

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

AUDITED FINANCIAL STATEMENTS

September 30, 2013

Prepared 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, 2013**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Committee on Aging for Randolph County, Inc. which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 the Committee on Aging for Randolph County, Inc. as of September 30, 2013, and the results of activities and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Williams & Associates A.C.

Elkins, West Virginia
January 17, 2014

The Committee on Aging for Randolph County, Inc.
STATEMENT OF FINANCIAL POSITION
September 30, 2013

ASSETS

Current Assets		
Cash and Equivalents	\$ 281,181	
Certificates of Deposit	788,875	
Investments	559,105	
Accounts Receivable	73,276	
Grants Receivable	20,936	
Inventory	14,064	
Prepaid Expenses	13,566	
Total Current Assets		\$ 1,751,003
Fixed Assets		
Property and Equipment	1,621,116	
Less Accumulated Depreciation	819,584	
Net Fixed Assets		801,532
TOTAL ASSETS		\$ 2,552,535

LIABILITIES

Current Liabilities		
Accounts Payable	\$ 3,012	
Accrued Compensation	62,298	
Deferred Revenue - Current	30,835	
Current Portion of Long-Term Debt	13,993	
Total Current Liabilities		\$ 110,138
Long-Term Liabilities		
Deferred Revenue	10,123	
Mortgage Payable	156,850	
OPEB Plan Liability	443,797	
Total Long-Term Liabilities		610,770
TOTAL LIABILITIES		\$ 720,908
Net Assets, Unrestricted	1,757,700	
Net Assets, Temporarily Restricted	73,927	
TOTAL NET ASSETS		1,831,627
TOTAL LIABILITIES AND NET ASSETS		\$ 2,552,535

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, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL</u>
SUPPORT			
Contributions	\$ 33,014		\$ 33,014
Grants			
Federal Monies		424,347	424,347
State Monies		604,131	604,131
Program Service Fees	815,479		815,479
Project Income		135,809	135,809
Investment Return	34,325		34,325
Other	362,322		362,322
	<u>\$ 1,245,140</u>	<u>\$ 1,164,287</u>	<u>\$ 2,409,427</u>
TOTAL SUPPORT			
EXPENSES			
Program Services	\$ 2,271,508	\$ -	2,271,508
Management and General	70,945		70,945
	<u>\$ 2,342,453</u>	<u>\$ -</u>	<u>\$ 2,342,453</u>
TOTAL EXPENSES			
INCREASE(DECREASE) IN NET ASSETS	(1,097,313)	1,164,287	66,974
NET ASSETS RELEASED FROM RESTRICTIONS	1,185,470	(1,185,470)	-
NET ASSETS, 10/1/12	<u>1,696,845</u>	<u>67,808</u>	<u>1,764,653</u>
NET ASSETS, 9/30/13	<u>\$ 1,785,002</u>	<u>\$ 46,625</u>	<u>\$ 1,831,627</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, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Increase(Decrease) in Net Assets	\$	66,974
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation		91,379
(Increase)Decrease in Operating Assets:		
Accounts Receivable		(1,635)
Grants Receivable		23,123
Inventory		80
Prepaid Expenses		8,704
Increase(Decrease) in Operating Liabilities:		
Accounts Payable		1,152
Accrued Compensation		1,592
Deferred Revenue		(48,686)
OPEB Liability		12,582
		12,582
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	155,265
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases and Sales of Property and Equipment		(285,558)
		(285,558)
NET CASH USED IN INVESTING ACTIVITIES		(285,558)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan Proceeds		209,900
Repayment of Long-Term Debt		(39,057)
Purchases and Sales of Investments		(1,054)
		(1,054)
NET CASH USED BY FINANCING ACTIVITIES		169,789
NET INCREASE IN CASH AND CASH EQUIVALENTS		39,496
CASH AND CASH EQUIVALENTS, 10/1/12		241,685
CASH AND CASH EQUIVALENTS, 9/30/13	\$	281,181

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, 2013

	Program Services										TOTAL				
	Community Care/ Waiver/ Case Mgt	III-B	Congregate	III-C Home Delivered	III-E	III-D/MM	SHIP	LH	FAIR	Transit		LIFE	Other Programs	Program Services	Management & General
FUNCTIONAL EXPENSES															
Personnel	\$ 683,624	\$ 48,889	\$ 126,906	\$ 61,757	\$ 12,610	\$ 1,346	\$ 2,815	\$ 109,720	\$ 24,982	\$ 279,353	\$ 23,281	\$ 12,758	\$ 1,388,041	\$ 255,855	\$ 1,643,896
Travel	51,507	7,393			284	177		23,609	3,830	2,378			89,178	3,035	92,213
Printing & Supplies	3,173						485			110		27,322	31,090	14,269	45,359
Raw Food			87,294	63,957									151,251		151,251
Disposables			8,401	7,237									15,638		15,638
Transportation			4,275	13,312									17,587		17,587
Communication & Utilities	4,836											46	4,882	32,703	37,585
Repairs & Maintenance										86,973			86,973	2,214	89,187
Indirect Costs	140,752	10,621	50,093	32,026	2,227	477	532	25,267	2,060	70,645	5,726	11,059	351,485	(351,485)	-
Other	7,322	4,859	27,740	17,146	175					36,317	6,439	23,678	123,676	22,348	146,024
Advertising										9,409		2,298	11,707	627	12,334
Depreciation													-	91,379	91,379
Total Functional Expenses	\$ 891,214	\$ 71,762	\$ 304,709	\$ 195,435	\$ 15,296	\$ 2,485	\$ 3,347	\$ 158,596	\$ 30,872	\$ 485,185	\$ 35,446	\$ 77,161	\$ 2,271,508	\$ 70,945	\$ 2,342,453

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 Accounting Standards Codification 958-205, formerly Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958-205, 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.

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

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, 2013, all accounts receivable are deemed collectible.

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, 2013, 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.

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**

Income Taxes

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

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, 2013 was \$1,042,129.

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 \$12,334 for the year ended September 30, 2013.

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

Accounts receivable consisted of the following at September 30, 2013:

COC/Waiver	\$ 73,276
	<u>=====</u>

Grants receivable consisted of the following at September 30, 2013:

Title III-B	\$ 5,243
Title III-C	15,675
Transit	<u>18</u>
	<u>\$20,936</u>
	<u>=====</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, 2013 are summarized below:

	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Investments, unrestricted	<u>\$ 559,105</u>	<u>\$ 559,105</u>	<u>\$ 0</u>

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30, 2013:

Land	\$ 336,788
Buildings	289,294
Improvements	210,241
Furniture & Equipment	165,954
Office Equipment	77,977
Vehicles	480,108
Other Equipment	<u>60,754</u>
Total Fixed Assets	1,621,116
Less accumulated depreciation	<u>(819,584)</u>
Net property and equipment	<u>\$ 801,532</u>
	<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 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 \$46,873 for the year. Of this amount, \$22,090 was included in salaries and fringe benefits and \$24,783 was included in indirect expenses on the respective statement of functional expenses.

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, 2013 was \$443,797. The balance in the trust account as of September 30, 2013 was \$94,405.

Note 7. Support Concentration

The Committee on Aging for Randolph County, Inc., receives approximately 31% 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

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**

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. The Organization did not receive any transportation grants during this fiscal year.

Note 10. Long-Term Liabilities

The Committee on Aging for Randolph County, Inc. has a mortgage at Davis Trust Company on their new home care building. The initial amount of the mortgage was \$209,900 with annual payments of \$13,993 at a variable interest rate based on the lender's 30-month CD rate plus 3%, currently 4.6% for a term of 15 years. The balance on this mortgage at September 30, 2013 was \$170,843.

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, 2013

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	93.044		\$ 41,369
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers			
Administration on Aging	93.043		\$ 2,063
Special Programs for the Aging Title III Part D Disease Prevention and Health Promotion Services			
Administration on Aging	93.052		\$ 12,844
Special Programs for the Aging Title III Part E National Family Caregiver Support			
Administration on Aging	93.045		\$ 147,711
Special Programs for the Aging Title III Part C Nutrition Services			
Centers for Medicare & Medicaid Services	93.779		\$ 3,015
CMS Research, Demonstration & Evaluations State Health Insurance Assistance Program (SHIP)			
<i>Total US Department of Health & Human Services</i>			<u>\$ 207,002</u>
<i>Pass-Through Program from WV Department of Transportation:</i>			
United States Department of Transportation:			
Federal Transit Administration	20.509		\$ 217,345
Formula Grants for Other than Urbanized Areas			
<i>Total US Department of Transportation</i>			<u>\$ 217,345</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 424,347</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, 2013, 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 17, 2014

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF REVENUES
For the Year Ended September 30, 2013

	III-C							TOTALS			
	III-B	III-D/MM	III-E	Congregate	Home-Delivered	FAIR	COC/Waiver		Lighthouse	Transit	Other
GRANT REVENUES											
Federal	\$ 41,369	\$ 2,063	\$ 12,844	\$ 92,116	\$ 55,595				\$ 217,345	\$ 3,015	\$ 424,347
State	14,993	127		37,255	70,900	33,362		160,966	50,000	97,098	464,701
LIFE				15,750	8,625					5,000	29,375
State & LIFE Match	3,078	383	1,736						104,858		110,055
Total Grant Revenues	59,440	2,573	14,580	145,121	135,120	33,362	-	160,966	372,203	105,113	1,028,478
OTHER REVENUES											
Contributions	\$ 4,218		\$ 2,507						\$ 2,670	\$ 23,619	\$ 33,014
Program Service Fees							752,754			62,725	815,479
Project Income	9,037	349		87,132	39,291					33,843	135,809
Investment Return	7								475		34,325
Local Match									59,750		59,750
Other				69,500	30,000	2,146		11,552	69,774	119,600	302,572
Total Other Revenues	13,262	349	2,507	156,632	69,291	2,146	752,754	11,552	132,669	239,787	1,380,949
TOTAL REVENUES	\$ 72,702	\$ 2,922	\$ 17,087	\$ 301,753	\$ 204,411	\$ 35,508	\$ 752,754	\$ 172,518	\$ 504,872	\$ 344,900	\$ 2,409,427

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

Williams & Associates, A.C.

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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

We 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, 2013, and have issued a report thereon dated January 17, 2014. 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.

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, we 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, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we 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 17, 2014, and included in this audit report on pages 17 and 18.

Internal Control Over Financial Reporting

In planning and performing my audit, we considered the Committee on Aging for Randolph County, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting that its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Committee on Aging for Randolph County, Inc., in a separate letter dated January 17, 2014, 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 17, 2014

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF FINDINGS
For the Year Ended September 30, 2013

SIGNIFICANT DEFICIENCIES

2013-1 LACK OF SEGREGATION OF DUTIES

Criteria: Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

Condition: The same employee is responsible for recording accounts receivable, reconciling the bank statements and posting journal entries.

Cause: The organization has limited staff and responsibilities for approving, executing, and recording transactions and custody of the resulting assets arising from financial transactions are not assigned to different individuals because the organization does not employ enough administrative staff members to make the necessary segregation possible.

Effect: More than a remote likelihood exists that a material misstatement of the financial statements will not be prevented or detected by the organization's internal controls.

Recommendation: We recommend responsibilities of approval, execution, recording and custody should be distributed among employees, management and the board of directors to the degree possible. However, we recognize that full and complete segregation of duties is not economically feasible.

Response: We concur with the finding and recommendation.

2013-2 BALANCE SHEET ACCOUNTS

Criteria: All transactions should be recorded.

Condition: Currently not all assets and liabilities are recorded. Those involving fixed assets and liabilities are only kept track of manually.

Cause: The Organization does not record fixed assets and long-term liabilities. The organization only records transactions that involve cash.

Effect: Financial statements are materially misstated.

Recommendation: We recommend that all transactions be recorded.

Response: We concur with the finding and recommendation.

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF FINDINGS
For the Year Ended September 30, 2013

2013-3 ADJUSTING ENTRIES

Criteria: Adjusting entries must be recorded.

Condition: Currently adjusting entries are not recorded.

Cause: The Organization does not record adjusting entries.

Effect: The books of record do not concur with the audited financial statements.

Recommendation: We recommend that adjusting entries be recorded.

Response: We concur with the finding and recommendation.