

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

FINANCIAL STATEMENTS - MODIFIED CASH BASIS
AND ADDITIONAL INFORMATION - MODIFIED CASH BASIS

A NON-PROFIT ASSOCIATION IN BOONE COUNTY

YEAR ENDED JUNE 30, 2016

With Independent Auditor's Report Thereon

DAVID L. HOWELL, CPA
PO BOX 598
CABIN CREEK, WEST VIRGINIA

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boone County Community Organization Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the Boone County Community Organization Association, Inc. (the "Association") (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of June 30, 2016, and the related statement of support, revenue, expenses and changes in net assets - modified cash basis 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 the cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 Association'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 Association'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 assets, liabilities, and net assets of the Association as of June 30, 2016, and its support, revenue, and expenses, and changes in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "David L. Howell, CPA". The signature is written in a cursive, flowing style.

David L. Howell, CPA
Cabin Creek, West Virginia
March 24, 2017

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

Year Ended June 30, 2016

ASSETS:

Current assets:

Cash \$ 92,458

Restricted current assets:

Cash restricted 510,161

Total assets \$ 602,619

NET POSITION:

Restricted \$ 525,350

Unrestricted 77,269

Total net position \$ 602,619

The accompanying notes are an integral part of these financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN
NET ASSETS - MODIFIED CASH BASIS

Year Ended June 30, 2016

	Title III - B	Title III - C	Title III - D
SUPPORT AND REVENUE:			
Federal	\$ 51,273	\$ 207,909	\$ 2,241
State	-	14,149	-
Medicaid	-	-	-
Medicaid waiver	-	-	-
Boone county commission	6,500	30,000	-
County tax levy	-	-	-
Project income	6,442	50,380	-
In-kind	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	<u>64,215</u>	<u>302,438</u>	<u>2,241</u>
EXPENDITURES:			
Salaries	49,829	113,111	-
Fringe benefits	5,722	5,048	-
Payroll taxes	4,282	9,721	-
In-kind	-	-	-
Accounting and audit	1,500	-	-
Contracted services	-	-	-
Equipment	-	-	-
Repairs and maintenance	-	-	-
Insurance	3,000	-	-
Materials and supplies	-	-	-
Utilities	-	1,353	-
Telephone	-	-	-
Postage	-	-	-
Dues and registration	-	-	-
Office supplies and expenses	1,018	4,191	-
Food products	-	190,100	-
Health fair	-	-	2,482
Travel	773	-	-
Employee training	-	-	-
Fuel and maintenance - vehicles	150	-	-
Emergency assistance	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>66,275</u>	<u>323,524</u>	<u>2,482</u>
Excess (deficiency) of revenues over (under) expenditures	(2,060)	(21,086)	(241)
Net position, beginning	<u>(6,143)</u>	<u>285,735</u>	<u>241</u>
Net position, ended	<u>\$ (8,203)</u>	<u>\$ 264,649</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN
NET ASSETS - MODIFIED CASH BASIS (CONTINUED)

Year Ended June 30, 2016

	Title III - E	Title III - F	LIFE	SHIP
SUPPORT AND REVENUE:				
Federal	\$ 14,550	\$ -	\$ -	\$ -
State	-	-	179,682	5,750
Medicaid	-	-	-	-
Medicaid waiver	-	-	-	-
Boone county commission	-	-	-	-
County tax levy	-	-	-	-
Project income	-	-	-	-
In-kind	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenues	<u>14,550</u>	<u>-</u>	<u>179,682</u>	<u>5,750</u>
EXPENDITURES:				
Salaries	9,538	-	97,110	3,648
Fringe benefits	1,595	-	9,963	458
Payroll taxes	820	-	9,760	330
In-kind	-	-	-	-
Accounting and audit	-	-	6,000	-
Contracted services	-	-	6,000	-
Equipment	-	-	-	-
Repairs and maintenance	-	-	-	-
Insurance	-	-	16,000	-
Materials and supplies	-	-	-	-
Utilities	-	-	-	-
Telephone	-	-	2,215	-
Postage	-	-	-	-
Dues and registration	-	-	-	-
Office supplies and expenses	-	-	2,200	-
Food products	-	-	13,920	-
Health fair	-	-	-	-
Travel	-	-	3,089	-
Employee training	-	-	3,025	-
Fuel and maintenance - vehicles	-	-	10,400	-
Emergency assistance	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	<u>11,953</u>	<u>-</u>	<u>179,682</u>	<u>4,436</u>
Excess (deficiency) of revenues over (under) expenditures	2,597	-	-	1,314
Net position, beginning	<u>(19,415)</u>	<u>(762)</u>	<u>-</u>	<u>(5,019)</u>
Net position, ended	<u>\$ (16,818)</u>	<u>\$ (762)</u>	<u>\$ -</u>	<u>\$ (3,705)</u>

The accompanying notes are an integral part of these financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN
NET ASSETS - MODIFIED CASH BASIS (CONTINUED)

Year Ended June 30, 2016

	Medicaid Waiver	Medicaid	Lighthouse	United Way
SUPPORT AND REVENUE:				
Federal	\$ -	\$ -	\$ -	\$ -
State	-	-	162,803	-
Medicaid	-	137,412	-	-
Medicaid waiver	194,720	-	-	-
Boone county commission	-	-	12,000	-
County tax levy	-	-	-	-
Project income	-	-	15,294	-
In-kind	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	292
Total revenues	<u>194,720</u>	<u>137,412</u>	<u>190,097</u>	<u>292</u>
EXPENDITURES:				
Salaries	205,720	114,634	150,449	-
Fringe benefits	14,159	9,443	150	-
Payroll taxes	17,680	9,852	12,930	-
In-kind	-	-	-	-
Accounting and audit	-	-	-	-
Contracted services	-	-	-	-
Equipment	-	-	-	-
Repairs and maintenance	-	-	-	-
Insurance	1,500	1,500	-	-
Materials and supplies	375	275	420	-
Utilities	-	-	-	-
Telephone	496	480	-	-
Postage	-	-	-	-
Dues and registration	-	-	-	-
Office supplies and expenses	-	-	-	-
Food products	-	-	-	-
Health fair	-	-	-	-
Travel	2,033	950	594	-
Employee training	162	162	483	-
Fuel and maintenance - vehicles	33	-	-	-
Emergency assistance	-	-	-	27
Miscellaneous	214	116	-	-
Total expenditures	<u>242,372</u>	<u>137,412</u>	<u>165,026</u>	<u>27</u>
Excess (deficiency) of revenues over (under) expenditures	(47,652)	-	25,071	265
Net position, beginning	<u>112,232</u>	<u>85,501</u>	<u>219,182</u>	<u>28,456</u>
Net position, ended	<u>\$ 64,580</u>	<u>\$ 85,501</u>	<u>\$ 244,253</u>	<u>\$ 28,721</u>

The accompanying notes are an integral part of these financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN
NET ASSETS - MODIFIED CASH BASIS (CONTINUED)

Year Ended June 30, 2016

	Neediest Cases	WIA	FAIR
SUPPORT AND REVENUE:			
Federal	\$ -	\$ -	\$ -
State	-	-	-
Medicaid	-	-	-
Medicaid waiver	-	-	-
Boone county commission	-	-	-
County tax levy	-	-	-
Project income	-	-	3,708
In-kind	-	-	-
Interest	-	-	-
Other	7,364	-	44,599
Total revenues	<u>7,364</u>	<u>-</u>	<u>48,307</u>
EXPENDITURES:			
Salaries	-	-	36,431
Fringe benefits	-	-	1,356
Payroll taxes	-	-	3,131
In-kind	-	-	-
Accounting and audit	-	-	-
Contracted services	-	-	-
Equipment	-	-	-
Repairs and maintenance	-	-	-
Insurance	-	-	-
Materials and supplies	-	-	294
Utilities	-	-	-
Telephone	-	-	-
Postage	-	-	-
Dues and registration	-	-	-
Office supplies and expenses	-	-	-
Food products	-	-	-
Health fair	-	-	-
Travel	-	-	-
Employee training	-	-	378
Fuel and maintenance - vehicles	-	-	-
Emergency assistance	7,364	-	-
Miscellaneous	-	-	-
Total expenditures	<u>7,364</u>	<u>-</u>	<u>41,590</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	6,717
Net position, beginning	<u>(99)</u>	<u>(340)</u>	<u>66,853</u>
Net position, ended	<u>\$ (99)</u>	<u>\$ (340)</u>	<u>\$ 73,570</u>

The accompanying notes are an integral part of these financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN
NET ASSETS - MODIFIED CASH BASIS (CONTINUED)

Year Ended June 30, 2016

	Transportation	General	Totals
SUPPORT AND REVENUE:			
Federal	\$ -	\$ -	\$ 275,973
State	-	19,000	381,384
Medicaid	-	-	137,412
Medicaid waiver	-	-	194,720
Boone county commission	-	10,500	59,000
County tax levy	-	97,799	97,799
Project income	-	-	75,824
In-kind	-	52,442	52,442
Interest	-	733	733
Other	-	9,330	61,585
Total revenues	<u>-</u>	<u>189,804</u>	<u>1,336,872</u>
EXPENDITURES:			
Salaries	9,022	100,974	\$ 890,466
Fringe benefits	1,166	65,368	114,428
Payroll taxes	775	7,274	76,554
In-kind	-	52,442	52,442
Accounting and audit	-	1,935	9,435
Contracted services	-	19,806	25,806
Equipment	-	-	-
Repairs and maintenance	-	1,082	1,082
Insurance	-	15,457	37,457
Materials and supplies	-	19,635	20,999
Utilities	-	929	2,282
Telephone	-	1,226	4,417
Postage	-	980	980
Office supplies and expenses	-	6,707	14,116
Food products	-	12,721	216,741
Health fair	-	-	2,482
Travel	-	2,592	10,031
Employee training	-	428	4,638
Fuel and maintenance - vehicles	-	10,063	20,646
Emergency assistance	-	4,779	12,170
Miscellaneous	-	846	1,176
Total expenditures	<u>10,963</u>	<u>325,244</u>	<u>1,518,348</u>
Excess (deficiency) of revenues over (under) expenditures	(10,963)	(135,440)	(181,476)
Net position, beginning	<u>(60,582)</u>	<u>78,254</u>	<u>784,095</u>
Net position, ended	<u>\$ (71,545)</u>	<u>\$ (57,186)</u>	<u>\$ 602,619</u>

The accompanying notes are an integral part of these financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2016

NOTE 1 DESCRIPTION OF ORGANIZATION

Reporting Entity

Boone County Community Organization Association, Inc. (the "Association") is a non-profit association organized to carry out community action programs which are generally funded by federal, state and local agencies. Grants received by the Association from funding agencies usually require compliance with the prescribed grant conditions and other special requirements, including the furnishing of certain amounts of cash and noncash contributions. The Association provides services designed to combat problems of poverty and to seek elimination or reductions of the conditions of poverty.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounts of the Association are maintained, and the accompanying financial statements are presented on the Modified Cash Basis of accounting. The modified cash basis of accounting differs from generally accepted accounting principles, since it requires support and revenue to be recorded when received rather than when earned and expenses to be recorded when paid rather than incurred, except that in-kind contributions are recorded as both support and expenses in the year rendered. Accordingly the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Net Asset Classification

Net assets of the Association are classified and reported as follows:

Unrestricted Net Assets – Unrestricted net assets that are not subject to donor-imposed stipulations.

Temporarily and Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Association and/or the passage of time.

At June 30, 2016, the Association reported \$525,350 in Temporarily Restricted Net Assets on the Statement of Assets, Liabilities and Net Assets.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Income Tax Status

Under provisions of the Internal Revenue Code, Section 501C(3), and the applicable regulations of the State of West Virginia, the Association is exempt from taxes on income other than unrelated business income. The Association had no net unrelated business income during the year ended June 30, 2016.

In — Kind Contributions

In-kind contributions for donated office space are recognized in the year rendered. Such contributions are recorded based upon estimated fair market rental rates.

Use of Estimates

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

NOTE 3 CASH

At June 30, 2016, cash consisted of:

Petty cash	\$ 1,100
Checking and Savings Account	<u>601,519</u>
Total cash	<u>\$ 602,619</u>

Certain cash amounts are restricted by grantors for use in specific programs according to program purposes. At June 30, 2016, such cash balances were restricted as follows:

Title III-B	\$ (8,203)
Title III-C	264,649
Title III-D	-
Title III-E	(16,818)
Title III-F	(762)
CSBG	-
LIFE	-
LIGHTHOUSE	244,253
FAIR	73,570
SHINE	(3,705)
Transportation	(71,545)
United Way	<u>28,721</u>
Total Restricted Cash	<u>\$ 510,161</u>

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Association had \$ 601,519 on deposit with various banks, all of which was insured by FDIC or fully collateralized at June 30, 2016.

NOTE 4 CONTINGENT LIABILITIES

The Association'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 grant. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time; however, management believes such amounts, if any, to be immaterial.

NOTE 5 RISK MANAGEMENT

The Association is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries umbrella (general liability) insurance for these various risks. The Association pays workers' compensation insurance premiums based on a rate per \$100.00 of salaries. The rate is calculated based on accident history and administrative costs to provide coverage to employees for job-related injuries.

NOTE 6 CONCENTRATIONS OF REVENUE SOURCES

Approximately 25% of the Association's total support is provided by Medicaid Programs.

NOTE 7 SUBSEQUENT EVENT

Subsequent events have been evaluated through March 24, 2017, which is the date the audit report was available to be issued. The Association is not aware of any events occurring subsequent to June 30, 2016 up until the date of this report that would have a material impact, financially or otherwise on these financial statements.

ADDITIONAL INFORMATION - MODIFIED CASH BASIS

Independent Auditor's Report on Additional Information

The Board of Directors
Boone County Community Organization Association, Inc.:

We have audited the financial statements - modified cash basis of Boone County Community Organization Association, Inc. (the "Association") as of and for the year ended June 30, 2016, and have issued our report thereon dated March 24, 2017, which contained an unmodified opinion on those modified cash basis financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Revenues and Expenses, as of and for the grant year ended June 30, 2016, and as of and for the grant year ended March 31, 2016, and as of and for the grant year ended September 30, 2015, on page 13 through 20 are presented for the purposes of additional analysis and are not a required part of the modified cash basis 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.

David L. Howell, CPA

David L. Howell, CPA
Cabin Creek, West Virginia
March 24, 2017

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SCHEDULE OF REVENUE AND EXPENSES - LEGISLATIVE INITIATIVE FOR THE ELDERLY

Grant Year Ended June 30, 2016

Revenues:		
LIFE revenues	\$	179,682
Expenditures:		
Salaries		97,110
Fringe benefits		9,963
Payroll taxes		9,760
Accounting and auditing		6,000
Contracted services		6,000
Insurance		16,000
Telephone		2,215
Office supplies and expenses		2,200
Food and products		13,920
Travel		3,089
Training		3,025
Fuel and maintenance - vehicles		<u>10,400</u>
Total expenditures		<u>179,682</u>
Excess of revenues over/(under) expenditures	\$	<u><u>-</u></u>

See Independent Auditor's Report on Additional Information.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SCHEDULE OF REVENUE AND EXPENSES - TITLE III-B

Grant Year Ended September 30, 2015

Revenues:	
Federal	\$ 32,646
State	26,896
	<hr/>
Total revenues	59,542
Expenditures:	
Personnel	25,784
Travel	841
Printing, supplies	1,668
Other	900
Transportation	6,949
Homemaker	23,400
	<hr/>
Total expenditures	59,542
Excess of revenues over/(under) expenditures	<hr/> <hr/> \$ -

See Independent Auditor's Report on Additional Information.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SCHEDULE OF REVENUE AND EXPENSES - TITLE III-C

Grant Year Ended September 30, 2015

	C-1 Congregate	C-2 Home Delivery	Total
Revenues:			
Federal and state	\$ 127,367	206,715	334,082
Project income	31,354	19,292	50,646
Total revenues	158,721	226,007	384,728
Expenditures:			
Personnel	65,801	73,046	138,847
Raw food	92,780	101,882	194,662
Disposal products	3,562	5,619	9,181
Other	3,683	3,011	6,694
Total expenditures	165,826	183,558	349,384
Excess of revenues over/(under) expenditures	\$ (7,105)	42,449	35,344

See Independent Auditor's Report on Additional Information.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SCHEDULE OF REVENUE AND EXPENSES - TITLE III-D

Grant Year Ended September 30, 2015

Revenues:		
Federal	\$	2,021
State		<u>220</u>
Total revenues		2,241
Expenditures:		
Health fair		<u>2,241</u>
Total expenditures		<u>2,241</u>
Excess of revenues over/(under) expenditures	\$	<u><u>-</u></u>

See Independent Auditor's Report on Additional Information.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SCHEDULE OF REVENUE AND EXPENSES - TITLE III-E

Grant Year Ended September 30, 2015

Revenues:		
Federal	\$	<u>10,240</u>
Total revenues		10,240
Expenditures:		
Personnel		<u>10,240</u>
Total expenditures		<u>10,240</u>
Excess of revenues over/(under) expenditures	\$	<u><u>-</u></u>

See Independent Auditor's Report on Additional Information.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SCHEDULE OF REVENUE AND EXPENSES - MEDICATION MANAGEMENT

Grant Year Ended September 30, 2015

Revenues:		
Federal	\$	469
In-kind		83
		<hr/>
Total revenues		552
Expenditures:		
Health fair		469
In-kind		83
		<hr/>
Total expenditures		552
		<hr/>
Excess of revenues over/(under) expenditures	\$	-
		<hr/> <hr/>

See Independent Auditor's Report on Additional Information.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SCHEDULE OF REVENUE AND EXPENSES - HEALTH BENEFIT COUNSELING

Grant Year Ended March 31, 2016

Revenues:		
Federal		<u>\$ 2,000</u>
Total revenues		2,000
Expenditures:		
Salaries		1,594
Payroll taxes		122
Worker's compensation		72
Unemployment		7
Employee benefits		<u>205</u>
Total expenditures		<u>2,000</u>
Excess of revenues over/(under) expenditures		<u>\$ -</u>

See Independent Auditor's Report on Additional Information.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Boone County Community Organization Association, Inc.:

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 Boone County Community Organization Association, Inc. (the "Association") (a nonprofit organization), which comprise the statement of financial position-modified cash basis as of June 30, 2016, and the related statements of support, revenue, and expenses-modified cash basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association'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 the Association's 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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



David L. Howell, CPA
Cabin Creek, West Virginia
March 24, 2017

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SCHEDULE OF FINDINGS

Year Ended June 30, 2016

NONE

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2016

There were no findings or questioned costs in the prior year.