

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

AUDITED FINANCIAL STATEMENTS

**For the Years Ended
September 30, 2021 and
September 30, 2020**

*Williams & Associates, AC
427 Kerens Avenue, PO Box 2727
Elkins, West Virginia 26241
(304) 637-9110*

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
AUDIT FOR YEARS ENDED SEPTEMBER 30, 2021 and 2020**

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Williams & Associates, A.C.

CERTIFIED

PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We 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, 2021 and 2020, 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.

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, 2021 and 2020, and the statements 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Committee on Aging for Randolph County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considering in the aggregate, that raise substantial doubt about the Committee on Aging for Randolph County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Committee on Aging for Randolph County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Committee on Aging for Randolph County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedules of revenues are presented for purposes of additional analysis and are 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 our 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*, we have also issued our report dated March 8, 2022, on our consideration of the Committee on Aging for Randolph County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters on pages 23-24. The purpose of that report is to describe the scope of our 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 & Associates, A.C.

Elkins, West Virginia
March 8, 2022

The Committee on Aging for Randolph County, Inc.
COMPARATIVE STATEMENT OF FINANCIAL POSITION
September 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and Equivalents	\$ 1,372,200	\$ 1,170,405
Certificates of Deposit	745,915	745,915
Accounts Receivable	116,746	99,958
Grants Receivable	125,590	121,695
Inventory	14,077	13,455
Prepaid Expenses	44,538	12,360
Total Current Assets	2,419,066	2,163,788
Fixed Assets		
Property and Equipment	2,005,261	1,998,065
Less Accumulated Depreciation	(1,121,316)	(1,189,095)
Fixed Assets, net	883,945	808,970
Other Assets		
Irrevocable Trust	640,518	646,331
Total Other Assets	640,518	646,331
TOTAL ASSETS	3,943,529	3,619,089
LIABILITIES		
Current Liabilities		
Accounts Payable	1,729	1,907
Accrued Compensation, Taxes and Benefits	137,415	142,826
Refundable Advances		77,234
Paycheck Protection Program Loan		393,000
Total Current Liabilities	139,144	614,967
TOTAL LIABILITIES	139,144	614,967
NET ASSETS		
Net Assets without Restrictions	3,310,777	2,609,050
Net Assets with Restrictions	493,608	395,072
TOTAL NET ASSETS	3,804,385	3,004,122
TOTAL LIABILITIES AND NET ASSETS	\$ 3,943,529	\$ 3,619,089

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, 2020

	Without Restrictions	With Restrictions	TOTAL
SUPPORT			
Contributions	\$ 50,475	\$ -	\$ 50,475
Grants		1,389,404	1,389,404
Program Service Fees	1,137,406		1,137,406
Project Income		145,767	145,767
Investment Return	31,608	163	31,771
Fundraising	5,490		5,490
Local Match	95,250		95,250
Rental Income	25,750		25,750
Other	40,971		40,971
TOTAL SUPPORT	1,386,950	1,535,334	2,922,284
EXPENSES			
Program Services	2,229,366		2,229,366
Management and General	555,290		555,290
TOTAL EXPENSES	2,784,656	-	2,784,656
INCREASE(DECREASE) IN NET ASSETS	(1,397,706)	1,535,334	137,628
UNREALIZED GAIN(LOSS) ON INVESTMENTS	5,019		5,019
NET ASSETS RELEASED FROM RESTRICTIONS	1,453,957	(1,453,957)	-
NET ASSETS, Beginning of Year	2,547,780	313,695	2,861,475
NET ASSETS, End of Year	\$ 2,609,050	\$ 395,072	\$3,004,122

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, 2021

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>TOTAL</u>
SUPPORT			
Contributions	\$ 156,551		\$ 156,551
Grants		2,004,046	2,004,046
Program Service Fees	996,621		996,621
Project Income		159,638	159,638
Investment Return	19,898	238	20,136
Fundraising	540		540
Rental Income	25,400		25,400
Other	39,521		39,521
TOTAL SUPPORT	<u>\$ 1,238,531</u>	<u>\$ 2,163,922</u>	<u>\$3,402,453</u>
EXPENSES			
Program Services	2,107,568	-	2,107,568
Management and General	489,174		489,174
TOTAL EXPENSES	<u>2,596,742</u>	<u>-</u>	<u>2,596,742</u>
INCREASE(DECREASE) IN NET ASSETS	(1,358,211)	2,163,922	805,711
NET ASSETS RELEASED FROM RESTRICTIONS	2,065,386	(2,065,386)	-
UNREALIZED GAIN(LOSS) ON INVESTMENTS	(5,448)		(5,448)
NET ASSETS, Beginning of Year	<u>2,609,050</u>	<u>395,072</u>	<u>3,004,122</u>
NET ASSETS, End of Year	<u>\$ 3,310,777</u>	<u>\$ 493,608</u>	<u>\$3,804,385</u>

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 Years Ended September 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(Decrease) in Net Assets	\$ 805,711	\$ 137,628
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	82,544	74,639
(Increase)Decrease in Operating Assets:		
Accounts Receivable	(16,788)	38,464
Grants Receivable	(3,895)	(36,720)
Inventory	(623)	(606)
Prepaid Expenses	(32,177)	(3,310)
Increase(Decrease) in Operating Liabilities:		
Accounts Payable	(178)	(790)
Accrued Compensation, Taxes & Benefits	(5,410)	(5,713)
Refundable Advances	(77,234)	77,234
	751,950	280,826
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets		
Purchase of Fixed Assets	(157,519)	(93,276)
	(157,519)	(93,276)
NET CASH USED IN INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program Loan	(393,000)	393,000
Purchases and Sales of Investments, net	364	(16)
	(392,636)	392,984
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	201,795	580,534
CASH AND CASH EQUIVALENTS, Beginning of Year	1,170,405	589,871
CASH AND CASH EQUIVALENTS, End of Year	\$ 1,372,200	\$ 1,170,405

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, 2020

	Program Services											Management and General	TOTAL	
	UPAAA			In-Home Care				Total Program Services	Other	Transit	FAIR			
	III-B	III-C	III-D	III-E	LIFE	Veterans/Private Pay	DHHR							LH
Personnel	\$ 56,288	\$ 213,313	\$ 2,760	\$ 13,091		\$ 72,576	\$ 750,208	\$ 143,692	\$ 35,079	\$ 374,748	\$ 27,331	\$ 1,689,086	\$ 349,795	\$ 2,038,881
Travel	2,464	476		20		4,508	22,718	4,182	1,781	1,941	1,918	40,008	85	40,093
Office Supplies	52	4,714				78	4,350	145		3,505	6,861	19,705	19,827	39,532
Raw Food		155,331										155,331		155,331
Disposables		15,253										15,253		15,253
Transportation		9,267										9,267		9,267
Communication and Utilities		31,163					3,674					34,837		67,326
Repairs and Maintenance		8,136			49,342		435			58,486	294	116,693		119,467
Other		2,108			17,160		5,579	37		5,555	7,607	38,083		58,014
COVID19							3,266			5,018	6,271	14,555		19,765
Advertising							2,365			20,730	3,235	26,330		42,710
Insurance							2,500			23,636		26,136		38,626
Professional Fees	500	500					1,645			153		2,798		6,485
Rent Expense		6,000					12,000			6,900	7,200	32,100		32,135
Bad Debts	406						17					423		423
Supplies		4,052					3,170				1,539	8,761		11,661
Loss of Disposal of Assets												-		15,048
Depreciation												-		74,639
Subtotal	59,710	450,313	2,760	13,111	66,502	77,199	811,927	148,056	36,860	500,672	62,256	2,229,366	555,290	2,784,656
Indirect Costs	14,350	60,828	427	2,784			204,067	21,408	4,524	74,958	7,365	390,711	(390,711)	-
Total Functional Expenses	\$ 74,060	\$ 511,141	\$ 3,187	\$ 15,895	\$ 66,502	\$ 77,199	\$ 1,015,994	\$ 169,464	\$ 41,384	\$ 575,630	\$ 69,621	\$ 2,620,077	\$ 164,579	\$ 2,784,656

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, 2021

	Program Services											Management and General	TOTAL	
	UPAAA			In-Home Care				Transit	Other Programs	Total Program Services				
	B	D	E	C	LIFE	Veterans/ Private Pay	DHR							FAIR
Personnel	\$ 47,944	\$ 2,021	\$ 10,938	\$ 225,524		\$ 50,916	\$ 678,274	\$ 30,083	\$ 112,649	\$ 376,866	\$ 24,860	\$ 1,560,075	\$ 273,263	\$ 1,833,338
Travel	2,700		176	297		3,499	14,775	294	2,951	1,847	1,362	27,901	1,520	29,421
Printing and Supplies	21		12	9,338			9,467			1,494	3,608	23,940	19,227	43,167
Raw Food				179,558								179,558		179,558
Disposables				23,043								23,043		23,043
Transportation				9,619								9,619		9,619
Communication and Utilities				27,277	4,600		3,578				216	35,671	31,740	67,411
Repairs and Maintenance				5,762	7,731		241			103,682		117,416	15,951	133,367
Professional Fees													5,103	5,103
Grants											11,000	11,000		11,000
Other				10,227	9,957	60	20,593		74	13,399	11,880	66,190	15,699	81,889
Advertising				72			858			24,489	468	25,887	25,868	51,755
Insurance										25,819		25,819	18,259	44,078
Bad Debts	458					991						1,449		1,449
Depreciation													82,544	82,544
Subtotal	51,123	2,021	11,126	490,717	22,288	55,466	727,786	30,377	115,674	547,596	53,394	2,107,568	489,174	2,596,742
Indirect Costs	12,780	588	3,480	66,864			193,056	4,908	23,220	81,876	8,664	395,436	(395,436)	-
Total Functional Expenses	\$ 63,903	\$ 2,609	\$ 14,606	\$ 557,581	\$ 22,288	\$ 55,466	\$ 920,842	\$ 35,285	\$ 138,894	\$ 629,472	\$ 62,058	\$ 2,503,004	\$ 93,738	\$ 2,596,742

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

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – The Committee on Aging for Randolph County, Inc. (CARC), is a nonprofit organization created to improve the quality of life for senior citizens in Randolph County, West Virginia. The purpose of CARC 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.

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 preparation 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, CARC is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions is comprised of funds for which the donor has imposed restrictions as to a period and/or purpose.

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.

Revenue Recognition – Contributions and grants with donor-imposed conditions are reported as revenue when qualifying expenses have been incurred or other conditions have been met. Cash received but not yet expended for these conditional grants is recorded as refundable advances. Unrestricted grants and contributions are recorded as revenue in the period received.

Cash and Equivalents – For purposes of the statements of cash flows, cash and equivalents include cash deposits in bank accounts and investments in highly liquid debt instruments with a maturity of three months or less.

Accounts Receivable – Accounts receivable represent amounts owed CARC 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, the Veterans Administration, FAIR and Lighthouse client fees, as well as private pay clients.

Grants Receivable – Grants receivable represent amounts owed CARC from grantors according to the stipulations of the grant agreement.

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Uncollectible Accounts – CARC uses the direct write-off method for uncollectible accounts. When an amount is determined to be uncollectible, the amount is recorded as bad debt expense and the corresponding receivable account is credited. As of September 30, 2021, and 2020 all receivables were deemed collectible. Although the direct write-off method is not acceptable under generally accepted accounting principles, because of the infrequency and nominal amounts of bad debt, the difference between this method and the allowance method are deemed immaterial.

Property and Equipment – Prior to October 1, 1990, CARC expensed all property and equipment in the period of acquisition as directed by the grantor agencies. Since October 1, 1990, CARC has capitalized all equipment purchases at cost and all donated equipment at fair market value. In general, fixed asset purchases made with grant funds must have approval from the grantor agency prior to disposal. CARC has adopted a capitalization policy in the amount of \$500. CARC depreciates these costs using the straight-line method over the asset’s estimated useful life, as follows:

Buildings	39 years
Computer Systems	3-5 years
Furniture and Equipment	7-10 years
Improvements	15-20 years
Vehicles	3-5 years

Investments – CARC 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 of raw food, disposables and supplies purchased under the Title III-C nutrition grant and are recorded on a first-in, first-out (FIFO) basis.

Income Taxes – CARC is exempt from income taxes under the provisions of Internal Revenue Code §501(c)(3). CARC is classified as a publicly supported organization, which is not a private foundation. Accordingly, no provision for income taxes has been reported. The Organization’s returns from the prior three years remain open to examination by the Internal Revenue Service.

Donated Facilities – Several of the CARC’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 CARC. Since recent appraisals are not available, a fair rental value could not be reasonably determined and recorded as donated facilities and rent expense in these financial statements.

Contributed Services – Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. Contributed services which are recognized are valued at the estimated cost that would have been incurred by CARC to purchase similar services.

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant Monies – Grant monies are received in three ways:

- On a cost reimbursement basis for which CARC requests reimbursement for monies already spent. This method is utilized for the LIFE and Transit program grants.
- On an as needed basis where CARC requests monies that it feels it will need in the immediate future. This method is used for Title III grants.
- On a meal reimbursement basis not to exceed the total grant award. This method is used for the Title III nutrition grant.

Advertising – Advertising costs are expensed when incurred and totaled \$51,755 and \$42,710 for the years ended September 30, 2021 and 2020, respectively.

Reclassifications – Certain amounts in the 2020 financial statements have been reclassified to conform with current year presentation. Such reclassifications had no effect on net assets or the change in net assets.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits with banking institutions in checking and savings accounts. Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC). Balances in these accounts sometimes exceed the federal deposit insurance limits; however, CARC utilizes IntraFi Network Deposits to insure all deposited funds. This service breaks up large deposits and places them across a network of more than 3000 banks and savings associations around the United States. Depositors deal with one bank that participates in the program but avoid having funds above the FDIC limit in any one bank.

NOTE 3 – CERTIFICATES OF DEPOSIT

CARC had the following certificates of deposit as of September 30:

	<u>2021</u>	<u>2020</u>
Mountain Valley Bank 91-day certificate at 0.15% dated 9/22/21	\$ 100,000	\$ 100,000
Mountain Valley Bank 48-month certificate at 0.75% dated 11/10/20	211,000	211,000
Citizens Bank of West Virginia 6-month certificate at 0.40% dated 7/29/21	<u>434,915</u>	<u>434,915</u>
Total Certificates of Deposit	<u>\$ 745,915</u>	<u>\$ 745,915</u>

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 4 – RESTRICTED CASH AND EQUIVALENTS AND CERTIFICATES OF DEPOSIT

Cash and equivalents and certificates of deposit restricted as to use as of September 30 include:

	<u>2021</u>	<u>2020</u>
Cash and Equivalents		
Restricted by WV Code	\$ 10,822	\$ 10,107
Restricted by Grantor	<u>274,346</u>	<u>177,137</u>
Total Restricted Cash and Equivalents	<u>\$ 285,168</u>	<u>\$ 187,244</u>
Certificates of Deposit		
Restricted by Grantor	\$ 65,000	\$ 65,000
Restricted by Donor for Building Expenses	74,806	39,363
Restricted by Donor for Transportation	<u>90,000</u>	<u>90,000</u>
Total Restricted Certificates of Deposit	<u>\$ 229,806</u>	<u>\$ 194,363</u>
Total Restricted Cash and Certificates of Deposit	<u>\$ 514,974</u>	<u>\$ 381,607</u>

NOTE 5 – RECEIVABLES

Accounts receivable consisted of the following as of September 30:

	<u>2021</u>	<u>2020</u>
WV Department of Health and Human Resources	\$ 64,537	\$ 79,847
Veterans Administration	33,363	5,426
Others	<u>18,846</u>	<u>14,685</u>
Total Accounts Receivable	<u>\$ 116,746</u>	<u>\$ 99,958</u>

Grants receivable consisted of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Upper Potomac Agency on Aging		
LIFE	\$ 12,318	\$ 8,589
Title III-B	1,557	1,650
Title III-C	38,001	37,796
WV Bureau of Senior Services	3,518	10,011
Lighthouse/FAIR	9,286	16,266
Transit	<u>60,910</u>	<u>47,383</u>
Total Grants Receivable	<u>\$ 125,590</u>	<u>\$ 121,695</u>

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 6 - INVESTMENTS

The cost and estimated market value of investment securities as of September 30 are as follows:

	<u>2021</u>	<u>2020</u>
Investments in Trust	\$ 640,947	\$ 641,312
Unrealized Gain(Loss) on Investments	<u>(429)</u>	<u>5,019</u>
Estimated Market Value	<u>\$ 640,518</u>	<u>\$ 646,331</u>

All values are derived from quoted prices in active markets for identical assets/liabilities (Level 1).

NOTE 7 – FAIR VALUE MEASUREMENTS

Accounting standards generally accepted in the United States of America establish a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach).

Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 – Unobservable inputs that reflect the reporting entity’s own assumptions.

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 336,788	\$ 336,788
Buildings	370,635	298,122
Improvements	423,009	393,259
Furniture and equipment	186,509	185,607
Computers and office equipment	48,776	94,994
Vehicles	<u>639,544</u>	<u>689,295</u>
Total property and equipment	2,005,261	1,998,065
Less accumulated depreciation	<u>(1,121,316)</u>	<u>(1,189,095)</u>
Property and equipment, net	<u>\$ 883,945</u>	<u>\$ 808,970</u>

Depreciation expense totaled \$82,544 and \$74,639 for the years ended September 30, 2021 and 2020, respectively.

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 9 – RETIREMENT PLAN

Certain employees are eligible to be included in CARC’s retirement plan. The employee contributes 4.5% of gross wages which is combined with 9.5% contributed by CARC. The covered employees are eligible for benefits upon retirement. CARC contributions to the retirement plan were \$35,955 and \$37,716 for fiscal years ending September 30, 2021 and 2020, respectively. Of this amount, \$20,780 and \$22,378 was included in salaries and fringe benefits and \$15,175 and \$15,338 was included in indirect expenses on the respective statement of functional expenses.

NOTE 10 – TRANSPORTATION GRANTS

CARC is eligible for grants under 49 USC §5310 and §5311 through the WV Department of Transportation, Division of Public Transit. These grants provide funds to the Organization for operating assistance and to purchase vehicles. The 5310 grants provide for increased mobility for the elderly and those with disabilities. The 5311 grants specifically provide funds for rural areas. Both are formula grants where typically the Organization pays 20% and the grantor pays 80% of the cost of the vehicle.

CARC received one (1) vehicle from the WV Division of Public Transit through the §5311 program during fiscal year ended September 30, 2021. The total cost of the vehicle was \$46,141. This amount is shown in fixed assets on the statement of financial position and federal grant revenue on the statement of activities. CARC did not have to pay 20% of the cost. There were two (2) vehicles received through this program for fiscal year ended September 30, 2020.

After five years, CARC may dispose of the vehicles according to the terms of the grant, usually with the grantor receiving the proceeds.

NOTE 11 – FUNDRAISING

CARC held various fundraising events throughout the fiscal years. A summary of such fundraising revenue and expenses for the years ended September 30, 2021 and 2020 are as follows:

	2021	2020
Revenue	\$ 540	\$ 5,490
Expenses	500	1,933
Fundraising, net	\$ 40	\$ 3,557

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 12 – SUPPORT CONCENTRATION

CARC extends credit for services provided without collateral. The details of net receivables and revenue of its total unrestricted support and revenue as of and for the year then ended September 30, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Net receivable from:		
Medicaid	27%	35%
Transit	25%	21%
Title III	16%	18%
LIFE	5%	5%
WV BOSS	1%	4%
Lighthouse/FAIR	4%	7%
VA	14%	2%
Others	8%	8%
	<u>100%</u>	<u>100%</u>
Net revenue from:		
Medicaid	26%	45%
Transit	22%	18%
Title III	21%	16%
LIFE	6%	8%
WV BOSS	1%	2%
Lighthouse/FAIR	5%	7%
VA	3%	3%
Others	16%	1%
	<u>100%</u>	<u>100%</u>

Any decrease in Medicaid, Transit or Title III funding could have a significant effect on CARC's programs and activities.

NOTE 13 – CONTINGENT LIABILITIES

Operating expenditures made against federal and state grants are subject to audit by the grantor agency. Additionally, Medicaid amounts paid on prospectively determined per diem rates are subject to audit and disallowance of charges based on a determination of whether the charges complied with all pertinent Medicaid regulations. Such audits and reviews could result in requests for reimbursement for expenditures disallowed under the terms of the grants or fees paid and subsequently disallowed by Medicaid. Adjustments are recorded when they are identified. Amounts cannot be determined at this time and management believes such amounts, if any, to be immaterial.

CARC is involved in various legal actions from time to time in the ordinary course of business. Management is not currently aware of any matters that will have a significant adverse effect on the accompanying financial statements. CARC maintains liability insurance to mitigate these risks.

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 14 – IRREVOCABLE TRUST

CARC 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 receive the asset held in trust. The income is restricted to pay for “recurring expenses” incurred by CARC. The funds held in trust are owned by the Organization and are therefore reflected on the Statements of Financial Position as investments. The balance as of September 30, 2021 and 2020 was \$640,518 and \$646,331, respectively. This trust was set up by the Board of CARC and could be changed in the future.

NOTE 15 – SPLIT-INTEREST AGREEMENT

CARC is the beneficiary of a perpetual trust created on August 13, 1984 by the Randolph County Commission and held by Citizens Bank of West Virginia. 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 16 – DONOR RESTRICTED NET ASSETS

The statement of financial position contains net assets with donor restrictions comprised of cash and inventory from grants and donors, as well as fundraising restricted as to use. Net assets with donor restrictions consisted of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Cash and Equivalents		
Bingo	\$ 487	\$ 127
Nutrition	715	
Raffle	9,620	9,990
Transit	274,346	177,137
Certificates of Deposit		
Transit	65,000	65,000
Building Expense	39,363	39,363
Transportation	90,000	90,000
Inventory	<u>14,077</u>	<u>13,455</u>
Total Restricted Net Assets	<u>\$ 493,608</u>	<u>\$ 395,072</u>

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 17 – BOARD RESTRICTED NET ASSETS

The board has restricted cash and certificates of deposits. These amounts are included in Net Assets Without Restrictions since the Board has discretion to change these restrictions. Board restricted net assets as of September 30 are as follows:

	2021	2020
Accrued Leave	\$ 40,211	\$ 40,211
Building Expenses	35,442	35,442
Nutrition Program Equipment	77,018	77,018
 Total Board Restricted Net Assets	 \$ 152,671	 \$ 152,671

NOTE 18 – PAYCHECK PROTECTION PROGRAM LOAN

On April 24, 2020, CARC received a Paycheck Protection Program (PPP) loan of \$393,000 from Citizens Bank of West Virginia at an interest rate of 1% for two (2) years. The loan is guaranteed by the Small Business Administration (SBA) if used for approved expenses of salaries and benefits, and/or mortgage interest, rent, utilities, and expenses related to COVID19 protection for employees over a specified period. The loan will be forgiven after application and proof of expenses are submitted to the lender and approved by the SBA. CARC applied for and received forgiveness effective January 22, 2021. Therefore, the balance of the loan has been removed from the liability section of the Statement of Financial Position and is shown as a revenue on the Statement of Activities for the fiscal year ended September 30, 2021.

NOTE 19 - LINE OF CREDIT

CARC maintains a line of credit at Citizens Bank of West Virginia in the amount of \$200,000 with a current interest rate of 4.85%, collateralized by certificates of deposit. There was no balance on the line of credit as of September 30, 2021 or 2020.

NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

CARC 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 by visiting <http://peia.wv.gov>.

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.

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) continued

For years prior to 2018, 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 were included with fringe benefits on the statements of activities. The amounts billed from the Trust for the ARC were not required to be paid by the participating employers. OPEB costs were accrued based upon invoices received from PEIA for 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 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 was reflected as a non-operating increase in net assets during the year ended September 30, 2019.

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 more than 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 CARC.

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.

NOTE 22 – SUBSEQUENT EVENTS – COVID-19

The spread of the novel coronavirus (COVID-19) has severely impacted the economy. Businesses and organizations have been forced to cease or limit operations for long or indefinite periods. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown. Governments and financial institutions have responded with monetary and fiscal interventions to try to stabilize economic conditions. CARC has determined that these are non-adjusting subsequent events. Accordingly, the financial position and changes in net assets as of and for the year ended September 30, 2021 or 2020 have not been adjusted to reflect their impact. The duration and extent of the impact of the COVID-19 pandemic, as well as the effectiveness of government and financial responses remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of activities of CARC for future periods.

The Committee on Aging for Randolph County, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2021 and 2020

NOTE 23 – INDIRECT COST ALLOCATION

Costs incurred for a common or joint purpose benefitting more than one program and not readily assignable to any program are allocated based on the program's share of personnel costs. These costs include administrative salaries, utilities, insurance, repairs and maintenance, professional fees, and office supplies.

NOTE 24 – PROGRAMS

Title III Older Americans Act

III-B – provides supportive services to maintain maximum independence and dignity in a home environment. Services provided include assisted transportation and chore services.

III-C – provides both congregate and home-delivered nutrition services.

III-D – provides disease prevention and health promotion services.

III-E – provides family caregiver support.

In-Home Care Services

Lighthouse Program – provides in-home care to assist seniors whose income and assets disqualify them from Medicaid services.

FAIR (Family Alzheimer's In-Home Respite) – offers relief to caregivers and, at the same time, provides one-on-one attention and individualized activities for persons with a written diagnosis of Alzheimer's disease or a related dementia.

VA (Veterans Administration) – provides in-home care for veterans of the armed forces intended to keep them in their own homes as opposed to a nursing home.

Medicaid Waiver/Continuum of Care/Case Management – provides personal care services and supervision, home health aides, nursing, chore, and homemaker services, as approved by the WV Department of Health and Human Resources.

Legislative Initiative for the Elderly

LIFE – is a state-funded program and part of the senior center array of services. Services vary by county but are modeled after those provided by the Older Americans Act. Funds are provided through WV Lottery proceeds.

Transit

Country Roads Transit – provides public transportation services in Randolph and Upshur Counties in West Virginia.

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
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	\$ 38,889
Administration for Community Living Special Programs for the Aging Title III Part D Disease Prevention and Health Promotion Services	93.048	2,218
Administration for Community Living Special Programs for the Aging Title III Part E National Family Caregiver Support	93.052	13,506
Administration for Community Living Special Programs for the Aging Title III Part C Nutrition Services (includes state award) COVID19 Supplement*	93.045 93.045.119	220,559 <u>112,510</u>
<i>Total US Department of Health & Human Services</i>		<u>387,682</u>
Pass-Through Programs from WV Department of Transportation:		
United States Department of Transportation: Federal Transit Administration Formula Grants for Rural Areas COVID19 Supplement*	20.509 20.509.119	- 608,175
Formula Grants for Rural and Tribal Areas New Program Vehicles	20.509	<u>46,141</u>
<i>Total US Department of Transportation</i>		<u>654,316</u>
United States Treasury via Small Business Administration Payroll Protection Program Funds*		<u>393,000</u>
<i>Total Expenditures of Federal Awards</i>		<u><u>\$ 1,434,998</u></u>

* Funds not subject to federal audit requirements

The accompanying notes are an integral part of this schedule.

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF REVENUES
For the Year Ended September 30, 2020

		Title III										
		In-Home Care										
	(B)	(C)	(D)	(E)	DHHR	Private Pay	VA	FAIR	LH	Transit	Other	TOTALS
	Chore/Transport	Nutrition	Health	Respite								
GRANT REVENUES												
Federal	\$57,241	\$171,550	\$2,218	\$10,935						\$360,865	\$ 64,269	\$ 667,078
State	10,869	183,842	391	5,921			43,421	179,792		37,500	96,546	558,282
LIFE 2019-20	6,373	42,342								41,500	32,223	122,438
LIFE 2020-21	2,781	12,366									16,459	31,606
Other		10,000										10,000
Total Grant Revenues	77,264	420,100	2,609	16,856	-	-	43,421	179,792	439,865	209,497	1,389,404	
OTHER REVENUES												
Contributions												
Individual and Businesses	\$ 438	\$ 4,537									\$ 7,500	\$ 12,475
Local Government		38,000										38,000
Program Service Fees					1,043,096	13,588	64,200	4,119	12,403			1,137,406
Project Income	4,240	100,630		1,976						38,911	10	145,767
Investment Return										163	31,608	31,771
Fundraising											5,490	5,490
Local Match		16,750								78,500		95,250
Rental Income											25,750	25,750
Other		20,194								18,191	2,586	40,971
Total Other Revenues	4,678	180,111	-	1,976	1,043,096	13,588	64,200	4,119	12,403	135,765	72,944	1,532,880
TOTAL REVENUES	\$81,942	\$600,211	\$2,609	\$18,832	\$1,043,096	\$13,588	\$64,200	\$47,540	\$192,195	\$575,630	\$282,441	\$2,922,284

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

The Committee on Aging for Randolph County, Inc.
STATEMENT OF REVENUES
For the Year Ended September 30, 2021

	Title III										TOTALS	
	(B) Chore/ Transport	(D) Health	(E) Respite	(C) Nutrition	LIFE	DHHR	Other	FAIR	LH	Transit		Other
GRANT REVENUES												
Federal	\$ 38,889	\$ 2,218	\$ 13,506	\$ 220,559								\$ 275,172
Federal Cares Act				\$ 112,510						608,175	393,000	1,113,685
State			642	108,829			5,000	35,685	132,797	684	108,404	392,041
LIFE 2020-21	13,348	391	4,940	37,186	104,367							160,232
LIFE 2021-22	2,549			15,935	21,269							39,753
Private				15,000							8,163	23,163
Total Grant Revenues	54,786	2,609	19,088	510,019	125,636	-	5,000	35,685	132,797	608,859	509,567	2,004,046
OTHER REVENUES												
Contributions				\$ 20,230					\$ 50	\$ 1,000	\$ 1,771	\$ 23,051
Individual and Businesses				38,000						95,500		133,500
Local Government									9,464		7,438	996,621
Program Service Fees					888,625		88,595	2,499		22,697		159,638
Project Income	3,837		4,082	128,992			30			283	19,853	20,136
Investment Return											540	540
Fundraising											25,400	25,400
Rental Income										19,582	5,666	39,521
Other				14,273								
Total Other Revenues	3,837	-	4,082	201,495	-	888,625	88,625	2,499	9,514	139,062	60,668	1,398,407
TOTAL REVENUES	\$ 58,623	\$ 2,609	\$ 23,170	\$ 711,514	\$ 125,636	\$ 888,625	\$ 93,625	\$ 38,184	\$ 142,311	\$ 747,921	\$ 570,235	\$ 3,402,453

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

Williams & Associates, 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.(CARC), a nonprofit organization, which comprise the comparative statement of financial position as of September 30, 2021 and 2020, 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 March 8, 2022.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Management Letter as item 2021-1 that we consider to be significant deficiencies.

Report on 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 other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Management Letter as items 2021-1.

Management's Response to Findings

The Committee on Aging for Randolph County, Inc.'s response to the findings identified in our audit is described in the accompanying Management Letter. CARC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 CARC'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 & Associates, A.C.

Elkins, West Virginia

March 8, 2022

Williams & Associates, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

March 8, 2022

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

Our audit of the financial statements of Committee on Aging for Randolph County Center, Inc., for the years ended September 30, 2021 and 2020, 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

2021-1 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 & Associates, A.C.

Elkins, West Virginia