

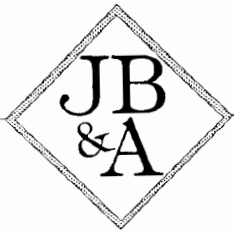
**CENTRAL WEST VIRGINIA COMMUNITY
ACTION ASSOCIATION, INC.**

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

DECEMBER 31, 2017

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Central West Virginia Community Action Association, Inc.
Clarksburg, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Central West Virginia Community Action Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central West Virginia Community Action Association, Inc. as of December 31, 2017, 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 expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of budget vs. actual – CSBG are 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 July 6, 2018, on our consideration of Central West Virginia Community Action Association, 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 Central West Virginia Community Action Association, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
July 6, 2018

CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 332,801
Certificate of deposit	60,161
Grants receivable	41,834
Accounts receivable	20,698
Prepaid expenses	<u>24,775</u>

Total Current Assets 480,269

PROPERTY AND EQUIPMENT

464,560

TOTAL ASSETS

\$ 944,829

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 25,030
Accrued payroll and taxes	<u>97,726</u>

TOTAL LIABILITIES

122,756

NET ASSETS

Unrestricted	822,073
Temporarily restricted	<u> </u>

TOTAL NET ASSETS

822,073

TOTAL LIABILITIES AND NET ASSETS

\$ 944,829

The accompanying notes are an integral part of this financial statement.

CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Donated materials, facilities and services	\$ 1,343,240	\$	\$ 1,343,240
Donations - cash	22,287		22,287
Federal financial assistance	3,030,562		3,030,562
Other grants	125,987		125,987
Program income	74,735		74,735
Interest income	376		376
Other income	48,980		48,980
Net assets released from restrictions:			
Restrictions satisfied by payments			
Total revenue and other support	4,646,167		4,646,167
 EXPENSES			
Program services:			
Headstart	3,629,252		3,629,252
Family services	374,359		374,359
Nutrition programs	288,774		288,774
Rural transportation	157,241		157,241
Community development	18,876		18,876
NHEP program	96,107		96,107
Supporting services:			
Fundraising	1,060		1,060
Management and general	53,775		53,775
Total expenses	4,619,444		4,619,444
Change in net assets	26,723		26,723
NET ASSETS AT BEGINNING OF YEAR	795,350		795,350
NET ASSETS AT END OF YEAR	\$ 822,073	\$	\$ 822,073

The accompanying notes are an integral part of this financial statement.

CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

Program Services

	Head Start	Family Services	Nutrition Programs	Rural Transportation
Salaries and wages	\$ 1,152,106	\$ 123,964	\$ 125,937	\$ 77,462
Fringe benefits	356,890	34,682	41,837	24,037
Donated services	1,249,961			
Consultants/contractual	8,862	5,200		
Travel/transportation	41,586	2,582	960	9,776
Space costs	174,456	16,800		
Telephone and utilities	75,863	9,158		3,507
Materials and consumable supplies	103,996	3,321	6,387	381
Equipment lease and maintenance	100,047	719	17,254	5,585
Depreciation	46,555	6,500		8,129
Program costs	4,399	143,773		
Conferences and training	41,035	5,036	947	793
Food	2,954	143	72,068	38
Insurance	62,622	1,351	2,179	12,787
Other costs	7,596	261	16	1,957
Advertising/marketing	3,452	880		
Printing/copying	3,540			
Dues/registrations	3,199		50	
Indirect cost charged to program	190,133	19,989	21,139	12,789
Total Functional Expenses	\$ 3,629,252	\$ 374,359	\$ 288,774	\$ 157,241

CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Community Development</u>	<u>NHEP Program</u>	<u>Fund Raising</u>	<u>Management and General</u>	
Salaries and wages	\$	\$	\$ 683	\$ 188,144	\$ 1,668,296
Fringe benefits			156	61,417	519,019
Donated services					1,249,961
Consultants/contractual	16,645			9,575	40,282
Travel/transportation	13		59	1,942	56,918
Space costs					191,256
Telephone and utilities				5,879	94,407
Materials and consumable supplies	1,648		149	14,196	130,078
Equipment lease and maintenance				208	123,813
Depreciation					61,184
Program costs		96,107			244,279
Conferences and training				7,811	55,622
Food	194			123	75,520
Insurance				1,017	79,956
Other costs			3	1,667	11,500
Advertising/marketing	376			1,147	5,855
Printing/copying					3,540
Dues/registrations			10	4,699	7,958
Indirect cost charged to program				(244,050)	
Total Functional Expenses	\$ 18,876	\$ 96,107	\$ 1,060	\$ 53,775	\$ 4,619,444

The accompanying notes are an integral part of this financial statement.

CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 26,723
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	61,184
Gain on sale of vehicles	(1,387)
(Increase) decrease in operating assets:	
Accounts receivable	(17,451)
Grants receivable	41,895
Prepaid expenses	10,057
Increase (decrease) in operating liabilities:	
Accounts payable	(5,523)
Accrued payroll and taxes	(2,191)

NET CASH PROVIDED BY OPERATING ACTIVITIES

113,307

CASH FLOWS FORM INVESTING ACTIVITIES

Purchase of capital assets	(136,936)
Proceeds from sale of vehicles	1,387
Increase Certificate of Deposit	(233)

NET CASH USED IN INVESTING ACTIVITIES

(135,782)

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH USED IN FINANCING ACTIVITIES

-

NET DECREASE IN CASH AND CASH EQUIVALENTS

(22,475)

CASH AND CASH EQUIVALENTS, beginning of year

355,276

CASH AND CASH EQUIVALENTS, end of year

\$ 332,801

The accompanying notes are an integral part of this financial statement.

**CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

Organization - Central West Virginia Community Action Association, Inc. is a nonstock corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax-exempt organization under Internal Revenue Service Code Section 501(c) (3). The Organization's mission is to provide pathways to economic independence for all families by leading community Initiatives that address the root causes of poverty.

Basis of Accounting

The financial statements of Central West Virginia Community Action Association, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

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

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.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. 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.

Donated Facilities

Donated facilities are recorded at fair market value as in-kind revenue and space costs. The value of donated in-kind rentals included in these financial statements is \$82,500.

Income Taxes

Central West Virginia Community Action Association, Inc. 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.

CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

Donated Materials

Donations for materials and supplies are valued at their estimated fair market value as determined by the donor and the Organization and recorded as in-kind contributions and related expenses.

Expense Allocation

Expenses are allocated to program and supporting services on the following basis:

- a) Management and general expenses are allocated on the basis of an approved indirect cost plan whereby each program shares in the management and general expenses based upon their direct labor dollars.
- b) Personnel expenses are allocated on the basis of direct salaries.
- c) Building and occupancy costs are allocated on the basis of square footage.
- d) Depreciation is allocated on the basis of usage of the furniture and equipment.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted 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 temporarily or permanently restricted 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), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those statements.

**CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 2. Property and Equipment

Property and equipment consists of the following at December 31, 2017:

Building and land	\$ 400,000
Leasehold improvements	334,941
Vehicles	755,008
Equipment, furniture and fixtures	16,845

	1,506,794
Accumulated depreciation	1,042,234

Net property and equipment	\$ 464,560
	=====

Note 3. Restrictions on Net Assets

There are no restricted net assets are at December 31, 2017.

Note 4. Operating Leases

The following is a schedule by years of future minimum rental payments required under The operating leases as of December 31, 2017:

Year Ending December 31:

2018	\$ 87,150
2019	60,925
2020	38,850

	\$ 186,925
	=====

The rental expenses amounted to approximately \$ 191,256 for the fiscal year ended December 31, 2017, which is reflected in the space costs line item of the statement of functional expenses within the various program services based on the respective program's use. Included in the above rental expenses is \$ 82,500 of in-kind rental expenses.

**CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 5. Donated Services

The value of donated services included in the financial statements and the corresponding expenses for the year ended December 31, 2017, is as follows:

Teacher's aides	\$ 1,064,303
Rent	82,500
Other	196,433

Total	\$ 1,343,240
	=====

All of these donated services were used under the Head Start program. In addition, donated services with an estimated value of \$ 5,000 were not recognized in the financial statements because they did not meet the criteria for recognition.

Note 6. Pension Plan

The Organization has defined contribution pension plan whereby the Organization contributes \$ 40 per month for each union employee and \$ 50 per month each for other employees. Once the employee becomes eligible for participation they are immediately vested in the plan. The pension cost for 2017 was \$ 27,688 and is included in the fringe benefits line item on the statement of functional expenses.

Note 7. Contingencies

The Organization receives a majority of its support from grants and contributions. Any significant reduction in the level of support from these grantors or contributors could have a material effect on the Organization's programs and activities.

Note 8. Subsequent Events

Management has evaluated subsequent events through July 6, 2018, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Pass - Through Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Resources:			
Head Start		93.600	<u>\$ 2,508,513</u>
Pass-through from West Virginia Governor's Office of Community and Industrial Development			
Community Services Block Grant	17CSBG-F01	93.569	359,497
Community Services Block Grant	17CSGB-DT01	93.569	<u>10,000</u>
Total Community Services Block Grant			<u>369,497</u>
LIEAP - No Heat Emergency Program	17NHEP-F01	93.568	96,000
LIEAP	G170648	93.568	<u>9,966</u>
Total Low-Income Home Energy Assistance			<u>105,966</u>
U.S. Department of Agriculture:			
Pass-through West Virginia Department of Education			
Child and Adult Care Food Program	51098	10.558	<u>46,586</u>
Total Expenditures of Federal Awards			<u>\$ 3,030,562</u>

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Central West Virginia Community Action Association, Inc. under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Central West Virginia Community Action Association, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Central West Virginia Community Action Association, Inc.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Central West Virginia Community Association, Inc. elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

The accompanying independent auditor's report is in an integral part of this schedule.

**CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
SCHEDULE OF BUDGET VS. ACTUAL - CSBG
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
Budget Line Item			
Wages	\$ 188,000	\$ 190,128	\$ (2,128)
Fringe Benefits	55,000	57,827	(2,827)
Supplies/Materials	2,550	2,273	277
Contractual	1,500	1,045	455
Travel	2,529	2,299	230
Other Costs	36,300	35,148	1,152
Program Costs	43,000	39,535	3,465
Indirect Costs	<u>30,618</u>	<u>31,242</u>	<u>(624)</u>
	<u>\$ 359,497</u>	359,497	<u>\$</u>
Reconciliation to Revenue Recognized			
Discretionary TTA Grant 17CSBG-DT01		10,000	
		<u> </u>	
Total Revenue Recognized 2017		<u>\$ 369,497</u>	

The accompanying independent auditor's report and notes are integral parts of this schedule.



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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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
Central West Virginia Community Action Association, Inc.
Clarksburg, 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 Central West Virginia Community Action Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, 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 July 6, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central West Virginia Community Action Association, 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 Central West Virginia Community Action Association, 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.

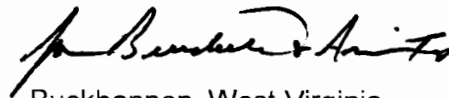
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central West Virginia Community Action Association, 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*.

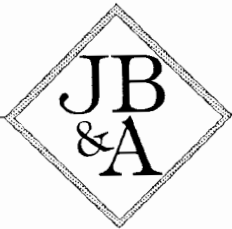
We noted certain other matters that we reported to management of Central West Virginia Community Action Association, Inc. in a separate letter dated July 6, 2018 on page 19.

Purpose of this Report

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



Buckhannon, West Virginia
July 6, 2018



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Central West Virginia Community Action Association, Inc.
Clarksburg, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Central West Virginia Community Action Association, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Central West Virginia Community Action Association, Inc.'s major federal programs for the year ended December 31, 2017. Central West Virginia Community Action Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Central West Virginia Community Action Association, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Central West Virginia Community Action Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Central West Virginia Community Action Association, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Central West Virginia Community Action Association, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of Central West Virginia Community Action Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central West Virginia Community Action Association, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central West Virginia Community Action Association, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Buckhannon, West Virginia
July 6, 2018

**CENTRAL WEST VIRGINIA COMMUNITY ACTION ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? ___ yes X no

Significant deficiencies that are not considered
to be material weaknesses? ___ yes X no

Noncompliance material to financial statements notes? ___ yes X no

Federal Awards

Internal control over major programs:

Material weakness identified? ___ yes X no

Significant deficiencies identified that are not considered
to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR section 200.516(a) ___ yes X no

Identification of major programs:

CFDA Number	Name of Federal Program Cluster
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

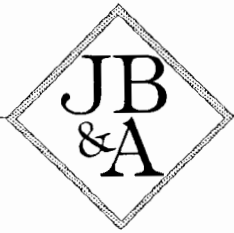
Auditee qualified as low-risk auditee? X yes no

Section II - Financial Statements Findings

None

Section III - Federal Award Findings and Questioned Costs

None



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

To the Board of Directors
Central West Virginia Community Action Association, Inc.
Clarksburg, West Virginia

In planning and performing our audit of the financial statements of Central West Virginia Community Action Association, Inc. for the year ended December 31, 2017, 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. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter on pages 14 and 15 dated July 6, 2018 contains our communication of any significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated July 6, 2018, on the financial statements of Central West Virginia Community Action Association, 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:

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.

Buckhannon, West Virginia
July 6, 2018