

Lewis County Senior Citizens Center, Inc.
AUDITED FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 & 2018

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Lewis County Senior Citizens Center, Inc.

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Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lewis County Senior Citizens Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Lewis County Senior Citizens Center, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2019 and 2018, and the related comparative statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Lewis County Senior Citizens Center, Inc. as of September 30, 2019 and 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of revenue and support and schedule of expenditures of federal and state awards are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 March 2, 2020, 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.

Williams & Bright, A.C.

March 2, 2020

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF FINANCIAL POSITION
September 30, 2019 & 2018

ASSETS	<u>2019</u>	<u>2018</u>
Current Assets		
Cash & Equivalents	\$ 103,918	\$ 47,972
Certificates of Deposit	4,713	4,690
Investments	126,425	69,775
Accounts Receivable	124,813	76,779
Grants Receivable	78,348	71,538
Prepaid Expenses	6,687	8,843
Inventory	5,598	3,849
	<hr/>	<hr/>
Total Current Assets	\$ 450,502	\$ 283,446
Property & Equipment, net	<u>339,822</u>	<u>352,721</u>
TOTAL ASSETS	<u><u>\$ 790,324</u></u>	<u><u>\$ 636,167</u></u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 8,447	\$ 8,096
Line of Credit	-	50,000
Deferred Revenue	-	9,400
Accrued Wages & Vacation	61,433	62,515
	<hr/>	<hr/>
Total Current Liabilities	\$ 69,880	\$ 130,011
TOTAL LIABILITIES	69,880	130,011
Net Assets		
Net Assets Without Donor Restrictions	703,665	489,554
Net Assets With Donor Restrictions	4,756	3,056
Unrealized Gain(Loss) on Investments	12,023	13,546
	<hr/>	<hr/>
TOTAL NET ASSETS	<u>720,444</u>	<u>506,156</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 790,324</u></u>	<u><u>\$ 636,167</u></u>

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

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF ACTIVITIES
For the Years Ended September 30, 2019 & 2018

	2019			2018		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT						
Public Support	\$ 51,105		\$ 51,105	\$ 88,438		\$ 88,438
Government Grants	727,402		727,402	645,688		645,688
Program Service Fees	1,127,758		1,127,758	877,382		877,382
Interest/Dividend Income	10,196		10,196	6,707		6,707
Fundraising	31,390		31,390	22,567		22,567
Project Income	302,184		302,184	234,501		234,501
In-kind Donations	38,076		38,076	38,076		38,076
Activities/Trips	211,063		211,063	169,470		169,470
Other	23,947		23,947	64,056		64,056
TOTAL REVENUE AND SUPPORT	<u>2,523,121</u>	<u>-</u>	<u>2,523,121</u>	<u>2,146,885</u>	<u>-</u>	<u>2,146,885</u>
EXPENSES						
Program Services	2,249,890		2,249,890	2,109,818		2,109,818
Support Services						
Fundraising	1,499		1,499	1,166		1,166
Management and General	55,920		55,920	99,867		99,867
TOTAL EXPENSES	<u>2,307,309</u>	<u>-</u>	<u>2,307,309</u>	<u>2,210,851</u>	<u>-</u>	<u>2,210,851</u>
CHANGE IN NET ASSETS	215,812	-	215,812	(63,966)	-	(63,966)
NET ASSETS RELEASED FROM RESTRICTIONS	(1,700)	1,700	-			-
UNREALIZED GAIN(LOSS) ON INVESTMENTS	(1,524)		(1,524)	(22,322)		(22,322)
NET ASSETS, Beginning of Year	503,100	3,056	506,156	589,388	3,056	592,444
NET ASSETS, End of Year	<u>\$ 715,688</u>	<u>\$ 4,756</u>	<u>\$ 720,444</u>	<u>\$ 503,100</u>	<u>\$ 3,056</u>	<u>\$ 506,156</u>

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

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2019 & 2018

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2019</u>	<u>2018</u>
Change in Net Assets	\$ 214,288	\$ (63,966)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	36,469	37,955
(Increase)Decrease in Accounts Receivable	(48,034)	25,063
(Increase)Decrease in Grants Receivable	(6,810)	(26,286)
(Increase)Decrease in Prepaid Expenses	2,156	(320)
(Increase)Decrease in Inventory	(1,749)	(2,781)
Increase(Decrease) in Accounts Payable	351	5,777
Increase(Decrease) in Deferred Revenue	(9,400)	9,400
Increase(Decrease) in Accrued Wages & Benefits	<u>(1,082)</u>	<u>(2,098)</u>
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	<u>186,189</u>	<u>(17,256)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Line of Credit	233,000	756,801
Payments on Line of Credit	(283,000)	(756,801)
Increase in Certificates of Deposit	(23)	(47)
Purchases of Fixed Assets	<u>(23,571)</u>	<u>(40,933)</u>
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	<u>(73,594)</u>	<u>(40,980)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Sales of Investments	12,000	72,678
Purchases of Investments	(60,000)	-
Reinvested Interest/Dividend on Investments	(7,126)	(5,650)
Reinvested Gains on Investments	<u>(1,523)</u>	<u>-</u>
NET CASH PROVIDED BY(USED IN) FINANCING ACTIVITIES	<u>(56,649)</u>	<u>67,028</u>
 INCREASE(DECREASE) IN CASH & EQUIVALENTS	55,946	8,792
CASH & EQUIVALENTS, Beginning of Year	<u>47,972</u>	<u>39,180</u>
CASH & EQUIVALENTS, End of Year	<u><u>\$ 103,918</u></u>	<u><u>\$ 47,972</u></u>

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, 2019

EXPENSE	Programs										TOTAL	
	III-B	Congregate	Home-Delivered	III-E	LIFE	Transit	FAIR/LH	COC/Waiver	Other Programs	Subtotal		Admin
Personnel	\$35,299	\$ 37,896	\$ 48,231	\$ 8,781	\$ 96,394	\$ 29,824	\$ 207,304	\$ 482,137	\$ 450,276	\$ 1,396,142	\$ 67,250	\$ 1,463,392
Taxes/Benefits	5,645	9,161	9,287	1,234	12,304	2,793	43,770	76,899	79,185	240,278	17,847	258,125
Advertisement						660		424		1,084	2,746	3,830
Printing/Office Supplies									2,616	2,616	13,656	16,272
Depreciation										-	36,469	36,469
Disposables		463	2,735							3,198		3,198
Equipment Maintenance	11,768				29,525	1,756				43,049	3,779	46,828
Fundraising										-	1,499	1,499
Supplies								1,445	1,996	3,441		3,441
Professional Fees										-	4,810	4,810
Raw Food		35,527	48,799							84,326		84,326
Repairs & Maintenance										-	3,387	3,387
Travel/Meetings				759	198		4,139	23,685	32,451	61,232	3,008	64,240
Staff Development							538	1,174	499	2,211	699	2,910
Equipment Rent										-	4,255	4,255
Rent										-	38,076	38,076
Utilities/Communications										-	37,685	37,685
Insurance										-	19,859	19,859
Interest										-	669	669
Other		6,849	5,898				1,482	833	198,923	213,985	53	214,038
Indirect	5,121	6,605	6,095	1,053	13,047	4,053	30,510	67,439	64,405	198,328	(198,328)	-
Totals	\$57,833	\$ 96,501	\$ 121,045	\$ 11,827	\$ 151,468	\$ 39,086	\$ 287,743	\$ 654,036	\$ 830,351	\$ 2,249,890	\$ 57,419	\$ 2,307,309

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, 2018

EXPENSE	Programs										TOTAL	
	III-B	Congregate	Home-Delivered	III-E	LIFE	Transit	FAIR/LH	COC/Waiver	Other Programs	Subtotal		Admin
Personnel	\$30,952	\$ 49,116	\$ 38,387	\$ 8,135	\$ 123,559	\$ 27,363	\$ 208,221	\$ 647,452	\$ 177,796	\$ 1,310,981	\$ 83,245	\$ 1,394,226
Taxes/Benefits	7,806	9,889	7,703	1,419	14,662	6,687	38,158	114,592	28,645	229,561	18,467	248,028
Advertising											2,918	2,918
Printing/Office Supplies					2,612			349	637	3,598	9,063	12,661
Depreciation										1,427	37,955	37,955
Disposables		311	1,116							49,885	4,202	54,087
Equipment Maintenance	32,894	3,276	2,501		10,486	728				49,885	1,166	51,051
Fundraising											605	605
Supplies							315	2,346		2,661	16,118	16,118
Professional Fees												
Raw Food		36,135	29,465						6,409	72,009	-	72,009
Travel/Meetings				1,822	315		19,682	41,130		62,949	5,791	68,740
Staff Development							772	1,899	19,924	22,595	878	23,473
Equipment Rent											4,663	4,663
Rent											38,076	38,076
Utilities/Communications											40,466	40,466
Insurance											22,348	22,348
Interest											1,393	1,393
Activities/Trips		4,441	3,619				1,655	2,621	151,193	151,193	-	151,193
Other		7,299	5,701	1,182	17,098	4,212	30,477	94,039	284	12,620	4,018	16,638
Indirect	4,794								25,537	190,339	(190,339)	-
Totals	\$76,446	\$ 110,467	\$ 88,492	\$ 12,558	\$ 168,732	\$ 38,990	\$ 299,280	\$ 904,428	\$ 410,425	\$ 2,109,818	\$ 101,033	\$ 2,210,851

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

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 & 2018

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. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions (both temporary and permanent).

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 net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization uses the allowance method to determine collectability of grants receivable. As of September 30, 2019 and 2018, all grants receivable are deemed collectible.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 & 2018

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 accounts is established based on the realization of the accounts receivable at year end. All accounts receivable are deemed collectible as of September 30, 2019 and 2018.

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 \$1,000.

Income Taxes

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

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 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.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 & 2018

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 grant revenues for the years ended September 30, 2019 and 2018 were \$203,886, and \$173,991, respectively. Total state grant revenues for the years ended September 30, 2019 and 2018 were \$473,360, and \$471,697, respectively.

Cash and cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Note 2. Certificates of Deposit

The Organization had one certificate of deposit as of September 30, 2019 & 2018:

- Citizens Bank 60-month certificate of deposit in the amount of \$4,713.13 at an annual rate of 1.00% and maturing on September 10, 2024. The balance as of September 30, 2019 and 2018 was \$4,713 and \$4,690, respectively.

Note 3. Investments

The cost and estimated market value of investment securities at September 30, 2019 and 2018 are as follows:

	September 30, 2019		
	Original Cost	Gross Unrealized Gains	Estimated Market Value
Edward Jones	<u>\$114,402</u>	<u>\$12,023</u>	<u>\$126,425</u>
	September 30, 2018		
	Original Cost	Gross Unrealized Gains	Estimated Market Value
Edward Jones	<u>\$ 56,229</u>	<u>\$13,546</u>	<u>\$ 69,775</u>

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.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 & 2018

Note 3. Investments (Continued)

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.

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. As of September 30, 2019 and 2018, all of the Organization's investments are Level 1 investments.

Note 4. Grants/Accounts Receivable

Grants receivable consisted of the following at September 30,

	<u>2019</u>	<u>2018</u>
Lighthouse	\$ 14,372	\$ 12,248
Title III monies	39,326	34,933
LIFE	14,375	15,686
FAIR	3,443	4,559
Transit	<u>6,832</u>	<u>4,112</u>
Total	<u>\$ 78,348</u>	<u>\$ 71,538</u>

Accounts receivable as of September 30, 2019 and 2018 were \$124,813 and \$76,779, respectively. All accounts are deemed collectible.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 & 2018

Note 5. 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, 2019 and 2018 was \$5,598 and \$3,849, respectively

Note 6. Property and Equipment, net

Property and equipment consisted of the following at September 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 141,097	\$ 141,097
Building & Improvements	357,441	342,017
Vehicles	275,158	275,158
Equipment	<u>318,171</u>	<u>310,024</u>
Total Property and Equipment	\$ 1,091,867	\$ 1,068,296
Less Accumulated Depreciation	<u>(\$ 752,045)</u>	<u>(\$ 715,575)</u>
Net Property and Equipment	<u>\$ 339,822</u>	<u>\$ 352,721</u>

Note 7. Retirement Program

Certain employees are eligible to be included in the Organization's 403(b) retirement program, a defined contribution plan. 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 plan of \$62,295 and \$64,274 for the fiscal years ended September 30, 2019 and 2018, respectively, are included in taxes and benefits in the statement of functional expenses.

Note 8. Support Concentration

The Lewis County Senior Citizens Center, Inc. received more than 42% 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 nearly 27% 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.

Note 9. Donated Facilities

During the years ended September 30, 2019 and 2018, 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.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 & 2018

Note 10. Advertising

Advertising costs are expensed as incurred and totaled \$3,830 and \$2,918 for the years ended September 30, 2019 and 2018, respectively.

Note 11. Subsequent Events

Management has evaluated subsequent events through the date of issuance of this report and determined that no reportable events have occurred.

Note 12. Lines of Credit

The Organization has a line of credit at Huntington Bank in Weston, WV, with a limit of \$55,000. The current interest rate is 3.5%. This line is renewed bi-annually. The balance on the line of credit at September 30, 2019 & 2018 was \$0 and \$50,000, respectively.

The Organization has a line of credit at Edward Jones Investments with a limit of \$52,502. The interest rate is based on the assets in the account and was 6.75% and 5.65% as of September 30, 2019 and 2018, respectively. The balance on the line of credit as of September 30, 2019 and 2018 was \$0.

Note 13. Leases

The Organization entered into a 5-year operating lease with De Lage Landen Financial Services, Inc. on June 28, 2017 for a Konica Minolta digital copier, with 60 payments of \$181.

Note 14. Concentration of Credit Risk

The Organization maintains most of its cash at one bank which, at times, may be in excess of federally insured limits. Management monitors the soundness of this financial institution and feels the Organization's risk is negligible. The Organization has not experienced any losses in such accounts.

Note 15. Net Assets

Donor restricted net assets consist of Title III-C Nutrition funds of \$4,756 as of September 30, 2019. Additionally, the Board has restricted \$5,000 in the special account for equipment maintenance and repairs.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2019 & 2018

Note 16. Indirect Costs

Indirect costs are expenses the Organization incurs for common or joint objectives, that cannot be readily and specifically identified with a particular grant project or other program activity. These costs include rent and utilities, clerical and administrative salaries, taxes and benefits, office supplies, communications, repairs and maintenance, etc., and are allocated on a percentage of payroll basis based on the previous fiscal year.

Lewis County Senior Citizens Center, Inc.
SCHEDULE OF REVENUES & SUPPORT
For the Year Ended September 30, 2019

	Programs										TOTAL	
	III-B	III-C	III-E	LJFE	Transit	FAIR/ LH	COC/CM/ Waiver	Other Programs	Subtotal	Admin		
Grant Revenues												
Federal	\$ 39,562	\$ 154,517	\$ 9,807					\$	203,886		\$	203,886
State	17,416		3,269	\$ 188,369	\$ 36,192	\$ 220,114		8,000	473,360			473,360
Other								50,156	50,156			50,156
Total Grant Revenues	56,978	154,517	13,076	188,369	36,192	220,114	-	58,156	727,402	-	-	727,402
Other Revenues												
Program Service Fees							1,069,301	58,457	1,127,758			1,127,758
Project Income	4,947	40,441	2,227		1,749	26,481		226,339	302,184			302,184
Donations		100							100		51,005	51,105
Interest & Dividends											10,196	10,196
Fundraising									427		30,963	31,390
In-Kind Revenue		427									38,076	38,076
Activities/Trips								211,063	211,063			211,063
Other								6,876	6,876		17,071	23,947
Total Other Revenues	4,947	40,968	2,227	-	1,749	26,481	1,069,301	502,735	1,648,408	147,311	-	1,795,719
Total Revenues	\$ 61,925	\$ 195,485	\$ 15,303	\$ 188,369	\$ 37,941	\$ 246,595	\$ 1,069,301	\$ 560,891	\$ 2,375,810	\$ 147,311	\$	\$ 2,523,121

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

Lewis County Senior Citizens Center, Inc.
SCHEDULE OF REVENUES & SUPPORT
For the Year Ended September 30, 2018

	Programs										TOTAL	
	III-B	III-C	III-E	LIFE	Transit	FAIR/ LH	COC/CM/ Waiver	Other Programs	Subtotal	Admin		
Grant Revenues												
Federal	\$ 37,908	\$ 122,777	\$ 8,306					\$ 5,000	\$ 173,991		\$	\$ 173,991
State	11,921	5,995	2,769	\$ 177,247	\$ 41,600	\$ 211,649		20,516	471,697			471,697
Other								31,150	31,150			31,150
Total Grant Revenues	49,829	128,772	11,075	177,247	41,600	211,649	-	56,666	676,838	-	-	676,838
Other Revenues												
Program Service Fees							877,382		877,382			877,382
Project Income	2,231	34,732	990		2,240	22,075		172,233	234,501			234,501
Donations										57,288		57,288
Interest Income										6,707		6,707
Fundraising										22,567		22,567
In-Kind Revenue										38,076		38,076
Activities/Trips								169,470	169,470			169,470
Other								9,348	9,348	54,708		64,056
Total Other Revenues	2,231	34,732	990	-	2,240	22,075	877,382	351,051	1,290,701	179,346	-	1,470,047
Total Revenues	\$ 52,060	\$ 163,504	\$ 12,065	\$ 177,247	\$ 43,840	\$ 233,724	\$ 877,382	\$ 407,717	\$ 1,967,539	\$ 179,346	\$	\$ 2,146,885

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

Lewis County Senior Citizens Center, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL & STATE AWARDS
For the Year Ended September 30, 2019

	<u>CFDA Number</u>	<u>Expenditures</u>
FEDERAL:		
<i>Passthrough from UPAAA:</i>		
Administration for Community Living:		
Special Programs for the Aging Title III Part B		
Grants for Supportive Services and Senior Centers	93.044	39,562
Special Programs for the Aging Title III Part E		
National Family Caregiver Support	93.052	9,807
Special Programs for the Aging Title III Part C		
Nutrition Services (includes expenditures of states awards)	93.045	<u>154,517</u>
<i>Total Expenditures of Federal Awards</i>		<u>\$ 203,886</u>
STATE:		
	<u>Grant Period</u>	<u>Grant Year</u>
LIFE	7/1/19-6/30/20	2019
LIFE	7/1/18-6/30/19	2018
Lighthouse	7/1/19-6/30/20	2019
Lighthouse	7/1/18-6/30/19	2018
FAIR	7/1/19-6/30/20	2019
FAIR	7/1/18-6/30/19	2018
III-B	10/1/18-9/30/19	2019
III-E	10/1/18-9/30/19	2019
Transit	10/1/18-9/30/19	2019
Other		<u>8,000</u>
<i>Total Expenditures of State Awards</i>		<u>\$ 473,360</u>
TOTAL EXPENDITURES OF FEDERAL & STATE AWARDS		<u><u>\$ 677,246</u></u>

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

Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Lewis County Senior Citizens Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lewis County Senior Citizens Center, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2019 and 2018, and the related comparative statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 2, 2020.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying management letter on page 20, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lewis County Senior Citizens Center, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which we have reported to management of the Lewis County Senior Citizens Center, Inc., in a separate letter dated March 2, 2020, and included in this report on page 20.

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. The 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 purposes.

Williams & Bright, A.C.

Elkins, West Virginia

March 2, 2020

Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

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

Our audit of the financial statements of Lewis County Senior Citizens Center, Inc., for the years ended September 30, 2019 and 2018, 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 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 & Bright, A.C.

Elkins, West Virginia
March 2, 2020