

PRESTON COUNTY SENIOR CITIZENS, INC.

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

SEPTEMBER 30, 2018

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2018, 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

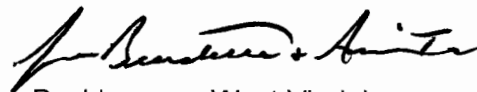
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preston County Senior Citizens, Inc. as of September 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of revenues, support and expenses and schedule of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019, 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 26, 2019

PRESTON COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018

ASSETS

Current Assets

Cash and cash equivalents	\$ 760,587
Accounts receivable, net	20,232
Grants receivable	226,797
Prepaid expense	8,128
Inventory	<u>8,866</u>

Total current assets 1,024,610

Property and Equipment, net 1,648,825

TOTAL ASSETS \$ 2,673,435

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 41,651
Accrued payroll and taxes	73,659
Accrued vacation	<u>46,093</u>

Total current liabilities 161,403

Net Assets

Unrestricted 1,861,429

Temporarily restricted 650,603

Total net assets 2,512,032

TOTAL LIABILITIES AND NET ASSETS \$ 2,673,435

The accompanying notes are an integral part of this statement.

PRESTON COUNTY SENIOR CITIZENS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Federal grant awards	\$ 1,319,972	\$ 431,377	\$ 1,751,349
State grant	682,171	107,844	790,015
Donations and match	153,522		153,522
Contractual/medicaid/sliding fee	79,997		79,997
Project income	134,865		134,865
Interest income	836		836
Other income	54,502		54,502
Net assets released from restrictions:			
Restrictions satisfied with lapse of time	109,211	(109,211)	
Total Revenue and Support	2,535,076	430,010	2,965,086
 EXPENSES			
Program Services			
Title III-B	87,566		87,566
Title III-D	2,629		2,629
Title III-E	13,605		13,605
Title III-C - Congregate	170,948		170,948
Title III-C - Home Delivered	130,706		130,706
LIFE	68,976		68,976
Title V	916,705		916,705
Transportation	808,742		808,742
Personal Care	168,832		168,832
Fair	36,053		36,053
Lighthouse	170,077		170,077
Other programs	100,157		100,157
Support Services			
Mangement and General			
Total Expenses	2,674,996		2,674,996
 Change in Net Assets	 (139,920)	 430,010	 290,090
NET ASSETS AT BEGINNING OF YEAR	2,001,349	220,593	2,221,942
NET ASSETS AT END OF YEAR	\$ 1,861,429	\$ 650,603	\$ 2,512,032

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, 2018**

FUNCTIONAL EXPENSES	Program Services							
	Title III-B	Title III-D	Title III-E	Title III-C		LIFE	Title V	Transportation
				Congregate	Home Delivered			
Salaries and wages	\$ 36,267	\$ 2,076	\$ 8,753	\$ 46,387	\$ 36,977	\$ 46,502	\$ 680,195	\$ 301,159
Fringe benefits	6,255	93	1,131	8,461	6,743	7,844	92,853	66,026
Travel						188	2,021	2,697
Printing and supplies		460		3,570	2,949	5,500	941	4,896
Postage and shipping							96	
Rawfood				60,761	50,085			
Disposables					8,513			
Repairs and maintenance				341	279		1,383	37,243
Program costs								
Communications and utilities				2,204			2,517	20,434
Rent occupancy costs	540			16,140			5,700	3,631
Dues/subscriptions/training							182	800
Insurance				4,402	3,483			40,583
Other costs				20			354	5,992
Contractual services	37,359		2,080					1,475
Fuel and oil				3,801	3,091			65,866
Advertising								5,098
Depreciation expense								165,183
Allocated indirect costs	7,145		1,641	24,861	18,586	8,942	130,463	87,659
Total	\$ 87,566	\$ 2,629	\$ 13,605	\$ 170,948	\$ 130,706	\$ 68,976	\$ 916,705	\$ 808,742

PRESTON COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Program Services</u>				<u>Support Services</u>		
	Personal Care	FAIR	Lighthouse	Other Programs	Total Program Services	Management and General	Total
Salaries and wages	\$ 39,767	\$ 3,937	\$ 11,998	\$ 4,632	\$ 1,218,650	\$ 163,449	\$ 1,382,099
Fringe benefits	7,055	934	2,778		200,173	40,338	240,511
Travel	69			5,420	10,395	9,072	19,467
Printing and supplies	6,312			588	25,216	9,153	34,369
Postage and shipping					96	2,888	2,984
Rawfood					110,846		110,846
Disposables					8,513		8,513
Repairs and maintenance				8,753	47,999	17,206	65,205
Program costs				46,698	46,698		46,698
Communications and utilities	68			45	25,268	20,180	45,448
Rent occupancy costs					26,011	1,900	27,911
Dues/subscriptions/training	334			2,675	3,991	2,472	6,463
Insurance					48,468		48,468
Other costs				11,718	18,084	5,572	23,656
Contractual services	110,724	30,371	152,844		334,853	6,000	340,853
Fuel and oil					72,758		72,758
Advertising	118				5,216	8,720	13,936
Depreciation expense				19,628	184,811		184,811
Allocated indirect costs	4,385	811	2,457		286,950	(286,950)	
Total	<u>\$ 168,832</u>	<u>\$ 36,053</u>	<u>\$ 170,077</u>	<u>\$ 100,157</u>	<u>\$ 2,674,996</u>	<u>\$</u>	<u>\$ 2,674,996</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, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 290,090
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	184,811
(Increase) decrease in operating assets:	
Accounts receivable	32,695
Grants receivable	13,681
Prepaid expense	8,196
Inventory	(3,892)
Increase (decrease) in operating liabilities:	
Accounts payable	(12,060)
Accrued payroll and taxes	(10,865)
Accrued vacation	4,631
Deferred revenue	(5,000)
	502,287
NET CASH PROVIDED BY OPERATING ACTIVITIES	502,287

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property and equipment	(539,221)
NET CASH USED IN INVESTING ACTIVITIES	(539,221)

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

NET DECREASE IN CASH AND CASH EQUIVALENTS	(36,934)
CASH AND CASH EQUIVALENTS, beginning of year	797,521
CASH AND CASH EQUIVALENTS, end of year	\$ 760,587

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 2018.

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 funds 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 have 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 funds 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, 2018, were \$ 1,751,349 and \$ 790,015, 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, 2018, were as follows:

Medicaid Waiver/Continuum of Care	\$ 7,660
Veterans Administration	10,260
General Funds	2,312

Total accounts receivable	\$ 20,232
	=====

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

Note 3. Grants Receivable

Grants receivable at September 30, 2018, were as follows:

Title III-B	\$ 11,697
Title III-C	10,488
Title III-D	2,130
Title III-E	5,674
Life	30,949
Transportation	74,742
FAIR	1,925
Lighthouse	12,148
Title V	77,044

Total grants receivable	\$ 226,797
	=====

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30, 2018:

Land	\$ 109,322
Buildings	2,575,267
Vehicles	1,982,023
Equipment, furniture and fixtures	296,012

	4,962,624

Accumulated depreciation	(3,313,799)

Net property and equipment	\$ 1,648,825
	=====

Note 5. Retirement Program

The Organization sponsors a defined contribution retirement plan whereby certain employees are eligible to be included in the Organization's retirement program. Employees hired on or before July 1, 2015 contribute 4.5% of their gross wages. Employees hired after July 1, 2015 contribute 6% of their gross wages. The Organization will make matching contributions of 10% of participating employees gross wages effective July 1, 2018.

The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program of \$ 45,025 are included in fringe benefits costs on the statement of functional expenses.

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

Note 6. Restrictions on Net Assets

Temporarily restricted net assets at September 30, 2018 of \$ 650,603, consisted of assets in which federal and state funding agencies have a reversionary interest.

Note 7. Concentrations

The Organization receives about 86 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 26, 2019 the date on which the financial statements were available to be issued.

Note 10. Schedule of Expenditures of Federal Awards

Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Preston County Senior Citizens, Inc. under programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Preston County Senior Citizens, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Preston County Senior Citizens, Inc.

Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Preston County Senior Citizens, Inc. elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SUPPLEMENTAL INFORMATION

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass-thru Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Department of Veterans Affairs			
Veterans Medical Care Benefits		64.009	\$ 67,368
U.S. Department of Transportation			
Pass-through from WV Department of Transportation			
Public Transportation in Nonurban Area - 49 USC Sec. 5311	WV-18-4033	20.509	60,614
Public Transportation in Nonurban Area - 49 USC Sec. 5311	WV-18-4032	20.509	181,114
Public Transportation in Nonurban Area - 49 USC Sec. 5311	WV-18-4031	20.509	77,474
Public Transportation in Nonurban Area - 49 USC Sec. 5311	WV-18-X031	20.509	3,900
Public Transportation in Nonurban Area - 49 USC Sec. 5311	WV-18-0031	20.509	<u>398,243</u>
Total Public Transportation in Nonurban Area - 49 USC Sec. 5311			<u>721,345</u>
Bus Program	WV-34-0011	20.526	<u>33,134</u>
Total U.S. Department of Transportation			<u>754,479</u>
U.S. Department of Health and Human Services			
Pass-through from Upper Potomac Area Agency on Aging, Inc.			
Aging Cluster			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	21837	93.044	47,948
Special Programs for the Aging - Title III, Part C - Nutrition Services	21837	93.045	<u>111,398</u>
Total Aging Cluster			<u>159,346</u>
Special Programs for the Aging - Title III, Part E - Caregiver	21837	93.052	<u>12,513</u>
Special Programs for the Aging - Title III, Part D - Preventive Health Services/Medical Management	21837	93.043	<u>2,248</u>
Pass-through from WV Bureau of Senior Services			
MIPPA	MIPPA1637	93.071	<u>7,500</u>
Total U.S. Department of Health and Human Services			<u>181,607</u>
U.S. Department of Labor			
Pass-through from WV Bureau of Senior Services			
Title V - Senior Community Service Employment Program	21807	17.235	550,654
Title V - Senior Community Service Employment Program	21907	17.235	<u>197,241</u>
Total Title V - U.S. Department of Labor			<u>747,895</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,751,349</u></u>

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

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Title III-B	Title III-D	Title III-E	Title III-C		Direct LIFE
				Congregate	Home Delivered	
Federal financial assistance	\$ 47,948	\$ 2,248	\$ 12,513	\$ 58,285	\$ 53,113	\$
State grant	33,509	132		49,375	43,820	196,093
State LIFE allocated	5,707	250	1,778	1,365	1,794	(127,117)
Donations and match				622	175	
Contractual/medicaid/sliding fee						
Project income	5,408		255	52,497	39,222	
Interest income						
Other						
Total Revenue and Support	<u>92,572</u>	<u>2,630</u>	<u>14,546</u>	<u>162,144</u>	<u>138,124</u>	<u>68,976</u>
Functional Expenses	87,566	2,629	13,605	170,948	130,706	68,976
Depreciation						
Capital Expenditures						
Total Expenditures	<u>87,566</u>	<u>2,629</u>	<u>13,605</u>	<u>170,948</u>	<u>130,706</u>	<u>68,976</u>
Net Revenue (Expenditures)	<u>\$ 5,006</u>	<u>\$ 1</u>	<u>\$ 941</u>	<u>\$ (8,804)</u>	<u>\$ 7,418</u>	<u>\$</u>

PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2018

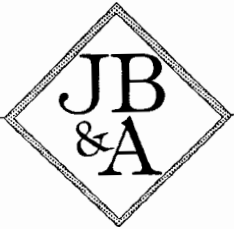
<u>Title V</u>	<u>Transportation</u>	<u>Personal Care</u>	<u>Fair</u>	<u>Lighthouse</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$ 747,895	\$ 754,479	\$ 67,368	\$	\$	\$ 7,500	\$ 1,751,349
	249,069	5,000	25,439	177,578	10,000	790,015
	61,749				54,474	.
112,370	28,896				11,459	153,522
		79,997				79,997
	18,987	5,250	3,004	10,242		134,865
					836	836
	3,125				51,377	54,502
<u>860,265</u>	<u>1,116,305</u>	<u>157,615</u>	<u>28,443</u>	<u>187,820</u>	<u>135,646</u>	<u>2,965,086</u>
916,705	808,742	168,832	36,053	170,077	100,157	2,674,996
	(165,183)				(19,628)	(184,811)
	539,221					539,221
<u>916,705</u>	<u>1,182,780</u>	<u>168,832</u>	<u>36,053</u>	<u>170,077</u>	<u>80,529</u>	<u>3,029,406</u>
<u>\$ (56,440)</u>	<u>\$ (66,475)</u>	<u>\$ (11,217)</u>	<u>\$ (7,610)</u>	<u>\$ 17,743</u>	<u>\$ 55,117</u>	<u>\$ (64,320)</u>

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

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
Lighthouse	June 30, 2019	IH1937	22,728
Lighthouse	June 30, 2018	IH1837	149,850
FAIR	June 30, 2019	IH1937	1,925
FAIR	June 30, 2018	IH1837	23,514
SAMS	June 30, 2019	IH1937	5,000
Division of Public Transit	June 30, 2018	S531118	106,930
Division of Public Transit	June 30, 2019	S53110PR18	34,295
Division of Public Transit	June 30, 2018	WV-18-0031	107,844
Orientation & Technical	June 30, 2018	21850	10,000
DOTS	June 30, 2018	DOTS	<u>5,000</u>
Total Direct Programs			<u>467,086</u>
Pass through Awards			
Upper Potomac Area Agency on Aging			
IIIB State	June 30, 2018	21837	33,509
IIIC State	June 30, 2018	21837	93,195
IIID	June 30, 2018	21837	132
LIFE	June 30, 2018	21804	176,532
LIFE	June 30, 2019	21904	<u>19,561</u>
Total pass-through awards			<u>322,929</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u><u>\$ 790,015</u></u>

The accompanying independent auditor's report 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 AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
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, 2018, 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 26, 2019.

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

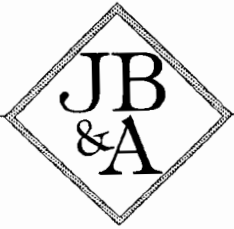
As part of obtaining reasonable assurance about whether Preston County Senior Citizens, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 26, 2019



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 THE UNIFORM GUIDANCE

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 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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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, 2018.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Buckhannon, West Virginia
June 26, 2019

**PRESTON COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Section 1 - Summary of Auditor's Results

Financial Statements

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ___ yes X none reported

Identification of major programs?

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

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes ___ 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.