

BROOKE COUNTY COMMITTEE ON AGING

FOLLANSBEE, WEST VIRGINIA

AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013



SEACHRIST, KENNON & MARLING, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
BROOKE COUNTY COMMITTEE ON AGING

**BROOKE COUNTY COMMITTEE ON AGING
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SEPTEMBER 30, 2014**

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SEACHRIST, KENNON & MARLING, A.C.

Certified Public Accountants & Business Consultants

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Members of:
American Institute of Certified Public Accountants
Governmental Audit Quality Center
Employee Benefit Plan Audit Quality Center

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Brooke County Committee on Aging

We have audited the accompanying financial statements of Brooke County Committee on Aging (a nonprofit organization), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and changes in net assets, and cash flows 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As more fully explained in Note 2 to the financial statements, it is the Committee's policy to expense fixed assets purchased with grant funds that in our opinion should be capitalized and depreciated over their estimated useful lives to conform with accounting principles generally accepted in the United States of America. Fixed assets should be capitalized on the statement of financial position and systematic depreciation charges made to operations over the estimated useful lives of the fixed assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Brooke County Committee on Aging as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

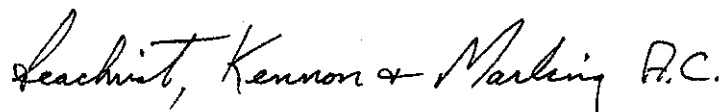
Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of Expenditures of Federal and State Awards on pages 7 and 8 are presented for purposes of additional analysis and are not 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 auditing 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 July 31, 2015, on our consideration of Brooke County Committee on Aging'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. 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 Brooke County Committee on Aging's internal control over financial reporting and compliance.



Seachrist, Kennon & Marling A.C.
Wheeling, WV 26003
July 31, 2015

**BROOKE COUNTY COMMITTEE ON AGING
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2014 AND 2013**

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 208,893	\$ 303,868
Accounts receivable	134,665	91,853
Grants receivable - Note 8	27,717	28,033
Inventory	9,062	4,852
Funds held as fiscal agent	-	7,686
Other assets	3,042	4,257
Total current assets	383,379	440,549
Property and equipment:		
Equipment	35,846	35,846
Leasehold improvements	4,850	4,850
Less: accumulated depreciation	(24,051)	(18,229)
Property and equipment, net	16,645	22,467
Total assets	\$ 400,024	\$ 463,016
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 34,544	\$ 23,733
Accrued payroll and payroll taxes	33,821	39,998
Accrued vacation	20,527	23,946
Agency funds - Note 4	-	7,686
Deferred revenue	20,930	23,728
Other liabilities	3,731	115
Total liabilities	113,553	119,206
Net assets:		
Unrestricted net assets	285,602	338,772
Temporarily restricted net assets	869	5,038
Total net assets	286,471	343,810
Total liabilities and net assets	\$ 400,024	\$ 463,016

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

**BROOKE COUNTY COMMITTEE ON AGING
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	<u>2014</u>	<u>% OF TOTAL</u>	<u>2013</u>	<u>% OF TOTAL</u>
Unrestricted revenues and support:				
Grant revenue:				
Federal	\$ 485,332	29%	\$ 450,629	26%
State	<u>250,188</u>	15%	<u>234,647</u>	14%
Total grant revenue	<u>735,520</u>		<u>685,276</u>	
LIFE match	204,750	12%	201,304	12%
Program service fees	392,796	23%	434,615	25%
Donated services and facilities-Note 2	213,875	13%	212,761	12%
Local	77,034	5%	96,332	6%
Local match	22,630	1%	22,229	1%
Fundraising	4,647	0%	15,796	1%
Other income	18,575	1%	40,760	2%
Net assets released from restrictions:				
Restrictions satisfied by payments	<u>4,169</u>	<u>0%</u>	<u>-</u>	<u>0%</u>
Total unrestricted revenues and support	<u>1,673,996</u>	<u>100%</u>	<u>1,709,073</u>	<u>100%</u>
Expenses:				
Program services:				
Transportation	24,527	1%	47,310	3%
LIFE	160,990	9%	186,643	11%
Nutrition	490,307	28%	438,600	25%
In-Home	583,987	34%	628,187	36%
RSVP	<u>310,925</u>	18%	<u>317,402</u>	18%
Total program services	<u>1,570,736</u>		<u>1,618,142</u>	
Management and general	148,043	9%	113,577	6%
Fundraising	<u>8,387</u>	<u>0%</u>	<u>16,421</u>	<u>1%</u>
Total expenses	<u>1,727,166</u>	<u>100%</u>	<u>1,748,140</u>	<u>100%</u>
Increase (decrease) in unrestricted net assets	<u>(53,170)</u>		<u>(39,067)</u>	

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

**BROOKE COUNTY COMMITTEE ON AGING
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	<u>2014</u>	<u>% OF TOTAL</u>	<u>2013</u>	<u>% OF TOTAL</u>
Temporarily restricted net assets:				
Other grants	-	0%	-	0%
Net assets released from restrictions:				
Restrictions satisfied by payments	(4,169)	100%	-	0%
Increase (decrease) in temporarily restricted net assets	<u>(4,169)</u>	<u>100%</u>	<u>-</u>	<u>0%</u>
Increase (decrease) in net assets	(57,339)		(39,067)	
Net assets, beginning of year	<u>343,810</u>		<u>382,877</u>	
Net assets, end of year	<u>\$ 286,471</u>		<u>\$ 343,810</u>	

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

BROOKE COUNTY COMMITTEE ON AGING
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (57,339)	\$ (39,067)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	5,822	4,935
Changes in assets and liabilities:		
(Increase) decrease in grants and accounts receivable	(42,496)	(1,096)
(Increase) decrease in inventory	(4,210)	(850)
(Increase) decrease in other assets	1,215	4,886
Increase (decrease) in accounts payable and accrued liabilities	1,216	9,644
Increase (decrease) in deferred revenue	(2,798)	1,890
Increase (decrease) in other liabilities	3,615	-
Increase (decrease) in grant advances	-	-
Net cash provided (used) by operating activities	(94,975)	(19,658)
Cash flows from investing activities:		
Purchase of fixed assets	-	-
Net cash provided (used) by investing activities	-	-
Net increase (decrease) in cash and cash equivalents	(94,975)	(19,658)
Cash and cash equivalents at beginning of year	303,868	323,526
Cash and cash equivalents at end of year	\$ 208,893	\$ 303,868
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

**BROOKE COUNTY COMMITTEE ON AGING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Federal Grantor/ Program Title	Account Number/s	Federal CFDA #	Revenue Recognized	Expenditures
Passed through the Bel-O-Mar Regional Council:				
Title 3B	3001-10/3001-24	93.044	\$ 33,219	\$ 33,219
Title 3D	3001-13	93.043	1,834	1,834
Title 3E	3001-14	93.052	11,895	11,895
SHIP	3001-16	93.779	2,775	2,775
Title 3C-1	3001-11	93.045	162,512	162,512
Title 3C-2	3001-12	93.045	165,723	165,723
Total Bel-O-Mar			<u>377,958</u>	<u>377,958</u>
Passed through the Department of Health and Human Resources:				
RSVP	3001-15/3001-25	94.002	107,374	107,374
Total Department of Health and Human Resources			<u>107,374</u>	<u>107,374</u>
			<u>\$ 485,332</u>	<u>\$ 485,332</u>

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Brooke County Committee on Aging, Inc. under programs of the federal government for the year ended September 30, 2014. Because the schedule presents only a selected portion of the operations of Brooke County Committee on Aging, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Brooke County Committee on Aging, Inc.

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

**BROOKE COUNTY COMMITTEE ON AGING
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

State Grantor/Pass Through Agency Program Title	Grant or Award Number	Revenue Recognized	Expenditures
State of West Virginia			
Passed through the Bel-O-Mar Regional Council: LIFE Program	21402	\$ 204,750	\$ 204,750
Alzheimer's Respite Care/FAIR	IH1400	35,445	35,445
Lighthouse Program	IH1400	173,128	173,128
Title III-B	21435	18,891	18,891
Title III-D	21435	200	200
MIPPA	MIPPA1500	2,200	2,200
Legislature and Governor grant	21103	20,324	20,324
		<u>454,938</u>	<u>454,938</u>
Total State of West Virginia		\$ 454,938	\$ 454,938

**BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

Note 1 - Nature of Organization:

The Brooke County Committee on Aging (a nonprofit organization) is funded primarily by grants awarded under Title III of the Older American's Act, as administered by the Northwestern Area Agency on Aging, the Retired Senior Volunteer Program Grant, and through third party reimbursements; specifically the State of West Virginia Medicaid and Waiver Programs. The Committee also receives various other federal, state, and local funding.

The Committee provides social, nutrition, in-home, and community services. The purpose of these programs is to assist in meeting the needs of older Americans.

Note 2 - Summary of Significant Accounting Policies:

Basis of presentation - The financial statements of Brooke County Committee on Aging (the Committee) have been prepared in conformity with accounting principles generally accepted in the United States of America, with the exception of the capitalization of certain fixed assets.

Basis of accounting – Brooke County Committee on Aging prepares its financial statements using the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Account classification - Revenue and expense information is maintained separately for each grant funded to Brooke County Committee on Aging as required by the various funding sources.

Financial Statement Presentation - Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Brooke County Committee on Aging and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Committee and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Committee or Trustee. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes.

**BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

Note 2 - Summary of Significant Accounting Policies (continued):

Financial statement presentation (continued) - Net assets with voluntary designations by the governing board of the Organization is considered to be unrestricted.

Cash and cash equivalents - For the purpose of the Statement of Cash Flows, Brooke County Committee on Aging considers all investments with an original maturity date of three months or less to be cash equivalents.

Inventory - Food inventory is recorded on a first-in first-out basis at cost.

Accounts receivable - Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Equipment and vehicles - In accordance with grant award budgets approved by the various funding sources, equipment and vehicles purchased with grant funds are charged to expense in the period in which they are purchased rather than being recorded as assets and depreciated over their estimated useful life. As a result, the expenses reflected in the statements of activities and changes in net assets include the cost of equipment and vehicles purchased during the year rather than a provision for depreciation for those assets acquired with grant funds.

The equipment acquired is owned by the Brooke County Committee on Aging while used in the program for which it was purchased or in other future authorized programs. For equipment purchased with federal Title III funds, however, the grantor maintains a reversionary interest; therefore, its disposition, as well as the ownership of any sale proceeds there from, is subject to funding source regulations.

Fixed assets - non-grant expenditures - Fixed assets greater than \$1,000 acquired with non-grant funds are capitalized at cost and depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows: 3 to 10 years for equipment, vehicles, and leasehold improvements.

Brooke County Committee on Aging reviews its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated by the fixed assets and any estimated proceeds from the eventual disposition of the fixed assets. If the fixed assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying

**BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

Note 2 - Summary of Significant Accounting Policies (continued):

Fixed assets - non-grant expenditures (continued) - amount exceeds the fair value of such fixed assets. There were no impairment losses recognized in 2014 and 2013.

Income tax - The Committee is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

Accounting principals generally accepted in the United States of America require management to evaluate tax positions taken by the Committee and recognize a tax liability (or asset) if the Committee has taken an uncertain position that more likely than not would be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Committee, and has concluded that as of September 30, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Committee is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Committee's federal Return of Organization Exempt from Income Tax (Form 990) for 2010, 2011 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Donated services and facilities - For the fiscal years ended September 30, 2014 and 2013, donated advertising services, facilities, meal, and other miscellaneous donations totaling \$186,305 and \$185,191, respectively, have been recognized as revenue and expense in the statement of activities in accordance with FASB ASC 958-605-50-1. For the fiscal years ended September 30, 2014 and 2013, the amount of in-kind contributions in the RSVP Program not recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605-50-1 had not been satisfied amounted to \$-0- and \$24,099, respectively. These contributions were recorded for program reporting purposes only.

The Brooke County Committee on Aging's Follansbee Center is currently leased to the Brooke County Committee on Aging through an agreement with the Brooke County Commission. Lease costs are \$1.00 per year. The use of facilities qualifies as a contributed asset in accordance with FASB ASC 958-605-50-1 and accordingly, \$27,570 and \$27,570 has been recognized as revenue and expense in the accompanying financial statements for the fair market value of the donated facilities for the fiscal year ended September 30, 2014 and 2013, respectively.

Cost Allocation - The Committee allocates its program costs based upon direct costs by program to total program costs. All costs that can not be directly charged to a specific grant or contract are allocated based upon a percentage of direct salary costs per program to total direct salaries. Costs that cannot be directly charged or allocated to programs based on direct salaries are accumulated as management and general expenses.

**BROOKE COUNTY COMMITTEE ON AGING
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2014 AND 2013**

Note 2 - Summary of Significant Accounting Policies (continued):

Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications - The Committee's policy is to reclassify amounts reported in prior year financial statements when necessary for classifications adopted during the current year. There were no reclassifications in 2014.

Note 3 - Grant and Third Party Commitments and Contingencies:

The Committee receives a substantial amount of its support from federal and state governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Committee's activities.

Additionally, under the terms of federal and state contracts and grants, periodic audits are required and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, will be immaterial.

Note 4 - Fiscal Agent:

Brooke County Committee on Aging acts as a fiscal agent for several state sponsored activities. These funds are segregated from normal operating cash accounts. The Committee earns administrative fees that it uses to offset program and administrative operating costs.

Balances remaining in the agency accounts are as follows at September 30, 2014 and 2013, respectively. These amounts have been included in the aggregate as "Agency funds" in the liability section of the statement of financial position.

	<u>2014</u>	<u>2013</u>
Senior Conference	\$ -0-	\$ 7,686
	<u>\$ -0-</u>	<u>\$ 7,686</u>

**BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

Note 5 - Line of Credit:

Brooke County Committee on Aging has a \$25,000 line of credit secured by the Committee's accounts receivable, furniture, fixtures, equipment and inventory. The line of credit is available to be drawn upon as needed and is payable on demand. Interest is payable monthly. The interest rate on the line of credit was 6.25% at September 30, 2014. The Committee did not use the line of credit during fiscal year 2014 and 2013, respectively.

Note 6 - Concentration of Credit Risk:

The Committee maintains cash accounts at several local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2014 Committee had \$-0- and in uninsured funds.

Note 7 - Operating Lease:

The Committee leases certain office equipment under a 60-month operating lease effective April 2009 through April 2014. Payments on this lease are \$271.29 per month. Current year expenses charged to operations and program expenses totaled \$1,899. Future minimum lease payments under this lease are \$-0- for the fiscal year ending September 30, 2014.

Fiscal year ending:		
	Total	<u>\$ -0-</u>

**BROOKE COUNTY COMMITTEE ON AGING
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

Note 8 - Grants Receivable:

Grants receivable as of September 30, 2014 and 2013, respectively, consisted of the following:

	<u>2014</u>	<u>2013</u>
C-1 Federal	\$ -0-	\$ 5,801
C-2 Federal	-0-	8,125
RSVP	27,717	9,130
3-B Federal	-0-	2,878
3-E Federal	-0-	2,100
3-D Federal	-0-	-0-
	<u>\$ 27,717</u>	<u>\$ 28,034</u>

Note 9 - Pension Benefits:

Effective October 1, 2002, the Committee established a 403(b) Thrift Plan whereby all employees are eligible to make salary reduction contributions, but only those employees completing 1,000 hours of service who are 21 years of age or older with at least one year of service are eligible to participate in employer matching contributions. The employer matching contributions to the Plan are set at the lesser of (a) 75 percent of the employee's salary reduction contributions deferred during the plan year while satisfying the participation requirements for employer matching contributions, or (b) 6 percent of the employee's compensation received during the plan year while the employee satisfied the participation requirements for employer matching contributions. For the fiscal year ended September 30, 2014 and 2013, total employer contributions were \$7,848 and \$6,970, respectively.

Note 10 - Subsequent Events:

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Committee through July 31, 2015, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SEACHRIST, KENNON & MARLING, A.C.

Certified Public Accountants & Business Consultants

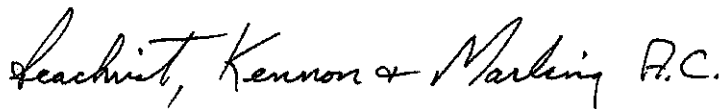
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Brooke County Committee on Aging

We have audited the financial statements of Brooke County Committee on Aging as of and for the year ended September 30, 2014, and our report thereon dated July 31, 2015, which expressed a qualified opinion on those financial statements appears on pages 1-2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenue, Support, and Functional Expenses - Unaudited is presented for purposes of additional analysis and is 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 not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Seachrist, Kennon & Marling, A.C.
Wheeling, West Virginia
July 31, 2015

**BROOKE COUNTY COMMITTEE ON AGING
SCHEDULE OF REVENUE, SUPPORT AND FUNCTIONAL EXPENSES - UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Program Services

	Transportation	LIFE	Nutrition	In-Home	RSVP	Other Funds	Total Revenues						
Revenues and Support:													
Grant revenue:													
Federal	\$ 14,968	\$ -	\$ 328,235	\$ 11,895	\$ 107,374	\$ 22,860	\$ 485,332						
State	6,746	-	-	208,573	-	34,869	250,188						
LIFE match	-	163,554	41,196	-	-	5,778	204,750						
Program service fees	-	-	73,998	313,020	-	27,570	392,796						
Donated services and facilities	-	-	-	-	186,305	27,377	213,875						
Local	-	-	-	23,068	26,589	6,311	77,034						
Local match	-	-	12,225	4,094	-	4,647	22,630						
Fundraising	-	-	-	-	-	17,667	18,575						
Other income	\$ 21,714	\$ 163,554	\$ 455,654	\$ 561,478	\$ 320,348	\$ 147,079	\$ 1,669,827						
Expenses:													
Personnel	\$ 9,355	\$ 86,693	\$ 188,786	\$ 433,242	\$ 75,071	\$ 793,147	\$ 38,300	26%	\$ -	\$ 831,447	48%		
Payroll taxes and benefits	2,288	23,150	39,289	90,425	16,692	171,844	9,422	6%	-	181,266	10%		
Travel	9,972	10,237	13,159	45,296	1,731	80,395	1,466	1%	-	81,861	5%		
Printing and supplies	-	2,714	2,912	3,975	10,631	20,232	3,938	3%	-	24,170	1%		
Communication and utilities	-	4,445	31,731	4,077	10,802	51,055	5,881	4%	-	56,936	3%		
Vehicles and equipment	-	-	-	-	-	-	24,493	17%	-	24,493	1%		
Raw food and disposables	-	-	212,483	-	-	212,483	-	0%	-	212,483	12%		
Other	-	23,351	1,947	6,972	9,693	41,963	31,151	21%	-	73,114	4%		
Insurance	-	10,400	-	-	-	13,312	5,822	4%	-	13,312	1%		
Depreciation	2,912	-	-	-	-	-	-	0%	-	5,822	0%		
Fundraising	-	-	-	-	-	-	-	0%	8,387	8,387	0%		
Donated services and facilities	-	-	-	-	186,305	186,305	-	19%	-	213,875	12%		
	\$ 24,527	\$ 160,990	\$ 490,307	\$ 583,987	\$ 310,925	\$ 1,570,736	\$ 148,043		\$ 8,387	\$ 1,727,166			

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

SEACHRIST, KENNON & MARLING, A.C.

Certified Public Accountants & Business Consultants

Craig K. Seachrist, CPA, CVA
Ronnie L. Marling, CPA, CFE

Members of:
American Institute of Certified Public Accountants
Governmental Audit Quality Center
Employee Benefit Plan Audit Quality Center

INDEPENDENT AUDITOR'S 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
Brooke County Committee on Aging

We have audited, in accordance with the 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 Brooke County Committee on Aging (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 31, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brooke County Committee on Aging'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 ABC Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Brooke County Committee on Aging's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses see 2014-001 and 2014-002.

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.

Compliance and Other Matters

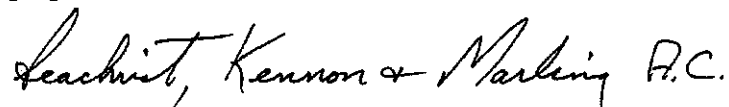
As part of obtaining reasonable assurance about whether Brooke County Committee on Aging's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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*.

Brooke County Committee on Aging's Response to Findings

Brooke County Committee on Aging's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Brooke County Committee on Aging'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 of 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.



Seachrist, Kennon & Marling, A.C.
Wheeling, WV 26003
July 31, 2015

**BROOKE COUNTY COMMITTEE ON AGING
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Finding 2014-001 - Financial Statement Preparation – Material Weakness:

Condition: The Committee currently requires assistance from the auditors to prepare its financial statements, complete with required footnote disclosures, in conformity with U.S. generally accepted accounting principles (GAAP).

Criteria: Management is responsible for establishing and maintaining internal controls in the financial reporting system and for the fair presentation of the financial position, results of operations, cash flows and disclosures in the financial statements, in conformity with GAAP.

Effect: A reasonable possibility exists that the Committee may require assistance to prepare its financial statement; complete with required disclosures in conformity with U.S. generally accepted accounting principles (GAAP).

Recommendation: We recommend that the Committee designate an employee with the required expertise to prepare, or oversee the preparation of, fairly presented financial statements, including required footnote disclosures, in conformity with GAAP.

Response: Management acknowledges that it does not have a CPA staff member to oversee or prepare financial statements and related footnotes, and due to the resources required, it would not be cost effective to hire someone for this purpose.

**BROOKE COUNTY COMMITTEE ON AGING
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Finding 2014-002 – Fraud and Abuse – Material Weakness:

Condition: During the fiscal year ended September 30, 2014 it was discovered that an employee of the agency was purchasing excess food inventory and was removing the inventory from the agency for personal gain.

Criteria: Management is responsible for establishing and maintaining internal controls to safeguard the assets of the agency. Current controls established require that all invoices be approved prior to payment. Review of the invoices in question should have triggered questions when large purchases were being made.

Effect: A reasonable possibility exists that food cost paid by the agency have been inflated which has reduced cash available for operations due to this fraud.

Recommendation: We recommend management review their policy of reviewing invoices to be paid and determine that it is functioning as it is intended. A strong policy of reviewing invoices prior to payment will lower the chances of fraud and abuse occurring in the future.

Response: Management has adopted new guidelines for ordering food. The cook will make out an order and the Nutrition Director will go over the order before allowing the cook to place the order. Menus are attached to a copy of the order showing which days the food was used for. They also attach a copy of the invoice to the order. A copy of this is given to the Financial Coordinator. Employees were also notified that they cannot order food for personal use from our suppliers.

Members of the board and the Executive Director went to the State Police in April, 2015 and told them of the circumstances we encountered and they began an investigation into the situation. As of this date (July 30, 2015), we have only been told that an investigation was completed and it is being processed.