



# State of West Virginia

**Glen B. Gainer III**

**State Auditor and  
Chief Inspector**

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March 17, 2016

Morgan County Parks and Recreation Board  
Berkeley Springs, West Virginia 25411

We have audited the financial statements of the Morgan County Parks and Recreation Board for the fiscal years ended June 30, 2014, and June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 6, 2016. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Board are described in Note I to the financial statements. Note I.D.4 to the financial statements describes the adoption of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Recorded as Assets and Liabilities as of June 30, 2014*, and the application of existing policies was not changed during the fiscal years ended June 30, 2014, and June 30, 2015. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The following describes the most sensitive accounting estimates reflected in the entity's financial statements:

Management's estimate of the allowance for uncollectible accounts is based on a review of historical levels of revenues and prior year uncollectible amounts. Management utilizes the straight-line depreciation method for capital assets. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 17, 2016.

*Other Audit Findings or Issues*

Any internal control related matters, matters involving noncompliance with laws and regulations (other than those that are clearly inconsequential), and any fraud or violations of laws and regulations are included in the auditor's report that is provided to those charged with governance. This report is also available at [www.wvsao.gov](http://www.wvsao.gov). Findings include:

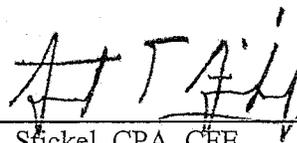
2014-001 / 2015-001 Segregation of Duties

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Morgan County Parks and Recreation Board and management of Morgan County Parks and Recreation Commission and is not intended to be, and should not be, used by anyone other than these specified parties.



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Stuart T. Stickel, CPA, CFE

Deputy State Auditor

Chief Inspector Division

Office of the State Auditor



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March 31, 2016

Honorable Members of the Board  
Morgan County Parks and Recreation Board  
77 Fairfax Street, Suite 101  
Berkeley Springs, West Virginia 25411

Dear Members of the Board:

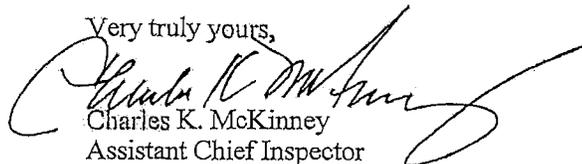
Enclosed are copies of the audit reports of the Morgan County Parks and Recreation Board for the fiscal years ended June 30, 2014, and June 30, 2015.

As the recipient, you are required to notify all members of the governing body of the receipt of these reports and related correspondence and make the contents available for inspection by all such officers. You are also advised that these reports, under the provisions of West Virginia Code §6-9-9a, are considered public information and must be made available for public inspection.

We are pleased to note that the audit reports do not contain instances of noncompliance. However, they do contain internal control weaknesses, and it remains the responsibility of all members of the governing body to review the audit reports and strive to maintain a high quality of service for the community.

If I can be of further assistance, please do not hesitate to contact this office.

Very truly yours,

  
Charles K. McKinney  
Assistant Chief Inspector  
Chief Inspector Division

CKM/et

Enclosure