

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

**AUDITED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2010**

*Prepared by*

**Williams & Associates, AC  
204 Davis Avenue, PO Box 2727  
Elkins, West Virginia 26241**

**LEWIS COUNTY SENIOR CITIZENS CENTER, INC.  
AUDIT FOR YEAR ENDED SEPTEMBER 30, 2010**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF CASH FLOWS	4
STATEMENT OF FUNCTIONAL EXPENSES	5
NOTES TO FINANCIAL STATEMENTS	6-10
<b>SUPPLEMENTAL INFORMATION</b>	
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION	11
SCHEDULE OF REVENUES	12
<b>INTERNAL CONTROL AND COMPLIANCE REPORTS</b>	
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL	13-14
REPORT ON SELECTED COMPLIANCE REQUIREMENTS OF THE WV BUREAU OF SENIOR SERVICES	15
<b>MANAGEMENT INFORMATION</b>	
MANAGEMENT LETTER	16

# Williams & Associates, A.C.

204 Davis Ave. PO Box 2727  
Elkins, WV 26241  
Phone: 304-637-9110  
Fax: 304-637-9006

Certified Public Accountant

40 East Main Street  
Buckhannon, WV 26201  
Phone: 304-473-0007  
Fax: 304-473-0009

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Lewis County Senior Citizens Center, Inc.  
Weston, West Virginia

I have audited the accompanying statement of financial position of the Lewis County Senior Citizens Center, Inc. as of September 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Lewis County Senior Citizens Center, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my 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, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated November 16, 2010, on my consideration of the Lewis County Senior Citizens Center Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

*Williams & Associates, A.C.*  
Williams & Associates, A.C.  
Elkins, West Virginia  
November 16, 2010

**Lewis County Senior Citizens Center, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**September 30, 2010**

**ASSETS**

**Current Assets**

Cash & Equivalents	\$ 80,543
Certificates of Deposit	109,387
Investments	159,340
Accounts Receivable	116,713
Grants Receivable	44,668
Interest Receivable	59
Prepaid Expenses	5,958
Inventory	<u>5,954</u>

Total Current Assets \$ 522,622

**Property & Equipment, net** 450,965

**TOTAL ASSETS** \$ 973,587

**LIABILITIES & NET ASSETS**

**Liabilities**

**Current Liabilities**

Accounts Payable	\$ 20,659
Accrued Wages & Benefits	64,610
Payroll Tax Liabilities	3,133
Current Portion of Long-term Debt	14,507
Other Current Liabilities	<u>17,182</u>

Total Current Liabilities \$ 120,091

**Long-term Liabilities**

Deferred Revenue	37,465
OPEB Liability	<u>-</u>

Total Long-term Liabilities 37,465

**TOTAL LIABILITIES** 157,556

**Net Assets**

Unrestricted	816,031
Temporarily Restricted	<u>-</u>

**TOTAL NET ASSETS** 816,031

**TOTAL LIABILITIES & NET ASSETS** \$ 973,587

**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, 2010**

<b>REVENUE AND SUPPORT</b>	
Public Support	\$ 23,272
Grant Revenues	859,905
Program Service Fees	1,020,515
Interest/Dividend Income	20,019
Fundraising	359,090
Project Income	296,056
In-kind Donations	38,076
Other	<u>142,426</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<u><b>2,759,359</b></u>
 <b>EXPENSES</b>	
Program Services	2,246,702
Support Services	
Fundraising	297,372
Management and General	<u>106,043</u>
<b>TOTAL EXPENSES</b>	<u><b>2,650,117</b></u>
 <b>CHANGE IN NET ASSETS</b>	 109,242
 <b>PRIOR PERIOD ADJUSTMENT</b>	 82,802
 <b>NET ASSETS, 10/1/09</b>	 <u>623,987</u>
 <b>NET ASSETS, 9/30/10</b>	 <u><u><b>\$ 816,031</b></u></u>

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, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets		\$ 109,242
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation		49,848
(Increase)Decrease in Accounts Receivable		23,847
(Increase)Decrease in Grants Receivable		(11,564)
(Increase)Decrease in Interest Receivable		564
(Increase)Decrease in Prepaid Expenses		5,173
(Increase)Decrease in Inventory		425
Increase(Decrease) in Accounts Payable		17,743
Increase(Decrease) in Accrued Wages & Benefits		(3,238)
Increase(Decrease) in Payroll Tax Liabilities		(734)
Increase(Decrease) in Other Current Liabilities		17,182
Increase(Decrease) in Deferred Revenue		23,988
Increase(Decrease) in OPEB Liability		<u>(82,802)</u>
<b>NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES</b>		<b>\$ 149,674</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Fixed Assets		<u>(136,752)</u>
<b>NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES</b>		<b>(136,752)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Change in Certificates of Deposit		156
Increase in Investments		(17,089)
Decrease in Line of Credit		<u>(34,000)</u>
<b>NET CASH PROVIDED BY(USED IN) FINANCING ACTIVITIES</b>		<b><u>(50,933)</u></b>

INCREASE(DECREASE) IN CASH & EQUIVALENTS		(38,011)
PRIOR PERIOD ADJUSTMENT (See Note 8)		82,802
CASH & EQUIVALENTS, 10/1/09		<u>35,752</u>
CASH & EQUIVALENTS, 9/30/10		<u><u>\$ 80,543</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, 2009**

EXPENSE	Programs											TOTAL
	III-B	III-C	III-D/	III-E	LIFE	Transit	FAIR/	COC/	Other	Subtotal	Admin	
	III-B	Home-Delivered	MM	III-E	LIFE	Transit	LH	Waiver	Programs	Subtotal	Admin	TOTAL
Personnel	\$ 52,787	\$ 39,770	\$ 45,404	\$ 1,355	\$ 12,840	\$ 21,341	\$ 151,761	\$ 691,450	\$ 84,439	\$ 1,227,693	\$ 123,625	\$ 1,351,318
Taxes/Benefits	10,269	12,131	14,714	262	2,543	1,725	36,126	134,250	31,096	285,556	48,913	334,469
Advertisement						195	216	1,342		1,753	6,228	7,981
Bank Fees											60	60
Depreciation											49,848	49,848
Disposables		866	4,188							5,054		5,054
Equipment Maintenance		504	1,399							1,903	6,613	8,516
Auto Expenses	24,048				4,325	5,380			253	34,006		34,006
Fundraising									2,631	2,631	297,372	300,003
Supplies								2,202		2,202	28,423	30,625
Raw Food		60,840	75,828							136,668		136,668
Transportation			9,193							9,193		9,193
Travel/Meetings				2,378	610		21,688	89,891	18,196	132,763	7,444	140,207
Rent											38,076	38,076
Utilities											29,910	29,910
Insurance											13,569	13,569
Other		6,419	5,138	723		550	2,229	5,402	107,822	128,283	32,331	160,614
Indirect	12,372	9,115	12,864	317	3,018	4,525	36,864	160,702	6,065	278,997	(278,997)	-
Totals	\$ 99,476	\$ 129,645	\$ 168,728	\$ 2,657	\$ 20,779	\$ 33,716	\$ 248,884	\$ 1,085,239	\$ 250,502	\$ 2,246,702	\$ 403,415	\$ 2,650,117

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, 2010**

**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.

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 Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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, 2010, all grants receivable are deemed collectible.



**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2010**

**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 used 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.

**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 three ways:

- On a cost reimbursement basis for which the organization requests reimbursement for monies already spent. This is utilized for the LIFE Program grant.
- 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, SHINE, 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.
- 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.

Total federal and state grant revenues for the year ended September 30, 2010 were \$814,945.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2010**

**Grant Monies (continued)**

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

**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 two certificates of deposits as of September 30, 2010:

- Huntington National Bank 18-month certificate of deposit in the amount of \$99,999.99 at an annual rate of 4.160% and maturing on December 4, 2011; and
- Citizens Bank 6-month certificate of deposit in the amount of \$9,387 at an annual rate of 3.45% and maturing on October 4, 2010.

**Note 3. Investments**

The cost and estimated market value of investment securities at September 30, 2010 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
Edward Jones	\$ 154,948	\$ 4,392	\$ -0-	\$ 159,340
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**Note 4. Grants/Accounts Receivable**

Grants receivable consisted of the following at September 30, 2010:

Title III monies	\$ 471
LIFE	14,717
FAIR	4,312
Lighthouse	13,040
Transit	12,128
Total	<u>\$ 44,668</u>

Accounts receivable as of September 30, 2010 were \$116,713. All accounts are deemed collectible.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2010**

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

Property and equipment consisted of the following at September 30, 2010.

Land	\$ 141,097
Building	276,401
Vehicles	402,822
Equipment	<u>297,742</u>
Total Property and Equipment	\$ 1,118,062
Less Accumulated Depreciation	<u>(\$ 667,097)</u>
Net Property and Equipment	<u>\$ 450,965</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, 2010 was \$5,954.

**Note 7. Deferred Revenue (5310 Transportation Grant)**

The Lewis County Senior Citizens Center, Inc. is the recipient of grants from the WV Department of Transportation, Division of Public Transit. These grants provide funds for the Organization to purchase vehicles. The Organization must make an initial payment of 20% of the price of the vehicle plus a share of the administrative costs. The remainder is provided by the grant, but title to the vehicle is not released to the Organization until five years have expired. Therefore, the balance is shown as unearned revenue in the financial statements and the grant revenue is recorded annually as this time expires. As of September 30, 2010, the valued of the unexpired amount was \$51,972.

**Note 8. Other Post-Employment Benefits/Prior Period Adjustment**

The Lewis County Senior Citizens Center, Inc. no longer participates in the West Virginia Public Employee Insurance Agency's health insurance plan. In order to comply with GASB Statement No. 43 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective July 1, 2007 the Organization began recording annual required contributions (ARC) as a liability. The total of the liability as of September 30, 2009 was \$82,802. Since the organization has officially opted out of the program, a prior period adjustment was made to remove this liability from the books.

**Lewis County Senior Citizens Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2010**

**Note 9. 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 \$82,127.53 for the fiscal year ended September 30, 2010 are included in taxes and benefits in the statement of functional expenses.

**Note 10. Support Concentration**

The Lewis County Senior Citizens Center, Inc. received approximately 36% of its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

**Note 11. Donated Facilities**

During the year ended September 30, 2010, the Organization recorded in-kind donations for the rent-free use of the facilities it operates in Weston, West Virginia that are owned by the Lewis County Commission. The in-kind revenue and corresponding rent expense, in the amount of \$3,173 per month was recorded in the statement of functional expenses.

**Note 12. Advertising**

Advertising costs are expensed as incurred and totaled \$7,981 for the year ended September 30, 2010.

**Note 13. Other Grants**

Other Grants for the year ended September 30, 2010 consists of the following:

Community Partnership	\$ 35,000
Federal Transit Administration	31,500
5310 Vehicle Grants	13,565
Melvin B Sprigg Trust	41,100
WV State Health Insurance Assistance Program (SHIP)	12,025
In-Home Transportation	10,171
Meals on Wheels Association of America Impact Grant	3,860
Title III-C Prior Year	2,899
Emergency Food & Shelter Grant	700
Elder Abuse Grant	346
Total Other Grants	\$151,166

**SUPPLEMENTAL INFORMATION**

# Williams & Associates, A.C.

---

204 Davis Ave. PO Box 2727  
Elkins, WV 26241  
Phone: 304-637-9110  
Fax: 304-637-9006

Certified Public Accountant

40 East Main Street  
Buckhannon, WV 26201  
Phone: 304-473-0007  
Fax: 304-473-0009

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors  
The Lewis County Senior Citizens Center, Inc.  
Weston, West Virginia

My report on my audit of the basic financial statements of the Lewis County Senior Citizens Center, Inc., for the year ended September 30, 2010, appears on page one (1). I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of revenues is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Williams & Associates, AC  
Elkins, West Virginia  
November 16, 2010

**Lewis County Senior Citizens Center, Inc.**  
**SCHEDULE OF REVENUES & SUPPORT**  
**For the Year Ended September 30, 2009**

	Programs										Admin	TOTAL	
	III-B	III-C	III-D/ MM	III-E	LIFE	Transit	FAIR/ LH	COC/CM/ Waiver	Other Programs	Other			
<b>Grant Revenues</b>													
Federal & State	\$ 53,278	\$ 175,544	\$ 1,541	\$ 9,123	\$ 183,246	\$ 55,280	\$ 230,727	\$ -	\$ 151,166	\$ -	\$ 859,905	\$ -	\$ 859,905
Total Grant Revenues	53,278	175,544	1,541	9,123	183,246	55,280	230,727	-	151,166	-	859,905	-	859,905
<b>Other Revenues</b>													
Program Service Fees													
Project Income	8,278	117,933				3,593	25,581	1,000,671	19,844		1,020,515		1,020,515
Donations		2,045				760	101		140,671		296,056		296,056
Local Monies	5,678	29,880	257	3,041		10,468			20,366		23,272		23,272
Interest Income									200		49,524		49,524
Fundraising												20,019	20,019
In-Kind Revenue											13,257	345,833	359,090
Other												38,076	38,076
Total Other Revenues	13,956	163,115	257	3,041	-	14,821	25,682	1,000,671	273,983		1,495,526	403,928	1,899,454
<b>Total Revenues</b>	\$ 67,234	\$ 338,659	\$ 1,798	\$ 12,164	\$ 183,246	\$ 70,101	\$ 256,409	\$ 1,000,671	\$ 425,149	\$ 403,928	\$ 2,355,431	\$ 403,928	\$ 2,759,359

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

# Williams & Associates, A.C.

204 Davis Ave. PO Box 2727  
Elkins, WV 26241  
Phone: 304-637-9110  
Fax: 304-637-9006

Certified Public Accountant

40 East Main Street  
Buckhannon, WV 26201  
Phone: 304-473-0007  
Fax: 304-473-0009

## 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 26241

I 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, 2010, and have issued a report thereon dated November 16, 2010. I conducted my 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, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I 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 November 16, 2010, and included in this audit report on page 16.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Lewis County Senior Citizens Center, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consider 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. I noted no matters involving the internal control over financial reporting that its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting, which I have reported to management of the Lewis County Senior Citizens Center, Inc., in a separate letter dated November 16, 2010, 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.

Williams & Associates, Ac  
Elkins, West Virginia  
November 16, 2010

# Williams & Associates, A.C.

204 Davis Ave. PO Box 2727  
Elkins, WV 26241  
Phone: 304-637-9110  
Fax: 304-637-9006

Certified Public Accountant

40 East Main Street  
Buckhannon, WV 26201  
Phone: 304-473-0007  
Fax: 304-473-0009

## REPORT ON SELECTED COMPLIANCE REQUIREMENTS OF THE WEST VIRGINIA BUREAU OF SENIOR SERVICES

To the Board of Directors  
The Lewis County Senior Citizens Center, Inc.  
Elkins, West Virginia

I 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, 2010 and have issued my report thereon dated November 16, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether The Lewis County Senior Citizens Center, Inc.'s financial statements are free of material misstatement, I performed tests of certain compliance requirements per the directive of the West Virginia Bureau of Senior Services. Providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. However, the results of my tests disclosed no instances of noncompliance that are required to be reported under the directive of the West Virginia Bureau of Senior Services.

This report is intended for the information of the Board of Directors, management and the granting agencies and it not intended to be and should not be used by anyone other than those specified parties.

*Williams & Associates, A.C.*  
Williams & Associates, A.C.  
November 16, 2010

# Williams & Associates, A.C.

204 Davis Ave. PO Box 2727  
Elkins, WV 26241  
Phone: 304-637-9110  
Fax: 304-637-9006

Certified Public Accountant

40 East Main Street  
Buckhannon, WV 26201  
Phone: 304-473-0007  
Fax: 304-473-0009

## MANAGEMENT LETTER

To the Board of Directors  
The Lewis County Senior Citizens Center, Inc.  
Weston, West Virginia

My audit on the financial statements of the Lewis County Senior Citizens Center, Inc., for the year ended September 30, 2010, highlighted areas where I would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since my 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 my audit I 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. I 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 I am required, under my professional responsibilities, to describe the situation.

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

Williams & Associates, AC  
Elkins, West Virginia  
November 16, 2010