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**Pocahontas County Senior Citizens, Inc.**

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

**For the Year Ended  
September 30, 2021**

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<p>Williams &amp; Associates, A.C. PO Box 2727, 427 Kerens Avenue Elkins, West Virginia 26241 (304) 637-9110</p>
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**Pocahontas County Senior Citizens, Inc.**  
**TABLE OF CONTENTS**  
**For the Year Ended September 30, 2021**

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>1-2</b>
 <b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position.....	3
Statement of Activities and Changes in Net Assets .....	4
Statement of Cash Flows.....	5
Statement of Functional Expenses .....	6
Notes to Financial Statements .....	7-12
 <b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Expenditures of State Awards.....	13
 <b>INDEPENDENT AUDITOR'S 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 .....</b>	
	<b>14-15</b>
 <b>SCHEDULE OF FINDINGS AND RESPONSES.....</b>	 <b>16</b>

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Pocahontas County Senior Citizens, Inc.

**Opinion**

We have audited the accompanying financial statements of Pocahontas County Senior Citizens, Inc., (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pocahontas County Senior Citizens, Inc., as of September 30, 2021, 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pocahontas County Senior Citizens, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibility of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pocahontas County Senior Citizen's Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Pocahontas County Senior Citizens, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pocahontas County Senior Citizens, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Report on Supplementary Information**

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2024, on our consideration of Pocahontas County Senior Citizens Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Pocahontas County Senior Citizens, Inc.'s internal control over financial reporting and compliance.

*Williams & Associates, A.C.*

Elkins, West Virginia  
August 12, 2024

**Pocahontas County Senior Citizens, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**September 30, 2021**

**ASSETS**

Current Assets

Cash and Equivalents	\$ 217,794
Accounts Receivable	2,020
Grants Receivable	64,282
Prepaid Expenses	4,985
Total Current Assets	<u>289,081</u>

Fixed Assets, net	<u>461,654</u>
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<b>TOTAL ASSETS</b>	<b><u><u>\$ 750,735</u></u></b>
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**LIABILITIES AND NET ASSETS**

Liabilities

Current Liabilities

Accounts Payable	\$ 1,268
Payroll and Tax Liabilities	45,787
Line of Credit	3,500
Contract Liability	25,000
Current Portion of Long-Term Debt	8,177
Total Current Liabilities	<u>83,732</u>

Long-Term Liabilities

Payroll Protection Program Loan	86,640
Mortgage Payable	154,680
Total Long-Term Liabilities	<u>241,320</u>

Total Liabilities	325,052
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Net Assets

Net Assets without Donor Restrictions	<u>425,683</u>
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Total Net Assets	<u>425,683</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 750,735</u></u></b>
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**See accompanying notes and independent auditor's report.**

**Pocahontas County Senior Citizens, Inc.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**For the Year Ended September 30, 2021**

**REVENUES AND SUPPORT**

Contributions	\$ 19,397
Grants	
Federal	100,898
State	523,645
Local	75,000
Program Service Fees	36,510
Project Income	41,697
Interest Income	94
Fundraising	438
Other	14,039
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**TOTAL REVENUES AND SUPPORT**

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811,718

**EXPENSES**

Program Services	652,206
Management and General	77,323
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**TOTAL EXPENSES**

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729,529

**CHANGE IN NET ASSETS**

82,189

**NET ASSETS, BEGINNING OF YEAR**

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343,494

**NET ASSETS, END OF YEAR**

\$ 425,683

See accompanying notes and independent auditor's report.

**Pocahontas County Senior Citizens, Inc.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended September 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 82,189
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	30,824
(Increase)Decrease in Operating Assets:	
Accounts Receivable	1,004
Grants Receivable	20,090
Prepaid Expenses	13
Increase(Decrease) in Operating Liabilities:	
Accounts Payable	(2,609)
Accrued Wages and Taxes	(147,897)
Contract Liabilities	25,000

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

8,614

**CASH FLOW FROM INVESTING ACTIVITIES**

Purchases of Fixed Assets	<u>(46,321)</u>
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**NET CASH USED IN INVESTING ACTIVITIES**

(46,321)

**CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Payroll Protection Program Loan	86,640
Proceeds from Line of Credit	3,500
Loan Principal Payments	<u>(7,726)</u>

**NET CASH PROVIDED USED IN FINANCING ACTIVITIES**

82,414

**NET INCREASE(DECREASE) IN CASH AND EQUIVALENTS**

44,707

**CASH AND EQUIVALENTS, BEGINNING OF YEAR**

173,087

**CASH AND EQUIVALENTS, END OF YEAR**

\$ 217,794

**SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid for interest	<u><u>\$ 8,892</u></u>
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**The accompanying notes are an integral part of these financial statements.**

**Pocahontas County Senior Citizens, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended September 30, 2021**

	<b>III-B</b>	<b>III-C</b>	<b>III-D</b>	<b>III-E</b>	<b>LIFE</b>	<b>BOSS</b>	<b>5310</b>	<b>Other Programs</b>	<b>Subtotal</b>	<b>Management and General</b>	<b>TOTAL</b>
<b>FUNCTIONAL EXPENSES</b>											
Personnel	30,083	146,202	1,123	16,329	54,596	118,042	12,141	75,429	453,945		453,945
Food and Disposables		117,995							117,995		117,995
Travel and Training	86	178		79		4,172	400	733	5,648		5,648
Depreciation									-	30,824	30,824
Communication and Utilities	5,194	13,210			14,424				32,828	5,123	37,951
Office Supplies and Postage					14,232		1,082		15,314		15,314
Insurance									-	17,384	17,384
Interest									-	8,892	8,892
Repairs and Maintenance	196				19,286		4,390	1,908	25,780	3,447	29,227
Other	115	506					75		696	11,653	12,349
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>35,674</b>	<b>278,091</b>	<b>1,123</b>	<b>16,408</b>	<b>102,538</b>	<b>122,214</b>	<b>18,088</b>	<b>78,070</b>	<b>652,206</b>	<b>77,323</b>	<b>729,529</b>

See accompanying notes and independent auditor's report.



**Pocahontas County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Year Ended September 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations – Pocahontas County Senior Citizens, Inc. (PCSC), is a nonprofit organization created to improve the quality of life for senior citizens in Pocahontas County, West Virginia. The purpose of PCSC 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 summary of significant accounting policies of PCSC is presented to assist in understanding the financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

Basis of Accounting – The financial statements of PCSC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Financial statement preparation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under ASC 958-205, PCSC 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. Net assets with donor restrictions is comprised of funds for which the donor has imposed restrictions as to a period and/or purpose.

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.

Revenue Recognition – Contributions and grants with donor-imposed conditions are reported as revenue when qualifying expenses have been incurred or other conditions have been met. Cash received but not yet expended for these conditional grants is recorded as refundable advances. Unrestricted grants and contributions are recorded as revenue in the period received.

Cash and Equivalents – For purposes of the statements of cash flows, cash and equivalents include cash deposits in bank accounts and investments in highly liquid debt instruments with a maturity of three months or less.

Accounts Receivable – Accounts receivable represent amounts owed PCSC for non-emergency medical transportation services provided to clients, FAIR and Lighthouse client fees, as well as private pay clients.

Grants Receivable – Grants receivable represent amounts owed PCSC from grantors according to the stipulations of the grant agreement.

**Pocahontas County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Year Ended September 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Allowance for Uncollectible Accounts – PCSC uses the direct allowance method for bad debts. Management feels the accounts and grants receivable shown on the balance sheet are fully collectible.

Inventory – Inventory of raw food, disposables and supplies purchased under the Title III-C nutrition grant are deemed immaterial and expensed when purchased.

Property and Equipment – PCSC capitalizes all equipment purchases at cost and all donated equipment at fair market value. In general, fixed asset purchases made with grant funds must have approval from the grantor agency prior to disposal. PCSC has adopted a capitalization policy in the amount of \$5,000. PCSC depreciates these costs using the straight-line method over the asset's estimated useful life.

Income Taxes – PCSC is exempt from income taxes under the provisions of Internal Revenue Code §501(c)(3). PCSC is classified as a publicly supported organization, which is not a private foundation. Accordingly, no provision for income taxes has been reported. PCSC's returns from the prior three years remain open to examination by tax authorities.

Contributed Services – Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. Contributed services which are recognized are valued at the estimated cost that would have been incurred by PCSC to purchase similar services. PCSC had no reportable contributed services.

Grant Monies – Grant monies are received in three ways:

- On a cost reimbursement basis for which PCSC requests reimbursement for monies already spent. This method is utilized for the LIFE and Transit program grants.
- On an as needed basis where PCSC requests monies that it feels it will need in the immediate future. This method is used for Title III grants.
- On a meal reimbursement basis not to exceed the total grant award. This method is used for the Title III nutrition grant.

Total federal and state grant revenues for the year ended September 30, 2021 were \$624,543.

Advertising – Advertising costs are expensed when incurred. There were no advertising cost for the fiscal year ended September 30, 2021.

**Pocahontas County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Year Ended September 30, 2021**

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand and deposits with banking institutions in checking and savings accounts. Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 3 – RECEIVABLES**

Accounts receivable consisted of the following as of September 30:

Modivcare	\$ 2,020
Total Accounts Receivable	\$ 2,020

Grants receivable consisted of the following as of September 30:

Appalachian Area Agency on Aging	
LIFE	\$ 24,606
Title III-B	672
Title III-C	19,467
WV Bureau of Senior Services	
Lighthouse	7,693
FAIR	7,577
WV Division of Public Transit	4,267
Total Grants Receivable	\$ 64,282

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of September 30:

Land	\$ 65,500
Buildings	597,375
Equipment	33,832
Vehicles	269,091
Total property and equipment	965,798
Less accumulated depreciation	(504,144)
Property and equipment, net	\$ 461,654

Depreciation expense was \$30,824 for the year ended September 30, 2021.

**Pocahontas County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Year Ended September 30, 2021**

**NOTE 5 – TRANSPORTATION GRANTS**

PCSC is eligible for grants under 49 USC §5310 and §5311 through the WV Department of Transportation, Division of Public Transit. These grants provide funds to the Organization for operating assistance and to purchase vehicles. The 5310 grants provide for increased mobility for the elderly and those with disabilities. The 5311 grants specifically provide funds for rural areas. Both are formula grants where typically the Organization pays 20% and the grantor pays 80% of the cost of the vehicle. After five years, PCSC may dispose of the vehicles according to the terms of the grant, usually with the grantor receiving the proceeds.

**NOTE 6 – SUPPORT CONCENTRATION**

PCSC receives 59% of its support from the Appalachian Area Agency on Aging for Title III and LIFE grants. PCSC receives 16% of its support from WV Bureau of Senior Services for in-home care services through the Lighthouse and FAIR programs. Any reduction in these programs could be detrimental to the organization.

**NOTE 7 – CONTINGENT LIABILITIES**

Operating expenditures made against federal and state grants are subject to audit by the grantor agency. Additionally, Medicaid amounts paid on prospectively determined per diem rates are subject to audit and disallowance of charges based on a determination of whether the charges complied with all pertinent Medicaid regulations. Such audits and reviews could result in requests for reimbursement for expenditures disallowed under the terms of the grants or fees paid and subsequently disallowed by Medicaid. Adjustments are recorded when they are identified. Amounts cannot be determined at this time and management believes such amounts, if any, to be immaterial.

PCSC is involved in various legal actions from time to time in the ordinary course of business. Management is not currently aware of any matters that will have a significant adverse effect on the accompanying financial statements. PCSC maintains liability insurance to mitigate these risks.

**NOTE 8 – LINE OF CREDIT**

PCSC maintains a line of credit at Pendleton Community Bank in the amount of \$50,000 with a current interest rate of 6.00%. The balance on the line of credit as of September 30, 2021 was \$3,500.

**NOTE 9 – US SMALL BUSINESS ADMINISTRATION (SBA) LOAN**

On March 1, 2021, PCSC received a Paycheck Protection Program (PPP) loan of \$86,640 at an interest rate of 1% for two (2) years. The loan is guaranteed by the SBA and forgiven if it is used for approved expenses of salaries and benefits, and/or mortgage interest, rent, utilities and expenses related to COVID-19 protection for employees over a specified period. The loan will be forgiven after application and proof of expenses are submitted to the lender and approved by the SBA. PCSC applied for and received forgiveness after September 30, 2021. Therefore, the balance of this loan on September 30, 2021 was \$86,640.

**Pocahontas County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Year Ended September 30, 2021**

**NOTE 10 – LONG-TERM DEBT**

PCSC has a mortgage loan at City National Bank at 4.25%, monthly payments of \$1,245, maturing on 6/21/36. The balance as of September 30, 2021 was \$162,857.

Scheduled maturities as of September 30 are as follows:

2022	\$	8,177
2023		8,532
2024		8,902
2025		9,287
2026		9,690
Thereafter		<u>118,269</u>
Total	\$	<u>162,857</u>

**NOTE 11 – RESTRICTIONS ON NET ASSETS**

There were no restricted net assets on September 30, 2021.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 12, 2024, the date the financial statements were available to be issued.

The spread of the novel coronavirus (COVID-19) has severely impacted the economy. Businesses and organizations have been forced to cease or limit operations for long or indefinite periods. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown. Governments and financial institutions have responded with monetary and fiscal interventions to try to stabilize economic conditions. PCSC has determined that these are non-adjusting subsequent events. Accordingly, the financial position and changes in net assets as of and for the year ended September 30, 2021 have not been adjusted to reflect their impact. The duration and extent of the impact of the COVID-19 pandemic, as well as the effectiveness of government and financial responses remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of activities of PCSC for future periods.

**Pocahontas County Senior Citizens, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Year Ended September 30, 2021**

**NOTE 13 – PROGRAMS**

Title III Older Americans Act

III-B – provides supportive services to maintain maximum independence and dignity in a home environment. Services provided include assisted transportation and chore services.

III-C – provides both congregate and home-delivered nutrition services.

III-D – provides disease prevention and health promotion services.

III-E – provides family caregiver support.

In-Home Care Services

Lighthouse Program – provides in-home care to assist seniors whose income and assets disqualify them from Medicaid services.

FAIR (Family Alzheimer's In-Home Respite) – offers relief to caregivers and, at the same time, provides one-on-one attention and individualized activities for persons with a written diagnosis of Alzheimer's disease or a related dementia.

Legislative Initiative for the Elderly

LIFE – is a state-funded program and part of the senior center array of services. Services vary by county but are modeled after those provided by the Older Americans Act. Funds are provided through WV Lottery proceeds.

Transit

5310 Transportation – provides transportation services in Pocahontas County, West Virginia.

**Pocahontas County Senior Citizens, Inc.**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For the Year Ended September 30, 2021**

<u>Program</u>	<u>Grant Period</u>	<u>Grant #</u>	<u>Expenditures</u>
Direct Programs:			
WV Department of Health and Human Resources			
Bureau of Senior Services			
Lighthouse	6/30/2021	IH2151	\$ 68,000
Lighthouse	6/30/2022	IH2251	24,585
Family Alzheimer's In-Home Respite (FAIR)	6/30/2021	IH2151	39,324
Family Alzheimer's In-Home Respite (FAIR)	6/30/2022	IH2251	9,800
Client Tracking	6/30/2021	IH2151	<u>5,000</u>
Total Bureau of Senior Services			<u>146,709</u>
WV Department of Transportation			
Division of Public Transit			
Transportation Services	6/30/2021	21035	29,203
Transportation Services	6/30/2022	22035	<u>10,554</u>
Total Division of Public Transit			<u>39,757</u>
Total Direct Programs			<u>186,466</u>
Pass-Through Programs from Appalachian Area Agency on Aging:			
III-B	9/30/2021	22039-09	11,399
III-C	9/30/2021	22039-09	161,099
III-D	9/30/2021	22039-09	1,180
III-E	9/30/2021	22039-09	6,001
Legislative Initiative for the Elderly (LIFE)	6/30/2021	21905-09	125,284
Legislative Initiative for the Elderly (LIFE)	6/30/2022	22905-09	<u>32,216</u>
Total Pass-Through Programs			<u>337,179</u>
Total Expenditures of State Awards			<u><u>523,645</u></u>

**See accompanying notes and independent auditor's report.**

**INDEPENDENT AUDITOR'S 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  
Pocahontas County Senior Citizens, 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 Pocahontas County Senior Citizens, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2021, and the related comparative statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 12, 2024.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, we considered Pocahontas County Senior Citizens, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pocahontas County Senior Citizens, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Pocahontas County Senior Citizens, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2021-1, that we consider to be a significant deficiency.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pocahontas County Senior Citizens, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Responses as item 2021-1.

## **Response to Findings**

Pocahontas County Senior Center, Inc.'s response to the findings identified in our audit are described in the Schedule of Findings and Responses on page 16. PCSC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 purpose.

*Williams & Associates, A.C.*

Elkins, West Virginia  
August 12, 2024

**Pocahontas County Senior Citizens, Inc.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended September 30, 2021**

**2021-1 Segregations of Duties**

**Criteria:** Analysis of the internal control system indicated a lack of segregation of duties.

**Condition:** Responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction should be assigned to different individuals.

**Cause:** Responsibilities of approval, execution, recording and custody are not distributed among the office staff to the best degree possible. However, we recognize that complete segregation of duties is not economically feasible.

**Effect:** Because of the lack of segregated duties, internal control elements do not reduce to a relatively low level the risk that irregularities in amounts 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.

**Recommendation:** Responsibilities of approval, execution, recording and custody be distributed among the office staff to the degree possible. we recommend that the Board remain involved in the financial affairs of PCSC to provide oversight and independent review functions and to continue exercising due diligence and professional skepticism in relation to the Organization's financial operations.

**View of Responsible Officials and Corrective Action:** To the extent possible, PCSC has segregated its duties. Any further segregation of duties would not be economically feasible.