

**RALEIGH COUNTY  
COMMISSION ON AGING, INC.  
AUDITED FINANCIAL STATEMENTS  
For Year Ended September 30, 2014**

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**For Year Ended September 30, 2014**

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# Hollifield & Associates

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September 10, 2015

To the Board of Directors of  
Raleigh County Commission on Aging, Inc.  
Beckley, WV 25801

## **INDEPENDENT AUDITOR'S REPORT**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Raleigh County Commission on Aging, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities, functional expenses, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raleigh County Commission on Aging, Inc. 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***

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of revenue and support on page 18 and the schedule of expenditures of state awards on page 19 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 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 September 10, 2015, on our consideration of Raleigh County Commission on Aging, 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. 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 Raleigh County Commission on Aging, Inc.'s internal control over financial reporting and compliance.

*Hollifield & Associates, AC*

Hollifield & Associates, AC  
Princeton, WV 24740  
September 10, 2015

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**September 30, 2014 and 2013**

<b>ASSETS</b>	<b>2014</b>	<b>2013</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,768,422	\$ 1,380,522
Accounts receivable, net	767,614	647,685
Grants receivable	93,346	145,160
Total Current Assets	2,629,382	2,173,367
<b>NONCURRENT ASSETS</b>		
Land	179,315	179,315
Buildings	2,623,600	2,619,433
Furniture, Fixtures, and Equipment	223,823	206,326
Vehicles	381,623	354,432
	3,408,361	3,359,506
Less accumulated depreciation	(1,220,878)	(1,072,135)
Total Capital Assets	2,187,483	2,287,371
<b>TOTAL ASSETS</b>	<b>\$ 4,816,865</b>	<b>\$ 4,460,739</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,890	\$ 1,541
Accrued wages payable	12,243	12,243
Payroll Taxes & Related Liabilities	37,622	7,847
Total Current Liabilities	54,756	21,632
<b>LONG TERM DEBT</b>	-	-
<b>TOTAL LIABILITIES</b>	54,756	21,632
<b>NET ASSETS</b>		
Restricted Net Assets	93,346	145,160
Unrestricted	4,668,764	4,293,947
Total Net Assets	4,762,109	4,439,107
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,816,865</b>	<b>\$ 4,460,739</b>

The notes to financial statements are an integral part of this statement.

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF ACTIVITIES**  
**For Year Ended September 30, 2014 and 2013**

	2014	2013
<b>REVENUE AND SUPPORT</b>		
Federal financial assistance	\$ 367,121	\$ 377,707
State grant allocations	1,213,544	1,054,532
Donations	8,571	11,464
Medicaid/waiver	1,745,590	1,789,202
Program Income	1,525,412	1,424,886
Interest Income	721	1,293
Other	182,726	203,618
Total Revenue and Support	5,043,686	4,862,702
<b>EXPENSES</b>		
Program Services:		
Title III-B	177,112	159,852
Title III-D	29,513	31,440
Title III-E	121,349	119,010
Title III-C - congregate	348,623	319,017
Title III-C - home delivered	375,017	352,464
LIFE	60,276	51,981
Waiver	1,526,847	1,611,066
Personal Care	941,619	875,763
Transportation	59,071	62,833
Fair	115,543	140,986
Lighthouse	616,168	526,096
Living Well Elder Care	27,670	24,104
Case Management	109,119	101,810
Management and general	212,756	357,091
Total Expenses	4,720,684	4,733,513
<b>INCREASE (DECREASE) IN NET ASSETS</b>	323,003	129,189
Net Assets at beginning of year	4,439,107	4,309,918
<b>NET ASSETS AT END OF YEAR</b>	\$ 4,762,109	\$ 4,439,107

The notes to financial statements are an integral part of this statement.

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For Year Ended September 30, 2014**

	Title III C				
	Title IIIB	Title IIID	Title IIIE	Congregate	Home Delivered
Expenses:					
Salaries and wages	\$ 75,290	\$ 12,892	\$ 93,301	\$ 102,728	\$ 130,809
Employee Benefits	14,449	2,194	14,633	17,286	22,774
Contract Services	324	131	76	571	86
Mileage	-	-	5	-	-
Travel & Training	2,929	797	1,007	4,464	1,452
Raw Food	324	-	2	132,135	174,869
Medical Supplies	-	-	-	-	-
Disposables	2,511	1,032	603	11,061	8,815
Gas & Oil	15,265	-	-	2,228	6,693
Repairs & Maintenance (Vans)	7,134	7	117	875	3,137
Insurance	212	-	22	16	79
Maintenance Contract	1,863	80	436	2,006	1,563
Office Supplies	8,837	736	1,950	9,917	6,499
Postage Expenses	1,710	78	425	1,841	1,446
Equipment Rental & Repair	437	65	109	470	341
Equipment	12,078	272	476	3,373	3,587
Building Repair & Maintenance	9,220	3,478	1,983	14,049	2,260
Utilities	12,166	4,293	2,495	18,698	3,746
Parking Rent	-	-	-	-	-
Advertising	4,540	233	1,473	5,444	4,318
Taxes & Licenses	119	6	27	149	117
Professional Services	7,088	2,864	1,748	12,474	1,883
Activities	464	342	117	5,082	392
Bank Charges	-	-	-	-	-
Other	153	12	344	3,756	151
Bad Debts	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Expenses Capitalized to Assets	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 177,112</b>	<b>\$ 29,513</b>	<b>\$ 121,349</b>	<b>\$ 348,623</b>	<b>\$ 375,017</b>

The notes to financial statements are an integral part of this statement.

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**For Year Ended September 30, 2014**

	Living Well Elder Care	Case Management	Personal Care	Transportation	Life
Expenses:					
Salaries and wages	\$ 12,310	\$ 88,320	\$ 781,965	\$ 41,104	\$ 28,453
Employee Benefits	2,548	13,874	133,279	5,362	4,407
Contract Services	89	21	39	-	45
Mileage	-	-	57	-	-
Travel & Training	600	283	4,822	-	316
Raw Food	-	-	28	-	-
Medical Supplies	-	-	1,320	-	-
Disposables	714	152	282	-	359
Gas & Oil	-	-	-	8,099	-
Repairs & Maintenance (Vans)	15	1	2	3,524	2
Insurance	-	-	1	34	21,712
Maintenance Contract	82	423	587	-	106
Office Supplies	1,181	1,834	3,873	27	584
Postage Expenses	80	413	573	-	104
Equipment Rental & Repair	20	108	146	-	26
Equipment	309	462	642	-	125
Building Repair & Maintenance	2,872	617	1,217	-	1,208
Utilities	3,191	670	1,815	920	1,477
Parking Rent	-	-	1,058	-	-
Advertising	804	1,231	4,161	-	310
Taxes & Licenses	26	24	56	-	8
Professional Services	2,113	544	1,762	-	990
Activities	16	112	159	-	28
Bank Charges	-	-	-	-	-
Other	699	30	3,776	-	14
Bad Debts	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Expenses Capitalized to Assets	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 27,670</b>	<b>\$ 109,119</b>	<b>\$ 941,619</b>	<b>\$ 59,071</b>	<b>\$ 60,276</b>

The notes to financial statements are an integral part of this statement.



**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**For Year Ended September 30, 2014**

	Lighthouse	Fair	Waiver	Admn & General	Totals
Expenses:					
Salaries and wages	\$ 510,613	\$ 86,131	\$ 1,183,635	\$ 68,788	\$ 3,216,338
Employee Benefits	90,392	15,755	225,296	11,104	573,353
Contract Services	28	117	80	100	1,707
Mileage	28	6	53,382	-	53,478
Travel & Training	2,353	1,098	4,807	220	25,150
Raw Food	13	2	28	-	307,401
Medical Supplies	878	173	1,774	-	4,145
Disposables	213	931	548	98	27,319
Gas & Oil	-	-	-	-	32,285
Repairs & Maintenance (Vans)	241	0	5	41	15,102
Insurance	-	-	6	-	22,083
Maintenance Contract	432	107	756	67	8,507
Office Supplies	2,437	606	4,465	275	43,222
Postage Expenses	422	104	739	65	8,000
Equipment Rental & Repair	108	27	189	17	2,063
Equipment	473	117	827	(120)	22,621
Building Repair & Maintenance	807	2,956	2,262	416	43,345
Utilities	926	3,822	2,463	543	57,225
Parking Rent	617	122	1,377	-	3,173
Advertising	2,319	518	4,270	194	29,816
Taxes & Licenses	34	8	60	5	642
Professional Services	1,009	2,641	2,245	9,538	46,896
Activities	115	26	201	8,608	15,663
Bank Charges	-	-	-	2,287	2,287
Other	1,711	276	37,433	5,670	54,025
Bad Debts	-	-	-	4,952	4,952
Depreciation Expense	-	-	-	148,743	148,743
Expenses Capitalized to Assets	-	-	-	(48,854)	(48,854)
<b>Total Expenses</b>	<b>\$ 616,168</b>	<b>\$ 115,543</b>	<b>\$ 1,526,847</b>	<b>\$ 212,756</b>	<b>\$ 4,720,684</b>

The notes to financial statements are an integral part of this statement.

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF CASH FLOWS**  
**For Year Ended September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Increase (Decrease) in Net Assets	\$ 323,003	\$ 129,189
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	148,743	161,621
(Increase) decrease in operating assets:		
Accounts receivable	(119,929)	(157,235)
Grants receivable	51,814	96,661
Increase (decrease) in operating liabilities:		
Accounts payable	3,349	(3,054)
Accrued wage payable	-	-
Accrued payroll taxes	29,775	(5,740)
Net Cash Provided by Operating Activities	<u>436,754</u>	<u>221,442</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (Increase) Decrease in Fixed Asset	<u>(48,854)</u>	<u>(16,961)</u>
Net Cash Provided by Investing Activities	(48,854)	(16,961)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase (Decrease) in Notes Payable	<u>-</u>	<u>-</u>
Net Cash Provided by Financing Activities	-	-
Net increase (decrease) in cash and cash equivalents	387,900	204,481
Cash and Cash Equivalents at Beginning of Year	<u>1,380,522</u>	<u>1,176,041</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 1,768,422</u></u>	<u><u>\$ 1,380,522</u></u>

The notes to financial statements are an integral part of this statement.

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended September 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities - Raleigh County Commission on Aging, Inc. is a nonprofit corporation, created by an act of the Raleigh County Commission on October 1, 1980. The organization was formed to provide a governing and managing body for a senior citizens program in Raleigh County, WV, and to set up the necessary organizations, committees, and functions to further all possible interest and participation in benefits and programs for the senior population in Raleigh County. Funding for the Organization consists of Medicaid revenues received for services performed and federal and state grant programs which are utilized to enhance the mission of the Organization.

Basis of Accounting and Financial Statement Presentation - The financial statements of Raleigh County Commission on Aging, Inc. are prepared in accordance with generally accepted accounting principles (GAAP); using the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized when grantor eligibility requirements are met.

Source of Revenue - Raleigh County Commission on Aging, Inc. receives revenues in the form of grants from Title IIIB, Title IIID, Title IIIE, Title IIIC, Title VII (Elder Abuse), the Life Plan Grant, the Lighthouse Grant, the Fair Grant, the Healthy Benefit/SHIP Grant, a Community Partnership Grant, a Transportation Grant, and other various grants from organizations when approved. Grants are recognized when grantor eligibility requirements are met. Raleigh County Commission on Aging, Inc. also receives revenue from personal care services, services billed through the Medicaid/Waiver program, case management services, private pay services, day care services, catering services, rents paid on short term rentals of conference rooms and dining facilities, transportation services, and donations.

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, and then the unrestricted resources as needed. See Note C for information describing restricted assets.

Expense Allocation - Expenses are charged to programs and supporting services based on grant stipulations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes - Raleigh County Commission on Aging, Inc. has been granted an exemption from income taxes under Section 501-c-3 of the Internal Revenue Code and is not considered a private foundation.

Use of Estimates - Raleigh County Commission on Aging, Inc. as do all entities, relies on management's estimates in the preparation of their financial statements. Actual results could differ from those estimates.

Cash Equivalents - The organization considers checking, cash on hand, and savings accounts as cash on the statement of cash flows.

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended September 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash - Cash is on deposit with two F.D.I.C. insured institutions. During the year the Organization had amounts over F.D.I.C. coverage. This amount was not adequately covered with pledged assets. The cash and cash equivalents consists of the following for purposes of the cash flows statement.

All of the carrying values are the same as market value.

	Type	09/30/14 Amount	09/30/14 Interest Rate
Program Revenue	Checking	429,931	0.05%
Payroll	Checking	37,927	0.05%
Disbursement	Checking	43,129	0.05%
Construction	Checking	500,079	0.02%
Savings	Savings	757,357	0.03%
Total Cash & Cash Equivalents		1,768,422	

Accounts / Grants Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. Management utilizes a bad debt expense account to track uncollectible amounts. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. The determination of uncollectability is based on historical bad debt experience and an evaluation of the periodic aging of accounts.

Loss from Bad Debts - Bad debt expense, which is a reduction in revenue rather than an expense, is recorded by the direct write-off method, accordingly, bad debt is recorded by a decrease in accounts receivable and an increase in bad debt expense after accounts have been determined uncollectible. (See Note D)

Prepaid Items - Prepaid balances are for payments made by Raleigh County Commission on Aging, Inc. in the current year to provide services occurring in the subsequent fiscal year.

Property and Equipment and Depreciation - Property and equipment are stated at cost or, if donated, at fair market value at date of donation less accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of the assets. The Commission's policy is to capitalize assets costing greater than \$1,000. In addition, all property and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Major classifications of capital assets of Raleigh County Commission on Aging, Inc. along with their respective useful lives at September 30, 2014 are summarized below:

Classification	Useful Lives
Building	5-30 years
Furniture, Fixtures, & Equipment	3-7 years
Vehicles	5 years

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended September 30, 2014**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Inventories - Inventories of raw food, materials, and supplies are deemed immaterial and are accordingly expensed as purchased.

**NOTE B - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2014, was as follows:

	Balance at October 1, 2013	Additions	Retirements & Reclassifications	Balance at Sept. 30, 2014
Land	179,315	-	-	179,315
Building	2,619,433	4,166	-	2,623,600
Furniture, Fixtures, & Equipment	206,326	17,497	-	223,823
Vehicles	354,432	27,191	-	381,623
Total capital assets	\$ 3,359,506	\$ 48,854	\$ -	\$ 3,408,361
Less accumulated depreciation:				
Land	-	-	-	-
Building	642,586	86,827	-	729,413
Furniture, Fixtures, & Equipment	157,079	16,785	-	173,864
Vehicles	272,470	45,130	-	317,600
Total accumulated depreciation	\$ 1,072,135	\$ 148,743	\$ -	\$ 1,220,878

Capital asset activity for the year ended September 30, 2013, was as follows:

	Balance at October 1, 2012	Additions	Retirements & Reclassifications	Balance at Sept. 30, 2013
Land	175,515	3,800	-	179,315
Building	2,619,433	-	-	2,619,433
Furniture, Fixtures, & Equipment	193,165	13,161	-	206,326
Vehicles	453,468	-	(99,035)	354,432
Total capital assets	\$ 3,441,581	\$ 16,961	\$ (99,035)	\$ 3,359,506
Less accumulated depreciation:				
Land	-	-	-	-
Building	545,603	96,983	-	642,586
Furniture, Fixtures, & Equipment	138,243	18,836	-	157,079
Vehicles	325,703	45,802	(99,035)	272,470
Total accumulated depreciation	\$ 1,009,549	\$ 161,621	\$ (99,035)	\$ 1,072,135

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended September 30, 2014**

**NOTE C - RESTRICTED ASSETS**

Grants - As Noted in the Grant Agreements, for the grants listed in Note A, all monies are to be used for the Operating Activities of the Grant in question. Federal/State grant monies are received on a reimbursement basis and all grant expenses are required to be tracked in order to show areas of support aided. Any unexpended grant monies have to be approved for carryover to the next year or are lost. Raleigh County Commission on Aging, Inc. is currently in compliance with all grants tested.

Donations - Donations are usually unrestricted; however if a restriction is placed on a donation by the donor the donation is placed in a restricted asset category until the funds are expended and the restriction is released.

Service Revenue - There are currently no restrictions on Service Revenue.

**NOTE D - ALLOWANCE FOR UNCOLLECTIBLE**

As explained in Note A, Raleigh County Commission on Aging, Inc. uses the direct write-off method to record uncollectible accounts receivable. The determination of uncollectability is based on historical bad debt experience and an evaluation of the periodic aging of accounts.

Detailed transactions are as follows:

	09/30/14	09/30/13
A/R Beginning balance	792,845	732,271
Additions	73,067	63,838
Bad Debt Write-Off	(4,952)	(3,264)
Ending balance	860,960	792,845

**NOTE E - DEPOSITS**

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, Raleigh County Commission on Aging's deposits may not be returned to it. The Organization limits its exposure to custodial credit risk by requiring deposits to be collateralized. The non-pooled deposits are categorized to give an indication of the level of risk assumed by Raleigh County Commission on Aging, Inc. at fiscal year end.

Raleigh County Commission on Aging, Inc. has no policy for interest rate risk.

9/30/2014			
Deposit Type	Book Balance	Bank Balance	
Insured	\$ 1,518,344	\$ 1,557,063	
Uninsured	250,079	250,079	
Total	\$ 1,768,422	\$ 1,807,141	
9/30/2013			
Deposit Type	Book Balance	Bank Balance	
Insured	\$ 1,380,522	\$ 1,322,370	

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended September 30, 2014**

**NOTE F - BUSINESS AND CREDIT CONCENTRATION**

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Pursuant to grant requirements and West Virginia Code, the bank is required to pledge as collateral depository bonds sufficient to secure the excess deposits.

The categories listed below describe how Raleigh County Commission on Aging's deposits are protected.

Category 1 - insured by FDIC

Category 2 - insured by FDIC up to the prevailing limit and by securities held by the pledging financial institution's trust department in CoA's name.

Category 3 - unsecured.

	<u>Category</u>			Totals
	1	2	3	
Checking	\$ 500,000	\$ 260,987	\$ 250,079	\$ 1,011,065
Savings	250,000	507,357	-	757,357
	\$ 750,000	\$ 768,344	\$ 250,079	\$ 1,768,422

Raleigh County Commission on Aging, Inc. relies heavily on Governmental Grants, such as those provided by Appalachian Area Agency on Aging and the West Virginia Bureau of Senior Services, for their income. For the year ended September 30, 2014, these sources accounted for \$1,580,666 (31%) of total revenue and support. Medicaid/Waiver revenue accounted for \$1,745,590 (35%) of total revenue and support. The remaining 34% consisted of personal care services, program income, rents, and donations.

**NOTE G - EQUITY CLASSIFICATIONS**

Equity is classified as net assets and displayed in three components:

- a. Restricted net assets -- Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Temporarily restricted -- Consists of net assets with temporary constraints placed on their use either by donors or banks.
- c. Unrestricted net assets -- All other net assets that do not meet the definition of "restricted" or "temporarily restricted".

**NOTE H - COMPARATIVE STATEMENTS**

Certain items on the 2013 statements have been reclassified to make those statements comparable to the 2014 statements.

**RALEIGH COUNTY COMMISSION ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
Year Ended September 30, 2014**

**NOTE I - DONATED SERVICES**

The value of donated volunteer services is not reflected in the accompanying financial statements, since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers, including the Board of Directors (who receive no fees for performing their duties as members, officers, or special committee members) have donated time to help Raleigh County Commission on Aging, Inc. become a successful organization.

**NOTE J - BOARD OF DIRECTORS**

Directors of Raleigh County Commission on Aging, Inc. are nominated by individual board members, if the nomination is accepted their name is placed on the ballot where the entire board can vote. Officers are selected based on a majority vote. The Officers of Raleigh County Commission on Aging, Inc. at September 30, 2014 were:

Jack Roop	President
Danny Moore	Vice President
Sam Elmore	Treasurer /Secretary

**NOTE K - RISK MANAGEMENT**

Raleigh County Commission on Aging, Inc. is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets, errors and omissions; and natural disasters for which Raleigh County Commission on Aging, Inc. carries general liability insurance for these various risks. Amounts of settlements have not exceeded insurance coverage in the past three years.

**NOTE L - TAX DEFERRED ANNUITY PLAN**

The Organization has a defined contribution retirement plan for its employees which is authorized under Internal Revenue Code Section 403(b). Employees are eligible to participate once they are 18 years old and have been employed for six months. The Organization makes contributions to the plan at an amount equal to 8% of the contributions made by each eligible employee. The Organization's expense related to this plan for the years ended September 30, 2014 & 2013 was \$1,809 and \$1,829 respectively.

**NOTE M - CONTINGENT LIABILITIES**

In the normal course of operations, the Organization receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.



**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended September 30, 2014**

**NOTE N - OPERATING LEASES**

Currently Raleigh County Commission on Aging, Inc. has a 60 month operating lease with Xerox Corporation in regard to a WC7775P Copier/Printer. Under the terms of the lease, effective 12/12/12, Xerox Corporation is to supply a WC7775P Copier/Printer, cover all maintenance, and supply paper and ink for the term of the lease. Raleigh County Commission on Aging, Inc. is required to pay a minimum monthly lease payment of \$566.64 for the entire lease term. The lease has a fair value purchase option after 60 months.

**NOTE O - SUBSEQUENT EVENTS**

Subsequent events were reviewed up to the financial statement date of September 10, 2015. Nothing that would have a material affect on the September 30, 2014 financial statements was noted.

# Hollifield & Associates

-----CERTIFIED PUBLIC ACCOUNTANTS-----

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**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***

September 10, 2015

To the Board of Directors of  
Raleigh County Commission on Aging, Inc.  
Beckley, WV 25801

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 Raleigh County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2015.

## **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing 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.

*Hollifield & Associates, AC*

Hollifield & Associates, AC  
Princeton, WV 24740  
September 10, 2015

## **SUPPLEMENTAL INFORMATION**

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF REVENUE AND SUPPORT**  
**For Year Ended September 30, 2014**

	Title IIC				
	Title IIIB	Title IIID	Title IIIE	Congregate	Home Delivered
Revenue:					
Federal Monies	\$ 71,218	\$ 2,635	\$ 46,131	\$ 108,253	\$ 136,861
State Monies	34,777	1,397	16,210	72,791	92,058
Donations	-	-	-	4,817	-
Personal Care Services	-	-	-	-	-
Program Income	405	360	-	76,812	13,121
Private Pay In Home Services	-	-	-	-	-
Building Space Revenue	-	-	-	-	-
Miscellaneous Revenue	-	710	-	-	20,263
Total Revenue	<u>\$ 106,400</u>	<u>\$ 5,102</u>	<u>\$ 62,341</u>	<u>\$ 262,672</u>	<u>\$ 262,304</u>

	Living Well	Case	Personal Care	Transportation	Life
	Elder Care	Management			
Revenue:					
Federal Monies	\$ -	\$ -	\$ -	\$ -	\$ -
State Monies	-	-	-	-	200,714
Donations	-	-	-	-	-
Personal Care Services	-	-	1,348,951	-	-
Program Income	-	74,956	-	10,806	-
Private Pay In Home Services	-	-	-	-	-
Day Care Revenue	4,302	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Total Revenue	<u>\$ 4,302</u>	<u>\$ 74,956</u>	<u>\$ 1,348,951</u>	<u>\$ 10,806</u>	<u>\$ 200,714</u>

	Lighthouse	Fair	Waiver	Admn & General	Totals
	Revenue:				
Federal Monies	\$ -	\$ -	\$ -	\$ 2,024	\$ 367,121
State Monies	667,231	92,450	-	35,916	1,213,544
Donations	-	-	-	3,754	8,571
Personal Care Services	-	-	1,745,590	-	3,094,541
Program Income	-	-	-	-	176,461
Private Pay In Home Services	40,476	1,550	-	4,937	46,963
Building Space Revenue	-	-	-	22,894	27,196
Miscellaneous Revenue	-	-	54,286	34,029	109,289
Total Revenue	<u>\$ 707,707</u>	<u>\$ 94,000</u>	<u>\$ 1,799,877</u>	<u>\$ 103,554</u>	<u>\$ 5,043,686</u>

The independent auditor's report is an integral part of this schedule.

**RALEIGH COUNTY COMMISSION ON AGING, INC.  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 For Year Ended September 30, 2014**

	Grant Period	State Expenditure
Direct Programs:		
WV Bureau of Senior Services		
SHIP	June 30, 2014	\$ 5,370
Community Partnership Grants	June 30, 2014	30,546
Lighthouse	June 30, 2014	474,603
Lighthouse	June 30, 2015	192,628
FAIR	June 30, 2014	68,705
FAIR	June 30, 2015	23,745
Total Direct Programs		795,597
Pass through Awards		
Appalachian Area Agency on Aging		
IIIB State	June 30, 2014	34,777
IIIC-1	June 30, 2014	72,791
IIIC-2	June 30, 2014	92,058
IIID	June 30, 2014	1,397
IIIE	June 30, 2014	16,210
LIFE	June 30, 2014	109,968
LIFE	June 30, 2015	90,746
Total pass-through awards		417,948
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>\$ 1,213,544</b>

The independent auditor's report is an integral part of this schedule.