

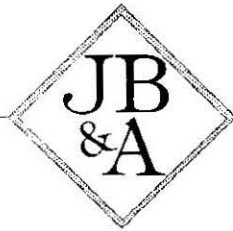
**BARBOUR COUNTY SENIOR CENTER, INC.**

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

**SEPTEMBER 30, 2015**

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# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Barbour County Senior Center, Inc.  
Philippi, West Virginia

We have audited the accompanying financial statements of Barbour County Senior Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barbour County Senior Center, Inc. as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of revenues, support and expenditures and schedule of expenditures of state awards, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2016, on our consideration of Barbour County Senior 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 Barbour County Senior Center, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia  
January 28, 2016

**BARBOUR COUNTY SENIOR CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2015**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 283,479
Certificate of deposit	186,540
Investments - endowments	140,331
Accounts receivable, net	55,066
Grants receivable	<u>114,250</u>

Total current assets	779,666
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<b>Property and Equipment, net</b>	<u>1,965,118</u>
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<b>TOTAL ASSETS</b>	<u><u>\$ 2,744,784</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 35,153
Accrued payroll and taxes	36,010
Accrued annual leave	<u>18,417</u>

Total current liabilities	<u>89,580</u>
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**Net Assets**

Unrestricted	2,612,336
Permanently restricted	<u>42,868</u>

Total net assets	<u>2,655,204</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,744,784</u></u>
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The accompanying notes are an integral part of this statement.

**BARBOUR COUNTY SENIOR CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Unrestricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Federal grant awards	\$ 432,441	\$	\$ 432,441
State grant	435,921		435,921
Donations	131,342		131,342
Medicaid contractual fees	652,595		652,595
Project income	114,482		114,482
Investment income	7,523		7,523
Other income	17,597	(5,826)	11,771
Net assets released from restrictions:			
Restrictions satisfied with lapse of time			
Total Revenue and Support	1,791,901	(5,826)	1,786,075
<b>EXPENSES</b>			
Program Services			
Title III-B	43,033		43,033
Title III-E	10,535		10,535
Fair	27,010		27,010
Title III-C - Congregate	100,186		100,186
Title III-C - Home Delivered	297,395		297,395
Transportation	517,910		517,910
Community Care	269,189		269,189
Medicaid waiver	392,376		392,376
Lighthouse	125,620		125,620
Other programs	109,966		109,966
Support Services			
Management and General			
Total Expenses	1,893,220		1,893,220
<b>Change in Net Assets</b>	(101,319)	(5,826)	(107,145)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	2,713,655	48,694	2,762,349
<b>NET ASSETS AT END OF YEAR</b>	\$ 2,612,336	\$ 42,868	\$ 2,655,204

The accompanying notes are an integral part of this statement.

**BARBOUR COUNTY SENIOR CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Program Services**

<b>FUNCTIONAL EXPENSES</b>	Title III-B	Title III-E	Fair	Title III-C		
				Congregate	Home Delivered	Transportation
Salaries and wages	\$ 24,785	\$ 6,507	\$ 19,416	\$ 40,584	\$ 99,362	\$ 223,395
Fringe benefits	2,572	590	1,780	4,675	10,957	60,741
Travel	5,937	881	2,699			4,418
Printing and supplies				530	594	7,152
Other operating supplies				822	1,604	54,705
Rawfood				29,221	85,971	
Disposables				474	14,674	
Repairs and maintenance				3,519	6,216	14,613
Communications and utilities				4,204	9,608	18,588
Rent occupancy costs				4,446	14,154	
Dues/subscriptions/training				30	30	1,496
Insurance				1,012	2,790	5,979
Other costs	5,762	1,513		360	594	4,115
Professional fees						6,518
Transportation					18,609	
Depreciation expense				3,816	16,270	80,345
Allocated indirect costs	3,977	1,044	3,115	6,493	15,962	35,845
<b>Total</b>	<b>\$ 43,033</b>	<b>\$ 10,535</b>	<b>\$ 27,010</b>	<b>\$ 100,186</b>	<b>\$ 297,395</b>	<b>\$ 517,910</b>

**BARBOUR COUNTY SENIOR CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Program Services</u>				<u>Support Services</u>		<u>Total</u>
	<u>Community Care</u>	<u>Medicaid Waiver</u>	<u>Lighthouse</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	
Salaries and wages	\$ 152,214	\$ 271,097	\$ 83,940	\$ 27,547	\$ 948,847	\$ 94,520	\$ 1,043,367
Fringe benefits	27,981	38,049	7,611	5,157	160,113	31,004	191,117
Travel	18,777	37,921	19,217	3,304	93,154	2,407	95,561
Printing and supplies	3,137			5,040	16,453	2,590	19,043
Other operating supplies					57,131	4,266	61,397
Rawfood					115,192		115,192
Disposables					15,148		15,148
Repairs and maintenance				679	25,027	1,639	26,666
Communications and utilities	5,318	350		3,464	41,532	4,876	46,408
Rent occupancy costs	3,930	930		16,740	40,200		40,200
Dues/subscriptions/training	1,848	191			3,595	1,075	4,670
Insurance	13,091			1,549	24,421	2,999	27,420
Other costs	18,469	339	1,383	16,958	49,493		49,493
Professional fees					6,518	6,872	13,390
Transportation					18,609		18,609
Depreciation expense				25,108	125,539		125,539
Allocated indirect costs	24,424	43,499	13,469	4,420	152,248	(152,248)	
<b>Total</b>	<b>\$ 269,189</b>	<b>\$ 392,376</b>	<b>\$ 125,620</b>	<b>\$ 109,966</b>	<b>\$ 1,893,220</b>	<b>\$</b>	<b>\$ 1,893,220</b>



**BARBOUR COUNTY SENIOR CENTER, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (107,145)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	125,539
Unrealized gain(loss) on investments	21,708
Disposal of assets	3,010
(Increase) decrease in operating assets:	
Accounts receivable	(3,679)
Grants receivable	(37,410)
Increase (decrease) in operating liabilities:	
Accounts payable	2,152
Accrued payroll and taxes	3,744
Accrued annual leave	2,499
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>10,418</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Certificate of Deposits	(2,265)
Increase in investments	<u>(80,214)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(82,479)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

**NET CASH USED IN FINANCING ACTIVITIES**

<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(72,061)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>355,540</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 283,479</u></u>

The accompanying notes are an integral part of this statement.

**BARBOUR COUNTY SENIOR CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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

Organization - The Barbour County Senior Center, Inc. is a nonstock corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax exempt organization under Internal Revenue Code Section 501(c)(3). In addition, the Center has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2015.

**Nature of Activities**

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

**Basis of Accounting**

The financial statements of Barbour County Senior Center, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Inventories**

The purchased inventories of raw food, materials and supplies are deemed immaterial and are accordingly expensed as purchased.

**BARBOUR COUNTY SENIOR CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

**Allowance for Doubtful Accounts**

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

**Property and Equipment**

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

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

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

The West Virginia Department of Transportation – Division of Public Transit retains a reversionary interest in property and equipment acquired with its grant funds.

**Federal Grants**

Grant Monies are received on a reimbursement basis in which the Center requests monies based on expenditures made; this is utilized for Title III-B, Title III-D, Title III-E, LIFE, Transit and Title VII grants. Upon completion of a grant year, any unexpended money has to be approved for carryover to the next grant year.

Title III-C monies are received on a meal reimbursement basis, but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2015, were \$ 432,441 and \$ 435,921, respectively.

**Donated Services.**

The members of the Board of Directors receive no fees for performing their duties as members, officers, or special committee members. However, no revenues or expenses have been recognized in these financial statements in relation to such volunteer services.

**BARBOUR COUNTY SENIOR CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

**Donated Facilities**

The Center's administrative facilities are owned by the City of Philippi, Barbour County, West Virginia. The Nestorville, Union, and Mt. Liberty Satellite sites are owned by other nonprofit organizations. The Center has recorded \$37,200 for in kind rent for the year ended September 30, 2015.

**Leased Facilities**

On May 1, 1980, the Center signed a 99 year lease on the Belington Satellite Center. The Center must pay all property taxes, insurance and maintenance on this facility. Since a recent appraisal is not available, a fair rental value was unable to be calculated and recorded as donated services in these financial statements.

**Revenue and Support**

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

**Contributions**

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

**Functional Allocation of Expenses**

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

**Estimates**

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

**BARBOUR COUNTY SENIOR CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 2. Certificates of Deposit**

Three certificates of deposit totaling \$ 186,540 are included in the accompanying financial statements. The certificates have a maturity of one year, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**Note 3. Investments-Endorsements**

The Cost and estimated market value of investment securities at September 30, 2015, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
BCCF-Barbour	\$ 93,604	\$	\$ 6,821	\$ 86,783
BCCF-Tenney	9,848	832	-0-	10,680
BCCF-Shaffer	39,436	3,432	-0-	42,868
	-----	-----	-----	-----
	\$142,888	\$ 4,264	\$ 6,821	\$140,331
	=====	=====	=====	=====

**Note 4. Accounts Receivable**

Accounts receivable at September 30, 2015, were as follows:

Medicaid Waiver/Continuum of Care	\$ 48,897
Medical Transportation	6,169
	-----
	55,066
Less: Allowance for uncollectible accounts	0
	-----
Total accounts receivable	\$ 55,066
	=====

**BARBOUR COUNTY SENIOR CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 5. Grants Receivable**

Grants receivable at September 30, 2015, were as follows:

Title III-B	\$	4,024
Title III-C		52,514
Title III-E		1,176
Life		17,628
Transportation		24,185
FAIR		2,695
Lighthouse		12,028
		-----
Total grants receivable	\$	114,250
		=====

**Note 6. Property and Equipment**

Property and equipment consisted of the following at September 30, 2015:

Land	\$	153,511
Building		1,550,935
Equipment, furniture and fixtures		238,368
Vehicles		575,792
Leasehold improvements		235,921
		-----
Total		2,754,527
Accumulated depreciation		(789,409)
		-----
Net property and equipment	\$	1,965,118
		=====

**Note 7. Restrictions on Net Assets**

Permanently restricted net assets at September 30, 2015, consist of the BCCF Shaffer Trust which is an endowment fund.

**Note 8. Retirement Program**

The Center sponsors a defined contribution retirement plan whereby certain employees are eligible to be included in the Center's retirement program. The employee contributes 4.5% of his/her gross wages which is combined with 9.5% contributed by the Barbour County Senior Center, Inc.

The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program of \$ 28,493 are included in fringe benefits costs on the statement of functional expenses.

**BARBOUR COUNTY SENIOR CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Note 9. Concentrations**

The Center receives about 49 percent of its total support and revenue from various grants from the Federal and State governments.

In addition, the Center also receives about 37 percent of its total support and revenue from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

The Center maintains its cash balances with four financial institutions. The balance in these institutions at September 30, 2015 were covered by FDIC insurance.

**Note 10. Contingent Liabilities**

In the normal course of operations, the Center receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the grant. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Center participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Center does not provide post retirement health benefits, and therefore there is no liability for such benefits.

**Note 11. Subsequent Events**

Management has evaluated subsequent event through January 28, 2016 the date on which the financial statements were available to be issued.

**BARBOUR COUNTY SENIOR CENTER, INC.  
SCHEDULE OF REVENUES, SUPPORT AND EXPENDITURES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Title III-B	Title III-D	Title III-E	Fair	Title III-C	
					Congregate	Home Delivered
Federal financial assistance	\$ 25,026	\$	\$ 7,766	\$	\$ 54,463	\$ 151,852
State grant	16,708		2,769	32,134		
State LIFE allocated					14,343	57,142
Donations						18,600
Medicaid contractual fees						
Project income	1,299				13,774	37,689
Investment income						
Other						
<b>Total Revenue and Support</b>	<b>43,033</b>		<b>10,535</b>	<b>32,134</b>	<b>82,580</b>	<b>265,283</b>
<b>Functional Expenses</b>	<b>43,033</b>		<b>10,535</b>	<b>27,010</b>	<b>100,186</b>	<b>297,395</b>
<b>Net Revenue (Expenditures)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 5,124</b>	<b>\$ (17,606)</b>	<b>\$ (32,112)</b>



**BARBOUR COUNTY SENIOR CENTER, INC.**  
**SCHEDULE OF REVENUES, SUPPORT AND EXPENDITURES (CONTINUED)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

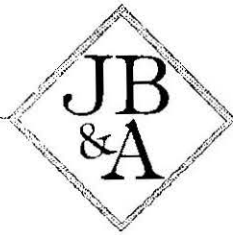
<u>Transportation</u>	<u>Personal Care</u>	<u>Lighthouse</u>	<u>Direct LIFE</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$ 188,834	\$ -	\$ -	\$ -	\$ 4,500	\$ 432,441
81,744		147,394	141,422	13,750	435,921
69,937			(141,422)		-
	652,595			112,742	131,342
35,450	26,270				652,595
				7,523	114,482
				11,771	7,523
<u>375,965</u>	<u>678,865</u>	<u>147,394</u>	<u>-</u>	<u>150,286</u>	<u>1,786,075</u>
<u>517,910</u>	<u>661,565</u>	<u>125,620</u>	<u>-</u>	<u>109,966</u>	<u>1,893,220</u>
<u>\$ (141,945)</u>	<u>\$ 17,300</u>	<u>\$ 21,774</u>	<u>\$ -</u>	<u>\$ 40,320</u>	<u>\$ (107,145)</u>

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

**BARBOUR COUNTY SENIOR CENTER, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants	June 30, 2016	SC21125A	\$ 5,000
Lighthouse	June 30, 2016	IH1627	36,832
FAIR	June 30, 2016	IH1627	7,536
Data Entry	June 30, 2016	IH1627	5,000
Lighthouse	June 30, 2015	IH1527	110,562
FAIR	June 30, 2015	IH1527	24,598
Data Entry	June 30, 2015	IH1527	3,750
Title III Administration	September 30, 2015	21592	<u>3,000</u>
Total Direct Programs			<u>196,278</u>
Pass through Awards			
Upper Potomac Area Agency on Aging			
IIIB State	June 30, 2015	21537	16,708
IIIE	June 30, 2015	21537	2,769
LIFE	June 30, 2016	21604	22,803
LIFE	June 30, 2015	21504	118,619
WV Department of Transportation			
Transit	June 30, 2016	S531115	23,266
Transit	June 30, 2015	S531113	<u>58,478</u>
Total pass-through awards			<u>242,643</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 438,921</u>

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



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## **INDEPENDENT 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  
Barbour County Senior Center, Inc.  
Philippi, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Barbour County Senior Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2016.

### **Internal Control Over Financial Reporting**

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

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

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


**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Barbour County Senior 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

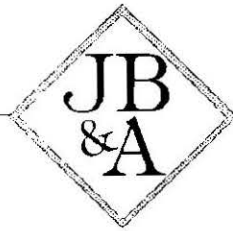
We noted certain other matters that we reported to management of Barbour County Senior Center, Inc. in a separate letter dated January 28, 2016 on page 19.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Buckhannon, West Virginia  
January 28, 2016



# JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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

## MANAGEMENT LETTER

To the Senior Management and  
The Board of Directors  
Barbour County Senior Center, Inc.  
Philippi, West Virginia

In planning and performing our audit of the financial statements of Barbour County Senior Center, Inc. for the year ended September 30, 2015 we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted a certain matter involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated January 28, 2016, on the financial statements of Barbour County Senior Center, Inc.

We will review the status of these comments during our next audit engagement. Our comments and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are as follows:

### **Segregation of Duties**

We noted that two employees are responsible for most accounting and financial duties. As a result, many aspects of the internal control which rely upon an adequate segregation of duties are, for all practical purposes, missing in Barbour County Senior Center, Inc. We recognize that the Organization has segregated financial duties as much as possible among its present staff and is not large enough to make the employment of additional people for the purpose of segregating duties practicable from a financial standpoint, but we are required, under our professional responsibilities to describe the situation.

We wish to thank the Director and her staff for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others with the Organization.

Buckhannon, West Virginia  
January 28, 2016