
Lewis County Senior Citizens Center, Inc.

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

For the Years Ended September 30, 2024 and 2023

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Lewis County Senior Citizens Center, Inc.
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Williams & Associates, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Lewis County Senior Citizens Center, Inc., (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2024 and 2023, and the related comparative statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lewis County Senior Citizens Center, Inc., as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years 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 Lewis County Senior Citizens Center, 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 Lewis 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 Lewis County Senior Citizens Center, 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 Lewis County Senior Citizens Center, 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 federal awards is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of Lewis County Senior Citizens Center Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lewis County Senior Citizens Center, Inc.'s internal control over financial reporting and compliance.

Williams & Associates, A.C.

Elkins, West Virginia
March 28, 2025

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF FINANCIAL POSITION
September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash and Equivalents	\$ 662,519	\$ 556,217
Investments	1,594,954	1,523,343
Accounts Receivable	213,280	189,195
Grants Receivable	91,007	66,364
Prepaid Expenses	19,467	30,290
Inventory	8,132	7,080
Total Current Assets	<u>2,589,359</u>	<u>2,372,489</u>
Fixed Assets		
ROU Assets - Operating, net	3,865	5,974
Property and Equipment, net	459,232	452,800
Total Fixed Assets, net	<u>463,097</u>	<u>458,774</u>
TOTAL ASSETS	<u><u>\$ 3,052,456</u></u>	<u><u>\$ 2,831,263</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 20,485	\$ 6,481
Accrued Wages and Vacation	122,876	104,647
Current Portion of Lease Liability	2,210	2,119
Total Current Liabilities	<u>145,571</u>	<u>113,247</u>
Long-term Liabilities		
Lease Liability - Operating	1,913	4,123
Total Long-term Liabilities	<u>1,913</u>	<u>4,123</u>
Total Liabilities	<u>147,484</u>	<u>117,370</u>
Net Assets		
Net Assets Without Donor Restrictions	2,904,972	2,713,893
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,052,456</u></u>	<u><u>\$ 2,831,263</u></u>

See accompanying notes and independent auditor's report.

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF ACTIVITIES
For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
REVENUE AND SUPPORT		
Public Support	\$ 32,507	\$ 27,881
Government Grants	830,099	875,108
Private Grants	86,308	58,439
Program Service Fees	2,244,377	2,597,050
Project Income	89,446	104,060
Interest and Dividend Income	61,834	28,259
Fundraising, net	28,183	35,360
In-Kind Rent Revenue	38,076	37,026
In-Kind Professional Services	2,063	6,919
Trip Income	200,321	252,304
Gain on Sale of Investments	15,160	8,558
Facility Rent	6,950	6,310
Other	19,820	22,622
TOTAL REVENUE AND SUPPORT	<u>3,655,144</u>	<u>4,059,896</u>
EXPENSES		
Program Services	3,186,833	2,887,566
Support Services	373,405	411,568
TOTAL EXPENSES	<u>3,560,238</u>	<u>3,299,134</u>
CHANGE IN NET ASSETS FROM OPERATIONS	94,906	760,762
UNREALIZED GAIN(LOSS) ON INVESTMENTS	<u>96,173</u>	<u>(23,078)</u>
TOTAL CHANGE IN NET ASSETS	191,079	737,684
NET ASSETS, Beginning of Year	<u>2,713,893</u>	<u>1,976,209</u>
NET ASSETS, End of Year	<u><u>\$ 2,904,972</u></u>	<u><u>\$ 2,713,893</u></u>

See accompanying notes and independent auditor's report.

Lewis County Senior Citizens Center, Inc.
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 191,079	\$ 737,684
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	66,150	63,954
(Increase)Decrease in Accounts Receivable	(24,086)	(19,073)
(Increase)Decrease in Grants Receivable	(24,643)	31,448
(Increase)Decrease in Prepaid Expenses	(9,178)	(22,105)
(Increase)Decrease in Inventory	(1,052)	3,275
Increase(Decrease) in Accounts Payable	14,004	(9,826)
Increase(Decrease) in Accrued Wages and Benefits	18,230	17,916
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES	<u>230,504</u>	<u>803,273</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on Lease Liability	(2,119)	(2,033)
Purchases of Fixed Assets	<u>(50,643)</u>	<u>(59,446)</u>
NET CASH PROVIDED BY(USED IN) INVESTING ACTIVITIES	<u>(52,762)</u>	<u>(61,479)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchases of Investments	<u>(71,440)</u>	<u>(669,851)</u>
NET CASH PROVIDED BY(USED IN) FINANCING ACTIVITIES	<u>(71,440)</u>	<u>(669,851)</u>
INCREASE(DECREASE) IN CASH and EQUIVALENTS	106,302	71,943
CASH AND EQUIVALENTS, Beginning of Year	<u>556,217</u>	<u>484,274</u>
CASH AND EQUIVALENTS, End of Year	<u><u>\$ 662,519</u></u>	<u><u>\$ 556,217</u></u>

See accompanying notes and independent auditor's report.

Lewis County Senior Citizens Center, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2024

EXPENSE	Programs												
	Title III						In-Home Care				Subtotal	Admin	TOTAL
	B	C		D	E	LIFE	Transit	COC/CM/		Other Programs			
		Congregate	Home-Delivered					FAIR/LH	Waiver				
Personnel	\$20,239	\$ 25,561	\$ 80,715	\$ 2,571	\$ 18,911	\$ 121,974	\$ 17,644	\$ 289,611	\$ 1,549,677	\$ 158,387	\$ 2,285,290	\$ 97,362	\$ 2,382,652
Taxes/Benefits	17,377	5,578	18,481	453	2,596	26,658	1,791	54,035	256,311	24,745	408,025	13,978	422,003
Advertisement					1				265	22	288	6,563	6,851
Depreciation											-	66,150	66,150
Disposables		329	8,893								9,222		9,222
Contractual Services					91			1,449	5,063	602	7,205	19,675	26,880
Supplies	337	15	51	90	26			534	6,521	17,903	25,477	17,668	43,145
Raw Food		30,231	106,389							3,333	139,953		139,953
Repairs and Maintenance	11,794	406	1,625			5,902				26,727	46,454	24,552	71,006
Travel/Meetings		30	145	219	702			11,559	50,653	4,830	68,138	5,093	73,231
Rent											-	38,076	38,076
Utilities/Communications	2,837										2,837	41,430	44,267
Insurance											-	38,993	38,993
Other	811	3,556	12,766		18	2,734		541	1,585	171,933	193,944	3,865	197,809
Direct Expenses	53,395	65,706	229,065	3,333	22,345	157,268	19,435	357,729	1,870,075	408,482	3,186,833	373,405	3,560,238
Indirect Allocation	3,307	4,177	13,188	420	3,090	19,930	2,883	47,321	253,210	25,879	373,405	(373,405)	-
Totals	\$56,702	\$ 69,883	\$ 242,253	\$ 3,753	\$ 25,435	\$ 177,198	\$ 22,318	\$ 405,050	\$ 2,123,285	\$ 434,361	\$ 3,560,238	\$ -	\$ 3,560,238

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, 2023

EXPENSE	Programs											
	Title III											
	C											
			Home-					In-Home Care				
	B	Congregate	Delivered	E	LIFE	Transit	FAIR/LH	COC/CM/ Waiver	Other Programs	Subtotal	Admin	TOTAL
Personnel	\$19,896	\$ 19,675	\$ 71,797	\$ 10,138	\$ 144,794	\$ 31,943	\$ 288,992	\$ 1,307,940	\$ 81,342	\$ 1,976,517	\$ 99,414	\$ 2,075,931
Taxes/Benefits	9,277	3,479	13,013	1,137	21,198	2,903	59,597	229,648	17,893	358,145	31,636	389,781
Advertisement							85	259	26	370	4,933	5,303
Bad Debt Expense										-	4,335	4,335
Printing/Office Supplies								11	608	619	3,303	3,922
Depreciation										-	63,954	63,954
Disposables		209	9,824							10,033		10,033
Contractual Services										-	32,395	32,395
Fundraising										-	1,050	1,050
Supplies		6	23				2,211	10,249	23,688	36,177	13,535	49,712
Raw Food		27,447	114,069							141,516		141,516
Repairs and Maintenance	33,262	188	1,805		1,944	760		1,700		39,659	31,542	71,201
Travel/Meetings				530	148		11,926	48,192	3,430	64,226	1,702	65,928
Staff Development	75						670	2,037	201	2,983		2,983
Rent										-	38,076	38,076
Utilities/Communications	3,315									3,315	38,026	41,341
Insurance										-	35,188	35,188
Other		2,365	13,862		744		1,275	3,795	231,965	254,006	13,529	267,535
Direct Expenses	65,825	53,369	224,393	11,805	168,828	35,606	364,756	1,603,831	359,153	2,887,566	412,618	3,300,184
Indirect Allocation	4,922	3,907	14,309	1,902	28,006	5,879	58,814	259,422	35,457	412,618	(412,618)	-
Totals	\$70,747	\$ 57,276	\$ 238,702	\$ 13,707	\$ 196,834	\$ 41,485	\$ 423,570	\$ 1,863,253	\$ 394,610	\$ 3,300,184	\$ -	\$ 3,300,184

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

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Lewis County Senior Citizens Center Inc. (LCSCC) 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.

Nature of Operations – 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.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*. During 2018, LCSCC adopted the provisions for Accounting Standards Updated (ASU) 2016-14, Not-for-Profit Entities (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*, which improves the current net asset classification and the related information presented in the financial statements and notes about LCSCC's liquidity, financial performance, and cash flows.

In addition, the financial statements of LCSCC have been prepared in accordance with generally accepted accounting principles. LCSCC reports 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 without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets limited as to use by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. LCSCC has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting – The financial statements of the Lewis County Senior Citizens Center, Inc. have been prepared on the accrual basis of accounting.

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.

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 LCSCC for services it provided under the West Virginia Department of Health and Human Resources-Medicaid Waiver and Community Care, the Veterans Administration, FAIR and Lighthouse client fees, as well as private pay clients.

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

Uncollectible Accounts – LCSCC uses the direct write-off method for uncollectible accounts. When an amount is determined to be uncollectible, the amount is recorded as bad debt expense and the corresponding receivable account is credited. As of September 30, 2024 and 2023, all receivables were deemed collectible. Although the direct write-off method is not acceptable under generally accepted accounting principles, because of the infrequency and nominal amounts of bad debt, the difference between this method and the allowance method are deemed immaterial.

Inventory – Inventory consists of raw food, disposables and supplies purchased under the Title III-C nutrition grant and is recorded on a first-in, first-out (FIFO) basis.

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

Property and Equipment – LCSCC records all equipment purchases at cost and all donated property, equipment, and land at fair market value. The Organization uses the straight-line method of depreciation over their estimated useful lives. All property and equipment purchased with grant monies must have prior approval from the grantor agency to dispose of such equipment. The organization has adopted a capitalization policy in the amount of \$1,000. LCSCC depreciates these costs using the straight-line method over the asset's estimated useful life, as follows:

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

	<u>Years</u>
Buildings	39
Computer Systems	3-5
Furniture and Equipment	7-10
Improvements	15-20
Vehicles	5

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.

Grant Monies – Grant monies are received in four main ways:

- On a cost reimbursement basis for which the organization requests reimbursement for monies already spent. This is utilized for the LIFE Program and Division of Public Transit grants.
- On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future. This method is used for the Title III grants, except for nutrition.
- Title III-C nutrition 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.
- On an application only basis from the WV Department of Transportation, Division of Public Transit, through the Federal Transit Administration (FTA) for the purchase of vehicles or communication equipment to be used in transporting seniors and individuals with disabilities.

Advertising – Advertising costs are expenses when incurred and totaled \$6,933 and \$5,303 for the years ended September 30, 2024 and 2023, respectively.

Income Taxes - LCSCC is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). LCSCC is classified as a publicly supported organization, which is not a private foundation. Accordingly, no provision for income taxes has been reported. The last three years' tax returns remain open to examination.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications – Certain amounts in the 2023 financial statements have been reclassified to conform with current year presentation. Such reclassifications had no effect on net assets or the change in net assets.

NOTE 2 – CASH CONCENTRATION

Cash and cash equivalents include cash on hand and deposits with banking institutions in checking and savings accounts. Bank balances are currently insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances currently exceed the federal deposit insurance limits. Management monitors the soundness of this financial institution and feels the Organization's risk is negligible. The Organization has not experienced any losses in such accounts.

NOTE 3 – RESTRICTED CASH

LCSCC had no restricted cash on September 30, 2024 and 2023.

NOTE 4 – FAIR VALUE MEASUREMENTS

FASB Standards Codification 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy under FASB Accounting Standards Codifications 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- i. Quoted prices for similar assets or liabilities in active markets;
- ii. Quoted prices for identical or similar assets or liabilities in inactive markets;
- iii. Inputs other than quoted prices that are observable for the asset or liability;
- iv. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

Money Market Funds: Valued using the amortized cost, in accordance with rules under the Investment Company Act of 1940.

Common Stock: Valued at the most recent repurchase of outstanding shares as treasury stock.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although LCSCC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, LCSCC's financial assets at fair value on a recurring basis as of September 30:

2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and CD's	825,324			825,324
Corporate Bonds	23,220			23,220
Mutual Funds	<u>746,410</u>	<u> </u>	<u> </u>	<u>746,410</u>
	<u>\$ 1,594,954</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,594,954</u>

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and CD's	601,146			601,146
Corporate Bonds	20,883			20,883
Mutual Funds	<u>901,314</u>	<u> </u>	<u> </u>	<u>901,314</u>
	<u>\$1,523,343</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,523,343</u>

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,487,843	\$ 1,157,363
Investments	769,630	922,197
Grants Receivable	91,007	66,364
Accounts Receivable	<u>213,280</u>	<u>189,195</u>
Financial assets available within one year	<u>\$ 2,561,760</u>	<u>\$ 2,335,119</u>

NOTE 6 – INVESTMENTS

The cost and estimated market value of investment securities on September 30 were:

	<u>2024</u>	<u>2023</u>
Original Cost	\$ 1,409,222	1,543,079
Gross Unrealized Gains(Losses)	<u>185,732</u>	<u>(19,736)</u>
Estimated Market Value	<u>\$ 1,594,954</u>	<u>\$ 1,523,343</u>

As of September 30, 2024 and 2023, all of the Organization's investments are Level 1 investments.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 7 – RECEIVABLES

Grants receivable consisted of the following on September 30:

	<u>2024</u>	<u>2023</u>
WV BOSS	\$ 33,375	\$ 20,196
Title III monies	23,631	27,525
LIFE	14,964	15,183
Justice Grant	12,917	0
Transit	<u>6,120</u>	<u>3,460</u>
Total	<u>\$ 91,007</u>	<u>\$ 66,364</u>

Accounts receivable consisted of the following on September 30:

	<u>2024</u>	<u>2023</u>
WV DHHR	\$ 171,779	\$ 141,816
Veterans Administration	23,479	5,601
AIG Insurance Proceeds		14,281
Client Fees	<u>18,022</u>	<u>8,424</u>
Total	<u>\$ 213,280</u>	<u>\$ 170,122</u>

All accounts are deemed collectible.

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following on September 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 171,097	\$ 171,097
Building & Improvements	607,329	563,716
Vehicles	322,408	307,408
Furniture & Fixtures	17,499	5,649
Equipment	<u>285,409</u>	<u>285,409</u>
Total Property and Equipment	1,403,742	1,333,279
Less Accumulated Depreciation	<u>(944,510)</u>	<u>(880,479)</u>
Net Property and Equipment	<u>\$ 459,232</u>	<u>\$ 452,800</u>

Depreciation expense was \$66,140 and \$63,954 for the years ended September 30, 2024 and 2023, respectively.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 9 – RIGHT OF USE ASSETS AND LEASE LIABILITIES

LCSCC entered into a 5-year operating lease with De Lage Landen Financial Services, Inc., on July 23, 2021, for a Konica Minolta digital copier. The present value of the total lease payments, \$195 per month for 60 months, was used to record the right of use asset and lease liability of \$10,541. The balance of the lease liability as of September 30, 2024 and 2023, was \$3,865 and \$6,242, respectively. Additionally, the ROU asset is being amortized using the straight-line method over the lease term. Amortization expense for September 30, 2024 and 2023, was \$2,108 each year.

NOTE 10 – LINES OF CREDIT

LCSCC has a line of credit at Huntington Bank in Weston, WV, with a limit of \$55,000. The current interest rate is 9.5%. This line is renewed bi-annually. There was no balance on this line of credit on September 30, 2024 or 2023.

LCSCC has a line of credit at Edward Jones Investments with a limit of \$849,122. The interest rate is based on the assets in the account and was 7.50% and 8.00% as of September 30, 2024 and 2023, respectively. There was no balance on this line of credit on September 30, 2024 or 2023.

NOTE 11 – 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.

LCSCC 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. LCSCC maintains liability insurance to mitigate these risks.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 12 – GRANT REVENUES

Grants revenues consisted of the following for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Federal Grant Revenues:		
Title III Programs	\$ 306,533	\$ 345,064
MOWA HRSA-2	0	5,000
Transit	28,680	63,880
Total Federal Grant Revenues	<u>335,233</u>	<u>413,944</u>
State Grant Revenues:		
Title III Programs	18,918	13,174
Legislative Initiative for the Elderly	189,124	188,730
WV Bureau of Senior Services	272,511	257,260
Transit	3,980	
SMP/MIPAA	10,333	7,000
Total State Grant Revenues	<u>494,866</u>	<u>466,164</u>
Other Grant Revenues	<u>86,308</u>	<u>53,439</u>
Total Grant Revenues	<u>\$ 916,407</u>	<u>\$ 933,547</u>

NOTE 13 – RETIREMENT PLAN

Certain employees are eligible to be included in the LCSCC's 403(b) retirement program, a defined contribution plan. The employee contributes 4.5% of their gross wages which is combined with 9.5% contributed by the LCSCC. The covered employees are eligible to draw benefits upon retirement. LCSCC's contributions to the retirement plan were \$68,261 and \$58,234 for the fiscal years ended September 30, 2024 and 2023, respectively, and are included in taxes and benefits in the statement of functional expenses.

NOTE 14 – FUNDRAISING

LCSCC held various fundraising events throughout both fiscal years. The following is a summary of such fundraising revenues and expenses for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Revenue	\$ 31,590	\$ 35,360
Expenses	<u>3,407</u>	<u>1,050</u>
Fundraising, net	<u>\$ 28,183</u>	<u>\$ 34,310</u>

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 15 – DONATED FACILITIES

LCSCC's facilities are owned by the Lewis County Commission. During the years ended September 30, 2024 and 2023, LCSCC recorded in-kind donations for the rent-free use of the facilities it operates in Weston, West Virginia. The in-kind donation, and respective rent expense, in the amount of \$3,173 per month, was recorded in the statements of activities and functional expenses as in-kind rent revenue and rent expense of \$38,076 for the years ended September 30, 2024 and 2023.

NOTE 16 - 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 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 LCSCC to purchase similar services. There was \$2,063 and \$6,919 of donated professional services for the years ended September 30, 2024 and 2023, respectively.

NOTE 17 – TRANSPORTATION GRANTS

LCSCC 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 LCSCC 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 LCSCC pays 20% and the grantor pays 80% of the cost of the vehicle. There were no vehicles received during the years ended September 30, 2024 and 2023.

After five years, LCSCC may dispose of the vehicles according to the terms of the grant, usually with the grantor receiving the proceeds.

NOTE 18 – INDIRECT COSTS

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

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 19 – SUPPORT CONCENTRATION

The following are details of revenue for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Net revenue from:		
In-Home Care	56%	59%
Title III	11%	11%
Lighthouse/FAIR	9%	7%
LIFE	5%	5%
Transit	1%	2%
Other Programs	18%	16%
	<u>100%</u>	<u>100%</u>

Any significant reduction in in-home care or Title III funding could have a significant effect on LCSCC's programs and activities.

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to year end through March 28, 2025, the date the financial statements were available to be issued, and determined no further disclosure was required.

NOTE 21 – SUMMARY OF 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.

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.

Lewis County Senior Citizens Center, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2024 and 2023

NOTE 21 – SUMMARY OF PROGRAMS (Continued)

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.

VA (Veterans Administration) – provides in-home care for veterans of the armed forces intended to keep them in their own homes as opposed to a nursing home.

Medicaid Waiver/Continuum of Care/Case Management – provides personal care services and supervision, home health aides, nursing, chore, and homemaker services, as approved by the WV Department of Health and Human Resources.

Transit

Transportation – provides public non-emergency medical transportation services in Lewis County, West Virginia.

Lewis County Senior Citizens Center, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2024

	Assistance Listing Number	Expenditures	
U.S. Department of Health and Human Services:			
<i>Passthrough from UPAAA:</i>			
Administration for Community Living:			
Special Programs for the Aging Title III Part B			
Grants for Supportive Services and Senior Centers	93.044	25,169	
Special Programs for the Aging Title III Part D			
Grants for Disease Prevention and Health Promotion	93.043	2,677	
Special Programs for the Aging Title III Part E			
National Family Caregiver Support	93.052	22,466	
Special Programs for the Aging Title III Part C			
Nutrition Services (includes expenditures of state awards)	93.045	<u>256,241</u>	
<i>Total US Department of Health & Human Services</i>			\$ 306,553
U.S. Department of Transportation:			
<i>Passthrough from WV Department of Transportation:</i>			
Federal Transit Administration			
Formula Grants for Rural and Tribal Areas			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	<u>28,680</u>	
<i>Total US Department of Transportation</i>			<u>28,680</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 335,233</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 of
Lewis County Senior Citizens Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lewis County Senior Citizens Center, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2024 and 2023, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lewis County Senior Citizens Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lewis County Senior Citizens Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lewis County Senior Citizens Center, Inc.'s internal control.

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 the 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 identified certain deficiencies in internal control, described in the accompanying management letter with findings as item 2024-01 and 2024-02 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lewis County Senior Citizens Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-01 and 2024-02.

Lewis County Senior Citizens Center, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lewis County Senior Citizens Center, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Lewis County Senior Citizens Center, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Williams & Associates, A.C.

Elkins, West Virginia
March 28, 2025

MANAGEMENT LETTER

To the Board of Directors
Lewis County Senior Citizens Center, Inc
Weston, West Virginia 26452

Our audit of the financial statements of Lewis County Senior Citizens Center, Inc. (LCSCC), for the years ended September 30, 2024 and 2023, highlighted areas where we would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the organization. Since our audit was not designed to include a complete review of all systems, procedures and controls, the following comments and recommendations should not be considered to be all inclusive of the areas where improvements may be necessary.

SIGNIFICANT DEFICIENCIES

2024-01 Lack of Segregation of Duties

Criteria: Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

Condition: The same employee is responsible for recording accounts receivable, reconciling the bank statements and posting journal entries.

Cause: The LCSCC has limited staff and responsibilities for approving, executing, and recording transactions and custody of the resulting assets arising from financial transactions are not assigned to different individuals because the LCSCC does not employ enough administrative staff members to make the necessary segregation possible.

Effect: More than a remote likelihood exists that a material misstatement of the financial statements will not be prevented or detected by the LCSCC's internal controls.

Recommendation: We recommend responsibilities of approval, execution, recording and custody should be distributed among employees, management and the board of directors to the degree possible. However, we recognize that full and complete segregation of duties is not economically feasible.

Response: We concur with the finding and recommendation.

2024-02 Bank Balances Exceed FDIC Insurance Limit

Criteria: Bank balances should be maintained so that funds are fully insured by the FDIC.

Condition: Bank balances exceed FDIC insurance limit.

Cause: Bank balances in one bank exceed the FDIC limit which has resulted in uninsured funds.

Effect: Bank deposits exceeding \$250,000 are uninsured, which results in unnecessary risk.

Recommendation: We recommend LCSCC request for the bank to either pledge a bond to cover the excess deposits or utilize the IntraFi Network Deposits program to insure all deposited funds.

Response: We do not believe our cash is at significant risk. We monitor our bank for solvency and have experienced no such losses.

Williams & Associates, A.C.

Elkins, West Virginia

March 28, 2025