

COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.

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

SEPTEMBER 30, 2021

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to financial statements	8-13
SUPPLEMENTAL INFORMATION	
Schedule of Revenues and Support	14-15
Schedule of Expenditures of State Awards	16
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17-18
MANAGEMENT LETTER	19-20



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Council of Senior Citizens of Gilmer County, Inc.
Glennville, West Virginia

We have audited the accompanying financial statements of Council of Senior Citizens of Gilmer County, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities 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. 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 Council of Senior Citizens of Gilmer County, 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.

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 and support 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 June 29, 2022, on our consideration of Council of Senior Citizens of Gilmer County, 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 Council of Senior Citizens of Gilmer County, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
June 29, 2022

COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,239,130
Accounts receivable	102,050
Grants receivable	94,320
Investment	711,734
Prepaid expenses	<u>12,294</u>

Total current assets 2,159,528

Property and Equipment, net 1,008,620

TOTAL ASSETS \$ 3,168,148

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 12,859
Accrued wages payable	43,830
Accrued annual leave	<u>18,574</u>

Total current liabilities 75,263

Net Assets

Without Donor Restrictions 3,092,885

With Donor Restrictions

Total net assets 3,092,885

TOTAL LIABILITIES AND NET ASSETS \$ 3,168,148

The accompanying notes are an integral part of this statement.

COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Federal financial assistance	\$ 396,299	\$	\$ 396,299
State grant allocations	329,745		329,745
Other grants	246,200		246,200
Donations and match	81,825		81,825
Medicaid/Waiver	710,899		710,899
Other income	28,132		28,132
Project income	96,700		96,700
Investment income	17,337		17,337
Unrealized loss on investment	117,924		117,924
Net assets released from restrictions:			
Restrictions released with time			
Restrictions satisfied with payments			
Total Revenue and Support	2,025,061		2,025,061
EXPENSES			
Program Services			
Title III-B	47,378		47,378
Title III-D	1,426		1,426
Title III-E	10,148		10,148
Title III-C - congregate	36,725		36,725
Title III-C - home delivered	166,902		166,902
LIFE	194,495		194,495
Medicaid/Waiver	690,995		690,995
FAIR	52,797		52,797
Lighthouse/SAMS	107,984		107,984
Veterans Care	17,893		17,893
Transportation 5310	28,618		28,618
Management and general	201,467		201,467
Total Expenses	1,556,828		1,556,828
Change in Net Assets	468,233		468,233
NET ASSETS AT BEGINNING OF YEAR	2,624,652		2,624,652
NET ASSETS AT END OF YEAR	\$ 3,092,885	\$	\$ 3,092,885

The accompanying notes are an integral part of this statement.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Title III-B	Title III-D	Title III-E	Title III-C		LIFE	Medicaid Waiver
				Congregate	Home Delivered		
Salaries and wages	\$27,640	\$	\$ 9,320	\$ 11,078	\$ 65,255	\$131,014	\$ 570,355
Fringe benefits	8,951		828	3,787	14,738	20,012	71,218
Travel						9,627	27,314
Printing and supplies	650					1,763	
Repairs and maintenance				1,954	4,378		
Communications & utilities	2,900					20,373	
Other		1,426		1	963		22,108
Depreciation							
Raw food				17,254	67,492		
Disposables				2,651	14,076		
Transportation/Trip	4,637					11,706	
Insurance	2,600						
Contractual							
Advertising							
Total	\$47,378	\$ 1,426	\$10,148	\$ 36,725	\$166,902	\$194,495	\$ 690,995

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>FAIR</u>	<u>Lighthouse/ SAMS</u>	<u>Veterans Care</u>	<u>5310 Transportation</u>	<u>Management and General</u>	<u>Totals (Memorandum Only)</u>
Salaries and wages	\$ 46,377	\$ 100,304	16,330	\$ 26,090	\$ 729	\$ 1,004,492
Fringe benefits	6,420	7,680	1,563	2,528	12,567	150,292
Travel						36,941
Printing and supplies					16,559	18,972
Repairs and maintenance					2,011	8,343
Communications & utilities					19,588	42,861
Other					16,543	41,041
Depreciation					88,730	88,730
Raw food					6,147	90,893
Disposables						16,727
Transportation/Trip					12,942	29,285
Insurance					20,473	23,073
Contractual					5,000	5,000
Advertising					178	178
Total	<u>\$ 52,797</u>	<u>\$ 107,984</u>	<u>\$ 17,893</u>	<u>\$ 28,618</u>	<u>\$ 201,467</u>	<u>\$ 1,556,828</u>

The accompanying notes are an integral part of this statement.

COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 468,233
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	88,730
Unrealized gain on investments	(117,924)
(Increase) decrease in operating assets:	
Accounts and grants receivable	(16,730)
Prepaid expense	4,752
Increase (decrease) in operating liabilities:	
Accounts payable	(3,496)
Accrued wages and fringes	<u>(8,027)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>415,538</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment	<u>(62,600)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(62,600)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

PPP loan	<u>(241,200)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>(241,200)</u>

Increase in cash and cash equivalents	111,738
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,127,392</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 1,239,130</u></u>

The accompanying notes are an integral part of this statement.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

The Council of Senior Citizens of Gilmer County, Inc. is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Gilmer 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 in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

This summary of significant accounting policies of the Council of Senior Citizens of Gilmer County, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

Basis of Accounting

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

Basis of Presentation

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Without donor restrictions – Consists of net assets available to support operations and not subject to donor restrictions.

With donor restrictions – Consists of net assets that are subject to donor-imposed restrictions. Some restrictions may be temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Support that is restricted by the donor is reported as an increase in without donor restrictions net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in with donor restrictions net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the Statement of Activities as net assets released from restrictions. Grant awards are classified as refundable advances until expended for the purpose of the grants since they are conditional promises to give.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Gifts of land, buildings, and equipment are presented as without restrictions support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts or cash or other assets that must be used to acquire long-lived assets are reported as with donor restrictions support.

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.

Allowance for Doubtful Accounts

The Organization uses the allowance method for accounting for bad debts. Management feels the accounts and grants receivable shown on the balance sheet are fully collectible.

Inventories

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

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization has adopted a \$ 5,000 capitalization policy whereby all property and equipment over \$ 5,000 is depreciated using the straight-line method over its estimated useful life. In addition, all property and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Federal and State Grant Revenue

Grant monies are received on a reimbursement basis for Title III-B, Title III-D, Title III-E, Title VII and LIFE grants. Upon completion of a grant year, any unexpended grant funds have to be approved for carryover to the next grant year.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Federal and State Grant Revenue (Continued)

Title III-C monies are received on a meal reimbursement basis but not to exceed the total grant award. Lighthouse and FAIR are drawn down per unit of service as are Medicare and Waiver personal care services. The Division of Public Transit provides Federal Transit Administration, Section 5310 funding to purchase services from Council of Senior Citizens of Gilmer County, Inc. on a reimbursement basis, per passenger trip unit. The transportation services are to be provided to seniors and individuals with disabilities.

Total federal and state grant revenues for the year ended September 30, 2021, were \$ 396,299 and 329,745, respectively.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

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 recorded in these financial statements in relation to such volunteer services.

Expense Allocation

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

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.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are generally subject to examination by the Internal Revenue Service for three years after they are filed.

Note 2. Cash

The Organization had deposits in excess of the \$250,000 FDIC limit with one financial institution at September 30, 2021 of \$621,783. The financial institution has pledged U. S. Treasury Securities to secure the deposits in excess of the FDIC limit.

Note 3. Investments – Hazlett, Burt & Watson, Inc.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	-----	-----	-----	-----
Equity Securities				
Common Stocks	\$ 474,832	\$ 236,902	\$	\$ 711,734
	=====	=====	=====	=====

Note 4. Receivables

Receivables at September 30, 2021, consisted of the following:

Accounts Receivable		
Contractual revenues – Personal care		\$ 102,050
		=====
Grants Receivable		
LIFE		\$ 37,576
Lighthouse		8,819
FAIR		603
5310 Grant		4,055
III-C		20,641
Veterans Care		12,906
Gilmer County Sheriff		6,720
MIPPA		3,000
Total		\$ 94,320
		=====

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 5. Property and Equipment

Property and equipment consisted of the following at September 30, 2021:

Land		\$ 70,000
Building and improvements		1,627,471
Vehicles		430,208
Equipment, furniture and fixtures		256,053
		2,383,732
Less accumulated depreciation		1,375,112
		\$ 1,008,620
		\$ 1,008,620

Note 6. Retirement

The Organization has a simple IRA plan in which the company matches up to 3%. The Organization's contribution for the year ended September 30, 2021 was \$18,487.

Note 7. Concentration

The Organization receives about 36 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 35 percent of its total support and revenues from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

Note 8. Contingent Liabilities

In the normal course of operations, the Organization 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 precedent to the granting funds. Any liability for reimbursement which may arise as the result of this audit is not believed to be material.

The Organization participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Organization does not provide post retirement health benefits.

Note 9. Net Asset - Restrictions on Net Assets

There are no donor restricted net assets at September 30, 2021.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 10. Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 1,239,130
Grants and accounts receivable	196,370
Investments	711,734

	\$ 2,147,234
	=====

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 11. Loan Payable

Unsecured Small Business Administration Paycheck Protection Program Loan in the amount of \$241,200 with interest rate of 1.00% per annum. The principal and accrued interest is scheduled to be paid in twenty-four installments. The entire balance of the loan was forgiven under the CARES Act during the Organizations year ending September 30, 2021.

Note 12. Subsequent Events

Management has evaluated subsequent events through June 29, 2022, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Title III-B	Title III-D	Title III-E	Title III-C		LIFE	Medicaid Waiver
				Congregate	Home Delivered		
Federal financial assistance	\$ 25,220	\$ 1,054	\$ 6,039	\$ 5,661	\$ 229,930	\$	\$
State grant	9,478	186				182,355	
Other grants							
Donations and match	4,448	186	1,759		4,552		
Contractual revenues							710,899
Other income	1,000			4,626	5,012		
Project income	3,385			7,822	55,607		
Investment income							
Unrealized gain on investment							
TOTAL REVENUES	<u>43,531</u>	<u>1,426</u>	<u>7,798</u>	<u>18,109</u>	<u>295,101</u>	<u>182,355</u>	<u>710,899</u>
FUNCTIONAL EXPENSES	<u>47,378</u>	<u>1,426</u>	<u>10,148</u>	<u>36,725</u>	<u>166,902</u>	<u>194,495</u>	<u>690,995</u>
REVENUES OVER (UNDER)	<u>\$ (3,847)</u>	<u>\$</u>	<u>\$(2,350)</u>	<u>\$ (18,616)</u>	<u>\$ 128,199</u>	<u>\$ (12,140)</u>	<u>\$ 19,904</u>

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

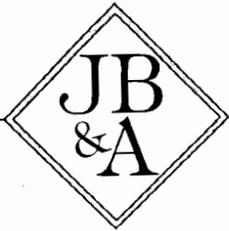
	<u>FAIR</u>	<u>Lighthouse/ SAMS</u>	<u>Veterans Care</u>	<u>Other</u>	<u>5310 Transportation</u>	<u>Management and General</u>	<u>Totals (Memorandum Only)</u>
Federal financial assistance	\$	\$	\$ 55,189	\$ 3,000	\$ 70,206	\$	396,299
State grant	41,022	93,704		3,000			329,745
Other grants				5,000		241,200	246,200
Donations and match						70,880	81,825
Contractual revenues							710,899
Other income						17,494	28,132
Project income	15,894	10,517			1,190	2,285	96,700
Investment income						17,337	17,337
Unrealized gain on investment						117,924	117,924
TOTAL REVENUES	<u>56,916</u>	<u>104,221</u>	<u>55,189</u>	<u>11,000</u>	<u>71,396</u>	<u>467,120</u>	<u>2,025,061</u>
FUNCTIONAL EXPENSES	<u>52,797</u>	<u>107,984</u>	<u>17,893</u>		<u>28,618</u>	<u>201,467</u>	<u>1,556,828</u>
REVENUES OVER (UNDER)	<u>\$ 4,119</u>	<u>\$ (3,763)</u>	<u>\$ 37,296</u>	<u>\$ 11,000</u>	<u>\$ 42,778</u>	<u>\$ 265,653</u>	<u>\$ 468,233</u>

The accompanying independent auditor's report on supplemental information is an integral part of this schedule.

**COUNCIL OF SENIOR CITIZENS OF GILMER COUNTY, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Lighthouse	June 30, 2022	IH2203	15,440
Lighthouse	June 30, 2021	IH2103	73,264
FAIR	June 30, 2022	IH2203	608
FAIR	June 30, 2021	IH2103	40,414
Data Entry	June 30, 2022	IH2203	5,000
SMP	May 31, 2022	SMP 2205	<u>3,000</u>
Total Direct Programs			<u>137,726</u>
Pass through Awards			
Bel-O-Mar Interstate Planning Commission			
IIB State	June 30, 2021	22135	9,478
IID	June 30, 2021	22135	186
LIFE	June 30, 2022	22202	53,827
LIFE	June 30, 2021	22102	<u>128,528</u>
Total pass-through awards			<u>192,019</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 329,745</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
Council of Senior Citizens of Gilmer County, Inc.
Glennville, 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 Council of Senior Citizens of Gilmer County, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 June 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Council of Senior Citizens of Gilmer County, 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 Council of Senior Citizens of Gilmer County, 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 Council of Senior Citizens of Gilmer County, 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*.

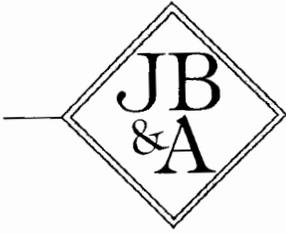
We noted certain other matters that we reported to management of Council of Senior Citizens of Gilmer County, Inc. in a separate letter dated June 29, 2022.

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
June 29, 2022



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MANAGEMENT LETTER

To the Board of Directors
and Senior Management
Council of Senior Citizens of Gilmer County, Inc.
Glenville, West Virginia

In planning and performing our audit of the financial statements of Council of Senior Citizens of Gilmer County, Inc. for the year ended September 30, 2021, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated June 29, 2022, on the financial statements of Council of Senior Citizens of Gilmer County, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Organization personnel, and we will be pleased to discuss them 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 summarized as follows:

Accrual Basis Accounting Records

The Organization's policy is to prepare its financial statement on the accrual basis of accounting and therefore all accrued revenue and expenses should be recorded in the general ledger at year end.

Accrued liabilities and accounts receivable should be recorded in the general ledger at September 30, 2021. Although acceptable for the auditor to help convert the Organization from cash to accrual basis there are advantages for maintaining books on the accrual basis. The most important being more accurate financial reporting with better matching of income and expenses during the year.

Organizational Structure

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

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

This report is intended solely for the information and use of management, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.



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