

**Lewis County Senior Citizens Center, Inc.**  
**AUDITED FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2014**

*Williams & Associates, A.C.*  
*PO Box 2727, 204 Davis Avenue*  
*Elkins, West Virginia*  
*(304) 637-9110*

**Lewis County Senior Citizens Center, Inc.**

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## INDEPENDENT AUDITOR'S REPORT

To Board of Directors  
Lewis County Senior Citizens Center, Inc.  
171 West Second Street  
Weston, WV 26452

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lewis County Senior Citizens Center, Inc. which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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**

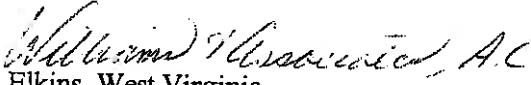
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lewis County Senior Citizens Center, Inc. as of September 30, 2014, and the results of activities and changes in net assets and cash flows for the year then ended in conformity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

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and support 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 January 29, 2015, on our consideration of Lewis County Senior Citizens Center 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 Lewis County Senior Citizens Center Inc's internal control over financial reporting and compliance.

  
Elkins, West Virginia  
January 29, 2015

**Lewis County Senior Citizens Center, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**September 30, 2014**

**ASSETS**

**Current Assets**

Cash & Equivalents	\$ 42,739
Certificates of Deposit	4,506
Investments	192,826
Accounts Receivable	124,722
Grants Receivable	57,393
Prepaid Expenses	15,725
Inventory	<u>2,663</u>

Total Current Assets \$ 440,574

**Property & Equipment, net** 417,040

**TOTAL ASSETS** \$ 857,614

**LIABILITIES & NET ASSETS**

**Liabilities**

**Current Liabilities**

Accrued Wages & Vacation	<u>\$ 68,197</u>
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Total Current Liabilities \$ 68,197

**TOTAL LIABILITIES** 68,197

**Net Assets**

Unrestricted	745,354
Temporarily Restricted	16,188
Unrealized Gain(Loss) on Investments	<u>27,875</u>

**TOTAL NET ASSETS** 789,417

**TOTAL LIABILITIES & NET ASSETS** \$ 857,614

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

**Lewis County Senior Citizens Center, Inc.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Public Support	\$ 34,561		\$ 34,561
Grant Revenues	813,457		813,457
Program Service Fees	930,677		930,677
Interest/Dividend Income	17,688		17,688
Fundraising	341,923		341,923
Project Income	258,489		258,489
In-kind Donations	38,076		38,076
Other	93,071		93,071
	<hr/>		<hr/>
<b>TOTAL REVENUE AND SUPPORT</b>	<b>2,527,942</b>	<b>-</b>	<b>2,527,942</b>
	<hr/>		<hr/>
<b>EXPENSES</b>			
Program Services	2,262,413		2,262,413
Support Services			
Fundraising	283,575		283,575
Management and General	92,754		92,754
	<hr/>		<hr/>
<b>TOTAL EXPENSES</b>	<b>2,638,742</b>	<b>-</b>	<b>2,638,742</b>
	<hr/>		<hr/>
<b>CHANGE IN NET ASSETS</b>	<b>(110,800)</b>	<b>-</b>	<b>(110,800)</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>11,969</b>	<b>(11,969)</b>	<b>-</b>
<b>UNREALIZED GAIN(LOSS) ON INVESTMENTS</b>	<b>7,564</b>		<b>7,564</b>
<b>NET ASSETS, 10/1/13</b>	<b>864,496</b>	<b>28,157</b>	<b>892,653</b>
	<hr/>		<hr/>
<b>NET ASSETS, 9/30/14</b>	<b>\$ 773,229</b>	<b>\$ 16,188</b>	<b>\$ 789,417</b>
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**The accompanying notes are an integral part of these financial statements.**

**Lewis County Senior Citizens Center, Inc.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended September 30, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets		\$ (110,800)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation		54,678
(Increase)Decrease in Accounts Receivable		6,966
(Increase)Decrease in Grants Receivable		50,509
(Increase)Decrease in Prepaid Expenses		(3,609)
(Increase)Decrease in Inventory		1,761
Increase(Decrease) in Accounts Payable		(7,742)
Increase(Decrease) in Accrued Wages & Benefits		2,692
Increase(Decrease) in Payroll Tax Liabilities		<u>(4,463)</u>
<b>NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES</b>		<b>\$ (10,008)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Fixed Assets		<u>(38,150)</u>
<b>NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES</b>		<b>(38,150)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Sales of Investments		50,000
Purchases of Investments		<u>(17,688)</u>
<b>NET CASH PROVIDED BY(USED IN) FINANCING ACTIVITIES</b>		<b><u>32,312</u></b>

<b>INCREASE(DECREASE) IN CASH &amp; EQUIVALENTS</b>		<b>(15,846)</b>
<b>CASH &amp; EQUIVALENTS, 10/1/13</b>		<u>58,585</u>
<b>CASH &amp; EQUIVALENTS, 9/30/14</b>		<b><u><u>\$ 42,739</u></u></b>

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

**Lewis County Senior Citizens Center, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended September 30, 2014**

EXPENSE	Programs										Subtotal	Admin	TOTAL
	III-C	Home-Delivered	III-D/MM	III-E	LIFE	Transit	FAIR/LH	COC/Waiver	Other Programs	Other			
Personnel	\$31,875	\$ 39,306	\$ 45,667	\$ 1,612	\$ 7,038	\$ 103,956	\$ 21,668	\$ 180,665	\$ 687,866	\$ 147,806	\$ 1,267,459	\$ 149,133	\$ 1,416,592
Taxes/Benefits	11,127	17,034	20,291	347	880	25,663	11,119	29,877	139,274	19,640	275,252	56,453	331,705
Advertisement								156	877	2,148	3,181	683	3,864
Uncollectible Accounts									38,978		38,978		38,978
Depreciation												54,678	54,678
Disposables		1,311	4,339								5,650		5,650
Equipment Maintenance	2,807	400	970			35,326	448				39,951	2,583	42,534
Fundraising												283,575	283,575
Supplies	1,875							13	2,984	3,022	7,894	12,762	20,656
Professional Fees												5,050	5,050
Raw Food		40,683	54,264								94,947		94,947
Transportation			9,335								9,335		9,335
Travel/Meetings					544	452		21,746	68,545	20,051	111,338	4,704	116,042
Staff Development								156	554	238	948		948
Rent												38,076	38,076
Utilities/Communications								147	423	12	582	36,422	37,004
Insurance												9,298	9,298
Interest												529	529
Other		6,645	9,214					1,666	2,092	88,494	108,111	21,170	129,281
Indirect	8,342	10,930	12,796	380	1,536	25,146	6,361	40,845	159,905	32,546	298,787	(298,787)	-
Totals	\$56,026	\$ 116,309	\$ 156,876	\$ 2,339	\$ 9,998	\$ 190,543	\$ 39,596	\$ 275,271	\$ 1,101,498	\$ 313,957	\$ 2,262,413	\$ 376,329	\$ 2,638,742

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



**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2014**

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

The Lewis County Senior Citizens Center, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Lewis 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. The main funding sources for the Organization are grants through the local agency on aging and program services fees from WV Department of Health and Human Services through the Medicaid Waiver and Community Care programs.

This summary of significant accounting policies of the Lewis County Senior Citizens Center Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205, formerly Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958-205, 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.

**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.

**Grants Receivable**

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 unrestricted net assets 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 temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization uses the allowance method to determine collectibility of grants receivable. As of September 30, 2014, all grants receivable are deemed collectible.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2014**

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

**Accounts Receivable/Allowance for Doubtful Accounts**

Accounts receivable represent amounts owed the organization for services it provided under 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 account is established based on the realization of the accounts receivable at year end. All accounts receivable are deemed collectable as of September 30, 2014.

**Property and Equipment**

The Organization records all equipment purchases at cost and all donated property, equipment, and land at fair market value. The Organization uses the straight-line method of depreciation over their estimated useful lives. All property and equipment purchased with grant monies must have prior approval from the grantor agency to dispose of such equipment. The organization has adopted a capitalization policy in the amount of \$1000.

**Income Taxes**

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

**Grant Monies**

Grant monies are received in four main ways:

- 1 - On a cost reimbursement basis for which the organization requests reimbursement for monies already spent. This is utilized for the LIFE Program and Division of Public Transit grants.
- 2 - On an as needed basis in which in the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-D, Title III-E, SHIP, Medication Management, Elder Abuse, and Veterans Care grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next year, but if approval is denied, the money has to be reimbursed to the grantor.
- 3 - Title III-C monies are received on a meal reimbursement basis but are not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title-III program operating expenses.
- 4 - On an application only basis from the WV Department of Transportation, Division of Public Transit, through the Federal Transit Administration (FTA) for the purchase of vehicles or communication equipment to be used in transporting seniors and individuals with disabilities. These funds are available on an 80% federal, 20% local matching basis.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2014**

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

Operating expenditures made against federal and state grants are subject to audit by the grantor agency. These agencies may subsequently make adjustment to the grant as originally awarded due to their audit findings. All federal monies received and net assets are restricted for use in those programs sponsored by the federal grants.

Total federal and state grant revenues for the year ended September 30, 2014 were \$227,006 and \$586,451, respectively.

**Cash and cash Equivalents**

For the 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.

**Note 2. Certificates of Deposit**

The Organization had one certificate of deposit as of September 30, 2014:

- Citizens Bank 60-month certificate of deposit in the amount of \$4,461.33 at an annual rate of 1.00% and maturing on September 10, 2018.

**Note 3. Investments**

The cost and estimated market value of investment securities at September 30, 2014 are as follows:

	Original Cost	Gross Unrealized Gains	Estimated Market Value
Edward Jones	\$ 164,951 =====	\$ 27,875 =====	\$ 192,826 =====

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Organization determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instruments.

The Organization measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2014**

**Note 3. Investments (Continued)**

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Organization reports investments in marketable securities with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets.

**Note 4. Grants/Accounts Receivable**

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

Lighthouse	\$	12,616
Title III monies		3,479
LIFE		22,080
FAIR		4,207
Transit		7,195
WV Division of Public Transit		0
SHIP		4,000
MCAP		<u>3,816</u>
Total	\$	<u><u>57,393</u></u>

Accounts receivable as of September 30, 2014 were \$124,722. All accounts are deemed collectible.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2014**

**Note 5. Property and Equipment, net**

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

Land	\$ 141,097
Building & Improvements	421,458
Vehicles	449,486
Equipment	<u>267,622</u>
Total Property and Equipment	\$ 1,279,663
Less Accumulated Depreciation	<u>(\$ 862,623)</u>
Net Property and Equipment	<u>\$ 417,040</u>

**Note 6. Inventory**

Inventory consists of food and supplies used in the Title III-C nutrition programs. Inventory is valued at cost on the first-in, first out basis. The value of inventory as of September 30, 2014 was \$2,663.

**Note 7. Retirement Program**

Certain employees are eligible to be included in the Organization's retirement program. The employee contributes 4.5% of their gross wages which is combined with 9.5% contributed by the Organization. The covered employees are eligible to draw benefits upon retirement. The Organization's contributions to the retirement program of \$66,144 for the fiscal year ended September 30, 2014 are included in taxes and benefits in the statement of functional expenses.

**Note 8. Support Concentration**

The Lewis County Senior Citizens Center, Inc. received nearly 37% of its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs and over 32% from federal and state grants. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2014**

**Note 9. Donated Facilities**

During the year ended September 30, 2014, the Organization recorded in-kind donations for the rent-free use of the facilities it operates in Weston, West Virginia. The in-kind donation, and respective rent expense, in the amount of \$3,173 per month, was recorded in the statements of activities and functional expenses.

**Note 10. Advertising**

Advertising costs are expensed as incurred and totaled \$3,864 for the year ended September 30, 2014.

**Note 11. Subsequent Events**

Management has evaluated subsequent events through the date of issuance of this report.

**Note 12. Line of Credit**

The Organization has a line of credit at Huntington Bank in Weston, WV, with a limit of \$100,000. The current interest rate is 6.5%. This line is renewed bi-annually. The balance on the line of credit at September 30, 2014 was \$0.

The Organization has a line of credit at Edward Jones Investments with a limit of \$102,900. The interest rate is based on the assets in the account. The balance on the line of credit at September 30, 2014 was \$0.

**Lewis County Senior Citizens Center, Inc.**  
**SCHEDULE OF REVENUES & SUPPORT**  
**For the Year Ended September 30, 2014**

	Programs										TOTAL	
	III-B	III-C	III-D/ MM	III-E	LIFE	Transit	FAIR/ LH	COC/CM/ Waiver	Other Programs	Admin		Subtotal
<b>Grant Revenues</b>												
Federal	\$ 29,786	\$ 174,088	\$ 1,370	\$ 8,486					\$ 13,276		\$ 227,006	\$ 227,006
State	17,984		242	2,829	\$ 208,561	\$ 42,320	\$ 240,237		74,278		586,451	586,451
<b>Total Grant Revenues</b>	<b>47,770</b>	<b>174,088</b>	<b>1,612</b>	<b>11,315</b>	<b>208,561</b>	<b>42,320</b>	<b>240,237</b>	<b>-</b>	<b>87,554</b>	<b>-</b>	<b>813,457</b>	<b>813,457</b>
<b>Other Revenues</b>												
Program Service Fees								930,677			930,677	930,677
Project Income	8,263	95,465		671		2,166	18,140		133,784		258,489	258,489
Donations									34,561		34,561	34,561
Interest Income										17,688	17,688	17,688
Fundraising										341,923	341,923	341,923
In-Kind Revenue										38,076	38,076	38,076
Other									93,071		93,071	93,071
<b>Total Other Revenues</b>	<b>8,263</b>	<b>95,465</b>	<b>-</b>	<b>671</b>	<b>-</b>	<b>2,166</b>	<b>18,140</b>	<b>930,677</b>	<b>261,416</b>	<b>397,687</b>	<b>1,316,798</b>	<b>1,714,485</b>
<b>Total Revenues</b>	<b>\$ 56,033</b>	<b>\$ 269,553</b>	<b>\$ 1,612</b>	<b>\$ 11,986</b>	<b>\$ 208,561</b>	<b>\$ 44,486</b>	<b>\$ 258,377</b>	<b>\$ 930,677</b>	<b>\$ 348,970</b>	<b>\$ 397,687</b>	<b>\$ 2,130,255</b>	<b>\$ 2,527,942</b>

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

# Williams & Associates, A.C.

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## 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  
The Lewis County Senior Citizens Center, Inc.  
Weston, West Virginia 26452

We have audited the financial statements of the Lewis County Senior Citizens Center, Inc., (a non-profit organization) as of and for the year ended September 30, 2014, and have issued a report thereon dated January 29, 2015. 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.

### Compliance

As part of obtaining reasonable assurance about whether the Lewis County Senior Citizens Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, and grants, 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 is not an object of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Lewis County Senior Citizens Center, Inc., in a separate letter dated January 29, 2015, and included in this audit report on page 16.

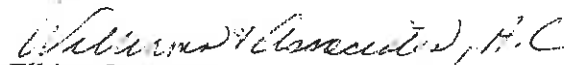
### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lewis County Senior Citizens Center, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the



internal control components does not reduce to a relatively low level the risk that misstatements in an amount that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting in its operation that we consider material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Lewis County Senior Citizens Center, Inc., in a separate letter dated January 29, 2015, and included in this audit report on page 16.

This report is intended solely for the information and use of the board of directors, management, and West Virginia Bureau of Senior Services and is not intended to be and should not be used by anyone other than these specified parties.

  
Elkins, West Virginia  
January 29, 2015

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## MANAGEMENT LETTER

To the Board of Directors  
Lewis County Senior Citizens Center, Inc  
171 W Second Street  
Weston, WV 26452

Our audit on the financial statements of Lewis County Senior Citizens Center, Inc., for the year ended September 30, 2014, 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 the Lewis County Senior Citizens Center, 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.

  
Williams & Associates, A.C.  
Elkins, West Virginia