

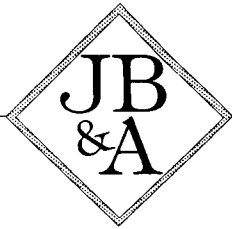
POCAHONTAS COUNTY SENIOR CITIZENS, INC.

**INDEPENDENT AUDITORS' REPORT AND
RELATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2014

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	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	8-12
SUPPLEMENTAL INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION	13
Schedule of Revenues and Support	14-15
Schedule of Expenditures of State Awards	16
INDEPENDENT AUDITORS' 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>	17-18
MANAGEMENT LETTER	19



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pocahontas County Senior Citizens, Inc.
Marlinton, West Virginia

We have audited the accompanying financial statements of Pocahontas County Senior Citizens, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, 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.

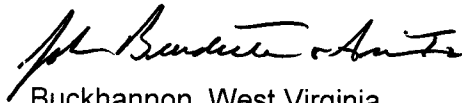
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pocahontas County Senior Citizens, Inc. as of September 30, 2014, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2015, on our consideration of Pocahontas County Senior Citizens, 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 Pocahontas County Senior Citizens, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
June 23, 2015

POCAHONTAS COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2014

ASSETS

Current Assets

Cash and cash equivalents	\$ 15,987
Accounts receivable, net	14,451
Grants receivable	36,534
Prepaid expense	1,437
	68,409

Total current assets

68,409

Property and Equipment

561,306

TOTAL ASSETS

\$ 629,715

LIABILITIES AND NET ASSETS

Current Liabilities

Line of credit	\$ 42,842
Current portion long-term debt	10,506
Accounts payable	144
Accrued wages and taxes	32,291
	85,783

Total current liabilities

85,783

Long-Term Debt

155,431

Net Assets

Unrestricted	388,501
Temporarily restricted	
	388,501

TOTAL NET ASSETS

388,501

TOTAL LIABILITIES AND NET ASSETS

\$ 629,715

The accompanying notes are an integral part of this statement

POCAHONTAS COUNTY SENIOR CITIZENS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal financial assistance	\$ 194,389	\$	\$ 194,389
State grant allocations	289,482		289,482
County Commission	42,124		42,124
Donations/Match	11,976		11,976
Medicaid	38,562		38,562
Waiver	167,568		167,568
Project income	53,947		53,947
Interest income	43		43
Other	41,068		41,068
Net assets released from restrictions:			
Restrictions released with time	<u> </u>	<u> </u>	<u> </u>
Total Revenue and Support	<u>839,159</u>	<u> </u>	<u>839,159</u>
 EXPENSES			
Program Services			
Title III-B	83,607		83,607
Title III-D	2,966		2,966
Title III-E	7,456		7,456
Title III-C - congregate	62,072		62,072
Title III-C - home delivered	129,351		129,351
Lighthouse	22,741		22,741
FAIR	10,454		10,454
LIFE	126,858		126,858
Personal Care	407,854		407,854
Support Services:			
Management and general	<u>11,291</u>	<u> </u>	<u>11,291</u>
Total Expenses	<u>864,650</u>	<u> </u>	<u>864,650</u>
Change in Net Assets	(25,491)		(25,491)
 NET ASSETS AT BEGINNING OF YEAR	 <u>413,992</u>	 <u> </u>	 <u>413,992</u>
NET ASSETS AT END OF YEAR	<u>\$ 388,501</u>	<u>\$</u>	<u>\$ 388,501</u>

The accompanying notes are an integral part of this statement

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Salaries and wages	\$ 43,165	\$ 2,691	\$ 6,386	\$ 23,782	\$ 55,492
Fringe benefits	13,185	275	556	5,212	9,853
Travel			514		
Printing and supplies	989			246	
Fuel, repairs and maintenance	21,635			654	90
Communications and utilities	4,572			3,325	2,351
Insurance					
Rawfood				20,125	46,949
Disposables				7,983	14,616
Depreciation					
Interest					
Other	61			745	
Total Functional Expenses	<u>\$ 83,607</u>	<u>\$ 2,966</u>	<u>\$ 7,456</u>	<u>\$ 62,072</u>	<u>\$ 129,351</u>

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Lighthouse</u>	<u>FAIR</u>	<u>LIFE</u>	<u>Personal Care</u>	<u>Admin General</u>	<u>Totals (Memorandum Only)</u>
Salaries and wages	\$ 18,631	\$ 8,091	\$ 69,065	\$ 270,869	\$	\$ 498,172
Fringe benefits	1,632	756	13,439	38,054		82,962
Travel	2,478	1,607	1,860	21,698		28,157
Printing and supplies			6,549	4,840		12,624
Fuel, repairs and maintenance			20,931	3,414	421	47,145
Communications and utilities			10,442	13,452		34,142
Insurance			4,330	6,006		10,336
Rawfood						67,074
Disposables						22,599
Depreciation				43,139		43,139
Interest					10,152	10,152
Other			242	6,382	718	8,148
Total Functional Expenses	<u>\$ 22,741</u>	<u>\$ 10,454</u>	<u>\$ 126,858</u>	<u>\$ 407,854</u>	<u>\$ 11,291</u>	<u>\$ 864,650</u>

The accompanying notes are an integral part of this statement.

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (25,491)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	43,139
(Increase) decrease in operating assets:	
Accounts and grants receivable	(11,529)
Prepaid expenses	720
Increase (decrease) in operating liabilities:	
Accounts payable	(9,706)
Accrued wages payable and taxes	1,743
<u>NET CASH USED IN OPERATING ACTIVITIES</u>	<u>(1,124)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

NET CASH PROVIDED BY INVESTING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from short-term borrowing	22,998
Repayment of long-term borrowing	<u>(9,820)</u>
<u>NET CASH PROVIDED BY FINANCING ACTIVITIES</u>	<u>13,178</u>

Increase in cash and cash equivalents	12,054
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CASH AND CASH EQUIVALENTS, beginning of year	<u>3,933</u>
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CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 15,987</u></u>
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest paid during the year	<u><u>\$ 10,152</u></u>
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The accompanying notes are an integral part of this statement

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

The Pocahontas County Senior Citizens, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Pocahontas 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 Pocahontas County Senior Citizens, 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 Pocahontas County Senior Citizens, 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

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

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Federal and State Grant Revenues

Grants Monies 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. 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, 2014, were \$ 194,389 and \$ 289,482 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.

POCAHONTAS COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

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 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.

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

The Organization does business with two financial institutions and deposits are insured by FDIC insurance.

Note 3. Grants Receivable

Grants receivable at September 30, 2014, consisted of the following:

Federal Title III-C	\$ 15,129
Federal Title III-D	244
LIFE Program	6,180
Lighthouse	4,176
Fair	3,419
Lighthouse	543
Fair	6,843

Total	\$ 36,534
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**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30, 2014:

Land	\$ 65,500
Buildings	565,065
Vehicles	438,179
Equipment, furniture and fixtures	181,372

	1,250,116
Less accumulated depreciation	(688,810)

Net property and equipment	\$ 561,306
	=====

Note 5. Restrictions on Net Assets

There are no restricted net assets at September 30, 2014.

Note 6. Concentration

The Organization receives about 58 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization receives about 25 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.

Note 7. Notes Payable Line Of Credit

As of September 30, 2014 the organization had a business revolving line of credit account with a total credit limit of \$50,000 at Pendleton Community Bank. The interest rate on the account is 4.9%. The balance on the account as of September 30, 2014 was \$42,842 with \$7,158 available to be drawn on this line of credit.

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 8. Long-Term Debt

Long-term debt consists of the following as of September 30, 2014

Pendleton Community Bank

4.90% installment note maturing 9/30/25, monthly payments of \$ 1,532.80 secured by real estate.	\$ 165,937
Less: current portion	10,506
Noncurrent portion	\$ 155,431

Scheduled maturities at September 30, 2014 are as follows:

September 30, 2015	\$ 10,506
2016	11,032
2017	11,585
2018	12,166
2019	12,775
Thereafter	107,873
Total	\$ 165,937

Note 9. Contingent Liabilities

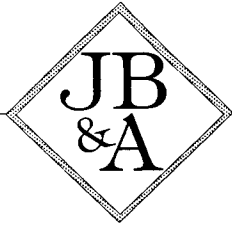
In the normal course of operations, the Organization receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for 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.

Note 10. Subsequent Events

Management has evaluated subsequent events through June 23, 2015, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Pocahontas County Senior Citizens, Inc.
Marlinton, West Virginia

Our report on our audit of the basic financial statements of Pocahontas County Senior Citizens, Inc., for the year ended September 30, 2014 appears on pages 1 and 2. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of revenues and support and the schedule of expenditures of state awards are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Buckhannon, West Virginia
June 23, 2015

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Federal financial assistance	\$ 27,621	\$ 987	\$ 5,930	\$ 53,165	\$ 84,260
State grant	12,000	1,000	4,511		
LIFE allocated			3,200	5,077	44,775
County Commission Donations/Match	2,000	1,000	2,000		
Medicaid Waiver					
Project income	5,261		1,070	26,930	11,040
Interest income					
Other					
Total Revenue and Support	<u>46,882</u>	<u>2,987</u>	<u>16,711</u>	<u>85,172</u>	<u>140,075</u>

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
 SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

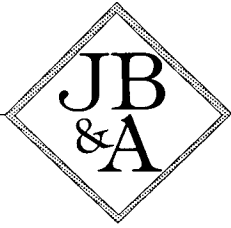
<u>LIFE</u>	<u>Ship</u>	<u>Medicaid Waiver</u>	<u>Fair</u>	<u>Lighthouse</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$	\$ 6,198	\$	\$	\$	\$ 16,228	\$ 194,389
188,710			35,081	38,280	9,900	289,482
(53,052)					42,124	42,124
					6,976	11,976
		38,562				38,562
		167,568				167,568
2,389		749	3,098	3,410		53,947
					43	43
		17,211			23,857	41,068
<u>138,047</u>	<u>6,198</u>	<u>224,090</u>	<u>38,179</u>	<u>41,690</u>	<u>99,128</u>	<u>839,159</u>

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

**POCAHONTAS COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership	June 30, 2014	FY2014	\$ 9,900
Lighthouse	June 30, 2014	IH1457	26,828
Lighthouse	June 30, 2015	IH1551	11,452
FAIR	June 30, 2014	IH1457	24,768
FAIR	June 30, 2015	IH1551	<u>10,313</u>
Total Direct Programs			<u>83,261</u>
Pass through Awards			
Appalachian Area Agency on Aging			
IIIB State	June 30, 2014	21238-09	12,000
IIID	June 30, 2014	21238-09	1,000
IIIE	June 30, 2014	21238-09	4,511
LIFE	June 30, 2014	21405-09	162,432
LIFE	June 30, 2015	21505-09	<u>26,278</u>
Total pass-through awards			<u>206,221</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 289,482</u></u>

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



JOHN BURDETTE & ASSOCIATES

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors of
Pocahontas County Senior Citizens, Inc.
Marlinton, 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 Pocahontas County Senior Citizens, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, 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 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pocahontas County Senior Citizens, 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 Pocahontas County Senior Citizens, 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.

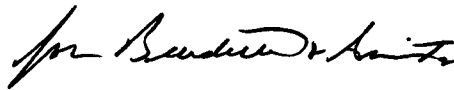
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

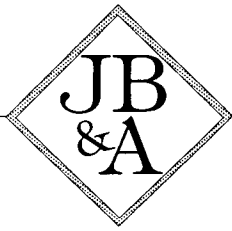
As part of obtaining reasonable assurance about whether Pocahontas County Senior Citizens, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

Purpose of this Report

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



Buckhannon, West Virginia
June 23, 2015



JOHN BURDETTE & ASSOCIATES

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MANAGEMENT LETTER

The Board of Directors of
Pocahontas County Senior Citizens, Inc.
Marlinton, West Virginia

In planning and performing our audit of the financial statements of Pocahontas County Senior Citizens, Inc. for the year ended September 30, 2014, 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 internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated June 23, 2015, on the financial statements of Pocahontas County Senior Citizens, 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 most of 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 Pocahontas County Senior Citizens, 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.

Bank Reconciliations

Bank accounts should be reconciled on a timely basis to the general ledger accounts. Accurate and timely bank reconciliations reduce the risk that errors on the part of the Organization or the bank will remain undetected and uncorrected.

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

June 23, 2015