

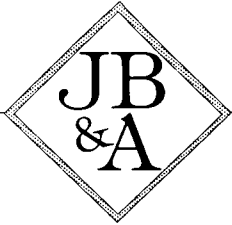
PRESTON COUNTY SENIOR CITIZENS, INC.

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

SEPTEMBER 30, 2014

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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
Preston County Senior Citizens, Inc.
Kingwood, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Preston 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, functional expenses, 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 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 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

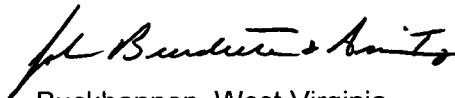
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preston County Senior Citizens, Inc. as of September 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is 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 8, 2015, on our consideration of Preston 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 Preston County Senior Citizens, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
June 8, 2015

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

ASSETS

Current Assets

Cash and cash equivalents	\$ 678,989
Accounts receivable, net	64,469
Grants receivable	224,923
Prepaid expense	6,254
Inventory	<u>3,388</u>

Total current assets 978,023

Property and Equipment, net 1,480,897

TOTAL ASSETS \$ 2,458,920

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 118,611
Accrued payroll and taxes	84,419
Accrued vacation	<u>58,451</u>

Total current liabilities 261,481

Net Assets

Unrestricted	2,050,348
Temporarily restricted	<u>147,091</u>
Total net assets	<u>2,197,439</u>

TOTAL LIABILITIES AND NET ASSETS \$ 2,458,920

The accompanying notes are an integral part of this statement.

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

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Federal grant awards	\$ 1,583,838	\$ 108,050	\$ 1,691,888
State grant	704,473		704,473
Donations and match	129,561		129,561
Contractual/medicaid/sliding fee	165,061		165,061
Project income	80,412		80,412
Interest income	68		68
Other income	104,755		104,755
Net assets released from restrictions:			
Restrictions satisfied with lapse of time	108,424	(108,424)	
Total Revenue and Support	2,876,592	(374)	2,876,218
EXPENSES			
Program Services			
Title III-B	88,386		88,386
Title III-D	3,085		3,085
Title III-E	17,239		17,239
Fair	55,420		55,420
Title V	998,934		998,934
SHIP	2,592		2,592
Title III-C - Congregate	144,802		144,802
Title III-C - Home Delivered	146,632		146,632
Transportation	865,049		865,049
Personal Care	136,456		136,456
LIFE	29,841		29,841
Lighthouse	188,409		188,409
Other programs	126,186		126,186
Support Services			
Mangement and General			
Total Expenses	2,803,031		2,803,031
Change in Net Assets	73,561	(374)	73,187
NET ASSETS AT BEGINNING OF YEAR	1,976,787	147,465	2,124,252
NET ASSETS AT END OF YEAR	\$ 2,050,348	\$ 147,091	\$ 2,197,439

The accompanying notes are an integral part of this statement.

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

Program Services

FUNCTIONAL EXPENSES	Title III-B	Title III-D	Title III-E	Fair	Title V	SHIP	Title III-C		
							Congregate	Home Delivered	Transportation
Salaries and wages	\$ 28,706	\$	\$ 5,810	\$ 5,559	\$ 735,388	\$ 132	\$ 37,073	\$ 36,013	\$ 310,683
Fringe benefits	8,151		1,922	1,676	86,604	12	8,233	8,201	62,949
Travel	347	439			4,965				1,829
Printing and supplies	15			25	1,334		2,272	1,086	2,821
Postage and shipping					189				18
Rawfood							60,447	58,140	
Disposables							335	7,466	
Repairs and maintenance								1,301	21,417
Taxes, licenses and permits							183	147	65
Communications and utilities					4,030		1,436	987	19,669
Rent occupancy costs	600				9,000		8,061	7,839	2,192
Dues/subscriptions/training		2,291			6,179				620
Insurance							1,035	1,036	
Other costs	845	355	338				1,522		3,698
Contractual services	43,644		7,992	48,006		2,448			11,414
Fuel and oil							3,597	3,548	104,407
Advertising					9,080				5,102
Depreciation expense									223,498
Allocated indirect costs	6,078		1,177	154	142,165		20,608	20,868	94,667
Total	\$ 88,386	\$ 3,085	\$17,239	\$ 55,420	\$ 998,934	\$ 2,592	\$ 144,802	\$ 146,632	\$ 865,049

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

	<u>Program Services</u>				<u>Support Services</u>		<u>Total</u>
	<u>Personal Care</u>	<u>LIFE</u>	<u>Lighthouse</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	
Salaries and wages	\$ 9,492	\$ 16,631	\$ 15,121	\$ 43,319	\$ 1,243,927	\$ 169,095	\$ 1,413,022
Fringe benefits	2,156	5,252	3,790	4,735	193,681	40,353	234,034
Travel	38			7,886	15,504	3,426	18,930
Printing and supplies			25	1,106	8,684	7,708	16,392
Postage and shipping					207	2,893	3,100
Rawfood				1,875	120,462		120,462
Disposables					7,801		7,801
Repairs and maintenance				113	22,831	18,239	41,070
Taxes, licenses and permits					395	125	520
Communications and utilities					26,122	16,014	42,136
Rent occupancy costs					27,692	2,850	30,542
Dues/subscriptions/training				800	9,890	1,455	11,345
Insurance				23,545	25,616		25,616
Other costs	4,979			39,604	51,341	15,620	66,961
Contractual services	119,557		168,045		401,106	4,500	405,606
Fuel and oil					111,552		111,552
Advertising				3,203	17,385	13,059	30,444
Depreciation expense					223,498		223,498
Allocated indirect costs	<u>234</u>	<u>7,958</u>	<u>1,428</u>		<u>295,337</u>	<u>(295,337)</u>	
Total	<u><u>\$ 136,456</u></u>	<u><u>\$ 29,841</u></u>	<u><u>\$ 188,409</u></u>	<u><u>\$ 126,186</u></u>	<u><u>\$ 2,803,031</u></u>	<u><u>\$</u></u>	<u><u>\$ 2,803,031</u></u>

The accompanying notes are an integral part of this statement.

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

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 73,187
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	223,498
(Increase) decrease in operating assets:	
Accounts receivable	164,270
Grants receivable	(3,675)
Prepaid expense	71
Inventory	1,876
Increase (decrease) in operating liabilities:	
Accounts payable	(130,762)
Accrued payroll and taxes	(58,685)
Accrued vacation	3,681
	<u>273,461</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>273,461</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures	<u>(139,101)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(139,101)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

NET INCREASE IN CASH AND CASH EQUIVALENTS	134,360
CASH AND CASH EQUIVALENTS, beginning of year	<u>544,629</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 678,989</u></u>

The accompanying notes are an integral part of this statement.

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

Note 1. Summary of Significant Accounting Policies

Organization - The Preston County Senior Citizens, Inc. is a nonstock corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax exempt organization under Internal Revenue Code Section 501(c)(3). In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2014.

Nature of Activities

The Organization was developed to improve the quality of life for senior citizens in Preston County, West Virginia. The purpose is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement federal, state and local programs for the aging that no other agency is implementing.

Basis of Accounting

The financial statements of Preston 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.

The financial statement presentation also follows the recommendations of the Financial Accounting Standards Board. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, Preston County Senior Citizens, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily or 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.

Inventories

Inventory is valued at the lower of cost or market using the first-in, first-out method.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Allowance for Doubtful Accounts

The Organization uses an allowance method of accounting for bad debts. Management feels the accounts and grants receivable shown on the statement of financial position are fully collectible.

Property and Equipment

Fixed assets acquired by the Organization are considered to be owned by the Organization. However, Federal and State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal and State Funding sources have a reversionary interest in those assets purchased with its funds for the estimated useful life of the asset.

Property and equipment are carried at Cost or, if donated, at the approximate fair value at the date of donation. The Organization follows the practice of capitalizing such assets over their estimated useful life if the recorded cost or fair value exceeds \$ 5,000.

Depreciation is computed using the straight-line method. In addition, all property and equipment purchased with grant monies must be used in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Federal Grants

Grant Monies are received on a reimbursement basis in which the Organization requests monies based upon expenditures made; this is utilized for Title III-B, Title III-D, Title III-E, and Transit grants. Upon completion of a grant year, any unexpended grant funds has to be approved for carryover. Title V funds are received on an as need basis in which the Organization requests monies that it feels it will need in the immediate future. Any unexpended funds must be returned to grantor.

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 \$ 1,691,888 and \$ 704,473, 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 recognized in these financial statements in relation to such volunteer services.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue and Support

Preston County Senior Citizens, Inc. receives its grant support primarily from the Upper Potomac Area Agency on Aging, Inc. Support received from those grants is recognized on a "net funded" basis whereby the Federal and State Grant funding is recognized on a last-dollar-in basis. When using this basis, related expenses incurred are "netted" first by project income and local match in determining grant funds to be recognized. Preston County Senior Citizens, Inc. receives client fee, Medicaid (Continuum of Care) income, and Medicaid Waiver income for billable client in home services and recognized these fees and income when earned.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 2. Accounts Receivable

Accounts receivable at September 30, 2014, were as follows:

Medicaid Waiver/Continuum of Care	\$ 23,147
General Funds	41,322

	64,469
Less: Allowance for uncollectible accounts	0

Total accounts receivable	\$ 64,469
	=====

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

Note 3. Grants Receivable

Grants receivable at September 30, 2014, were as follows:

Title III-B	\$ 19,147
Title III-C	8,729
Title III-D	646
Title III-E	3,952
Life	34,035
Transportation	134,276
FAIR	8,152
Lighthouse	15,576
SAMS	410

Total grants receivable	\$ 224,923
	=====

Note 4. Property and Equipment

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

Land and buildings	\$ 2,143,267
Vehicles	2,064,024
Equipment, furniture and fixtures	285,436

	4,492,727
 Accumulated depreciation	 (3,011,830)

Net property and equipment	\$ 1,480,897
	=====

Note 5. Restrictions on Net Assets

Temporarily restricted net assets at September 30, 2014 of \$ 147,091, consisted of assets in which federal and state funding agencies have a reversionary interest.

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

Note 6. Retirement Program

The Organization sponsors a defined contribution retirement plan whereby certain employees are eligible to be included in the Organization's retirement program. The employee contributes 4.5% of his/her gross wages which is combined with 10.5% contributed by the Preston County Senior Citizens, Inc.

The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program of \$ 63,681 are included in fringe benefits costs on the statement of functional expenses.

Note 7. Concentrations

The Organization receives about 84 percent of its total support and revenue from various grants from the Federal and State governments.

Note 8. 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 relevant to the grant. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 9. Subsequent Events

Management has evaluated subsequent events through June 8, 2015 the date on which the financial statements were available to be issued.

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

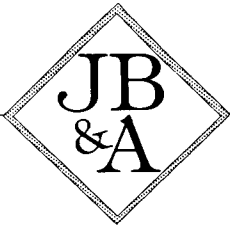
<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Transportation		
Pass-through from WV Department of Transportation		
Public Transportation in Nonurban Area - 49 USC Sec. 5311	20.509	\$ 467,062
U.S. Department of Health and Human Services		
Pass-through from Upper Potomac Area Agency on Aging, Inc.		
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	48,522
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	197,432
Special Programs for the Aging - Title III, Part E - Cargiver	93.052	12,930
Special Programs for the Aging - Title III, Part D - Preventive Health Services/Medical Management	93.043	2,623
Pass-through from WV Bureau of Senior Services SHIP	93.779	1,875
U.S. Department of Labor		
Pass-through from WV Bureau of Senior Services		
Title V - Senior Community Service Employment Program	17.235	908,306
Department of Veterans Affairs Veterans Medical Care Benefits	64.009	<u>53,138</u>
Total Expenditures of Federal Awards		<u>\$ 1,691,888</u>

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards included in the federal grant activity of Preston County Senior Citizens, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The accompanying notes are an integral part of this schedule.

SUPPLEMENTAL INFORMATION



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Preston County Senior Citizens, Inc.
Kingwood, West Virginia

Our report on our audit of the basic financial statements of the Preston 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 of the purpose of forming an opinion of the basic financial statements taken as a whole. The schedule of revenues and support, is presented for purpose of additional analysis and is 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 8, 2015

**PRESTON 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	Fair	Title III-C	
					Congregate	Home Delivered
Federal financial assistance	\$ 48,522	\$ 2,623	\$ 12,930	\$	\$ 88,851	\$ 108,581
State grant	34,155	122		46,368		
State LIFE allocated	5,708	340	4,310		4,379	4,807
Donations and match						
Contractual/medicaid/sliding fee				9,255		
Project income					44,324	36,088
Interest income						
Other						
Total Revenue and Support	88,385	3,085	17,240	55,623	137,554	149,476
Functional Expenses	88,386	3,085	17,239	55,420	144,802	146,632
Depreciation						
Capital Expenditures						
Total Expenditures	88,386	3,085	17,239	55,420	144,802	146,632
Net Revenue (Expenditures)	\$ (1)	\$	\$ 1	\$ 203	\$ (7,248)	\$ 2,844

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

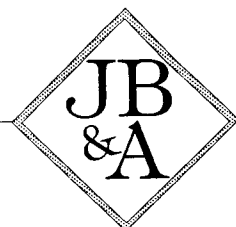
Title V	Transportation	Personal Care	Direct LIFE	Lighthouse	Other	Total (Memorandum Only)
\$ 908,306	\$ 467,062	\$ 53,138	\$	\$	\$ 1,875	\$ 1,691,888
	202,977		201,772	161,312	57,767	704,473
	152,159		(171,703)			.
127,921					1,640	129,561
	6,259	129,427		20,120		165,061
					68	80,412
	27,897				76,858	68
<u>1,036,227</u>	<u>856,354</u>	<u>182,565</u>	<u>30,069</u>	<u>181,432</u>	<u>138,208</u>	<u>2,876,218</u>
998,934	865,049	136,456	29,841	188,409	128,778	2,803,031
	(164,920)				(58,578)	(223,498)
	116,101				23,000	139,101
<u>998,934</u>	<u>816,230</u>	<u>136,456</u>	<u>29,841</u>	<u>188,409</u>	<u>93,200</u>	<u>2,718,634</u>
<u>\$ 37,293</u>	<u>\$ 40,124</u>	<u>\$ 46,109</u>	<u>\$ 228</u>	<u>\$ (6,977)</u>	<u>\$ 45,008</u>	<u>\$ 157,584</u>

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

**PRESTON 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:			
Community Partnership Grant	June 30, 2014	SC21407	\$ 22,500
Lighthouse	June 30, 2015	IH1537	23,132
Lighthouse	June 30, 2014	IH1442	133,136
FAIR	June 30, 2015	IH1537	10,584
FAIR	June 30, 2014	IH1442	35,784
SAMS	June 30, 2015	IH1537	1,063
SAMS	June 30, 2014	IH1442	<u>3,981</u>
Total Direct Programs			<u>230,180</u>
Pass through Awards			
Upper Potomac Area Agency on Aging			
IIIB State	June 30, 2014	21437	34,155
IIID	June 30, 2014	21437	122
LIFE	June 30, 2014	21404	124,136
LIFE	June 30, 2015	21405	77,636
Division of Public Transit	November 30, 2014	15072	8,000
Division of Public Transit	June 30, 2014	S531113	159,328
Division of Public Transit	June 30, 2013	S531114	35,649
MarketPlace Consumer Assist	March 31, 2014	MCAP1414	32,567
MIPPA	June 30, 2014	MIPPA1437	<u>2,700</u>
Total pass-through awards			<u>474,293</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 704,473</u></u>

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



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the Board of Directors
Preston County Senior Citizens, Inc.
Kingwood, 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 Preston 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 8, 2015.

Internal Control Over Financial Reporting

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

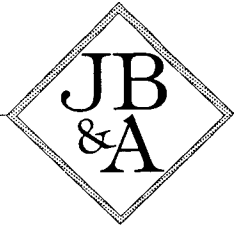
As part of obtaining reasonable assurance about whether Preston County Senior Citizens, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 8, 2015



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 FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Preston County Senior Citizens, Inc.
Kingwood, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Preston County Senior Citizens, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Preston County Senior Citizens, Inc.'s major federal programs for the year ended September 30, 2014. Preston County Senior Citizens, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Preston County Senior Citizens, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Preston County Senior Citizens, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Preston County Senior Citizens, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Preston County Senior Citizens, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of Preston County Senior Citizens, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Preston County Senior Citizens, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Preston County Senior Citizens, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose



Buckhannon, West Virginia
June 8, 2015

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? ___ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? ___ yes X no

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs?

Material weakness identified? ___ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? ___ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ yes X none reported

Identification of major programs?

<u>CFDA Number</u>	<u>Name of Federal Program Cluster</u>
17.235	Title V
20.509	Public Transportation

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ___ yes X no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

The accompanying notes are an integral part of this schedule.