

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
AUDITED FINANCIAL STATEMENTS  
For Year Ended September 30, 2011

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# Hollifield & Associates

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

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June 22, 2012

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

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of Raleigh County Commission on Aging, Inc. (a nonprofit organization) as of September 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, 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* and should be considered in assessing the results of our audit.

  
Jeffery S. Hollifield, CPA

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
September 30, 2011 and 2010

ASSETS	2011	2010
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 373,012	\$ 763,783
Accounts receivable, net	482,813	377,545
Grants receivable	183,963	197,430
Prepaid expenses	59,610	75,320
Total Current Assets	1,099,399	1,414,078
<b>NONCURRENT ASSETS</b>		
Land	175,515	175,515
Buildings	2,619,433	2,613,386
Furniture, Fixtures, and Equipment	184,961	161,722
Vehicles	458,108	409,849
	3,438,017	3,360,473
Less accumulated depreciation	(897,952)	(737,399)
Total Capital Assets	2,540,064	2,623,074
<b>TOTAL ASSETS</b>	<b>\$ 3,639,463</b>	<b>\$ 4,037,152</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 34,982	\$ 43,905
Accrued wages payable	73,368	160,246
Payroll Taxes & Related Liabilities	13,443	10,191
Current portion of long-term debt	-	517,478
Total Current Liabilities	121,794	731,820
<b>LONG TERM DEBT</b>	-	-
<b>TOTAL LIABILITIES</b>	121,794	731,820
<b>NET ASSETS</b>		
Restricted Net Assets	-	517,478
Unrestricted	3,517,669	2,787,853
Total Net Assets	3,517,669	3,305,332
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,639,463</b>	<b>\$ 4,037,152</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, 2011 and 2010

	<b>2011</b>	<b>2010</b>
<b>REVENUE AND SUPPORT</b>		
Federal financial assistance	\$ 304,799	\$ 315,368
State grant allocations	1,115,023	1,295,077
Donations	21,179	11,011
Medicaid/waiver	1,832,249	1,314,581
Program Income	958,104	770,635
Interest Income	1,576	1,576
Other	200,759	185,597
Total Revenue and Support	<u>4,433,688</u>	<u>3,893,845</u>
<b>EXPENSES</b>		
Program Services:		
Title III-B	228,870	203,181
Title III-D	29,965	33,182
Title III-E	111,284	116,392
Title III-C - congregate	343,397	327,716
Title III-C - home delivered	379,499	361,740
LIFE	63,599	21,375
Personal Care / Waiver	2,064,021	1,594,012
Transportation	64,427	55,726
Fair	91,943	79,250
Lighthouse	411,899	436,707
Living Well Elder Care	62,513	4,514
Case Management	86,976	-
Management and general	282,957	356,576
Total Expenses	<u>4,221,350</u>	<u>3,590,371</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	212,337	303,475
Net Assets at beginning of year	<u>3,305,332</u>	<u>3,001,857</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 3,517,669</u>	<u>\$ 3,305,332</u>

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, 2011

	Title IIIB	Title IIID	Title IIIE	Title IIIC	
				Congregate	Home Delivered
Expenses:					
Salaries and wages	\$ 94,475	\$ 9,188	\$ 83,173	\$ 84,844	\$ 113,542
Employee Benefits	46,495	2,732	18,736	48,018	43,503
Contract Services	578	149	153	902	317
Mileage	-	-	-	-	-
Travel & Training	1,397	286	298	1,921	813
Raw Food	-	-	-	120,819	163,775
Medical Supplies	-	-	-	-	-
Disposables	-	-	-	12,779	18,509
Gas & Oil	18,991	-	-	-	11,095
Repairs & Maintenance (Vans)	10,535	-	-	-	6,247
Insurance	922	361	15	1,574	238
Maintenance Contract	1,824	83	454	1,964	1,543
Office Supplies	6,063	2,959	1,498	6,543	5,047
Postage Expenses	1,565	72	389	1,686	1,324
Equipment Rental & Repair	273	1,165	68	294	231
Equipment	1,208	55	173	1,782	1,405
Building Repair & Maintenance	6,247	2,436	1,375	10,554	1,658
Utilities	11,685	4,064	2,373	17,702	3,158
Advertising	2,829	144	1,088	3,405	2,674
Taxes & Licenses	15	1	4	17	14
Professional Services	2,057	309	632	3,297	1,868
Activities	-	-	-	256	-
Bank Charges	-	-	-	-	-
Other	9,439	999	644	4,091	79
Building Space	12,274	4,962	211	21,608	3,262
Interest Expense	-	-	-	-	-
Bad Debts	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Expenses Capitalized to Assets	-	-	-	(658)	(804)
<b>Total Expenses</b>	<b>\$ 228,870</b>	<b>\$ 29,965</b>	<b>\$ 111,284</b>	<b>\$ 343,397</b>	<b>\$ 379,499</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, 2011

	Living Well Elder Care	Case Management	Personal Care	Transportation	Life
Expenses:					
Salaries and wages	\$ 36,115	\$ 65,924	\$ 476,732	\$ 42,938	\$ 18,508
Employee Benefits	5,843	15,184	70,830	5,273	4,306
Contract Services	199	86	131	-	5,840
Mileage	-	-	-	-	-
Travel & Training	315	224	723	-	161
Raw Food	-	-	51	-	-
Medical Supplies	-	-	1,766	-	-
Disposables	-	-	-	-	-
Gas & Oil	-	-	-	10,073	-
Repairs & Maintenance (Vans)	-	-	-	5,672	-
Insurance	770	57	107	-	22,381
Maintenance Contract	85	440	611	-	111
Office Supplies	571	1,430	2,339	29	24,079
Postage Expenses	73	378	525	-	95
Equipment Rental & Repair	13	66	91	-	17
Equipment	54	135	239	-	20,047
Building Repair & Maintenance	3,843	387	724	0	3,257
Utilities	2,998	638	1,285	441	1,405
Advertising	481	763	4,793	-	192
Taxes & Licenses	2	4	5	-	1
Professional Services	501	456	1,495	-	189
Activities	-	-	-	-	-
Bank Charges	-	-	-	-	-
Other	2,058	23	8,232	-	6
Building Space	10,575	781	1,470	-	1,712
Interest Expense	-	-	-	-	-
Bad Debts	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Expenses Capitalized to Assets	(1,983)	-	-	-	(38,706)
<b>Total Expenses</b>	<b>\$ 62,513</b>	<b>\$ 86,976</b>	<b>\$ 572,149</b>	<b>\$ 64,427</b>	<b>\$ 63,599</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, 2011

	Lighthouse	Fair	Waiver	Admn & General	Totals
Expenses:					
Salaries and wages	\$ 344,703	\$ 72,059	\$ 1,179,386	\$ 48,300	\$ 2,669,887
Employee Benefits	51,256	11,064	161,793	7,109	492,141
Contract Services	96	143	201	3,390	12,185
Mileage	-	-	85,665	-	85,665
Travel & Training	426	246	838	9,424	17,072
Raw Food	-	-	71	6,461	291,178
Medical Supplies	1,174	232	2,373	-	5,544
Disposables	-	-	-	72	31,360
Gas & Oil	-	-	-	-	40,159
Repairs & Maintenance (Vans)	-	-	-	167	22,621
Insurance	1,541	15	219	37	28,237
Maintenance Contract	451	111	788	69	8,535
Office Supplies	1,578	391	2,862	691	56,080
Postage Expenses	387	95	676	53	7,317
Equipment Rental & Repair	4	17	118	74	2,428
Equipment	879	43	313	5,671	32,004
Building Repair & Maintenance	538	2,077	1,584	281	34,961
Utilities	872	3,637	3,175	512	53,946
Advertising	2,402	491	4,483	142	23,886
Taxes & Licenses	4	1	7	1	75
Professional Services	837	378	1,584	107	13,710
Activities	-	-	-	4,638	4,894
Bank Charges	-	-	-	3,107	3,107
Other	3,685	731	42,735	41,419	114,142
Building Space	1,067	211	3,002	887	62,021
Interest Expense	-	-	-	22,985	22,985
Bad Debts	-	-	-	2,199	2,199
Depreciation Expense	-	-	-	161,189	161,189
Expenses Capitalized to Assets	-	-	-	(36,028)	(78,179)
<b>Total Expenses</b>	<b>\$ 411,899</b>	<b>\$ 91,943</b>	<b>\$ 1,491,872</b>	<b>\$ 282,957</b>	<b>\$ 4,221,350</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, 2011 and 2010

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Increase (Decrease) in Net Assets	\$ 212,337	\$ 303,475
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	161,189	136,941
Loss on disposal of assets	-	555
(Increase) decrease in operating assets:		
Accounts and grants receivable	(91,802)	(66,423)
Prepaid expenses	15,710	(56,537)
Increase (decrease) in operating liabilities:		
Accounts payable	(8,922)	36,695
Accrued wage payable	(86,877)	61,439
Accrued payroll taxes	3,252	(11,132)
Net Cash Provided by Operating Activities	<u>204,886</u>	<u>405,013</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase (Decrease) in Notes Payable	<u>(517,478)</u>	<u>(247,353)</u>
Net Cash Provided by Financing Activities	(517,478)	(247,353)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (Increase) Decrease in Fixed Asset	<u>(78,179)</u>	<u>(204,188)</u>
Net Cash Provided by Investing Activities	(78,179)	(204,188)
Net increase (decrease) in cash and cash equivalents	(390,771)	(46,527)
Cash and Cash Equivalents at Beginning of Year	<u>763,783</u>	<u>810,310</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 373,012</u>	<u>\$ 763,783</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, 2011

**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 on 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 D 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. 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 all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization considers checking 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, 2011

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

Cash - Cash is on deposit with one F.D.I.C. insured institution. During the year the Organization had amounts over F.D.I.C. coverage. This amount was adequately covered with pledged assets. The cash and cash equivalents consist of the following for purposes of the cash flows statement.

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

	Type	09/30/11 Amount	09/30/11 Interest Rate
Program Revenue	Checking	116,960	0.15%
Payroll	Checking	5,716	0.15%
Disbursement	Checking	9,778	0.15%
Savings	Savings	240,558	0.20%
Total Cash & Cash Equivalents		373,012	

Accounts / Grants Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. In FY11 management utilized a bad debt expense account (See Note A) to track uncollectible amounts; previously management accounted for probable uncollectible amounts by netting the uncollectible amounts against the amounts billed. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms.

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 account receivable and an increase in bad debt expense after accounts have been determined uncollectible. (See Note E)

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, 2011 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, 2011

**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, 2011, was as follows:

	Balance at October 1, 2010	Additions	Retirements & Reclassifications	Balance at Sept. 30, 2011
Land	175,515	-	-	175,515
Building	2,613,386	6,047	-	2,619,433
Furniture, Fixtures, & Equipment	161,722	23,873	(635)	184,961
Vehicles	409,849	48,259	-	458,108
Total capital assets	\$ 3,360,473	\$ 78,179	\$ (635)	\$ 3,438,017
Less accumulated depreciation:				
Land	-	-	-	-
Building	349,606	98,059	-	447,665
Furniture, Fixtures, & Equipment	102,639	21,550	(635)	123,554
Vehicles	285,154	41,580	-	326,734
Total accumulated depreciation	\$ 737,399	\$ 161,189	\$ (635)	\$ 897,952

Capital asset activity for the year ended September 30, 2010, was as follows:

	Balance at October 1, 2009	Additions	Retirements & Reclassifications	Balance at Sept. 30, 2010
Land	95,000	80,515	-	175,515
Building	2,600,975	12,411	-	2,613,386
Furniture, Fixtures, & Equipment	131,715	38,770	(8,763)	161,722
Vehicles	337,357	72,492	-	409,849
Total capital assets	\$ 3,165,048	\$ 123,673	\$ (8,763)	\$ 3,360,473
Less accumulated depreciation:				
Land	-	-	-	-
Building	251,996	97,609	-	349,606
Furniture, Fixtures, & Equipment	94,179	16,667	(8,208)	102,639
Vehicles	262,489	22,665	-	285,154
Total accumulated depreciation	\$ 608,665	\$ 136,941	\$ (8,208)	\$ 737,399

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
Year Ended September 30, 2011

**NOTE C - NOTES PAYABLE**

Commercial Loan payable to Chase Bank to construct the primary operating location of the Raleigh County Commission on Aging. Loan is at an annual interest rate of 5.85%; payable in monthly installments of \$7,156, including principle and interest, through October 2011. This loan is secured by the property located at 1614 South Kanawha Street, Beckley, WV.

Balance 9-30-09	Principal Payments	Annual Interest	Balance 9-30-10
\$ 764,831	\$ 247,352	\$ 38,520	\$ 517,478

Balance 9-30-10	Principal Payments	Annual Interest	Balance 9-30-11
\$ 517,478	\$ 517,478	\$ 22,985	\$ -

Final loan payment was made on September 20, 2011. Loan is considered paid-in-full.

**NOTE D - 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 E - ALLOWANCE FOR UNCOLLECTIBLE**

As explained in Note A, Raleigh County Commission on Aging uses the direct write-off method to recorded 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:

	09/30/11	09/30/10
A/R Beginning balance	574,975	508,552
Additions	94,000	100,768
Bad Debt Write-Off	(2,199)	(34,345)
Ending balance	666,777	574,975



**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
Year Ended September 30, 2011

**NOTE F - 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 has no policy for interest rate risk.

9/30/2011		
Deposit Type	Book Balance	Bank Balance
Insured	373,012	449,293

9/30/2010		
Deposit Type	Book Balance	Bank Balance
Insured	763,783	683,767

**NOTE G - RISK MANAGEMENT**

Raleigh County Commission on Aging 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 H - 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 year ended September 30, 2011 & 2010 was \$1,771 and \$2,189 respectively.

**NOTE I - 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 agent 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, 2011

**NOTE J - 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 K - 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>			<u>Totals</u>
	1	2	3	
Checking	\$ 116,147	\$ -	\$ -	\$ 116,147
Savings	133,853	199,293	-	333,147
	\$ 250,000	\$ 199,293	\$ -	449,293

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, 2011, these sources accounted for \$1,419,822 (32%) of total support and revenue. Medicaid/Waiver revenue accounted for \$1,832,249 (41%) of total revenue and support. The remaining 27% consisted of personal care services, program income, rents, and donations.

**NOTE L - COMPARATIVE STATEMENTS**

Certain items on the 2010 statements have been reclassified to make those statements comparable to the 2011 statements.

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
Year Ended September 30, 2011

**NOTE M - COMMISSIONERS**

Commissioners 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 Commissioners of Raleigh County Commission on Aging, Inc. at September 30, 2011 were:

Tammy Trent	President
Jack Roop	Vice President
Jim Matthews	Treasurer /Secretary

**NOTE N - 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 O - OPERATING LEASES**

Currently Raleigh County Commission on Aging, Inc. has a 60 month operating lease with Xerox Corporation in regard to a W7655PF Copier/Printer. Under the terms of the lease, effective 12/20/07, Xerox Corporation is to supply a W7655PF 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 \$677.60 for the entire lease term. The lease has a fair value purchase option after 60 months and a trade-in upgrade option after 35 months.

Raleigh County Commission on Aging, Inc. also has a 36 month operating lease with Xerox Corporation in regard to a WC3550X Workcentre Copier/Printer. Under the terms of the lease, effective 11/1/10, Xerox Corporation is to supply a WC3550X 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 \$44.90 for the entire lease term. The lease has a fair value purchase option after 36 months.

**NOTE P - SUBSEQUENT EVENTS**

Subsequent events were reviewed up to the financial statement date of 6-22-12. Nothing that would have a material affect on the September 30, 2011 financial statements was noted.



## **SUPPLEMENTAL INFORMATION**

# Hollifield & Associates

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

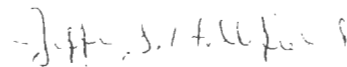
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jhollifield@hollifieldcpa.com

June 22, 2012

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

## **INDEPENDENT AUDITOR'S REPORT** **ON ADDITIONAL INFORMATION**

We have audited the financial statements of Raleigh County Commission on Aging, Inc. as of and for the year ended September 30, 2011, and have issued our report thereon dated June 22, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The statement of revenue and support and the schedule of expenditures of state awards are presented for the 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.



Jeffery S. Hollifield, CPA

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**STATEMENT OF REVENUE AND SUPPORT**  
For Year Ended September 30, 2011

	Title IIIB	Title IIID	Title IIIE	Title IIIC	
				Congregate	Home Delivered
Revenue:					
Federal Monies	\$ 69,476	\$ 5,087	\$ 49,887	\$ 74,764	\$ 105,585
State Monies	33,513	898	16,629	85,284	119,507
Donations	-	250	-	-	-
Personal Care Services	-	-	-	-	-
Program Income	-	752	-	75,007	15,171
Private Pay In Home Services	-	-	-	-	-
Building Space Revenue	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	12,078
<b>Total Revenue</b>	<b>\$ 102,989</b>	<b>\$ 6,987</b>	<b>\$ 66,516</b>	<b>\$ 235,055</b>	<b>\$ 252,341</b>

	Living Well	Case	Personal Care	Transportation	Life
	Elder Care	Management			
Revenue:					
Federal Monies	\$ -	\$ -	\$ -	\$ -	\$ -
State Monies	-	-	-	24,628	248,416
Donations	-	-	-	-	-
Personal Care Services	-	-	698,892	-	-
Program Income	26,047	88,946	-	2,501	-
Private Pay In Home Services	-	-	-	-	-
Building Space Revenue	1,125	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 27,172</b>	<b>\$ 88,946</b>	<b>\$ 698,892</b>	<b>\$ 27,129</b>	<b>\$ 248,416</b>

	Lighthouse	Fair	Waiver	Admn & General	Totals
	Revenue:				
Federal Monies	\$ -	\$ -	\$ -	\$ -	\$ 304,799
State Monies	492,476	84,997	-	8,675	1,115,023
Donations	-	-	-	20,929	21,179
Personal Care Services	-	-	1,832,249	-	2,531,141
Program Income	-	-	-	-	208,423
Private Pay In Home Services	39,500	5,586	-	5,703	50,788
Building Space Revenue	-	-	-	62,021	63,146
Miscellaneous Revenue	-	-	80,653	46,458	139,190
<b>Total Revenue</b>	<b>\$ 531,976</b>	<b>\$ 90,583</b>	<b>\$ 1,912,902</b>	<b>\$ 143,785</b>	<b>\$ 4,433,688</b>

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

**RALEIGH COUNTY COMMISSION ON AGING, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
For Year Ended September 30, 2011

	Grant Period	State Expenditure
Direct Programs:		
WV Bureau of Senior Services		
Community Partnership Grants	June 30, 2011	\$ 7,325
Total Direct Programs		7,325
Pass through Awards		
Appalachian Area Agency on Aging		
IIIB State	June 30, 2011	33,513
IIIC-1	June 30, 2011	85,284
IIIC-2	June 30, 2011	119,507
IIID	June 30, 2011	1,393
IIIE	June 30, 2011	16,573
LIFE	June 30, 2011	174,950
LIFE	June 30, 2012	73,465
Lighthouse	June 30, 2011	405,880
Lighthouse	June 30, 2012	145,688
FAIR	June 30, 2011	72,020
FAIR	June 30, 2012	18,102
Total pass-through awards		1,146,376
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>\$ 1,153,701</b>

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

# Hollifield & Associates

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## **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**

June 22, 2012

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

We have audited the financial statements of Raleigh County Commission on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated June 22, 2012. 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.

### Internal Control over Financial Reporting

Management of Raleigh County Commission on Aging, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Raleigh County Commission on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

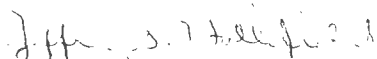
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Raleigh County Commission on Aging, Inc.'s financial statements are free of 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*

This report is intended solely for the information and use of management, the Board of Directors of Raleigh County Commission on Aging, Inc., Chase Bank, Appalachian Area Agency on Aging, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

  
Jeffery S. Hollifield, CPA