

Raleigh County Commission on Aging, Inc.

**Independent Auditors' Report
and
Financial Statements**

September 30, 2017

Raleigh County Commission on Aging, Inc.

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Independent Auditors' Report

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

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 statement of financial position as of September 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

To the Board of Directors
Raleigh County Commission on Aging, Inc.
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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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Raleigh County Commission on Aging, Inc.'s 2016 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 19, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The statement of revenue and support on page 14 and the schedule of expenditures of state awards on page 15, 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 March 5, 2018, 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 solely 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 the effectiveness of Raleigh County Commission on Aging, Inc.'s 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.



Charleston, WV
March 5, 2018

Raleigh County Commission on Aging, Inc.

Statement of Financial Position

**September 30, 2017, with Comparative Totals
as of September 30, 2016**

Assets	2017	2016
Current Assets		
Cash and cash equivalents	\$1,529,117	\$1,066,996
Accounts receivable, net	587,106	771,955
Grants receivable	125,670	157,149
Prepaid expenses	12,303	-0-
Total Current Assets	<u>2,254,196</u>	<u>1,996,100</u>
Noncurrent Assets		
Land	179,315	179,315
Buildings	4,263,740	4,263,740
Furniture, fixtures, and equipment	278,995	254,010
Vehicles	245,509	293,784
	<u>4,967,559</u>	<u>4,990,849</u>
Less accumulated depreciation	<u>1,539,794</u>	<u>1,394,465</u>
Total Noncurrent Assets	<u>3,427,765</u>	<u>3,596,384</u>
Total Assets	<u>\$5,681,961</u>	<u>\$5,592,484</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 20,627	\$ 21,649
Current portion of long-term debt	55,050	48,558
Accrued wages payable	135,842	118,735
Accrued annual leave	22,304	13,891
Payroll taxes and withholdings	56,942	54,970
Total Current Liabilities	<u>290,765</u>	<u>257,803</u>
Long-Term Debt, less current portion	<u>167,846</u>	<u>377,995</u>
Net Assets		
Unrestricted	<u>5,223,350</u>	<u>4,956,686</u>
Total Net Assets	<u>5,223,350</u>	<u>4,956,686</u>
Total Liabilities and Net Assets	<u>\$5,681,961</u>	<u>\$5,592,484</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Activities

For the Year Ended September 30, 2017, with Comparative Totals
as of September 30, 2016

	2017			2016 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues, Gains and Other Support				
Grants				
Appalachian Area Agency on Aging	\$ -0-	\$ 396,722	\$ 396,722	\$ 356,137
Bureau of Senior Services	-0-	719,769	719,769	712,964
Other	-0-	29,777	29,777	14,500
Medicaid waiver	1,734,788	-0-	1,734,788	1,704,693
Personal care and case management	1,682,574	-0-	1,682,574	1,522,763
Nutrition contract - AAA	-0-	423,014	423,014	375,071
United Way of Southern WV	18,333	-0-	18,333	20,000
Program and private pay services	221,029	-0-	221,029	181,421
Contributions	24,463	-0-	24,463	9,272
Interest income	988	-0-	988	577
Rental income	12,062	-0-	12,062	19,936
Other miscellaneous	33,666	-0-	33,666	29,802
Net assets released from restrictions				
Satisfaction of grant activities	<u>1,569,282</u>	<u>(1,569,282)</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues, Gains, and Other Support	<u>5,297,185</u>	<u>-0-</u>	<u>5,297,185</u>	<u>4,947,136</u>
Expenses and Losses				
Program Services:				
Title III-B	161,328	-0-	161,328	151,871
Title III-D	25,206	-0-	25,206	31,875
Title III-E	126,029	-0-	126,029	109,895
Title III-C - congregate	310,922	-0-	310,922	306,369
Title III-C - home delivered	388,339	-0-	388,339	388,285
LIFE	79,614	-0-	79,614	69,658
Waiver	1,552,756	-0-	1,552,756	1,565,574
Personal Care	1,164,526	-0-	1,164,526	1,043,950
Transportation	58,109	-0-	58,109	58,095
Fair	121,787	-0-	121,787	128,690
Lighthouse	607,109	-0-	607,109	628,134
Living Well Elder Care	28,925	-0-	28,925	26,625
Case Management	108,274	-0-	108,274	110,449
Management and general	<u>297,597</u>	<u>-0-</u>	<u>297,597</u>	<u>293,888</u>
Total Expenses and Losses	<u>5,030,521</u>	<u>-0-</u>	<u>5,030,521</u>	<u>4,913,358</u>
Change in Net Assets	266,664	-0-	266,664	33,778
Net Assets, Beginning of Year	<u>4,956,686</u>	<u>-0-</u>	<u>4,956,686</u>	<u>4,922,908</u>
Net Assets, End of Year	<u>\$5,223,350</u>	<u>\$ -0-</u>	<u>\$5,223,350</u>	<u>\$4,956,686</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses

**For the Year Ended September 30, 2017, with Comparative Totals
as of September 30, 2016**

	<u>Title IIC</u>				
	<u>Title IIB</u>	<u>Title IID</u>	<u>Title IIE</u>	<u>Congregate</u>	<u>Home Delivered</u>
Expenses:					
Salaries and wages	\$ 75,702	\$10,071	\$ 99,776	\$ 91,144	\$145,418
Taxes and benefits	12,262	2,122	13,042	13,497	23,209
Mileage	-0-	-0-	-0-	-0-	-0-
Travel & training	1,139	287	581	1,630	616
Raw food	(639)	82	-0-	107,823	163,163
Medical supplies	-0-	-0-	-0-	-0-	-0-
Disposables	999	404	239	13,759	15,558
Gas and oil	9,981	-0-	-0-	1,453	4,377
Repairs & maintenance (vans)	14,430	17	385	1,623	5,924
Insurance	521	-0-	58	-0-	593
Maintenance contract	1,955	89	492	2,105	1,653
Office supplies	5,321	295	1,328	5,771	4,328
Postage expenses	2,030	93	505	2,186	1,717
Equipment rental and repair	1,338	449	311	2,318	743
Equipment	591	292	876	6,403	3,038
Building repair & maintenance	6,801	2,955	1,390	13,289	4,679
Utilities	13,980	4,984	2,814	21,534	4,152
Advertising	6,261	313	1,724	7,386	5,801
Other taxes & licenses	-0-	36	98	479	416
Professional services	6,409	2,591	1,671	11,333	1,745
Activities	1,674	126	447	3,098	1,209
Bank charges	-0-	-0-	-0-	-0-	-0-
Other	573	-0-	292	4,091	-0-
Interest	-0-	-0-	-0-	-0-	-0-
Bad debts	-0-	-0-	-0-	-0-	-0-
Depreciation expense	-0-	-0-	-0-	-0-	-0-
Total Expenses	<u>\$161,328</u>	<u>\$25,206</u>	<u>\$126,029</u>	<u>\$310,922</u>	<u>\$388,339</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses (Continued)

**For the Year Ended September 30, 2017, with Comparative Totals
as of September 30, 2016**

	<u>Living Well Elder Care</u>	<u>Case Management</u>	<u>Personal Care</u>	<u>Transportation</u>	<u>Life</u>
Expenses:					
Salaries and wages	\$ 14,355	\$ 89,869	\$1,005,662	\$40,844	\$ 32,239
Taxes and benefits	3,092	11,212	136,065	4,549	4,196
Mileage	-0-	-0-	-0-	-0-	16
Travel & training	250	249	3,950	-0-	160
Raw food	-0-	-0-	-0-	-0-	-0-
Medical supplies	-0-	-0-	2,169	-0-	-0-
Disposables	298	63	127	-0-	140
Gas and oil	-0-	-0-	-0-	5,296	-0-
Repairs & maintenance (vans)	11	1	15	6,513	-0-
Insurance	-0-	-0-	-0-	90	34,862
Maintenance contract	90	472	653	-0-	119
Office supplies	375	1,231	2,568	4	438
Postage expenses	95	490	680	-0-	123
Equipment rental and repair	332	123	205	-0-	164
Equipment	646	852	1,198	-0-	3,484
Building repair & maintenance	2,326	435	800	-0-	783
Utilities	3,721	761	1,469	813	1,473
Advertising	920	1,656	2,505	-0-	416
Other taxes & licenses	99	31	218	-0-	24
Professional services	1,920	407	2,553	-0-	898
Activities	84	369	802	-0-	66
Bank charges	-0-	-0-	-0-	-0-	-0-
Other	311	53	2,887	-0-	13
Interest	-0-	-0-	-0-	-0-	-0-
Bad debts	-0-	-0-	-0-	-0-	-0-
Depreciation expense	-0-	-0-	-0-	-0-	-0-
Total Expenses	<u>\$28,925</u>	<u>\$108,274</u>	<u>\$1,164,526</u>	<u>\$58,109</u>	<u>\$79,614</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses (Continued)

**For the Year Ended September 30, 2017, with Comparative Totals
as of September 30, 2016**

	<u>Lighthouse</u>	<u>Fair</u>	<u>Waiver</u>	<u>Admin. & General</u>	<u>Totals</u>	<u>2016 Totals</u>
Expenses:						
Salaries and wages	\$514,485	\$ 95,818	\$1,273,606	\$ 62,473	\$3,551,462	\$3,407,068
Taxes and benefits	79,007	13,826	203,371	9,420	528,870	586,036
Mileage	-0-	-0-	24,159	-0-	24,175	29,456
Travel & training	1,775	557	3,405	78	14,677	11,764
Raw food	-0-	-0-	-0-	84	270,513	257,200
Medical supplies	1,442	285	2,914	-0-	6,810	4,267
Disposables	87	361	275	41	32,351	30,189
Gas and oil	-0-	-0-	-0-	-0-	21,107	18,381
Repairs & maintenance (vans)	70	13	20	12	29,034	27,594
Insurance	-0-	-0-	-0-	-0-	36,124	31,566
Maintenance contract	483	119	854	74	9,158	8,367
Office supplies	1,619	378	2,896	209	26,761	25,440
Postage expenses	501	124	877	78	9,499	8,731
Equipment rental and repair	150	404	362	53	6,952	6,504
Equipment	849	234	1,478	(7,224)	12,717	21,028
Building repair & maintenance	595	2,052	1,580	492	38,177	47,777
Utilities	1,092	4,310	3,023	916	65,042	62,537
Advertising	1,782	436	3,132	261	32,593	26,685
Other taxes & licenses	102	25	168	15	1,711	5,323
Professional services	1,325	2,470	3,032	9,930	46,284	18,734
Activities	443	109	775	2,885	12,087	9,862
Bank charges	-0-	-0-	-0-	3,001	3,001	3,157
Other	1,302	266	26,829	1,780	38,397	49,946
Interest	-0-	-0-	-0-	19,429	19,429	15,082
Bad debts	-0-	-0-	-0-	7,399	7,399	25,929
Depreciation expense	-0-	-0-	-0-	186,191	186,191	174,735
Total Expenses	<u>\$607,109</u>	<u>\$121,787</u>	<u>\$1,552,756</u>	<u>\$297,597</u>	<u>\$5,030,521</u>	<u>\$4,913,358</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Cash Flows

For the Year Ended September 30, 2017, with Comparative Totals
as of September 30, 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 266,664	\$ 33,778
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	186,191	174,735
Gain on sale of vehicles	-0-	(2,801)
(Increase) decrease in operating assets:		
Accounts receivable	184,849	(101,732)
Grants receivable	31,479	13,018
Prepaid expenses	(12,303)	-0-
Increase (decrease) in operating liabilities:		
Accounts payable	(1,022)	(8,449)
Accrued wage payable	17,107	6,355
Accrued annual leave	8,413	(547)
Accrued payroll taxes and withholdings	<u>1,972</u>	<u>(5,250)</u>
Net Cash Provided By Operating Activities	<u>683,350</u>	<u>109,107</u>
Cash Flows From Investing Activities		
Purchase of buildings and equipment	(17,572)	(243,879)
Proceeds from sale of vehicle	-0-	<u>2,801</u>
Net Cash Used In Investing Activities	<u>(17,572)</u>	<u>(241,078)</u>
Cash Flows From Financing Activities		
Principal payments on long-term debt	<u>(203,657)</u>	<u>(135,447)</u>
Net Cash Used in Financing Activities	<u>(203,657)</u>	<u>(135,447)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	462,121	(267,418)
Cash and Cash Equivalents - Beginning of Year	<u>1,066,996</u>	<u>1,334,414</u>
Cash and Cash Equivalents - End of Year	<u>\$1,529,117</u>	<u>\$1,066,996</u>
Non-Cash Investing and Financing Activities:		
Building construction costs financed with long-term debt	<u>\$ -0-</u>	<u>\$ 562,000</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	<u>\$ 19,429</u>	<u>\$ 15,082</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2017, with Comparative Totals
as of September 30, 2016

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 management 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 of 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 IIB, Title IID, 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, serviced 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.

Net Asset Recognition - The organization is required to report information regarding its financial position and activities according to three classes of net assets:

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

Temporarily restricted net assets: Net assets subject to donor-imposed restriction on their use that may be met either by actions of the Organization or the passage of time.

Permanently restricted net assets: Net assets subject to donor-imposed or other legal restrictions requiring that principal be maintained permanently by the Organization.

At September 30, 2017, the Organization did not have activities that created net assets that would be recorded as temporarily or permanently restricted at September 30, 2017.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

**September 30, 2017, with Comparative Totals
as of September 30, 2016**

Note A – Summary of Significant Accounting Policies (Continued)

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.

As of September 30, 2017, the tax years that remain subject to examination by taxing authorities begin with 2014. Tax returns for 2014, 2015, 2016 and 2017 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

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 - For purposes of the statement of cash flows, the organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts/Grants Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. Managements 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 accountings.

Advertising - Advertising costs are expensed as incurred. The total advertising expense for the years ended September 30, 2017 and 2016 is \$32,593 and \$26,685, respectively.

Comparative Totals - The financial statements include certain prior year summarized comparative information in total but not by net class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2016, from which the summarized information was derived.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2017, with Comparative Totals
as of September 30, 2016

Note A – Summary of Significant Accounting Policies (Continued)

Reclassifications - Certain amounts in the 2016 comparative financial statements have been reclassified to conform to the classifications reported in the financial statements for the year ended September 30, 2017.

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 Organization'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 expenses as incurred.

Major classifications of capital assets of Raleigh County Commission on Aging, Inc. along with their respective useful lives at September 30, 2017 are summarized below:

<u>Classification</u>	<u>Useful Lives</u>
Building	5-30 years
Furniture, fixtures and equipment	3-7 years
Vehicles	5 years

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

Note B – Allowance for Uncollectible Accounts Receivable

The Organization uses the direct write-off method and the allowance 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. During the years ended September 30, 2017 and 2016, the Organization directly wrote off uncollectible accounts receivable of \$7,399 and \$25,929, respectively.

Additionally, the Organization has an allowance for losses on additional accounts receivable of \$8,116 and \$34,267 for the years ended September 30, 2017 and 2016, respectively, for potentially uncollectible receivables. The amount is recorded in the accompanying financial statements as follows:

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$595,222	\$806,222
Allowance for doubtful accounts	<u>(8,116)</u>	<u>(34,267)</u>
	<u>\$587,106</u>	<u>\$771,955</u>

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2017, with Comparative Totals
as of September 30, 2016

Note C – Business and Credit Concentration

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization's bank accounts are collateralized by U.S. Treasury notes held with the federal reserve in New York.

Additionally, the Organization receives a majority of its revenues from services rendered and federal and state grant funds. A material reduction in those services or grant support would have a significant impact on the Organization's programs and activities.

Note D - Grants Receivable

The total grants receivable by program at September 30, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Title IIIB	\$ 297	\$ 9,211
Title IIID	316	351
Life	45,504	9,151
Title IIIE	-0-	3,358
Lighthouse and FAIR	60,265	103,774
Nonmedicaid services	17,264	29,280
Elder Abuse	<u>2,024</u>	<u>2,024</u>
	<u>\$125,670</u>	<u>\$157,149</u>

Note E - 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 their time, which has not been recorded as revenue and an offsetting expense in the financial statements.

Note F - 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 make 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, 2017 and 2016 was \$2,299 and \$3,027, respectively.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

**September 30, 2017, with Comparative Totals
as of September 30, 2016**

Note G – Notes Payable

Notes payable at September 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Notes payable to a bank, bearing interest at 3.75% and payable in monthly installment of \$5,623 through April, 2026. Secured by building.	\$222,896	\$426,553
Less: current portion of long-term debt	<u>55,050</u>	<u>48,558</u>
	<u>\$167,846</u>	<u>\$377,995</u>

The following is a schedule of maturities of long-term debt as of September 30, 2017:

<u>Year Ended September 30,</u>	<u>Amount</u>
2018	\$ 55,050
2019	67,542
2020	64,623
2021	35,681
2022	-0-
Thereafter	<u>-0-</u>
	<u>\$222,896</u>

Note H - Subsequent Events

Subsequent events were evaluated through March 5, 2018, which is the date the financial statements were available to be issued, and determined that there are no subsequent events that require disclosure.

Supplementary Information

Raleigh County Commission on Aging, Inc.

Schedule of Revenue and Support

For the Year Ended September 30, 2017

	<u>Title IIIC</u>				
	<u>Title IIIB</u>	<u>Title IIID</u>	<u>Title IIIE</u>	<u>Congregate</u>	<u>Home Delivered</u>
Revenue					
Federal monies	\$ 71,218	\$ 5,848	\$ 45,091	\$ 169,206	\$ 259,308
State monies	33,240	1,032	15,799	11,251	28,129
Donations/other grants	-0-	4,253	27	34,018	18,333
Personal Care Services	-0-	-0-	-0-	-0-	-0-
Program income	670	225	-0-	80,101	11,307
Private pay in home services	-0-	-0-	-0-	-0-	-0-
Building space revenue	-0-	-0-	-0-	-0-	-0-
Miscellaneous revenue	-0-	-0-	-0-	-0-	-0-
Total Revenue	<u>\$105,128</u>	<u>\$11,358</u>	<u>\$60,917</u>	<u>\$292,576</u>	<u>\$314,077</u>

	<u>Living Well Elder Care</u>	<u>Case Management</u>	<u>Personal Care</u>	<u>Transportation</u>	<u>Life</u>
Revenue					
Federal monies	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State monies	7,024	-0-	-0-	-0	185,115
Donations/other grants	-0-	-0-	-0-	-0-	-0-
Personal care services	-0-	-0-	1,596,629	-0-	-0-
Program income	-0-	85,944	-0-	1,350	-0-
Private pay in home services	-0-	-0-	-0-	-0-	-0-
Day care revenue	6,950	-0-	-0-	-0-	-0-
Miscellaneous revenue	4,250	-0-	-0-	-0-	-0-
Total Revenue	<u>\$18,224</u>	<u>\$85,944</u>	<u>\$1,596,629</u>	<u>\$1,350</u>	<u>\$185,115</u>

	<u>Lighthouse</u>	<u>Fair</u>	<u>Waiver</u>	<u>Admin. & General</u>	<u>Totals</u>
Revenue					
Federal monies	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 550,671
State monies	633,007	86,762	-0-	-0-	1,001,359
Donations/other grants	-0-	-0-	-0-	3,445	60,076
Personal care services	-0-	-0-	1,719,422	-0-	3,316,051
Program income	-0-	-0-	-0-	-0-	179,597
Private pay in home services	62,573	13,137	-0-	39,393	115,103
Building space revenue	-0-	-0-	-0-	12,062	12,062
Day Care Revenue	-0-	-0-	-0-	-0-	6,950
Miscellaneous revenue	-0-	-0-	15,366	35,700	55,316
Total Revenue	<u>\$695,580</u>	<u>\$99,899</u>	<u>\$1,734,788</u>	<u>\$90,600</u>	<u>\$5,297,185</u>

See independent auditor's report.

Raleigh County Commission on Aging, Inc.
Schedule of Expenditures of State Awards
For the Year Ended September 30, 2017

	<u>Grant Period</u>	<u>State Expenditure</u>
Direct Programs		
WV Bureau of Senior Services		
Lighthouse	June 30, 2017	\$ 433,619
Lighthouse	June 30, 2018	199,388
FAIR	June 30, 2017	58,985
FAIR	June 30, 2018	27,777
Connecting the Dots	May 31, 2017	<u>5,000</u>
		<u>724,769</u>
Total Direct Programs		
Pass-through Awards		
Appalachian Area Agency on Aging		
IIIB State	September 30, 2017	33,240
IIIC-1	September 30, 2017	11,251
IIIC-2	September 30, 2017	28,129
IIID	September 30, 2017	1,032
IIIE	September 30, 2017	15,799
LIFE	June 30, 2017	156,255
LIFE	June 30, 2018	28,860
Elder Abuse	September 30, 2017	<u>2,024</u>
		<u>276,590</u>
Total pass-through awards		
Total Expenditures of State Awards		
		<u><u>\$1,001,359</u></u>

See independent auditor's report.

**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
Raleigh County Commission on Aging, Inc.

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, 2017, 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 March 5, 2018.

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.

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



Charleston, West Virginia
March 5, 2018