

ROANE COUNTY COMMITTEE ON AGING, INC.

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

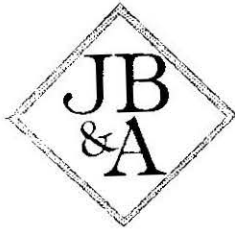
SEPTEMBER 30, 2015

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**ROANE COUNTY COMMITTEE ON AGING, INC.
BOARD OF DIRECTORS
SEPTEMBER 30, 2015**

| | |
|------------------|----------------|
| Linda Drennen | President |
| Holmer L. Conley | Vice-President |
| Reva Paxton | Secretary |
| Janet Davis | Treasurer |
| Judy Williams | Member |
| John C. Buck | Member |
| Sherry Bernardis | Member |
| David McCutcheon | Member |
| Lowell Hardman | Member |
| Opal Groves | Member |
| Billie D. Ketch | Member |



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 418 • BUCKHANNON, WV 26201 • (304) 472-3600 • FAX (304) 472-3601

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Roane County Committee on Aging, Inc.
Spencer, West Virginia

We have audited the accompanying financial statements of Roane County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roane County Committee on Aging, Inc. as of September 30, 2015, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of revenues and support and schedule of expenditures of state awards, 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 January 29, 2016, on our consideration of Roane County Committee on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roane County Committee on Aging, Inc.'s internal control over financial reporting and compliance.



Buckhannon, West Virginia
January 29, 2016

ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015

ASSETS

| | |
|--|---------------------------------------|
| Current Assets | |
| Cash | \$ 3,804 |
| Accounts Receivable | 47,803 |
| Prepaid Expenses | <u>698</u> |
| Total current assets | <u>52,305</u> |
| Property, Plant and Equipment | |
| Land | 25,000 |
| Buildings and Improvements | 2,029,978 |
| Vehicles | 59,257 |
| Furniture and Equipment | <u>136,007</u> |
| Total Property and Equipment | 2,250,242 |
| Less Accumulated Depreciation | <u>(1,156,762)</u> |
| Net Property and Equipment | <u>1,093,480</u> |
| TOTAL ASSETS | <u><u>\$ 1,145,785</u></u> |

LIABILITIES AND NET ASSETS

| | |
|---|---------------------------------------|
| Current Liabilities | |
| Line of Credit Note | \$ 40,000 |
| Accounts Payable | 28,450 |
| Accrued Payroll and Taxes | 20,260 |
| Accrued Annual Leave | <u>28,166</u> |
| Total Current Liabilities | <u>116,876</u> |
| Net Assets | |
| Unrestricted | <u>1,028,909</u> |
| Total net assets | <u>1,028,909</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 1,145,785</u></u> |

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

| | Unrestricted |
|---|--------------------------------|
| Revenues: | |
| Federal | \$ 244,382 |
| State | 379,713 |
| Program Income | 122,324 |
| Match Income | 14,167 |
| Local Source | 173,211 |
| Interest | 14 |
| Miscellaneous Income | <u>9,625</u> |
| Total Revenue | <u>943,436</u> |
| Expenses | |
| Personnel Costs | 436,060 |
| Fringe Benefits | 81,667 |
| Food and Disposables | 85,494 |
| Travel and Training | 29,559 |
| Repairs and Maintenance | 213,634 |
| Professional Services | 4,000 |
| Facilities | 39,612 |
| Communications and Utilities | 18,162 |
| Office Supplies and Expenses | 22,350 |
| Insurance | 7,041 |
| Depreciation Expense | 61,653 |
| Interest | 2,121 |
| Miscellaneous Expense | <u>57,511</u> |
| Total Expenses | <u>1,058,864</u> |
| Change in Net Assets | (115,428) |
| Net Assets - Beginning of year | <u>1,144,337</u> |
| Net Assets - Ending of year | <u><u>\$ 1,028,909</u></u> |

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

| <u>Description</u> | <u>III B</u> | <u>III C-1</u> | <u>III C-2</u> | <u>III D</u> | <u>III E</u> | <u>SHIP</u> | <u>Veterans</u> |
|----------------------------|-------------------------|--------------------------|--------------------------|------------------|-------------------------|----------------------|------------------------|
| Personnel | \$ 27,381 | \$ 26,554 | \$ 40,831 | \$ | \$ 7,557 | \$ 541 | \$ 7,381 |
| Fringe Benefits | 8,299 | 6,958 | 8,402 | \$ | 727 | 53 | 736 |
| Food & Disposables | | 42,747 | 42,747 | | | | |
| Travel & Training | 4,070 | 115 | 2,948 | | 203 | 37 | 237 |
| Repairs & Maintenance | 2,705 | | 2,828 | | | | |
| Professional Services | | | | | | | |
| Facilities | | 16,646 | 17,794 | | | | |
| Communications/Utilities | | | | | | | |
| Office supplies & expenses | 315 | 205 | 205 | | | | |
| Insurance | 2,445 | 264 | 264 | | | | |
| Depreciation | | | | | | | |
| Interest | | | | | | | |
| Miscellaneous | <u>5,764</u> | <u>12,303</u> | <u>6,177</u> | <u>\$</u> | <u>2,861</u> | <u>\$</u> | <u>97</u> |
| Total Expenses | <u><u>\$ 50,979</u></u> | <u><u>\$ 105,792</u></u> | <u><u>\$ 122,196</u></u> | <u><u>\$</u></u> | <u><u>\$ 11,348</u></u> | <u><u>\$ 631</u></u> | <u><u>\$ 8,451</u></u> |

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

| Description | Medicaid | Waiver | Lighthouse | LIFE | FAIR | Building | Agency | Totals |
|----------------------------|------------------|------------------|------------------|-------------------|------------------|-------------------|------------------|---------------------|
| Personnel | \$ 37,243 | \$ 39,870 | \$ 57,609 | \$ 94,439 | \$ 27,048 | \$ 69,606 | \$ | \$ 436,060 |
| Fringe Benefits | 5,709 | 6,726 | 7,429 | 16,274 | 4,258 | 16,096 | | 81,667 |
| Food & Disposables | | | | | | | | 85,494 |
| Travel & Training | 4,820 | 927 | 3,698 | 10,159 | 2,223 | 122 | | 29,559 |
| Repairs & Maintenance | | | | 409 | | 207,692 | | 213,634 |
| Professional Services | | | | 4,000 | | | | 4,000 |
| Facilities | 1,293 | 1,293 | 1,293 | | 1,293 | | | 39,612 |
| Communications/Utilities | | | | 16,509 | | 1,653 | | 18,162 |
| Office supplies & expenses | 123 | | | 18,018 | | 3,484 | | 22,350 |
| Insurance | | | | 725 | | 1,890 | 1,453 | 7,041 |
| Depreciation | | | | | | 52,341 | 9,312 | 61,653 |
| Interest | | | | | | | 2,121 | 2,121 |
| Miscellaneous | 277 | 223 | 121 | 15,548 | 173 | 4,326 | 9,641 | 57,511 |
| Total Expenses | <u>\$ 49,465</u> | <u>\$ 49,039</u> | <u>\$ 70,150</u> | <u>\$ 176,081</u> | <u>\$ 34,995</u> | <u>\$ 357,210</u> | <u>\$ 22,527</u> | <u>\$ 1,058,864</u> |

The accompanying notes are an integral part of this statement.

ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|-----------------|
| Change in net assets | \$ (115,428) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | |
| Depreciation and amortization | 61,653 |
| Disposal of equipment | |
| (Increase) decrease in assets: | |
| Accounts receivable | 11,412 |
| Prepaid expenses | 198 |
| Increase (Decrease) in liabilities: | |
| Accounts payable | 20,801 |
| Accrued liabilities | <u>(2,944)</u> |
| Net cash used in operating activities | <u>(24,308)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---------------------------------------|-----------------------------|
| Purchase of property and equipment | <u> </u> |
| Net cash used in investing activities | <u> </u> |

CASH FLOWS FORM FINANCING ACTIVITIES:

| | |
|---|------------------------|
| Proceeds from short-term borrowing | <u>20,000</u> |
| Net cash provided by financing activities | <u>20,000</u> |
| Net decrease in cash and cash equivalents | (4,308) |
| Cash and cash equivalents, beginning | <u>8,112</u> |
| Cash and cash equivalents, ending | <u><u>\$ 3,804</u></u> |
| Supplemental Disclosure: | |
| Interest paid | <u><u>\$2,121</u></u> |

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Note 1. Summary of Significant Accounting Policies

Basis of Accounting – The Roane County Committee on Aging, Inc. (RCCOA) uses the cash basis of accounting for all recording purposes during the year. The Committee converts to the full accrual basis of accounting for reporting purposes. Basis of accounting refers to the timing of the recognition of transactions. For the cash basis of accounting, costs are paid and revenues are recognized only when received. The full accrual basis accrues costs when incurred without regard to when those costs are paid; revenue is recognized when earned without regard to when it's received. These financial statements are presented in accordance with the recommendations of the American Institute of Certified Public Accountants in its industry guide, *Audits of Certain Nonprofit Organizations*.

Income Taxes – RCCOA is a nonprofit organization and is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are generally subject to examination by the Internal Revenue Service for three years after they are filed.

Inventory – Inventories, such as raw food, fruit, frozen meals, and office supplies are expensed in the period in which they are purchased.

Accounting Estimates – In preparing financial statements in conformity with generally accepted accounting principle, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Note 2. Significant Concentrations of Credit Risk

The Committee's accounts receivable at September 30, 2015, consist primarily of billings to the West Virginia Department of Health and Human Services for home health care services and to the West Virginia Bureau of Senior Services via the Metro Area Agency on Aging for Title III program services.

The bank deposits were insured by the FDIC at September 30, 2015. Deposits in any one bank did not exceed the \$ 250,000 FDIC limit.

**ROANE COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Note 3. Property, Plant and Equipment (continued)

RCCOA capitalizes all purchases or other acquisitions of property, plant, and equipment with an estimated useful life of at least five years and a basis of at least \$ 5,000. Other fixed assets are expensed in the year of purchase. Vehicles and office equipment are depreciated over five years. The useful life of building renovations is estimated at thirty years. Construction work-in-progress is capitalized, but not depreciated, until the renovations are completed and placed into service.

Assets' estimated useful lives are as follows:

| | |
|---|-------------|
| Office Furniture, Fixtures, and Equipment | 5-10 years |
| Vehicles | 5 years |
| Buildings and Renovations | 10-30 years |

Note 4. Note Payable

The Committee has a \$ 50,000 line of credit note with Premier Bank. The interest rate is 7% and the note is unsecured. The outstanding balance at September 30, 2015 was \$ 40,000.

Note 5. Retirement Benefits

The Committee provides no retirement plan or other deferred compensation plan to its employees.

Note 6. Compensated Absences

RCCOA has reported accrued leave expenses in accordance with generally accepted accounting principles.

ROANE COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 7. Contingent Liabilities

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

The Center participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Committee does not provide post retirement health benefits. However, PEIA shows a liability of \$ 300,839 at September 30, 2015 for post retirement benefits. The center does not expect to have to pay this liability.

Note 8. Subsequent Events

Management has evaluated subsequent events through January 29, 2016 the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**ROANE COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

| Description | III B | III C-1 | III C-2 | III D | III E | SHIP | Veterans |
|-----------------------------------|---------------|-------------------|--------------------|-----------|-----------------|---------------|-------------------|
| Federal Revenues | \$ 26,466 | \$ 25,793 | \$ 25,793 | \$ | \$ 8,264 | \$ 1,035 | \$ 4,424 |
| State Revenues | 15,243 | 26,041 | 26,041 | | | | |
| State Allocated Program Income | 3,736 | 26,170 | 12,063 | | | | |
| Match Income | 5,534 | 2,886 | 2,886 | | 2,861 | | |
| Local Sources | | 17,618 | 44,771 | | | | |
| Interest | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Revenue | 50,979 | 98,508 | 111,554 | | 11,125 | 1,035 | 4,424 |
| Personnel | 27,381 | 26,554 | 40,831 | | 7,557 | 541 | 7,381 |
| Fringe Benefits | 8,299 | 6,958 | 8,402 | | 727 | 53 | 736 |
| Food & Disposables | | 42,747 | 42,747 | | | | |
| Travel & Training | 4,070 | 115 | 2,948 | | 203 | 37 | 237 |
| Repairs & Maintenance | 2,705 | | 2,828 | | | | |
| Professional Services | | | | | | | |
| Facilities | | 16,646 | 17,794 | | | | |
| Communications/Utilities | | | | | | | |
| Office supplies & expense | 315 | 205 | 205 | | | | |
| Insurance | 2,445 | 264 | 264 | | | | |
| Depreciation | | | | | | | |
| Interest | | | | | | | |
| Miscellaneous | 5,764 | 12,303 | 6,177 | | 2,861 | | 97 |
| Total Expenses | 50,979 | 105,792 | 122,196 | | 11,348 | 631 | 8,451 |
| Net income | \$ | \$ (7,284) | \$ (10,642) | \$ | \$ (223) | \$ 404 | \$ (4,027) |

The accompanying independent auditor's report and notes are integral parts of this schedule.

**ROANE COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

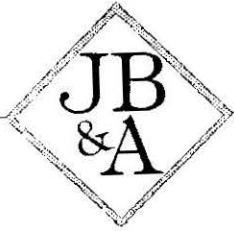
| Description | Medicaid | Waiver | Lighthouse | LIFE | FAIR | Building | Agency | Totals |
|-----------------------------------|--------------------|--------------------|--------------------|-----------------|-------------------|--------------------|-------------------|---------------------|
| Federal Revenues | \$ | \$ | \$ | \$ | \$ | \$ 152,607 | \$ | \$ 244,382 |
| State Revenues | | | 53,908 | 178,661 | 23,950 | 50,869 | 5,000 | 379,713 |
| State Allocated Program Income | 39,084 | 34,740 | 4,393 | | 2,138 | | | 122,324 |
| Match Income | | | | | | | | 14,167 |
| Local Sources | | | | | | 104,520 | 6,302 | 173,211 |
| Interest | | | | | | | 14 | 14 |
| Miscellaneous | | | | | | | 9,625 | 9,625 |
| Total Revenue | 39,084 | 34,740 | 58,301 | 178,661 | 26,088 | 307,996 | 20,941 | 943,436 |
| Personnel | 37,243 | 39,870 | 57,609 | 94,439 | 27,048 | 69,606 | | 436,060 |
| Fringe Benefits | 5,709 | 6,726 | 7,429 | 16,274 | 4,258 | 16,096 | | 81,667 |
| Food & Disposables | | | | | | | | 85,494 |
| Travel & Training | 4,820 | 927 | 3,698 | 10,159 | 2,223 | 122 | | 29,559 |
| Repairs & Maintenance | | | | 409 | | 207,692 | | 213,634 |
| Professional Services | | | | 4,000 | | | | 4,000 |
| Facilities | 1,293 | 1,293 | 1,293 | | 1,293 | | | 39,612 |
| Communications/Utilities | | | | 16,509 | | 1,653 | | 18,162 |
| Office supplies & expense | 123 | | | 18,018 | | 3,484 | | 22,350 |
| Insurance | | | | 725 | | 1,890 | 1,453 | 7,041 |
| Depreciation | | | | | | 52,341 | 9,312 | 61,653 |
| Interest | | | | | | | 2,121 | 2,121 |
| Miscellaneous | 277 | 223 | 121 | 15,548 | 173 | 4,326 | 9,641 | 57,511 |
| Total Expenses | 49,465 | 49,039 | 70,150 | 176,081 | 34,995 | 357,210 | 22,527 | 1,058,864 |
| Net income | \$ (10,381) | \$ (14,299) | \$ (11,849) | \$ 2,580 | \$ (8,907) | \$ (49,214) | \$ (1,586) | \$ (115,428) |

The accompanying independent auditor's report and notes are integral parts of this schedule.

**ROANE COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

| | <u>Grant Period</u> | <u>Grant Identificaiton Number</u> | <u>State Expenditures</u> |
|---|-------------------------|--|-------------------------------|
| Direct Programs: | | | |
| WV Bureau of Senior Services | | | |
| Community Partnership Grants | June 30, 2015 | SC21553 | \$ 5,000 |
| Lighthouse | June 30, 2016 | IH1625 | 7,876 |
| Lighthouse | June 30, 2015 | IH1525 | 46,032 |
| FAIR | June 30, 2016 | IH1625 | 4,090 |
| FAIR | June 30, 2015 | IH1525 | 19,860 |
| WV Department of Military Affairs | September 30, 2015 | 4132-DR-WV | <u>50,869</u> |
| Total Direct Programs | | | <u>133,727</u> |
| Pass through Awards | | | |
| WVSU Metro Area Agency on Aging | | | |
| IIIB State | June 30, 2015 | 21536 | 15,243 |
| IIIC-1 State | June 30, 2015 | 2915 | 26,041 |
| IIIC-2 State | June 30, 2015 | 2915 | 26,041 |
| LIFE | June 30, 2016 | 21603 | 37,931 |
| LIFE | June 30, 2015 | 21503 | <u>140,730</u> |
| Total pass-through awards | | | <u>245,986</u> |
| TOTAL EXPENDITURES OF STATE AWARDS | | | <u><u>\$ 379,713</u></u> |

The accompanying independent auditor's report and notes are integral parts of this schedule.



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 418 • BUCKHANNON, WV 26201 • (304) 472-3600 • FAX (304) 472-3601

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Roane County Committee on Aging, Inc.
Spencer, West Virginia

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 Roane County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Roane County Committee 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*.

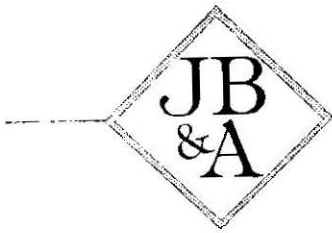
We noted certain other matters that we reported to management of Roane County Committee on Aging, Inc. in a separate letter dated January 29, 2016 on page 17.

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.



Buckhannon, West Virginia
January 29, 2016



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 418 • BUCKHANNON, WV 26201 • (304) 472-3600 • FAX (304) 472-3601

MANAGEMENT LETTER

To the Board of Directors
and Senior Management
Roane County Committee on Aging, Inc.
Spencer, West Virginia

In planning and performing our audit of the financial statements of Roane County Committee on Aging, Inc. for the year ended September 30, 2015, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Organization'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 the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter on pages 15 and 16, dated January 29, 2016 contains our communication of significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated January 29, 2016, on the financial statements of Roane County Committee on Aging, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Organizational Structure

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

We wish to thank the Executive Director and his staff for their support and assistance during our audit.

This report is intended solely for the information and use of management, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Buckhannon, West Virginia
January 29, 2016