

**THE COMMITTEE ON AGING
FOR RANDOLPH COUNTY, INC.**

AUDITED FINANCIAL STATEMENTS

September 30, 2010

Audited by

**Williams & Associates, AC
204 Davis Avenue, PO Box 2727
Elkins, West Virginia 26241**

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
AUDIT FOR YEAR ENDED SEPTEMBER 30, 2010**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Committee on Aging for Randolph County, Inc.

I have audited the accompanying statement of financial position of The Committee on Aging for Randolph County, Inc. (a nonprofit organization) as of June 30, 20X1, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Committee on Aging for Randolph County, Inc. as of September 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 4, 2011, on my consideration of The Committee on Aging for Randolph County, Inc.'s internal control over financial reporting and on my 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 my 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* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of The Committee on Aging for Randolph County, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williams & Associates, A.C.
Williams & Associates, AC
Elkins, West Virginia
March 4, 2011

The Committee on Aging for Randolph County, Inc.
STATEMENT OF FINANCIAL POSITION
September 30, 2010

ASSETS

Current Assets		
Cash and Equivalents	\$ 215,409	
Certificates of Deposit	787,486	
Investments	549,762	
Accounts Receivable	75,906	
Grants Receivable	34,280	
Inventory	13,587	
Prepaid Expenses	19,782	
Total Current Assets		\$ 1,696,212
Fixed Assets		
Property and Equipment	1,351,093	
Accumulated Depreciation	(639,190)	
Net Fixed Assets		711,903
TOTAL ASSETS		\$ 2,408,115

LIABILITIES

Current Liabilities		
Accounts Payable	\$ 2,456	
Accrued Compensation	69,488	
Deferred Revenue - Current	69,787	
Total Current Liabilities		\$ 141,731
Long-Term Liabilities		
Deferred Revenue	140,373	
OPEB Plan Liability	203,474	
Total Long-Term Liabilities		343,847
TOTAL LIABILITIES		\$ 485,578
Net Assets, Unrestricted	1,910,005	
Net Assets, Temporarily Restricted	12,532	
TOTAL NET ASSETS		1,922,537
TOTAL LIABILITIES AND NET ASSETS		\$ 2,408,115

See Independent Auditor's Report.

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

The Committee on Aging for Randolph County, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>
SUPPORT			
Contributions	\$ 42,448	\$ -	\$ 42,448
Grants			
Federal Monies		576,980	576,980
State Monies		562,740	562,740
Program Service Fees	926,626		926,626
Project Income		108,716	108,716
Investment Return	53,819		53,819
Other	273,237		273,237
TOTAL SUPPORT	<u>\$ 1,296,130</u>	<u>\$ 1,248,436</u>	<u>\$ 2,544,566</u>
 EXPENSES			
Program Services	\$ 2,461,993	\$ -	2,461,993
Management and General	90,241		90,241
TOTAL EXPENSES	<u>\$ 2,552,234</u>	<u>\$ -</u>	<u>\$ 2,552,234</u>
INCREASE(DECREASE) IN NET ASSETS	(1,256,104)	1,248,436	(7,668)
NET ASSETS RELEASED FROM RESTRICTIONS	1,263,306	(1,263,306)	-
PRIOR PERIOD ADJUSTMENT	(227,775)		(227,775)
NET ASSETS, 10/1/09	<u>2,130,578</u>	<u>27,402</u>	<u>2,157,980</u>
NET ASSETS, 9/30/10	<u>\$ 1,910,005</u>	<u>\$ 12,532</u>	<u>\$ 1,922,537</u>

See Independent Auditor's Report.

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

The Committee on Aging for Randolph County, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(Decrease) in Net Assets	(7,668)	
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	90,241	
(Increase)Decrease in Operating Assets:		
Accounts Receivable	(8,825)	
Grants Receivable	(683)	
Inventory	(782)	
Prepaid Expenses	1,538	
Increase(Decrease) in Operating Liabilities:		
Accounts Payable	593	
Accrued Compensation	47,675	
Deferred Revenue	210,160	
OPEB Liability	105,762	
	<hr/>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		438,011
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases and Sales of Property and Equipment	<hr/> (93,973)	
NET CASH USED IN INVESTING ACTIVITIES		(93,973)
CASH FLOW FROM FINANCING ACTIVITIES		
Purchases and Sales of Certificates of Deposit	(540,856)	
Purchases and Sales of Investments	465,325	
	<hr/>	
NET CASH USED BY FINANCING ACTIVITIES		(75,531)
NET INCREASE IN CASH AND CASH EQUIVALENTS		268,507
PRIOR PERIOD ADJUSTMENT		(227,775)
CASH AND CASH EQUIVALENTS, 10/1/09		174,677
		<hr/>
CASH AND CASH EQUIVALENTS, 9/30/10		215,409
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See Independent Auditor's Report.

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

**The Committee on Aging for Randolph County, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2010**

Program Services

Community	III-B/ Assisted		III-C Home		III-E	III-D/MM	SHIP	Lighthouse	FAIR	Transit	LIFE	Other Programs	Total Program Services	Management & General	TOTAL
	Case Mgt	Transportation	Congregate	Delivered											
Personnel	\$ 777,754	\$ 58,950	\$ 131,823	\$ 52,127	\$ 12,760	\$ 1,793	\$ 5,115	\$ 90,488	\$ 32,995	\$ 317,668	\$ 29,848	\$ 72,366	\$ 1,583,687	\$ 269,096	\$ 1,852,783
Travel	65,277	5,883			2,281	64		13,884	1,904	2,269	1,614		93,176		93,176
Printing & Supplies	4,799					514				154		24,721	30,188	16,740	46,928
Raw Food			66,826	54,808									121,634		121,634
Disposables			6,527	6,952									13,479		13,479
Transportation			4,230	17,111									21,341		21,341
Communication & Utilities	3,463									2,686			6,149	20,456	26,605
Indirect Costs	149,126	12,645	46,335	28,399	2,936	447	1,197	6,702	88,407	88,407	6,140	7,533	349,867	(349,867)	-
Tax													2,203		2,203
Other	12,956	1,136	32,542	19,653	73		1,148	18,424		93,731	667	43,947	224,277	39,871	264,148
Advertising										13,344		2,648	15,992	3,704	19,696
Depreciation													-	90,241	90,241
Total Functional Expenses	\$ 1,013,375	\$ 78,614	\$ 288,283	\$ 179,050	\$ 18,050	\$ 2,818	\$ 7,460	\$ 122,796	\$ 41,601	\$ 518,259	\$ 38,269	\$ 153,418	\$ 2,461,993	\$ 90,241	\$ 2,552,234

See Independent Auditor's Report.

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

THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Committee on Aging for Randolph County, Inc., is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Randolph 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.

This summary of significant accounting policies of The Committee on Aging for Randolph 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. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements of the Committee on Aging for Randolph County, 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 Board in its Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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.

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.

Accounts Receivable

Accounts receivable represent amounts owed the Organization for services provided to clients of the Organization under contracts with the West Virginia Department of Health and Human Resources – Medicaid Waiver and Community Care Programs. In addition, the Organization uses the allowance method for accounting for bad debts whereby an allowance for doubtful accounts is established based on the realization of the accounts receivable at year end. As of September 30, 2010, all accounts receivable are deemed collectible.

See Independent Auditor's Report.

THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

Grants Receivable

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization uses the allowance method to determine collectibility of grants receivable. As of September 30, 2010, all grants receivable are deemed collectible.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Property and Equipment

Prior to October 1, 1990, the Organization expensed all property and equipment in the period of acquisition as directed by the grantor agencies. The Organization, effective October 1, 1990, is currently capitalizing all equipment purchases at cost and all donated equipment at fair market value and is depreciating these costs using the straight-line method over the asset's estimated useful life. All equipment/vehicles purchased with grant monies must have approval from the grantor agency to dispose of such equipment and the method of disposition. The Organization has adopted a capitalization policy in the amount of \$500.

Investments

The Organization 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.

Inventory

Inventory consists primarily of raw food, disposables, and supplies purchased under the Title III-C grant and are recorded at lower of cost (first-in, first-out basis) or market.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

See Independent Auditor's Report.

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Grant Monies

Grant monies are received in three ways:

- 1 – On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2 – On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-E, Title III-D, Transit, SHIP and Elder Abuse grants. Upon completion of a grant year any unexpended money has to be approved for carryover to the next year, but if approval is denied, the money has to be reimbursed to the grantor.
- 3 – Title III-C are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2010 was \$1,139,720.

Operating expenditures made against federal and state grants are subject to audit by the Grantor agency. These agencies may subsequently make adjustments to the grant as originally awarded due to their audit findings.

Donated Facilities

Several of the Committee on Aging for Randolph County, Inc.'s facilities are owned by the Randolph County Commission. These include the main senior center building in Elkins and the nutrition sites in Mill Creek and Harman. These facilities are leased to the Organization. Since recent appraisals are not available, a fair rental value could not be reasonably calculated and recorded as donated services and rent expense in these financial statements.

Advertising

Advertising costs are expensed as incurred and totaled \$19,696 for the year ended September 30, 2010.

Note 2. Receivables

Accounts receivable consisted of the following at September 30, 2010:

WVDHHR (COC/Waiver)	\$ 75,906
	<u>=====</u>

See Independent Auditor's Report.

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 2. Receivables (continued)

Grants receivable consisted of the following at September 30, 2010:

Title III-B	\$ 909
Title III-C	8,261
Transit	<u>25,110</u>
	<u>\$ 34,280</u>

Note 3. Investments

Investments are stated at fair value and consist of U.S. Government Agency Obligations and U.S. Treasury Bills. Fair values and appreciation (depreciation) at September 30, 2010 are summarized below:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Investments, unrestricted	<u>\$ 549,762</u>	<u>\$ 549,762</u>	<u>\$ 0.00</u>

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30, 2010:

Land	\$ 346,788
Buildings	59,388
Improvements	170,317
Furniture & Equipment	163,425
Office Equipment	73,312
Vehicles	485,943
Other Equipment	<u>51,920</u>
Total Fixed Assets	1,351,093
Less accumulated depreciation	<u>(639,190)</u>
Net property and equipment	<u>\$ 711,903</u>

Note 5. Retirement Program

Certain employees are eligible to be included in the organization's retirement program. The employee contributes 4.5% of his/her gross wages which is combined with 9.5% contributed by The Committee on Aging for Randolph County, Inc. The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program were \$44,600 for the year. Of this amount, \$26,787 was included in salaries and fringe benefits and \$17,813 was included in indirect expenses on the respective statement of functional expenses.

See Independent Auditor's Report.

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 6. Other Post-Employment Benefits (Defined Benefit OPEB Plan)

The Committee on Aging for Randolph County, Inc. participates in the West Virginia Public Employee Insurance Agency's health insurance plan. In order to comply with GASB Statement No. 43 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective July 1, 2007 the Organization began recording annual required contributions (ARC) as a liability and have elected to place funds into a trust account at Davis Trust Company earmarked for payment of the corresponding liability. The balance of the liability as of September 30, 2010 was \$203,474. The unfunded balance as of September 30, 2010 was \$62,489.

Note 7. Support Concentration

The Committee on Aging for Randolph County, Inc., receives approximately 35% of its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

Note 8. Split-Interest Agreement (Trust)

The Committee on Aging for Randolph County, Inc., is the beneficiary of a perpetual trust created on March 1, 1984 and held by Davis Trust Company. The Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The income is restricted to pay for "recurring expenses" incurred by the Organization. The funds held in trust are owned by the Organization and are therefore reflected on the Statement of Financial Position as Investments.

The Organization is also the beneficiary of a perpetual trust created on August 13, 1984 by the Randolph County Commission and held by Citizens National Bank. The Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The income is restricted to pay for "general operating expenses," but cannot be used to pay salaries. The funds held in trust remain the property of the Randolph County Commission, therefore they are not reflected on the Statement of Financial Position.

Note 9. Transportation Grants

As a Section 5310 Public Transit agency, the Committee on Aging for Randolph County, Inc., is the recipient of grants from the WV Department of Transportation, Division of Public Transit. These grants provide funds for the Organization to purchase vehicles. The Organization is required to keep the vehicles for five years, at which time they are provided with title. The amounts of the grants for these vehicles are reported as deferred revenue and recorded as income annually over the five year period.

See Independent Auditor's Report.

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 10. Long-Term Liabilities

The Committee on Aging for Randolph County, Inc. has no long-term liabilities.

Note 11. Prior Period Adjustment

A prior period adjustment was made in the amount of (\$227,775) which included:

Prior Year's Transit Grants	(\$210,160)
Disposition of Fixed Assets	<u>(17,615)</u>
Total Prior Period Adjustment	<u><u>(\$227,775)</u></u>

Note 12. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Committee on Aging for Randolph County, Inc. and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See Independent Auditor's Report.

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2010

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Pass-Through Programs from Upper Potomac Area Agency on Aging:</i>			
U.S. Department of Health & Human Services:			
Administration of Aging Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers	93.044	21037	\$ 40,557
Administration on Aging Special Programs for the Aging Title III Part D Disease Prevention and Health Promotion Services	93.043	21037	\$ 2,136
Administration on Aging Special Programs for the Aging Title III Part E National Family Caregiver Support	93.052	21037	\$ 13,448
Administration on Aging Special Programs for the Aging Title III Part C Nutrition Services	93.045	21037	\$ 235,140
Administration on Aging Special Programs for the Aging Title VII Chapter 3 Programs for Prevention of Elder Abuse, Neglect & Exploitation	93.041		\$ 509
Centers for Medicare & Medicaid Services CMS Research, Demonstration & Evaluations State Health Insurance Assistance Program (SHIP)	93.779		<u>\$ 1,000</u>
<i>Total US Department of Health & Human Services</i>			<u>\$ 292,790</u>
<i>Pass-Through Program from WV Department of Transportation:</i>			
United States Department of Transportation:			
Federal Transit Administration Formula Grants for Other than Urbanized Areas	20.509	10012	<u>\$ 284,185</u>
<i>Total US Department of Transportation</i>			<u>\$ 284,185</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 576,975</u></u>

The accompanying notes are an integral part of this schedule.

SUPPLEMENTAL INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia

My report on my audit of the basic financial statements of the Committee on Aging for Randolph County, Inc., for the year ended September 30, 2010, appears on page one (1). I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of revenues is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Williams & Associates, A.C.
Elkins, West Virginia
March 4, 2011

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF REVENUES
For the Year Ended September 30, 2010

	III-B/ Assisted Transportation	III-D/MM	III-E	III-C		SHIP	FAIR	COC/ Waiver	Lighthouse	Transit	Other	TOTALS
				Congregate	Home-Delivered							
GRANT REVENUES												
Federal	\$ 40,557	\$ 2,136	\$ 13,448	\$ 147,473	\$ 87,667	\$ 1,000			\$ 284,185	\$ 514	\$ 576,980	
State	9,349	127				8,385			43,000		60,861	
Other State						6,525				151,985	158,510	
LIFE	41,009			27,436					144,565	94,082	307,092	
State & LIFE Match	7,261	414	4,602		24,000						36,277	
Total Grant Revenues	98,176	2,677	18,050	174,909	111,667	7,525	8,385	-	144,565	421,267	152,499	1,139,720
OTHER REVENUES												
Contributions	\$ -		\$ 200									
Program Service Fees									\$ 13,660	\$ 28,588	\$ 42,448	
Project Income	13,510	268		80,094	14,844	2,624	870,042		10,332	43,628	926,626	
Investment Return	33									81	53,631	108,716
Other	-			44,999	16,081					111,637	90,520	273,237
Total Other Revenues	13,543	268	200	125,093	30,925	-	2,624	880,116	10,332	169,006	172,739	1,404,846
TOTAL REVENUES	\$ 111,719	\$ 2,945	\$ 18,250	\$ 300,002	\$ 142,592	\$ 7,525	\$ 11,009	\$ 880,116	\$ 154,897	\$ 590,273	\$ 325,238	\$ 2,544,566

The accompanying independent auditor's report and notes are integral parts of these financial statements.

Williams & Associates, A.C.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
The Committee on Aging for Randolph County, Inc.
PO Box 2727
Elkins, West Virginia 26241

Compliance

We have audited the compliance of The Committee on Aging for Randolph County, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2010. The Committee on Aging for Randolph County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Committee on Aging for Randolph County, Inc.'s management. Our responsibility is to express an opinion on The Committee on Aging for Randolph County, Inc.'s compliance based on our audit.

I conducted my 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I 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 The Committee on Aging for Randolph County, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of The Committee on Aging for Randolph County, Inc.'s compliance with those requirements.

In my opinion, The Committee on Aging for Randolph County, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of The Committee on Aging for Randolph County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered The Committee on Aging for Randolph County, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness

of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of The Committee on Aging for Randolph County, 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.

My 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 deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Committee on Aging for Randolph County, Inc.'s responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit The Committee on Aging for Randolph County, Inc.'s responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management, others within the entity, the Board of Directors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Williams & Associates, AC
Williams & Associates, AC
Elkins, West Virginia
March 4, 2011

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MANAGEMENT LETTER

To the Board of Directors
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia

My audit on the financial statements of the Committee on Aging for Randolph County, Inc., for the year ended September 30, 2010, highlighted areas where I would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since my 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.

Segregations of Duties

During my audit I noted that two people perform most of the accounting and financial duties. As a result, many aspects of internal accounting control which rely upon adequate segregation of duties are for all practical purposes missing in the Committee on Aging for Randolph County, Inc. I recognize that the Organization is not large enough to make the employment of additional staff for the purpose of segregating duties practicable from a financial standpoint, but I am required, under my professional responsibilities, to describe the situation.

Accounting Records/Trial Balance

I noted during my audit that the trial balance provided did not correspond to the amounts on last year's audit report. Adjusting entries should be entered by accounting staff to insure that the audited amounts correspond with the Organization's accounting records.

Balance Sheet Accounts

I noted during my audit that some balance sheet accounts were missing from the trial balance provided. The balance sheet accounts, including fixed assets, should be added to the trial balance. Transactions occurring in asset and liability accounts should be appropriately recorded.

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After you have had the opportunity to review these comments and recommendations, I would be pleased to discuss those points that you desire. I would like to thank your staff for their assistance in performing the audit and the Board of Directors for the opportunity to serve the Committee on Aging for Randolph County, Inc.

Williams - Associates, A.C.
Elkins, West Virginia
March 4, 2011