

Raleigh County Commission on Aging, Inc.

**Independent Auditors' Report
and
Financial Statements**

September 30, 2019

Raleigh County Commission on Aging, Inc.

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CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, 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.

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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, 2019, 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

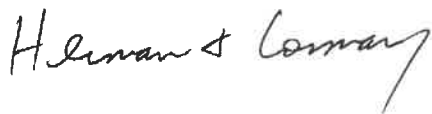
We have previously audited the Raleigh County Commission on Aging, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 4, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018 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 as a whole. The schedule 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 September 10, 2020, 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
September 10, 2020

Raleigh County Commission on Aging, Inc.

Statement of Financial Position

**September 30, 2019, with Comparative Totals
as of September 30, 2018**

Assets	2019	2018
Current Assets		
Cash and cash equivalents	\$1,781,018	\$1,567,528
Accounts receivable, net	796,539	638,421
Grants receivable	65,648	66,696
Prepaid expenses and deposits	<u>63,823</u>	<u>12,303</u>
Total Current Assets	<u>2,707,028</u>	<u>2,284,948</u>
Noncurrent Assets		
Land	229,315	179,315
Buildings	4,432,096	4,263,740
Furniture, fixtures, and equipment	286,536	286,658
Vehicles	<u>353,339</u>	<u>348,720</u>
	5,301,286	5,078,433
Less accumulated depreciation	<u>1,922,083</u>	<u>1,773,738</u>
Total Noncurrent Assets	<u>3,379,203</u>	<u>3,304,695</u>
Total Assets	<u>\$6,086,231</u>	<u>\$5,589,643</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 19,131	\$ 9,400
Current portion of long-term debt	-0-	10,541
Accrued wages payable	175,905	141,169
Accrued annual leave	22,304	22,304
Payroll taxes and withholdings	<u>7,976</u>	<u>61,994</u>
Total Current Liabilities	<u>225,316</u>	<u>245,408</u>
Net Assets		
Without donor restrictions	<u>5,860,915</u>	<u>5,344,235</u>
Total Net Assets	<u>5,860,915</u>	<u>5,344,235</u>
Total Liabilities and Net Assets	<u>\$6,086,231</u>	<u>\$5,589,643</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Activities

**For the Year Ended September 30, 2019, with Comparative Totals
as of September 30, 2018**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Gains and Other Support				
Grants				
Appalachian Area Agency on Aging	\$ -0-	\$ 355,305	\$ 355,305	\$ 364,233
Bureau of Senior Services	-0-	772,852	772,852	642,156
Other	-0-	30,185	30,185	36,951
Medicaid waiver	1,961,523	-0-	1,961,523	1,608,443
Personal care and case management	1,873,095	-0-	1,873,095	1,681,832
Nutrition contract - AAA	-0-	439,612	439,612	409,950
United Way of Southern WV	20,833	-0-	20,833	24,733
Program and private pay services	223,535	-0-	223,535	225,490
Contributions	5,138	-0-	5,138	14,516
Interest income	10,146	-0-	10,146	1,949
Rental income	15,478	-0-	15,478	14,810
Other miscellaneous	20,061	-0-	20,061	27,674
Net assets released from restrictions				
Satisfaction of grant activities	1,597,954	(1,597,954)	-0-	-0-
Total Revenues, Gains, and Other Support	5,727,763	-0-	5,727,763	5,052,737
Expenses and Losses				
Program Services:				
Title III-B	162,542	-0-	162,542	164,241
Title III-D	33,716	-0-	33,716	30,620
Title III-E	114,766	-0-	114,766	117,261
Title III-C - congregate	305,091	-0-	305,091	302,695
Title III-C - home delivered	389,970	-0-	389,970	385,165
LIFE	84,753	-0-	84,753	94,101
Waiver	1,620,740	-0-	1,620,740	1,449,356
Personal Care	1,221,739	-0-	1,221,739	1,207,096
Transportation	52,145	-0-	52,145	53,306
Fair	119,475	-0-	119,475	116,744
Lighthouse	622,487	-0-	622,487	548,137
Living Well Elder Care	33,177	-0-	33,177	32,275
Case Management	109,525	-0-	109,525	111,634
Management and general	340,957	-0-	340,957	319,221
Total Expenses and Losses	5,211,083	-0-	5,211,083	4,931,852
Change in Net Assets	516,680	-0-	516,680	120,885
Net Assets, Beginning of Year	5,344,235	-0-	5,344,235	5,223,350
Net Assets, End of Year	\$5,680,915	\$ -0-	\$5,680,915	\$5,344,235

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses

**For the Year Ended September 30, 2019, with Comparative Totals
as of September 30, 2018**

	<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	\$ 86,366	\$20,045	\$ 95,445	\$ 99,260	\$ 139,016
Taxes and benefits	11,620	2,167	8,042	12,321	24,679
Mileage	-0-	-0-	-0-	-0-	-0-
Travel & training	527	133	488	788	283
Raw food	-0-	-0-	-0-	107,694	177,531
Medical supplies	-0-	-0-	-0-	-0-	-0-
Disposables	-0-	-0-	-0-	8,899	13,201
Gas and oil	11,338	-0-	-0-	1,651	5,004
Repairs & maintenance (vans)	7,507	-0-	158	899	3,138
Insurance	-0-	-0-	-0-	-0-	-0-
Maintenance contract	1,969	89	486	2,105	1,653
Office supplies	3,333	396	1,332	6,336	4,487
Postage expenses	2,119	97	527	2,282	1,792
Equipment rental and repair	1,626	495	380	2,723	967
Equipment	304	225	445	3,459	2,039
Building repair & maintenance	7,114	2,810	1,499	12,268	1,875
Telephone and utilities	15,043	5,032	2,937	21,914	4,681
Parking rent	-0-	-0-	-0-	-0-	-0-
Advertising	7,882	401	2,223	9,450	7,388
Other taxes & licenses	345	18	100	433	340
Professional services	4,733	1,773	295	8,193	1,239
Activities	-0-	-0-	-0-	1,098	-0-
Bank charges	-0-	-0-	-0-	-0-	-0-
Other	716	35	409	3,318	657
Interest	-0-	-0-	-0-	-0-	-0-
Bad debts	-0-	-0-	-0-	-0-	-0-
Depreciation expense	-0-	-0-	-0-	-0-	-0-
 Total Expenses	 <u>\$162,542</u>	 <u>\$33,716</u>	 <u>\$114,766</u>	 <u>\$305,091</u>	 <u>\$389,970</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses (Continued)

**For the Year Ended September 30, 2019, with Comparative Totals
as of September 30, 2018**

	<u>Living Well Elder Care</u>	<u>Case Management</u>	<u>Personal Care</u>	<u>Transportation</u>	<u>Life</u>
Expenses:					
Salaries and wages	\$15,663	\$ 93,253	\$1,101,967	\$36,729	\$32,692
Taxes and benefits	3,174	9,507	103,381	4,634	3,218
Mileage	-0-	-0-	-0-	-0-	-0-
Travel & training	115	60	4,445	-0-	57
Raw food	-0-	-0-	-0-	-0-	-0-
Medical supplies	-0-	-0-	1,892	-0-	-0-
Disposables	-0-	-0-	-0-	-0-	-0-
Gas and oil	-0-	-0-	15	6,001	-0-
Repairs & maintenance (vans)	-0-	-0-	79	3,535	1,742
Insurance	-0-	-0-	-0-	-0-	42,524
Maintenance contract	92	472	653	-0-	119
Office supplies	578	1,298	497	-0-	374
Postage expenses	99	512	710	-0-	129
Equipment rental and repair	371	174	278	-0-	190
Equipment	345	400	562	-0-	-0-
Building repair & maintenance	2,548	449	849	-0-	973
Telephone and utilities	3,712	790	1,489	1,246	1,485
Parking rent	-0-	-0-	-0-	-0-	-0-
Advertising	1,291	2,115	3,461	-0-	530
Other taxes & licenses	76	27	205	-0-	24
Professional services	1,591	295	764	-0-	650
Activities	-0-	-0-	-0-	-0-	-0-
Bank charges	-0-	-0-	-0-	-0-	-0-
Other	3,612	173	492	-0-	46
Interest	-0-	-0-	-0-	-0-	-0-
Bad debts	-0-	-0-	-0-	-0-	-0-
Depreciation expense	-0-	-0-	-0-	-0-	-0-
 Total Expenses	 <u>\$33,177</u>	 <u>\$109,525</u>	 <u>\$1,221,739</u>	 <u>\$52,145</u>	 <u>\$84,753</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses (Continued)

**For the Year Ended September 30, 2019, with Comparative Totals
as of September 30, 2018**

	<u>Lighthouse</u>	<u>Fair</u>	<u>Waiver</u>	<u>Admin. & General</u>	<u>Totals</u>	<u>2018 Totals</u>
Expenses:						
Salaries and wages	\$544,437	\$ 96,126	\$1,370,710	\$106,894	\$3,838,603	\$3,493,811
Taxes and benefits	65,568	12,132	177,419	10,761	448,623	525,220
Mileage	-0-	-0-	24,686	9	24,695	21,664
Travel & training	1,931	487	3,720	30	13,064	14,745
Raw food	-0-	-0-	-0-	-0-	285,225	279,280
Medical supplies	1,257	248	2,541	-0-	5,938	9,952
Disposables	-0-	-0-	-0-	-0-	22,100	32,034
Gas and oil	-0-	-0-	-0-	-0-	24,009	24,928
Repairs & maintenance (vans)	65	13	65	18	17,219	14,566
Insurance	-0-	-0-	-0-	-0-	42,524	43,924
Maintenance contract	483	112	792	82	9,107	9,145
Office supplies	1,388	341	2,629	226	23,215	26,176
Postage expenses	523	129	916	31	9,866	10,069
Equipment rental and repair	204	452	466	65	8,391	4,880
Equipment	414	167	742	75	9,177	2,278
Building repair & maintenance	614	2,281	1,741	345	35,276	31,186
Telephone and utilities	1,133	4,504	3,053	891	67,910	72,733
Parking rent	-0-	-0-	-0-	2,489	2,489	122
Advertising	2,382	583	4,200	382	42,288	32,037
Other taxes & licenses	99	25	173	289	2,154	2,539
Professional services	494	1,576	1,315	11,742	34,660	32,281
Activities	-0-	-0-	-0-	4,763	5,861	11,481
Bank charges	-0-	-0-	-0-	3,343	3,343	3,255
Other	1,495	299	25,572	1,041	37,865	34,773
Interest	-0-	-0-	-0-	39	39	5,125
Bad debts	-0-	-0-	-0-	4,741	4,741	2,197
Depreciation expense	-0-	-0-	-0-	192,701	197,701	191,451
Total Expenses	<u>\$622,487</u>	<u>\$119,475</u>	<u>\$1,620,740</u>	<u>\$340,957</u>	<u>\$5,211,083</u>	<u>\$4,931,852</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Cash Flows

For the Year Ended September 30, 2019, with Comparative Totals
as of September 30, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 516,680	\$ 120,885
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	192,701	191,451
Gain on sale of vehicles	432	(5,000)
(Increase) decrease in operating assets:		
Accounts receivable	(158,118)	316
Grants receivable	1,048	7,343
Prepaid expenses and deposits	(51,520)	-0-
Increase (decrease) in operating liabilities:		
Accounts payable	9,731	(11,227)
Accrued wage payable	34,736	5,327
Accrued payroll taxes and withholdings	<u>(54,018)</u>	<u>5,052</u>
Net Cash Provided By Operating Activities	<u>491,672</u>	<u>314,147</u>
Cash Flows From Investing Activities		
Purchase of buildings and equipment	(268,867)	(68,381)
Proceeds from sale of property and equipment	<u>1,226</u>	<u>5,000</u>
Net Cash Used In Investing Activities	<u>(267,641)</u>	<u>(63,381)</u>
Cash Flows From Financing Activities		
Principal payments on long-term debt	<u>(10,541)</u>	<u>(212,355)</u>
Net Cash Used in Financing Activities	<u>(10,541)</u>	<u>(212,355)</u>
Net Increase in Cash and Cash Equivalents	213,490	38,411
Cash and Cash Equivalents - Beginning of Year	<u>1,567,528</u>	<u>1,529,117</u>
Cash and Cash Equivalents - End of Year	<u>\$1,781,018</u>	<u>\$1,567,528</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	<u>\$ 39</u>	<u>\$ 5,125</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2019, with Comparative Totals
as of September 30, 2018

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.

Classes of Net Assets – The financial statements report amounts by class of net assets.

Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, donor-advised funds, or invested in property and equipment.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted.

At September 30, 2019, the Organization did not have activities that created net assets that would be recorded as net assets with donor restrictions.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2019, with Comparative Totals
as of September 30, 2018

Note A – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Standards – In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new standard during the year ended September 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note I), and disclosures related to functional allocation of expenses were expanded.

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, 2019, the tax years that remain subject to examination by taxing authorities begin with 2017. Tax returns for 2017, 2018 and 2019 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 – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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, 2019 and 2018 is \$42,288 and \$32,037, respectively.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2019, with Comparative Totals
as of September 30, 2018

Note A – Summary of Significant Accounting Policies (Continued)

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, 2018, from which the summarized information was derived.

Reclassifications - Certain amounts in the 2018 comparative financial statements have been reclassified to conform to the classifications reported in the financial statements for the year ended September 30, 2019.

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, 2019 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 expensed 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, 2019 and 2018, the Organization directly wrote off uncollectible accounts receivable of \$4,741 and \$2,197, respectively.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

**September 30, 2019, with Comparative Totals
as of September 30, 2018**

Note B – Allowance for Uncollectible Accounts Receivable (Continued)

Additionally, the Organization has an allowance for losses on additional accounts receivable of \$60 and \$573 for the years ended September 30, 2019 and 2018, respectively, for potentially uncollectible receivables. The amount is recorded in the accompanying financial statements as follows:

	<u>2019</u>	<u>2018</u>
Accounts receivable	\$796,599	\$587,363
Allowance for doubtful accounts	<u>(60)</u>	<u>(573)</u>
	<u>\$796,539</u>	<u>\$586,790</u>

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, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Title IIIB	\$ 7,687	\$ 10,419
Title IIID	1,216	393
Life	8,080	44,281
Title IIIE	6,635	2,038
III C - Congregate	14,863	-0-
III C – Home Delivered	<u>27,167</u>	<u>9,565</u>
	<u>\$65,648</u>	<u>\$ 66,696</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.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2019, with Comparative Totals
as of September 30, 2018

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, 2019 and 2018 was \$1,413 and \$2,080, respectively.

Note G – Notes Payable

Notes payable at September 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</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.	\$ -0-	\$10,541
Less: current portion of long-term debt	<u>-0-</u>	<u>-0-</u>
	<u>\$ -0-</u>	<u>\$10,541</u>

Note H - Subsequent Events

Subsequent events were evaluated through September 10, 2020, which is the date the financial statements were available to be issued.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by the United States government and the State of West Virginia have affected economic activity and the Organization's business in various ways:

- The Organization is currently not open to non-employees, which impacts some on-site services provided to seniors.
- Due to government measures taken, seniors are not permitted to arrive onsite and utilize services provided such as use of computers, exercise equipment and be served meals in the cafeteria.
- Meals to seniors are now being served via on-site pick-up or thru delivery. Normal daily amounts accumulate around 350 per day.

The Organization anticipates to maintain normal revenue during the pandemic since most services have been rendered.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

**September 30, 2019, with Comparative Totals
as of September 30, 2018**

Note I – Liquidity and Availability of Financial Assets

The following table reflects the Organization’s financial assets as of September 30, 2019 and 2018, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because they have been set aside for a specific program.

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and cash equivalents	\$1,781,018	\$1,567,528
Accounts receivable, net	796,539	638,421
Grants receivable	<u>65,648</u>	<u>66,696</u>
Financial assets, at year-end	2,643,205	2,272,645
Less: Assets unavailable for general expenditures within one year due to restrictions	<u>-0-</u>	<u>-0-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$2,643,205</u>	<u>\$2,272,645</u>

Supplementary Information

Raleigh County Commission on Aging, Inc.

Schedule of Revenue and Support

For the Year Ended September 30, 2019

	<u>Title IIC</u>				
	<u>Title IIB</u>	<u>Title IID</u>	<u>Title IIE</u>	<u>Congregate</u>	<u>Home Delivered</u>
Revenue					
Federal monies	\$68,055	\$ 7,620	\$53,276	\$175,559	\$272,161
State monies	31,282	1,344	17,758	37,379	15,577
Donations/other grants	-0-	2,601	1,820	20	23,209
Personal Care Services	-0-	-0-	-0-	-0-	-0-
Program income	-0-	-0-	-0-	62,838	9,777
Private pay in home services	-0-	-0-	269	-0-	-0-
Building space revenue	-0-	-0-	-0-	-0-	-0-
Daycare Revenue	-0-	-0-	-0-	-0-	-0-
Miscellaneous revenue	-0-	-0-	-0-	-0-	-0-
Total Revenue	<u>\$99,337</u>	<u>\$11,565</u>	<u>\$73,123</u>	<u>\$275,796</u>	<u>\$320,724</u>

	<u>Living Well Elder Care</u>	<u>Case Management</u>	<u>Personal Care</u>	<u>Other Program</u>	<u>Life</u>
Revenue					
Federal monies	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State monies	2,100	-0-	-0-	5,000	121,193
Donations/other grants	-0-	-0-	-0-	-0-	-0-
Personal care services	-0-	-0-	-0-	-0-	-0-
Program income	-0-	98,050	1,775,044	-0-	-0-
Private pay in home services	-0-	-0-	-0-	62,602	-0-
Building space revenue	-0-	-0-	-0-	-0-	-0-
Day care revenue	4,130	-0-	-0-	-0-	-0-
Miscellaneous revenue	-0-	-0-	-0-	-0-	-0-
Total Revenue	<u>\$6,230</u>	<u>\$98,050</u>	<u>\$1,775,044</u>	<u>\$67,602</u>	<u>\$121,193</u>

	<u>Lighthouse</u>	<u>Fair</u>	<u>Waiver</u>	<u>Admin. & General</u>	<u>Totals</u>
Revenue					
Federal monies	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 576,671
State monies	686,697	81,155	-0-	-0-	999,485
Donations/other grants	-0-	-0-	-0-	20,118	47,768
Personal care services	-0-	-0-	1,949,166	-0-	1,949,166
Program income	-0-	-0-	-0-	4,410	1,950,119
Private pay in home services	63,262	8,539	-0-	-0-	134,672
Building space revenue	-0-	-0-	-0-	15,478	15,478
Day Care Revenue	-0-	-0-	-0-	-0-	4,130
Miscellaneous revenue	-0-	-0-	12,357	37,917	50,274
Total Revenue	<u>\$749,959</u>	<u>\$89,694</u>	<u>\$1,961,523</u>	<u>\$77,923</u>	<u>\$5,727,763</u>

See independent auditor's report.

Raleigh County Commission on Aging, Inc.
Schedule of Expenditures of State Awards
For the Year Ended September 30, 2019

	<u>Grant Period</u>	<u>State Expenditure</u>
Direct Programs		
WV Bureau of Senior Services		
Lighthouse	June 30, 2019	\$509,128
Lighthouse	June 30, 2020	177,569
FAIR	June 30, 2019	74,615
FAIR	June 30, 2020	6,540
MIPPA	September 30, 2019	<u>5,000</u>
Total Direct Programs		
 Pass-through Awards		
Appalachian Area Agency on Aging		
IIIB State	September 30, 2019	31,282
IIIC-1	September 30, 2019	37,379
IIIC-2	September 30, 2019	15,577
IIID	September 30, 2019	1,344
IIIE	September 30, 2019	17,758
LIFE	June 30, 2019	95,340
LIFE	June 30, 2020	25,853
Elder Abuse	September 30, 2019	<u>2,100</u>
Total pass-through awards		<u>226,633</u>
Total Expenditures of State Awards		<u>\$999,485</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, 2019, 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, 2020.

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.
Page two

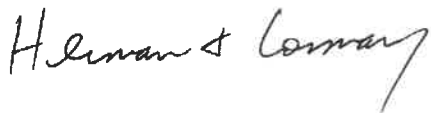
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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
September 10, 2020