

**Webster County Senior Citizens, Inc.**

**Audited Financial Statements**

For the Years Ended  
September 30, 2018 and 2017

**Williams & Bright, AC**  
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**Webster County Senior Citizens, Inc.**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Webster County Senior Citizens, Inc.  
Webster Springs, WV 26288

### Report on Financial Statements

We have audited the accompanying financial statements of the Webster County Senior Citizens, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2018 and 2017, and the related comparative statements of activities and cash flows for the years 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.

### Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 the Webster County Senior Citizens, Inc., as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Supplemental and Other Information**

The accompanying statement of activities by program and schedule of expenditures of federal (and 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 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 27, 2019, on our consideration of the Webster 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 the Webster County Senior Citizens, Inc.'s internal control over financial reporting and compliance.

*Williams & Bright A.C.*

Elkins, West Virginia  
June 27, 2019

**Webster County Senior Citizens, Inc.**  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION**  
**September 30, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & Equivalents	\$ 400,974	\$ 354,556
Accounts Receivable	44,043	33,062
Grants Receivable	56,536	64,021
Prepaid Expenses	5,666	7,246
Other Current Assets	5,433	4,813
<b>Total Current Assets</b>	<b>512,652</b>	<b>463,698</b>
<b>Fixed Assets</b>		
Property & Equipment, net	61,100	88,996
Construction in Progress	10,000	-
<b>Fixed Assets, net</b>	<b>71,100</b>	<b>88,996</b>
<b>TOTAL ASSETS</b>	<b>\$ 583,752</b>	<b>\$ 552,694</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	11,855	11,371
Payroll Tax Liabilities	10,726	11,785
Accrued Wages	17,570	16,488
Deferred Compensation	11,849	10,859
<b>Total Current Liabilities</b>	<b>52,000</b>	<b>50,503</b>
<b>TOTAL LIABILITIES</b>	<b>52,000</b>	<b>50,503</b>
<b>Net Assets</b>		
Net Assets Without Donor Restrictions	531,752	502,191
<b>Total Net Assets</b>	<b>531,752</b>	<b>502,191</b>
<b>LIABILITIES &amp; NET ASSETS</b>	<b>583,752</b>	<b>552,694</b>

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

**Webster County Senior Citizens, Inc.**  
**COMPARATIVE STATEMENT OF ACTIVITIES & CHANGES IN NET ASSETS**  
**For the Years Ended September 30, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>REVENUE &amp; SUPPORT</b>		
Grant Revenues:		
Federal	\$ 184,790	\$ 206,148
State	216,046	159,080
LIFE	189,518	200,713
Program Services	477,891	524,818
Project Income	35,981	40,786
Contributions	900	1,620
Fundraising	990	1,804
Other Income	18,517	24,931
<b>TOTAL REVENUE &amp; SUPPORT</b>	<b>1,124,633</b>	<b>1,159,900</b>
<b>EXPENSES</b>		
Program Service Expenses	1,137,046	1,227,469
<b>TOTAL EXPENSES</b>	<b>1,137,046</b>	<b>1,227,469</b>
<b>INCREASE(DECREASE) IN NET ASSETS</b>	(12,413)	(67,569)
<b>PRIOR PERIOD ADJUSTMENT, Note 6</b>		(32,471)
<b>NET CASUALTY GAIN, Note 7</b>	41,974	
<b>NET ASSETS, Beginning of Year</b>	502,191	602,231
<b>NET ASSETS, End of Year</b>	<b>\$ 531,752</b>	<b>\$ 502,191</b>

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

**Webster County Senior Citizens, Inc.**  
**STATEMENT OF CASH FLOWS**  
**For the Years Ended September 30, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase(Decrease) in Net Assets	\$ (12,413)	\$ (67,569)
Adjustments to reconcile net income to net cash provided(used) by operating activities:		
Depreciation	17,649	23,185
(Increase)Decrease in Accounts Receivable	(10,981)	13,254
(Increase)Decrease in Grants Receivable	7,485	(22,309)
(Increase)Decrease in Prepaid Expenses	1,580	882
(Increase)Decrease in Other Current Assets	(620)	69
Increase(Decrease) in Accounts Payable	484	(405)
Increase(Decrease) in Payroll Tax Liabilities	(1,059)	(2,077)
Increase(Decrease) in Accrued Wages	1,082	1,565
Increase(Decrease) in Deferred Compensation	990	(6,290)
Net cash provided by (used in) by operating activities	4,197	(59,695)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Insurance Proceeds Received	78,000	
Purchases of Fixed Assets	(35,779)	
Net cash provided by (used in) investing activities	42,221	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-term Liabilities		(4,027)
Net cash provided by (used in) financing activities	-	(4,027)
Increase(Decrease) in Cash	46,418	(63,722)
Cash Balance, Beginning of Year	354,556	418,278
Cash Balance, End of Year	\$ 400,974	\$ 354,556

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

**Webster County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 and 2017**

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

Webster County Senior Citizens, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Webster 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 on 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 Webster County Senior Citizens, Inc., is presented to assist in understanding the Organization's financial statements.

**Basis of Accounting**

The financial statements of Webster 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 in its Statements of Accounting Standards Codification 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions (both temporary and permanent).

**Income Taxes**

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The Organization's returns for the last three years remain open to examination by the Internal Revenue Service.

**Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures 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.



**Webster County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 and 2017**

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. The Organization maintains all of its cash at one bank in interest and non-interest-bearing checking and savings accounts which, at times, is in excess of federally insured limits. Management monitors the soundness of this financial institution and feels the Organization's risk is negligible. The Organization has not experienced any losses in such accounts. All the carrying values are the same as market value.

Accounts and Grants Receivable

Accounts receivable represent amounts owed the Organization for services provided to clients of the Organization under contracts with the West Virginia Department of Health and Human Resources – Medicaid Waiver and Community Care Programs. In addition, the Organization uses the allowance method for accounting for bad debts whereby an allowance for doubtful accounts is established based on the realization of the accounts receivable at year end. As of September 30, 2018 and 2017, all accounts receivable were deemed collectible.

Grants receivable represent amounts invoiced by the Organization to grantor agencies under the terms of their grant agreements. As of September 30, 2018 and 2017, all grants receivable were deemed collectible.

Revenue Recognition

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified to net assets without donor restrictions. There were no restricted net assets as of September 30, 2018 and 2017.

Inventory

Inventory consists primarily of raw food, disposables, and supplies purchased under the Title III-C grant and are recorded at cost, as determined by the last purchase price, on a first-in, first-out basis.

**Webster County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 and 2017**

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

Property and Equipment

The Organization is currently capitalizing all equipment purchases at cost and all donated equipment at fair market value and is depreciating these costs using the straight-line method over the asset's estimated useful life. All equipment/vehicles purchased with grant monies must be disposed of in accordance with the grantor agency's policies. The Organization has adopted a capitalization policy in the amount of \$1,000. Maintenance and repairs are expensed when incurred.

Grant Monies

Grant monies are received in three ways:

- 1 – On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2 – On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-E, and Title III-D/MM grants. Upon completion of a grant year any unexpended money has to be approved for carryover to the next year. If approval is denied, the money has to be reimbursed to the grantor.
- 3 – Title III-C grant funds are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title III-C program operating expenses.

Operating expenditures made against federal and state grants are subject to audit by the Grantor agency. These agencies may subsequently make adjustments to the grant as originally awarded due to their audit findings.

Advertising

Advertising costs are expensed as incurred. Advertising costs for the years ended September 30, 2018 and 2017 were \$559 and \$68, respectively.

Subsequent Events

Management has reviewed events subsequent to the statement of financial position date through the date of the independent auditors' report, which is the date of release, for items requiring adjustment or disclosure in these financial statements.

**Webster County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 and 2017**

**Note 2. Accounts and Grants Receivable**

Accounts receivable consisted of the following as of September 30:

	<u>2018</u>	<u>2017</u>
WV DHHR	\$ 35,157	\$ 24,188
Veterans Administration	<u>8,886</u>	<u>8,874</u>
	<u>\$ 44,043</u>	<u>\$ 33,062</u>

Grants receivable consisted of the following as of September 30:

	<u>2018</u>	<u>2017</u>
LIFE	\$ 30,495	\$ 27,707
FAIR/Lighthouse	12,340	13,476
LIEAP	0	238
Title III-B	5,853	4,349
Title III-C	7,408	18,157
Title III-E	<u>440</u>	<u>94</u>
	<u>\$ 56,536</u>	<u>\$ 64,021</u>

**Note 3. Property and Equipment**

Property and equipment consisted of the following as of September 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,000	\$ 1,000
Buildings & Improvements	136,274	208,804
Vehicles	135,295	121,416
Equipment	<u>57,124</u>	<u>57,124</u>
Total Fixed Assets	329,693	388,344
Less accumulated depreciation	<u>(268,593)</u>	<u>(299,348)</u>
Net property and equipment	<u>\$ 61,100</u>	<u>\$ 88,996</u>

Depreciation expense for years ended September 30, 2018 and 2017 was \$17,649 and \$23,185, respectively.

**Webster County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2018 and 2017**

**Note 4. Support Concentration**

Webster County Senior Citizens, Inc. receives about 48% of its total support from various grants from federal and state government. Additionally, the Organization receives approximately 31% of its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

**Note 5. Donated Services**

The organization has a number of volunteers who have donated time and services in carrying out its programs and activities. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services as defined by FASB ASC 958-605, *Not-for-Profit Entities: Recognition Principles*.

**Note 6. Prior Period Adjustment**

The Organization's original building located at 142 Forest Park, Webster Springs, WV was not on the books. The building was purchased on August 23, 1993 at a cost of \$78,000. A prior period adjustment was made to record the building purchase and subsequent depreciation as follows:

	Debit	Credit
Building	\$ 78,000	
Accumulated Depreciation		\$ 45,529
Net asset		32,471

Net prior period adjustment was \$32,471.

**Note 7. Involuntary Conversion/Net Casualty Gain**

On January 18, 2018, a flood destroyed the Hacker Valley building. An insurance claim was filed and paid.

Insurance Proceeds		\$ 78,000	
Building	\$ 75,230		
Accumulated Depreciation	<u>39,204</u>		
Loss on Disposal of Building		<u>36,026</u>	
Net Casualty Gain		<u>\$ 41,974</u>	

**Webster County Senior Citizens, Inc.**  
**STATEMENT OF ACTIVITIES BY PROGRAM**  
**For the Year Ended September 30, 2018**

	III-B/ Asst Trans	III-C	III-E	Waiver/ COC/CM	LIFE	LH/ FAIR	Other Programs	Total Programs
<b>Revenue &amp; Support</b>								
Federal & Nutrition Revenue	\$ 27,203	\$ 152,023	\$ 5,564				\$	184,790
State Revenue (2018-19)					38,466			38,466
State Revenue (2017-18)	16,765				140,192	20,623		177,580
LIFE Revenue (2018-19)				42,018				42,018
LIFE Revenue (2017-18)				147,500				147,500
Program Service Fees				430,572		47,319		477,891
Project Income	2,763	18,097			1,304	60		35,981
Contributions					13,757	900		900
Fundraising						990		990
Other Income	4,798	10,923	1,855	510		431		18,517
<b>Total Revenue &amp; Support</b>	<b>51,529</b>	<b>181,043</b>	<b>7,419</b>	<b>431,082</b>	<b>190,822</b>	<b>192,415</b>	<b>70,323</b>	<b>1,124,633</b>
<b>Expenses</b>								
Payroll & Benefits	30,174	120,207	3,891	508,706	98,085	121,255	20,504	902,822
Communications & Utilities	1,879	8,476		274	8,813			19,442
Food & Disposables		71,422						71,422
Transportation		6,795						6,795
Equipment & Repairs	4,603	7,408		6,945	2,266			21,222
Office & Supplies				4,910	5,342			10,252
Travel & Training	5,825			2,483	305			8,613
Depreciation						17,649		17,649
Professional Fees				9,516	18,000			27,516
Insurance				5,996	11,687		53	17,736
Rent	4,798	10,923	1,855					17,576
Other Expenses	5,545	1,048		3,674	3,533		2,201	16,001
<b>Total Expenses</b>	<b>52,824</b>	<b>226,279</b>	<b>5,746</b>	<b>542,504</b>	<b>148,031</b>	<b>121,255</b>	<b>40,407</b>	<b>1,137,046</b>
<b>Change in Net Assets</b>	<b>\$ (1,295)</b>	<b>\$ (45,236)</b>	<b>\$ 1,673</b>	<b>\$ (111,422)</b>	<b>\$ 42,791</b>	<b>\$ 71,160</b>	<b>\$ 29,916</b>	<b>\$ (12,413)</b>

The notes are an integral part of these financial statements.

**Webster County Senior Citizens, Inc.**  
**STATEMENT OF ACTIVITIES BY PROGRAM**  
**For the Year Ended September 30, 2017**

	III-B/ Asst Trans	III-C	III-E	Waiver/ COC/CM	LIFE	LH/ FAIR	Other Programs	Total Programs
<b>Revenue &amp; Support</b>								
Federal & Nutrition Revenue	\$ 27,384	\$ 154,389	\$ 5,557	\$ -	\$ -	\$ -	\$ 18,818	\$ 206,148
State Revenue (2016-17)					119,000			119,000
State Revenue (2017-18)	16,765				40,080			40,080
LIFE Revenue (2016-17)					143,224			143,224
LIFE Revenue (2017-18)					40,724			40,724
Program Service Fees				466,213			58,605	524,818
Project Income	3,089	23,698			1,439	12,207	353	40,786
Contributions							1,620	1,620
Fundraising							1,804	1,804
Other Income	4,830	10,605	1,852	1,017		3,564	3,063	24,931
<b>Total Revenue &amp; Support</b>	<b>52,068</b>	<b>188,692</b>	<b>7,409</b>	<b>467,230</b>	<b>185,387</b>	<b>174,851</b>	<b>84,263</b>	<b>1,159,900</b>
<b>Expenses</b>								
Payroll & Benefits	28,823	105,855	4,234	603,372	103,867	113,601	29,316	989,068
Communications & Utilities	3,563	10,031		23	7,309			20,926
Food & Disposables		65,280						65,280
Transportation		7,756						7,756
Equipment & Repairs	3,697	5,993		3,736	1,914		17,069	32,409
Office & Supplies		42		7,566	2,279			9,887
Travel & Training	9,525			2,986	3,614			16,125
Depreciation							23,185	23,185
Professional Fees				3,814	19,712			23,526
Advertising				80				80
Insurance				10,575	7,587			18,162
Rent	4,830	10,605	1,852					17,287
Other Expenses		100		3,103			575	3,778
<b>Total Expenses</b>	<b>50,438</b>	<b>205,662</b>	<b>6,086</b>	<b>635,255</b>	<b>146,282</b>	<b>113,601</b>	<b>70,145</b>	<b>1,227,469</b>
<b>Change in Net Assets</b>	<b>\$ 1,630</b>	<b>\$ (16,970)</b>	<b>\$ 1,323</b>	<b>\$ (168,025)</b>	<b>\$ 39,105</b>	<b>\$ 61,250</b>	<b>\$ 14,118</b>	<b>\$ (67,569)</b>

The notes are an integral part of these financial statements.

**Webster County Senior Citizens, Inc.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL & STATE AWARDS**  
**For the Year Ended September 30, 2018**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<i>Pass-Through Programs from Upper Potomac Area Agency on Aging:</i>			
<b>U.S. Department of Health &amp; Human Services:</b>			
Administration for Community Living Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers	93.044	21838-12	\$ 27,203
Administration for Community Living Special Programs for the Aging Title III Part E National Family Caregiver Support	93.052	21838-12	\$ 5,564
Administration for Community Living Special Programs for the Aging Title III Part C Nutrition Services	93.045		\$ 152,023
<i>Total Expenditures of Federal Awards</i>			<u>\$ 184,790</u>
<b>STATE:</b>			
LIFE	7/1/18-6/30/19	2019	\$ 42,018
LIFE	7/1/17-6/30/18	2018	147,500
Lighthouse	7/1/18-6/30/19	2019	98,960
Lighthouse	7/1/17-6/30/18	2018	30,444
FAIR	7/1/18-6/30/19	2019	36,232
FAIR	7/1/17-6/30/18	2018	8,022
Client Tracking			5,000
III-B			16,765
5310 Transit Grant			20,623
<i>Total Expenditures of State Awards</i>			<u>\$ 405,564</u>
<b>TOTAL EXPENDITURES OF FEDERAL &amp; STATE AWARDS</b>			<u><u>\$ 590,354</u></u>

**The accompanying notes are an integral part of this schedule.**

**Independent Auditors' 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 of  
Webster County Senior Citizens, Inc.

We have audited, in accordance with 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 Webster County Senior Citizens, Inc (a nonprofit organization), which comprise the comparative statements of financial position as of September 30, 2018 and 2017, the related comparative statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Webster 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 Webster County Senior Citizens, Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of Webster County Senior Citizens, Inc'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 Webster 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 on 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.

*Williams & Bright A.C.*

Elkins, West Virginia  
June 27, 2019

**MANAGEMENT LETTER**

To the Board of Directors  
Webster County Senior Citizens, Inc.  
Webster Springs, West Virginia

Our audit on the financial statements of Webster County Senior Citizens, Inc., for the years ended September 30, 2018 and 2017, highlighted areas where we would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since our audit was not designed to include a complete review of all systems, procedures and controls, the following comments and recommendations should not be considered to be all inclusive of the areas where improvements may be necessary.

Segregations of Duties

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

Federal Deposit Insurance Limits

During our audit we noted that Webster County Senior Citizens, Inc.'s deposit accounts regularly exceeded the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Organization should consider ways of insuring all deposit funds, including, but not limited to, opening accounts at multiple banks, using Certificate of Deposit Account Registry Services (CDARS).

After you have had the opportunity to review these comments and recommendations, we would be pleased to discuss those points that you desire. We would like to thank your staff for their assistance in performing the audit and the Board of Directors for the opportunity to serve Webster County Senior Citizens, Inc.

*Williams & Bright A.C.*

Elkins, West Virginia  
June 27, 2019