

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

AUDITED FINANCIAL STATEMENTS

September 30, 2011

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, 2011**

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statement of financial position of the Committee on Aging for Randolph County, Inc. as of September 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Committee on Aging for Randolph County, Inc.'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. 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 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.

As more fully described in Note 1 to the financial statements, prior to October 1, 1990, the Organization had expensed all property and equipment. Property and equipment should have been capitalized at cost if purchased, or at fair value if donated or contributed, to conform with generally accepted accounting principles, and those amounts should have been depreciated over the estimated useful lives of the assets. The cumulative amounts for such property and equipment cannot be reasonably verified.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, 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, 2011, 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 January 23, 2012, on my consideration of the Committee on Aging for Randolph County Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Williams & Associates, A.C.

Williams & Associates, A.C.
Elkins, West Virginia
January 23, 2012

The Committee on Aging for Randolph County, Inc.
STATEMENT OF FINANCIAL POSITION
September 30, 2011

ASSETS		
Current Assets		
Cash and Equivalents	\$ 178,911	
Certificates of Deposit	811,831	
Investments	556,046	
Accounts Receivable	92,817	
Grants Receivable	51,079	
Inventory	16,058	
Prepaid Expenses	23,516	
Total Current Assets		\$ 1,730,258
Fixed Assets		
Property and Equipment	1,357,022	
Accumulated Depreciation	(681,498)	
Net Fixed Assets		<u>675,524</u>
TOTAL ASSETS		<u><u>\$ 2,405,782</u></u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 3,159	
Accrued Compensation	65,184	
Deferred Revenue - Current	59,157	
Other Current Liabilities	12,441	
Total Current Liabilities		\$ 139,941
Long-Term Liabilities		
Deferred Revenue	89,646	
OPEB Plan Liability	330,314	
Total Long-Term Liabilities		<u>419,960</u>
TOTAL LIABILITIES		\$ 559,901
Net Assets, Unrestricted	1,759,585	
Net Assets, Temporarily Restricted	86,296	
TOTAL NET ASSETS		<u>1,845,881</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 2,405,782</u></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 ACTIVITIES
For the Year Ended September 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>
SUPPORT			
Contributions	\$ 28,570	\$ -	\$ 28,570
Grants			
Federal Monies		438,161	438,161
State Monies		654,612	654,612
Program Service Fees	1,001,855		1,001,855
Project Income		137,125	137,125
Investment Return	51,814		51,814
Other	186,698		186,698
	<u> </u>	<u> </u>	<u> </u>
TOTAL SUPPORT	<u>\$ 1,268,937</u>	<u>\$ 1,229,898</u>	<u>\$2,498,835</u>
EXPENSES			
Program Services	\$ 2,483,036	\$ -	2,483,036
Management and General	92,455		92,455
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	<u>\$ 2,575,491</u>	<u>\$ -</u>	<u>\$2,575,491</u>
INCREASE(DECREASE) IN NET ASSETS	(1,306,554)	1,229,898	(76,656)
NET ASSETS RELEASED FROM RESTRICTIONS	1,134,589	(1,134,589)	-
NET ASSETS, 10/1/10	<u>1,910,005</u>	<u>12,532</u>	<u>1,922,537</u>
NET ASSETS, 9/30/11	<u>\$ 1,738,040</u>	<u>\$ 107,841</u>	<u>\$1,845,881</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, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Increase(Decrease) in Net Assets (76,656)

Adjustments to reconcile changes in net assets
to net cash provided by operating activities:

Depreciation 92,455

(Increase)Decrease in Operating Assets:

Accounts Receivable (16,911)

Grants Receivable (16,799)

Inventory (2,471)

Prepaid Expenses (3,734)

Increase(Decrease) in Operating Liabilities:

Accounts Payable 703

Accrued Compensation (4,304)

Other Current Liabilities 12,441

Deferred Revenue (61,058)

OPEB Liability 126,840

NET CASH PROVIDED BY OPERATING ACTIVITIES 50,506

CASH FLOW FROM INVESTING ACTIVITIES

Purchases and Sales of Property and Equipment (56,375)

NET CASH USED IN INVESTING ACTIVITIES (56,375)

CASH FLOW FROM FINANCING ACTIVITIES

Purchases and Sales of Certificates of Deposit (24,345)

Purchases and Sales of Investments (6,284)

NET CASH USED BY FINANCING ACTIVITIES (30,629)

NET INCREASE IN CASH AND CASH EQUIVALENTS (36,498)

CASH AND CASH EQUIVALENTS, 10/1/10 215,409

CASH AND CASH EQUIVALENTS, 9/30/11 178,911

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, 2011**

Program Services

Community	Program Services											Total		TOTAL	
	Care/ Waiver/ Case Mgt	III-B	III-C		III-E	III-D/MM	SHIP	LH	FAIR	Transit	LIFE	Other Programs	Program Services		Management & General
			Congregate	Home Delivered											
FUNCTIONAL EXPENSES															
Personnel	\$ 747,896	\$ 53,450	\$ 137,024	\$ 56,463	\$ 11,955	\$ 1,295	\$ 4,385	\$ 88,497	\$ 7,791	\$ 321,520	\$ 24,447	\$ 50,546	\$ 1,505,269	\$ 285,467	\$ 1,790,736
Travel	61,725	1,044			1,196	49		15,618	1,663	3,492		7,068	91,855	2,011	93,866
Printing & Supplies	4,904						1,317					19,267	25,488	20,279	45,767
Raw Food			78,995	71,070									150,065		150,065
Disposables			5,689	7,141									12,830		12,830
Transportation			4,630	17,461									22,091		22,091
Communication & Utilities	3,697												3,697		3,697
Direct Costs	158,047	1,045	40,055	41,055	2,504	407	835		7,021	86,106	5,995	22,349	365,419	(365,419)	-
Other	4,423		28,493	21,010				20,520	132	130,186	4,987	94,909	304,660	55,309	359,969
Advertising	471											1,191	1,662	2,353	4,015
Depreciation													-	92,455	92,455
Total Functional Expenses	\$ 981,163	\$ 55,539	\$ 294,886	\$ 214,200	\$ 15,655	\$ 3,068	\$ 5,220	\$ 124,635	\$ 16,607	\$ 541,304	\$ 35,429	\$ 195,330	\$ 2,483,036	\$ 92,455	\$ 2,575,491

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, 2009, all accounts receivable are deemed collectible.

The accompanying independent auditor's report is an integral part of these notes.

**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, 2009, 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).

The accompanying independent auditor's report is an integral part of these notes.

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, 2011 was \$1,092,773.

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 \$4,015 for the year ended September 30, 2011.

Note 2. Receivables

Accounts receivable consisted of the following at September 30, 2011:

COC/Waiver	\$ 92,817
	<u> </u>

The accompanying independent auditor's report is an integral part of these notes.

**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, 2011:

Transit	\$	24,639
Title III-B		13,851
Title III-C		<u>12,589</u>
	\$	<u>51,079</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, 2012 are summarized below:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Investments, unrestricted	\$ 556,046	\$ 556,046	\$ 0

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30, 2011:

Land		\$ 346,788
Buildings		59,388
Improvements		210,241
Furniture & Equipment		165,954
Office Equipment		55,870
Vehicles		461,317
Other Equipment		<u>57,464</u>
Total Fixed Assets		1,357,022
Less accumulated depreciation		<u>(681,498)</u>
Net property and equipment		<u>\$ 675,524</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 \$44,880 for the year. Of this amount, \$27,635 was included in salaries and fringe benefits and \$17,245 was included in indirect expenses on the respective statement of functional expenses.

The accompanying independent auditor's report is an integral part of these notes.

**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 liability. The balance of the liability as of September 30, 2011 was \$330,314. The balance in the trust account as of September 30, 2011 was \$87,326.

Note 7. Support Concentration

The Committee on Aging for Randolph County, Inc., receives approximately 40% 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 5310/5311/5312 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.

Note 10. Long-Term Liabilities

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

The accompanying independent auditor's report is an integral part of these notes.

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

Note 11. Subsequent Events

The Committee on Aging for Randolph County, Inc.'s management has evaluated subsequent events through the date of the audit report.

The accompanying independent auditor's report is an integral part of these notes.

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2011

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>			
<i>U.S. Department of Health & Human Services:</i>			
Administration of Aging	93.044	21037	\$ 40,557
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers			
Administration on Aging	93.043	21037	\$ 2,159
Special Programs for the Aging Title III Part D Disease Prevention and Health Promotion Services			
Administration on Aging	93.052	21037	\$ 13,258
Special Programs for the Aging Title III Part E National Family Caregiver Support			
Administration on Aging	93.045	21037	\$ 146,051
Special Programs for the Aging Title III Part C Nutrition Services			
Centers for Medicare & Medicaid Services	93.779		<u>\$ 6,968</u>
CMS Research, Demonstration & Evaluations State Health Insurance Assistance Program (SHIP)			
<i>Total US Department of Health & Human Services</i>			<u>\$ 208,993</u>
<i>Pass-Through Program from WV Department of Transportation:</i>			
<i>United States Department of Transportation:</i>			
Federal Transit Administration	20.509	10012	<u>\$ 229,168</u>
Formula Grants for Other than Urbanized Areas			
<i>Total US Department of Transportation</i>			<u>\$ 229,168</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 438,161</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, 2011, 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
January 23, 2012

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF REVENUES
For the Year Ended September 30, 2011

	III-B	III-D/MM	III-E	III-C		FAIR	COC/ Waiver	Lighthouse	Transit	Other	TOTALS
				Congregate	Home-Delivered						
GRANT REVENUES											
Federal	\$40,557	\$ 2,159	\$13,258	\$ 84,024	\$ 62,027				\$229,168	\$ 6,968	\$ 438,161
State	14,168	127		54,734	43,022	41,509			34,000		187,560
Other State									34,023	96,357	130,380
LIFE		383	2,940	29,477	31,049			141,187	90,822		295,858
State & LIFE Match	814								40,000		40,814
Total Grant Revenues	55,539	2,669	16,198	168,235	136,098	41,509	-	141,187	428,013	103,325	1,092,773
OTHER REVENUES											
Contributions	\$ -		\$ 1,479	\$ 4,589						\$ 22,502	\$ 28,570
Program Service Fees						2,514	896,716	10,140	51,628	40,857	1,001,855
Project Income		368		83,448	39,748					13,561	137,125
Investment Return							42		1,532	50,240	51,814
Local Match				42,000							42,000
Other		31		2,689			10,000		48,750	83,228	144,698
Total Other Revenues	-	399	1,479	132,726	39,748	2,514	906,758	10,140	101,910	210,388	1,406,062
TOTAL REVENUES	\$55,539	\$ 3,068	\$17,677	\$ 300,961	\$ 175,846	\$44,023	\$906,758	\$ 151,327	\$529,923	\$ 313,713	\$2,498,835

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

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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
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia 26241

I have audited the financial statements of the Committee on Aging for Randolph County, Inc., (a non-profit organization) as of and for the year ended September 30, 2011, and have issued a report thereon dated January 23, 2010. 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.

Compliance

As part of obtaining reasonable assurance about whether the Committee on Aging for Randolph County, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of law, regulations, contracts, and grants, 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 is not an object of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance, which we have reported to management of the Committee on Aging for Randolph County, Inc., in a separate letter dated January 23, 2010, and included in this audit report on pages 17 and 18.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Committee on Aging for Randolph County, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the

internal control components does not reduce to a relatively low level the risk that misstatements in an amount that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting that its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting, which I have reported to management of the Committee on Aging for Randolph County, Inc., in a separate letter dated January 23, 2012, and included in this audit report on pages 17 and 18.

This report is intended solely for the information and use of the board of directors, management, and West Virginia Bureau of Senior Services and is not intended to be and should not be used by anyone other than these specified parties.

Williams & Associates, A.C.

Elkins, West Virginia
January 23, 2012

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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, 2011, 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.

Failure to Report Employee Gifts as Wages

During my audit I noted that gift certificates were provided to employees as holiday gifts. The IRS requires all cash and equivalents (gift cards, etc) to be reported as wages.

Failure to Complete Forms 1099-MISC

During my audit I noticed that independent contractors were not provided with form 1099-MISC. Independent contractors receiving \$600 or more in a calendar year should be provided form 1099-MISC no later than February 28 of the subsequent year.

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
January 23, 2012

MANAGEMENT LETTER

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

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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
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia 26241

I have audited the financial statements of the Committee on Aging for Randolph County, Inc., (a non-profit organization) as of and for the year ended September 30, 2011, and have issued a report thereon dated January 23, 2010. 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.

Compliance

As part of obtaining reasonable assurance about whether the Committee on Aging for Randolph County, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of law, regulations, contracts, and grants, 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 is not an object of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance, which we have reported to management of the Committee on Aging for Randolph County, Inc., in a separate letter dated January 23, 2010, and included in this audit report on pages 17 and 18.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Committee on Aging for Randolph County, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the

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, 2011, 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.

Elkins, West Virginia
January 23, 2012

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statement of financial position of the Committee on Aging for Randolph County, Inc. as of September 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Committee on Aging for Randolph County, Inc.'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. 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 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.

As more fully described in Note 1 to the financial statements, prior to October 1, 1990, the Organization had expensed all property and equipment. Property and equipment should have been capitalized at cost if purchased, or at fair value if donated or contributed, to conform with generally accepted accounting principles, and those amounts should have been depreciated over the estimated useful lives of the assets. The cumulative amounts for such property and equipment cannot be reasonably verified.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, 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, 2011, 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 January 23, 2012, on my consideration of the Committee on Aging for Randolph County Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Williams & Associates, A.C.
Elkins, West Virginia
January 23, 2012