,685
Less: Accumulated Depreciation	(1,392,560)

Total property and equipment	\$ 1,480,125

Depreciation expense for the year ended September 30, 2017 was \$77,649.

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

NOTE 6. OPERATING LEASE

The Organization leases the building and land associated with the Sandyville senior center. This lease was entered into on January 1, 1995, and is for a period of fifty (50) years ending December 31, 2044. Intent to terminate the lease must be made known at least 30 days prior to the first day of each calendar year. The base rent for the premises is set at \$1 per year. Lease expense was \$1 for the year ended September 30, 2017.

The following is a schedule of future minimum lease payments required under the Organization's operating lease:

2018	\$ 1
2019	1
2020	1
2021	1
2022	1
Thereafter	22
Total	----- \$ 27 =====

The Organization recognized the fair market rental value of \$10,800 as in-kind donation and \$10,800 as in-kind rent expense for the year ended September 30, 2017.

NOTE 7. CONCENTRATIONS OF CREDIT RISK

Cash

The Organization maintains cash balances in checking and savings accounts at various banks throughout the region in which it operates. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2017, deposits in any one financial institution did not exceed \$250,000.

Funds Receivable

The Organization provides various services to the elderly and low-income individuals in Jackson County, West Virginia, on a third-party reimbursement basis. The Organization bills the various funding sources in accordance with contractual agreements without requiring collateral or any other security. Funds receivable have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been created because the amount, if any, is not considered material.

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

NOTE 8. CONTINGENT LIABILITIES

The Organization's programs are generally funded from federal, state and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

NOTE 9. MATCHING FUNDS

During the year ended September 30, 2017, the Organization received \$15,000 unrestricted monies from the County Commission of which \$3,647 was used as matching funds for the Title III E grant awards.

NOTE 10. TEMPORARILY RESTRICTED NET ASSETS

There were no restricted net assets at September 30, 2017.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2018 the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**JACKSON COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Title III-B	Title III-E	Title III-C		LIFE
			Congregate	Home Delivered	
Federal financial assistance	\$ 41,267	\$ 10,939	\$ 42,515	\$ 53,839	\$
State grant	29,397		40,510	46,712	205,186
State LIFE allocated	6,000		39,407	37,590	(107,491)
Donations and match					
Donations - In-Kind					
County Commission		3,647			
Medicaid					
Waiver					
Project income	1,443	212	27,822	22,475	
Interest income					
Fundraising					
Rent income					
Total Revenue and Support	<u>78,107</u>	<u>14,798</u>	<u>150,254</u>	<u>160,616</u>	<u>97,695</u>
Functional Expenses	78,107	14,798	150,254	160,616	97,695
Less: Depreciation					
Add: Capital Expenditures					
Total Expenditures	<u>78,107</u>	<u>14,798</u>	<u>150,254</u>	<u>160,616</u>	<u>97,695</u>
Net Revenue (Expenditures)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

JACKSON COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2017

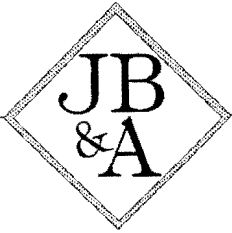
Medicaid Waiver	Veterans	Fair	Lighthouse/ SAMS	Aqua Fitness	Admin/ General	Total (Memorandum Only)
\$	\$ 16,000	\$	\$	\$	\$	\$ 164,560
		39,704	186,912		9,901	548,421
		3,131	11,462		19,532	
				14,474	10,800	34,006
					11,353	10,800
41,193						15,000
5,611						41,193
		4,155	16,608	25,709	1,301	5,611
					3,226	99,725
					3,175	3,226
				810	17,335	3,175
						18,145
<u>46,804</u>	<u>16,000</u>	<u>46,990</u>	<u>214,982</u>	<u>40,993</u>	<u>76,623</u>	<u>943,862</u>
51,847	14,674	51,251	221,675	45,084	122,002	1,008,003
					(77,649)	(77,649)
					18,194	18,194
<u>51,847</u>	<u>14,674</u>	<u>51,251</u>	<u>221,675</u>	<u>45,084</u>	<u>62,547</u>	<u>948,548</u>
<u>\$ (5,043)</u>	<u>\$ 1,326</u>	<u>\$ (4,261)</u>	<u>\$ (6,693)</u>	<u>\$ (4,091)</u>	<u>14,076</u>	<u>\$ (4,686)</u>

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

**JACKSON COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Lighthouse	June 30, 2018	IH1818	28,720
Lighthouse	June 30, 2017	IH1718	153,268
FAIR	June 30, 2018	IH1818	5,495
FAIR	June 30, 2017	IH1718	34,209
In-Home - Data Entry	June 30, 2018	IH1818	1,137
In-Home - Data Entry	June 30, 2017	IH1718	<u>3,787</u>
Total Direct Programs			<u>226,616</u>
Pass through Awards			
WVSC Metro Area Agency on Aging			
IIIB State	June 30, 2017	21736	29,397
IIIC-1	June 30, 2017	2917	40,510
IIIC-2	June 30, 2017	2917	46,712
LIFE	June 30, 2018	21803	15,463
LIFE	June 30, 2017	21703	<u>189,723</u>
Total pass-through awards			<u>321,805</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 548,421</u></u>

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
Jackson County Commission on Aging, Inc.
Ripley, 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 Jackson County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, 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 22, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jackson 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 Jackson 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.

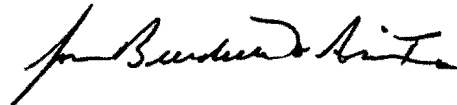
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jackson 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*.

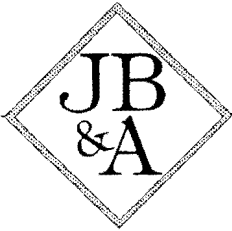
We noted certain other matters that we reported to management of Jackson County Commission on Aging, Inc. in a separate letter dated June 22, 2018 on page 19.

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
June 22, 2018



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

MANAGEMENT LETTER

To the Board of Directors
and Senior Management
Jackson County Commission on Aging, Inc.
Ripley, West Virginia

In planning and performing our audit of the financial statements of Jackson County Commission on Aging, Inc. for the year ended September 30, 2017, 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 June 22, 2018 contains our communication of significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated June 22, 2018, on the financial statements of Jackson County Commission on Aging, 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 her 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
June 22, 2018