

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

AUDITED FINANCIAL STATEMENTS

**For the Years Ended
September 30, 2019 and
September 30, 2018**

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**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
AUDIT FOR YEARS ENDED SEPTEMBER 30, 2019 and 2018**

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Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS
INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

I have audited the accompanying financial statements of the Committee on Aging for Randolph County, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2019 and 2018, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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

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 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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, 2019 and 2018, and the statement of activities and changes in net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental and Other Information

The schedule of revenues is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2020, 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 on pages 21-22. 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* in considering the Committee on Aging for Randolph County, Inc.'s internal control over financial reporting and compliance.

Williams & Bright A.C.

Elkins, West Virginia
May 29, 2020

The Committee on Aging for Randolph County, Inc.
COMPARATIVE STATEMENT OF FINANCIAL POSITION
September 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and Equivalents	\$ 589,871	\$ 355,946
Certificates of Deposit	745,915	745,915
Investments	641,296	639,778
Accounts Receivable	123,811	135,154
Grants Receivable	99,585	128,618
Inventory	12,848	10,788
Prepaid Expenses	9,051	13,784
Total Current Assets	\$ 2,222,377	\$ 2,029,983
Fixed Assets		
Property and Equipment	1,892,963	1,888,035
Less Accumulated Depreciation	1,102,630	1,014,048
Fixed Assets, net	790,333	873,987
TOTAL ASSETS	\$ 3,012,710	\$ 2,903,970
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 2,697	\$ 6,048
Accrued Compensation, Taxes & Benefits	148,538	162,630
Deferred Revenue	-	855
Total Current Liabilities	\$ 151,235	\$ 169,533
Long-Term Liabilities		
OPEB Plan Liability	-	498,449
Total Long-Term Liabilities	-	498,449
TOTAL LIABILITIES	\$ 151,235	\$ 667,982
Net Assets without Restrictions	2,433,930	1,883,466
Net Assets with Restrictions	427,545	352,522
TOTAL NET ASSETS	2,861,475	2,235,988
TOTAL LIABILITIES AND NET ASSETS	\$ 3,012,710	\$ 2,903,970

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, 2019

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>TOTAL</u>
SUPPORT			
Contributions	\$ 71,387	\$ 125,500	\$ 196,887
Grants		1,115,856	1,115,856
Program Service Fees	1,330,907		1,330,907
Project Income		134,526	134,526
Investment Return	27,477	126	27,603
Fundraising	950		950
Rental Income		26,150	26,150
Other	74,896	-	74,896
	<u>74,896</u>	<u>-</u>	<u>74,896</u>
TOTAL SUPPORT	<u>\$ 1,505,617</u>	<u>\$ 1,402,158</u>	<u>\$2,907,775</u>
EXPENSES			
Program Services	\$ 2,343,860	\$ -	2,343,860
Management and General	436,877		436,877
	<u>436,877</u>	<u>-</u>	<u>436,877</u>
TOTAL EXPENSES	<u>\$ 2,780,737</u>	<u>\$ -</u>	<u>\$2,780,737</u>
INCREASE(DECREASE) IN NET ASSETS	(1,275,120)	1,402,158	127,038
NET ASSETS RELEASED FROM RESTRICTIONS	1,301,070	(1,301,070)	-
PRIOR PERIOD ADJUSTMENT (Note #14)	498,449		498,449
NET ASSETS, Beginning of Year	<u>1,883,466</u>	<u>352,522</u>	<u>2,235,988</u>
NET ASSETS, End of Year	<u>\$ 2,407,865</u>	<u>\$ 453,610</u>	<u>\$2,861,475</u>

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, 2018

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>TOTAL</u>
SUPPORT			
Contributions	\$ 226,115		\$ 226,115
Grants		1,170,040	1,170,040
Program Service Fees	1,317,782		1,317,782
Project Income		135,650	135,650
Investment Return	16,665	112	16,777
Fundraising		75,270	75,270
Local Match	86,692		86,692
Rental Income	25,750		25,750
Other	64,122		64,122
TOTAL SUPPORT	<u>\$ 1,737,126</u>	<u>\$ 1,381,072</u>	<u>\$3,118,198</u>
EXPENSES			
Program Services	\$ 2,803,462	\$ -	2,803,462
Management and General	294,496		294,496
TOTAL EXPENSES	<u>\$ 3,097,958</u>	<u>\$ -</u>	<u>\$3,097,958</u>
INCREASE(DECREASE) IN NET ASSETS	(1,360,832)	1,381,072	20,240
NET ASSETS RELEASED FROM RESTRICTIONS	1,174,103	(1,174,103)	-
NET ASSETS, Beginning of Year	<u>2,070,195</u>	<u>145,553</u>	<u>2,215,748</u>
NET ASSETS, End of Year	<u>\$ 1,883,466</u>	<u>\$ 352,522</u>	<u>\$2,235,988</u>

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

The Committee on Aging for Randolph County, Inc.
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(Decrease) in Net Assets	\$ 127,038	\$ 20,240
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	88,583	106,292
(Increase)Decrease in Operating Assets:		
Accounts Receivable	29,115	5,967
Grants Receivable	11,261	(46,119)
Inventory	(2,060)	5,547
Prepaid Expenses	4,733	1,388
Increase(Decrease) in Operating Liabilities:		
Accounts Payable	(3,351)	2,907
Accrued Compensation, Taxes & Benefits	(14,094)	90,347
Deferred Revenue	(855)	855
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 240,370	\$ 187,424
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases and Sales of Property and Equipment	(4,928)	(104,689)
NET CASH USED IN INVESTING ACTIVITIES	(4,928)	(104,689)
CASH FLOW FROM FINANCING ACTIVITIES		
Purchases and Sales of Investments, net	(1,517)	(76,517)
NET CASH USED BY FINANCING ACTIVITIES	(1,517)	(76,517)
NET INCREASE IN CASH AND CASH EQUIVALENTS	233,925	6,218
CASH AND CASH EQUIVALENTS, Beginning of Year	355,946	349,728
CASH AND CASH EQUIVALENTS, End of Year	\$ 589,871	\$ 355,946

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, 2019

	Program Services										Management & General	TOTAL	
	DHHR	III-B	III-D	III-E	III-C	IHC	FAIR	Lighthouse	Transit	Other Programs			Total Program Services
Personnel	\$ 883,777	\$ 57,336	\$ 2,357	\$ 12,207	\$ 193,944	\$ 85,630	\$ 30,256	\$ 131,412	\$ 371,256	\$ 16,961	\$ 1,785,136	\$ 251,021	\$ 2,036,157
Travel	28,320	2,502		3,179	3,698	726	4,420	1,697	2,174		46,716	321	47,037
Printing & Supplies	8,929			10,095	49		2,195	3,370			24,638	16,147	40,785
Raw Food				144,702			99				144,801		144,801
Disposables				10,895			315				11,210		11,210
Transportation				6,747							6,747		6,747
Communication & Utilities	5,228			31,897							37,125	35,013	72,138
Repairs & Maintenance	542			8,098			66,736	173			75,549	15,303	90,852
Professional Fees	1,459										1,459	6,137	7,596
Grants										11,000	11,000		11,000
Other	18,026	32		32	5,388	13	13,846	66,577			103,914	7,235	111,149
Advertising	2,368			632			25,541	12,530			41,071	23,908	64,979
Insurance	5,000						25,710				30,710	11,372	42,082
Bad Debts	4,294	580		320		160	267				5,621		5,621
Depreciation												88,583	88,583
Subtotal	957,943	60,450	2,357	12,559	415,577	89,537	136,099	506,981	113,199		2,325,697	455,040	2,780,737
Indirect Costs	148,972	14,328	372	2,784	59,640	45,008	4,524	74,232	7,332		378,600	(378,600)	-
Total Functional Expenses	\$ 1,106,915	\$ 74,778	\$ 2,729	\$ 15,343	\$ 475,217	\$ 134,545	\$ 35,519	\$ 157,507	\$ 120,531	\$ 2,704,297	\$ 76,440	\$ 2,780,737	

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, 2018

	Program Services											TOTAL	
	Community Care/ Waiver/Case Mgt	III-B	III-C	III-D	III-E	LH	FAIR	Transit	LIFE	Other Programs	Total Program Services		Management & General
Personnel	\$ 939,068	\$ 55,228	\$ 208,761	\$ 2,451	\$ 14,402	\$ 131,147	\$ 27,111	\$ 357,829		\$ 125,433	\$ 1,861,430	\$ 360,175	\$ 2,221,605
Travel	45,743	2,987	161		212	9,806	1,016	2,629		8,110	70,664	882	71,546
Printing & Copying	1,328		991					487		52	2,858	4,529	7,387
Postage & Shipping	328		313					730		300	1,671	2,548	4,219
Office Supplies	1,255		186			52		944		4,755	7,192	5,943	13,135
Raw Food			128,729								128,729		128,729
Disposables			8,617								8,617		8,617
Transportation			8,080								8,080		8,080
Utilities			35,666					2,091			42,689		42,689
Repairs & Maintenance			8,841					65,953		370	75,450		75,450
Other	286		2,557					6,738	15,568	60,857	89,715		188,891
Advertising	1,440		167					24,421		6,363	32,391		32,391
Insurance								26,163			26,163		26,163
Professional Fees	360										360		360
Rent Expense	12,000		6,000					6,900		7,200	32,100		32,100
Bad Debts	7,462	965				42				299	8,768		8,768
Small Equipment & Supplies	4,275		5,906							2,591	12,772		12,772
Loss on Sale of Fixed Assets								13,245			13,245		13,245
Depreciation													
Subtotal	1,022,472	59,180	414,975	2,451	14,614	141,047	28,127	508,130	15,568	216,330	2,422,894	106,292	3,097,958
Indirect Costs	186,996	14,508	62,496	288	2,256	21,972	4,848	72,252	-	14,952	380,568	(380,568)	-
Total Functional Expenses	\$ 1,209,468	\$ 73,688	\$ 477,471	\$ 2,739	\$ 16,870	\$ 163,019	\$ 32,975	\$ 580,382	\$ 15,568	\$ 231,282	\$ 2,803,462	\$ 294,496	\$ 3,097,958

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, *Not-for-Profit Entities: Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without restrictions and net assets with restrictions (both permanent and temporary, donor and board-imposed).

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, 2019 and 2018, all accounts receivable are deemed collectible.

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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 net assets with restrictions or net assets without restrictions depending on if restrictions exist. Net assets with restrictions are reclassified to net assets without restrictions when a restriction expires. The Organization uses the allowance method to determine collectibility of grants receivable. As of September 30, 2019 and 2018, 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 organization's returns for the prior three years remain open to examination by the Internal Revenue Service.

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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 and Transit program grants.
- 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, 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 funds 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 years ended September 30, 2019 and 2018 were \$1,115,856 and \$1,170,040, respectively.

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 \$64,979 and \$56,207 for the years ended September 30, 2019 and 2018, respectively.

Note 2. Receivables

Accounts receivable consisted of the following at September 30:

	<u>2019</u>	<u>2018</u>
WV DHHR	\$ 92,073	\$ 105,781
Others	<u>31,738</u>	<u>29,373</u>
	<u>\$ 123,811</u>	<u>\$ 135,154</u>

The accompanying independent auditors' 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:

	<u>2019</u>	<u>2018</u>
LIFE	\$ 31,648	\$ 15,242
Title III-C	1,009	32,911
Title III-B	3,064	5,939
WV BOSS	18,605	29,828
Lighthouse/FAIR	14,610	13,372
Transit	<u>30,649</u>	<u>31,326</u>
	<u>\$ 99,585</u>	<u>\$128,618</u>

Note 3. Investments

The cost and estimated market value of investment securities at September 30:

<u>2019</u>	Original Cost	Gross Unrealized Gains	Estimated Market Value
Investments, Unrestricted	<u>\$ 641,296</u>	<u>\$ 0</u>	<u>\$ 641,296</u>
<u>2018</u>	Original Cost	Gross Unrealized Gains	Estimated Market Value
Investments, Unrestricted	<u>\$ 639,778</u>	<u>\$ 0</u>	<u>\$ 639,778</u>

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Organization determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instruments.

The Organization measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

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

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

Note 3. Investments (Continued)

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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.

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 336,788	\$ 336,788
Buildings	298,122	298,122
Improvements	415,462	415,462
Furniture & Equipment	179,629	174,701
Office Equipment	92,740	92,740
Vehicles	<u>570,222</u>	<u>570,222</u>
Total Fixed Assets	1,892,963	1,888,035
Less accumulated depreciation	<u>(1,102,630)</u>	<u>(1,014,048)</u>
Net property and equipment	<u>\$ 790,333</u>	<u>\$ 873,987</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 \$36,612 and \$38,777 for 2019 and 2018, respectively. Of this amount, \$24,615 and \$22,537 was included in salaries and fringe benefits and \$11,997 and \$16,240 was included in indirect expenses on the respective statement of functional expenses.

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

The organization contributes to the West Virginia Retiree Health Care Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). The Trust provides medical benefits to retired employees. West Virginia Code §16D assigns PEIA with the administration of the WV OPEB plan. PEIA issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. The report may be obtained by writing to Public Employees Insurance Agency, 1900 Kanawha Blvd, East, Charleston, WV 25305 or <http://peia.wv.gov>.

The accompanying independent auditors' 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) (Continued)

OPEB Liability – All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee’s premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees’ premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB unfunded accumulated benefit obligation.

For prior years, total OPEB expense consisted of amounts currently due to fund the “pay as you go” retiree subsidy and additional amounts billed to participating employers for their portion of the overall plan’s Annual Required Contribution (ARC). The “pay as you go” amounts are included with fringe benefits in the accompanying Statements of Activities. The amounts billed from the Trust for the ARC are not required to be paid by the participating employers. OPEB costs were accrued based upon invoices received from PEIA based upon actuarially determined amounts. In accordance with professional standards, such amounts billed but unpaid were recorded as expenses with a liability for the cumulative amounts billed and unpaid.

For 2018, the Trust changed its method of accounting based on new Government Accounting Standards. In conjunction with this change, the Trust ceased billing participating employers for their portion of the ARC, and also withdrew/forgave all prior unpaid and outstanding ARC billings. As a result, the organization is no longer required by professional standards to record a liability for its unpaid ARC billings or for its allocated portion of the plan’s unfunded accumulated benefit obligation. The amount of OPEB liability no longer required to be recorded by professional standards was \$498,449. This amount is reflected as a non-operating increase in net assets during the year ended September 30, 2019 (see Note 14).

Since all unpaid prior ARC billings have been withdrawn/forgiven, and it is not considered probable the organization will withdraw from the plan and be required to make any payments in excess of the “pay as you go” amount for their allocated portion of the unfunded accumulated benefit obligation, this amount is not required to be recorded as a liability by the organization.

The West Virginia Legislature has passed legislation to provide alternate funding sources for the Trust/OPEB unfunded accumulated benefit obligation. In addition, the PEIA Finance Board imposed limits on the retiree subsidy currently provided for PEIA premiums for retirees. Future increases in the subsidy will be limited to no more than 3% per year. These actions are expected to ultimately fund the full accumulated benefit obligation.

The accompanying independent auditors’ report is an integral part of these notes.

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

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 Statements of Financial Position.

Note 9. Transportation Grants

As a Section 5310/5311 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 for operating assistance and to purchase vehicles. The Organization received no vehicles for the year ended September 30, 2019. Two Section 5311 vehicles during the year ended September 30, 2018, totaling \$108,802.

Note 10. Subsequent Events

The Committee on Aging for Randolph County, Inc.'s management has evaluated subsequent events through the date of the audit report and determined that there are no events that need reported.

Note 11. Contingent Liability

The Committee on Aging for Randolph County, Inc. is the defendant in three civil lawsuits concerning three former employees. The Organization believes it will be successful in its defense of the allegations and does not believe any liability will result from it. Therefore, no liability has been recognized in these financial statements.

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

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

Note 12. Concentration of Credit Risk

During the fiscal year, the Committee on Aging for Randolph County, Inc. at times had funds on deposit in financial institutions well in excess of the \$250,000 insured by the Federal Deposit Insurance Corporation. Financial institutions have placed funds through the Certificate of Deposit Account Registry Services (CDARS) in order to mitigate this risk.

Note 13. Restricted Net Assets

The statement of financial position contains net assets with restrictions comprised of cash from grantors and fundraising restricted as to use. In addition, the board has restricted cash and certificates of deposits totaling \$52,050 to cover the accrued leave liability.

Note 14. Prior Period Adjustment

A prior period adjustment was made to remove the Other Post-Employment Benefits (OPEB) liability of \$498,449 (see Note 6)

The accompanying independent auditors' 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, 2019

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Pass-Through Programs from Upper Potomac Area Agency on Aging:			
U.S. Department of Health & Human Services:			
Administration for Community Living Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers	93.044		\$ 40,482
Administration for Community Living Special Programs for the Aging Title III Part D Disease Prevention and Health Promotion Services	93.043		\$ 2,345
Administration for Community Living Special Programs for the Aging Title III Part E National Family Caregiver Support	93.052		\$ 15,067
Administration for Community Living Special Programs for the Aging Title III Part C Nutrition Services (includes state award)	93.045		\$ 202,559
<i>Total US Department of Health & Human Services</i>			<u>\$ 260,453</u>
Pass-Through Program from WV Department of Transportation:			
United States Department of Transportation:			
Federal Transit Administration Formula Grants for Rural Areas	20.509		<u>\$ 261,169</u>
<i>Total US Department of Transportation</i>			<u>\$ 261,169</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 521,622</u></u>

The accompanying notes are an integral part of this schedule.

The Committee on Aging for Randolph County, Inc.
STATEMENT OF REVENUES
For the Year Ended September 30, 2019

	III-B	III-D	III-E	III-C	In-Home Care	FAIR	Lighthouse	Transit	Other	TOTALS
GRANT REVENUES										
Federal	\$40,482	\$ 2,345	\$15,067	\$ 202,559				\$261,169		\$ 521,622
State	14,348	127	706	6,303	10,000	34,337	164,064	75,000	60,788	365,673
LIFE 2018-19	24,666	360	2,150	43,400		1,780	6,220	60,120	7,964	146,660
LIFE 2019-20				48,870				27,631		76,501
Private				5,400						5,400
Total Grant Revenues	79,496	2,832	17,923	306,532	10,000	36,117	170,284	423,920	68,752	1,115,856

OTHER REVENUES

Contributions										
Individual and Business	\$ 852			\$ 22,650				\$ 1,000	\$ 8,885	\$ 33,387
Local Government				38,000				125,500		163,500
Program Service Fees					1,286,393	2,742	14,507	27,265		1,330,907
Project Income	5,008		1,885	88,177				39,456		134,526
Investment Return								126	27,477	27,603
Fundraising									950	950
Rental Income									26,150	26,150
Other				27,304					47,592	74,896
Total Other Revenues	5,860	-	1,885	176,131	1,286,393	2,742	14,507	193,347	111,054	1,791,919

TOTAL REVENUES

TOTAL REVENUES	\$85,356	\$ 2,832	\$19,808	\$ 482,663	\$1,296,393	\$38,859	\$ 184,791	\$617,267	\$179,806	\$2,907,775
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The accompanying notes are an integral part of these financial statements.

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF REVENUES
For the Year Ended September 30, 2018

	III-B	III-D	III-E	III-C	Waiver	FAIR	Lighthouse	Transit	Other	TOTALS
	COC/									
GRANT REVENUES										
Federal	\$41,047	\$ 2,218	\$12,451	\$ 210,008	\$ -	\$ -	\$ -	\$367,639		\$ 633,363
State	14,348	127	-	-	32,662	155,972	75,000		64,428	342,537
LIFE 2017-18	20,902		1,498	26,128	1,300	7,800	71,567		7,606	136,801
LIFE 2018-19	5,512			12,302	400	1,000	26,590		4,035	49,839
Other				7,500						7,500
Total Grant Revenues	81,809	2,345	13,949	255,938	-	34,362	164,772	540,796	76,069	1,170,040

OTHER REVENUES										
Contributions										
Individual and Business:	\$ 314	\$ -	\$ -	\$ 18,297	\$ -	\$ -	\$ -	\$ 6,829	\$100,675	\$ 126,115
Local Government				51,000				49,000		100,000
Program Service Fees					1,133,765	2,907	12,603	16,973	151,534	1,317,782
Project Income	8,865		1,036	80,592				45,007	150	135,650
Investment Return								74	16,703	16,777
Fundraising									75,270	75,270
Local Match	7,239	360	4,150	48,443				26,500		86,692
Rental Income									25,750	25,750
Other	150			17,729					46,243	64,122
Total Other Revenues	16,568	360	5,186	216,061	1,133,765	2,907	12,603	144,383	416,325	1,948,158

TOTAL REVENUES	\$98,377	\$ 2,705	\$19,135	\$ 471,999	\$1,133,765	\$ 37,269	\$177,375	\$685,179	\$492,394	\$3,118,198
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The accompanying notes are an integral part of these financial statements.

Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with Government Auditing Standards

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

We have audited, 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, the financial statements of the Committee on Aging for Randolph County, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2019 and 2018, the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Committee on Aging for Randolph County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Committee on Aging for Randolph County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Committee on Aging for Randolph County, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Committee on Aging for Randolph County Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Williams & Bright, A.C.

Elkins, West Virginia

May 29, 2020

Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

May 29, 2020

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

Our audit on the financial statements of Committee on Aging for Randolph County Center, Inc., for the years ended September 30, 2019 and 2018, highlighted areas where we would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since our 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.

SIGNIFICANT DEFICIENCIES

2019-1 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.

Williams & Bright, A.C.

Elkins, West Virginia