

## **JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

Regular Audit

For The Year Ended September 30, 2021

Fiscal Year Audited Under GAGAS: 2021



## **Caudill & Associates, CPA, PLLC**

3070 Lake Crest Cir-Ste. 400/267

Lexington, KY 40513

Member American Institute of Certified Public Accountants  
Member American Institute of Certified Public Accountants – Not for Profit Section  
Member American Institute of Certified Public Accountants – Government Audit Quality Center  
Member American Institute of Certified Public Accountants – Forensic and Valuation Services Section  
Member American Institute of Certified Public Accountants – Employee Benefit Plan Audit Quality Center

**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia  
For the Year Ended September 30, 2021

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditor’s Report on Consolidated Financial Statements and Supplementary Information.....	1
Consolidated Financial Statements:	
Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Statement of Functional Expenses .....	6
Schedule of Revenues and Support.....	7
Notes to the Financial Statements.....	8
Supplementary Information:	
Consolidating Schedule – Statement of Financial Position.....	16
Consolidating Schedule – Statement of Activities .....	17
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	18



---

Member American Institute of Certified Public Accountants  
Member American Institute of Certified Public Accountants - Not for Profit Section  
Member American Institute of Certified Public Accountants – Government Audit Quality Center  
Member American Institute of Certified Public Accountants – Forensic and Valuation Services Section  
Member American Institute of Certified Public Accountants – Employee Benefit Plan Audit Quality Center

## **INDEPENDENT AUDITOR’S REPORT**

Jefferson County Council on Aging  
Ranson, West Virginia

To the Board of Directors:

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

We have audited the accompanying consolidated statement of financial position of Jefferson County Council on Aging, Inc., (a nonprofit organization), as of September 30, 2021, and the related consolidated statement of activities, statement of functional expenses, schedule of revenue and support 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 the audit evidence we 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 Jefferson County Council on Aging, Inc., as of September 30 2021, the results of its operations, the changes in its net assets, the statement of functional expenses, schedule of revenue and support and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying detailed consolidated schedule statements of financial position and consolidated schedule statement of activities 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 June 10, 2022 on our consideration of Jefferson County Council on Aging, Inc. 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 Jefferson County Council on Aging's internal control over financial reporting and compliance.

*Caudill & Associates, CPA*

Caudill & Associates, CPA, PLLC

June 10, 2022

**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

Statement of Financial Position

September 30, 2021

Assets

Current Assets:

Cash	\$ 576,351
Accounts Receivable	138,124
Total Current Assets	<u>714,475</u>

Long-term Assets:

Net, Property, Plant and Equipment	<u>945,757</u>
------------------------------------	----------------

Total Assets \$ 1,660,232

Liabilities and Net Assets

Current Liabilities:

Accounts Payable	5,969
Deferred Revenue	
Accrued Wages and Taxes	68,087
Total Current Liabilities	<u>74,056</u>

Net Assets

Without Donor Restrictions	<u>1,586,176</u>
----------------------------	------------------

Total Liabilities and Net Assets \$ 1,660,232

See Notes to the Consolidated Financial Statements

**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

Statement of Activities

For the Year Ended September 30, 2021

Unrestricted Revenue:	
Federal Financial Assistance	\$ 537,789
State Grant Allocations	446,979
Donations	3,176
Contractual Revenues	529,907
Project Income	11,445
Interest Income	88
Facilities Rental	100
Miscellaneous	6,911
In-kind Donations	0
Total Unrestricted Revenue	<u>1,536,395</u>
Expenses:	
Title III-B	33,201
Title III-C Congregate	24,578
Title III-C Home Delivered	161,700
Title III-D	27
Title III-E	3,322
Light House	183,483
5310 Grant Program	0
Personal Care	404,496
Life	149,047
Administrative and General	493,144
Total Expenses	<u>1,452,998</u>
Increase in Net Assets	<u>83,397</u>
Net Assets, Beginning of Year	
Without Donor Restrictions (Restated)	<u>1,502,779</u>
Net Assets, End of Year	
Without Donor Restrictions	<u>\$ 1,586,176</u>

See Notes to the Consolidated Financial Statements

**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

Statement of Cash Flows

For the Year Ended September 30, 2021

Cash Flows from Operating Activities:	
Change in net assets	\$83,397
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	59,597
Restatement of Net Assets	211,429
(Increase) Decrease in:	
Accounts Receivable	(20,876)
Increase (Decrease) in:	
Accounts Payable	(3,386)
Deferred Revenues	(14,909)
Accrued Wages and Taxes	559
	<u>315,811</u>
Net cash provided by/ (used in) operating activities	
Cash Flows from Investing Activities	
Purchase of plant, property and equipment	<u>(9,535)</u>
Net cash used in investing activities	<u>(9,535)</u>
Net increase/(decrease) in cash and cash equivalents	306,276
Cash and Cash Equivalents at October 1, 2020	<u>270,075</u>
Cash and Cash Equivalents at September 30, 2021	<u>\$ 576,351</u>
See the Notes to the Consolidated Financial Statements	

**JEFFERSON COUNTY COUNCIL ON AGING**  
Jefferson County, West Virginia

Statement of Functional Expenses  
For the Year Ended September 30, 2021

	Title III-C			Title III-D	Title III-E	Light House/Alz Grant	Personal Care	Life /53 10	Administrative and General	Total Expenses
	Title III-B	Congregate (C/1 - III-C)	Home Delivered (C/2 - III-C)							
Salaries and Wages	\$ 20,060	\$ 8,376	\$ 71,752	\$ -	\$ 3,017	\$ 168,174	\$ 370,731	\$ 110,278	\$106,974	\$ 859,362
Fringe Benefits	3,113	1,024	5,870	-	305	14,977	30,697	9,796	25,988	91,770
Travel Reimb	-	-	-	-	-	-	-	231	-	231
Travel Others	-	-	-	-	-	-	635	1,954	57	2,646
Transportation	7,139	-	-	-	-	-	-	13,893	1,636	22,668
Printing & Supplies	-	-	-	-	-	-	-	906	1,890	2,796
Repairs and Maintenance	1,809	186	1,839	-	-	-	-	-	-	-
Communications and Utilities	1,080	2,440	14,190	-	-	-	-	-	-	3,834
Rent	-	-	-	-	-	-	-	-	17,103	34,813
other	-	473	3,249	27	-	332	2,433	11,989	36,895	36,895
Depreciation	-	-	-	-	-	-	-	-	59,597	59,597
Raw Food	-	10,085	55,928	-	-	-	-	-	-	66,013
Disposables	-	1,994	8,872	-	-	-	-	-	-	10,866
Insurance	-	-	-	-	-	-	-	-	-	-
Inkind	-	-	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-	-	-
Indirects from grants	-	-	-	-	-	-	-	-	243,004	243,004
<b>Total</b>	<b>\$ 33,201</b>	<b>\$ 24,578</b>	<b>\$ 161,700</b>	<b>\$ 27</b>	<b>\$ 3,322</b>	<b>\$ 183,483</b>	<b>\$ 404,496</b>	<b>\$ 149,047</b>	<b>\$ 493,144</b>	<b>\$ 1,452,998</b>

See Notes to the Consolidated Financial Statements



**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

Schedule of Revenues and Support  
For the Year Ended September 30, 2021

	Title III-C			Title III-D	Title III-E	Personal Care	Life	Other	Total Revenues
	Title III-B	Congregate (C/1 - III-C)	Home Delivered (C/2 - III-C)						
Federal Financial Assistance	\$ 25,360	\$6,958	\$ 178,925	\$ -	\$ 16,330	\$ -	\$ -	\$ 310,216	\$ 537,789
State Grant Allocations	39,096	-	-	4,701	-	215,924	187,258	-	446,979
Donations	-	-	-	-	-	-	-	3,176	3,176
Contractual Revenues	-	-	-	-	-	529,907	-	-	529,907
Project Income	338	2,458	8,649	-	-	-	-	-	11,445
Interest Income	-	-	-	-	-	-	-	88	88
Facilities Rental	-	-	-	-	-	-	-	100	100
Miscellaneous	-	-	-	-	-	-	-	6,911	6,911
In-kind Donations	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 64,794</b>	<b>\$ 9,416</b>	<b>\$ 187,574</b>	<b>\$ 4,701</b>	<b>\$ 16,330</b>	<b>\$ 745,831</b>	<b>\$ 187,258</b>	<b>\$320,491</b>	<b>\$ 1,536,395</b>

See Notes to the Consolidated Financial Statements

# JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Notes to the Financial Statements For the Year  
Ended September 30, 2021

## Note 1 – Summary of Significant Accounting Policies

### A. Description of the Entity

The Jefferson County Council on Aging (the Organization), is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Jefferson County, West Virginia. The Organization studies and documents the needs of seniors citizens, to encourage, promote and aid in the establishment of programs for senior citizens, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

The Organization also operates the Jefferson Center in Jefferson County, West Virginia, which was organized to provide services (including Day-Habilitation, Pre-Vocation and Supported Employment) to clients with Mental Retardation and/or Developmental Disabilities, in a non-residential setting. Operations commenced on or before January 2010.

This summary of significant accounting policies of Jefferson County on Aging is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

### B. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements of Jefferson County Council on Aging have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

### C. Financial Statement Presentation

On October 1, 2018, the Organization adopted *Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-for-Profit Entities*. Changes to the Organization's accounting policies have been made in accordance with the provisions in the standards. Changes in presentation of the Financials Statements have been retrospectively applied to the comparative statements presented. The adoption of the standard did not result in substantial changes to the Organization's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Restricted net assets are no longer disaggregated between temporary and permanently restricted net assets on the face of the financial statements. Net assets subject to donor-imposed stipulations are presented in a single asset category. The purpose and length of any such stipulation is disclosed in the Notes to the Financial Statements

**JEFFERSON COUNTY COUNCIL ON AGING**  
Jefferson County, West Virginia

Notes to the Financial Statements For the Year  
Ended September 30, 2021

**Note 1 – Summary of Significant Accounting Policies (Continued)**

D Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. 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.

E Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reporting 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.

F Property, Plant and Equipment

Property, plant and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization has adopted a \$1,000 capitalization policy whereby all property, plant and equipment over \$1,000 is depreciated using the straight line method over its estimated useful life. In addition, all property, plant 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.

G Income Taxes

The Organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualified for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Financial Accounting Standards Board (FASB) has issued ASC 740-10, *Income Taxes* (formerly FIN 48, Accounting for Uncertainty in Income Taxes), which requires entities to disclose known or anticipated positions of income tax uncertainty. The Organization is not aware of any uncertain income tax positions as of June 10, 2022. The Organization could be subject to examination by the Internal Revenue Service or other applicable tax jurisdictions.

**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

Notes to the Financial Statements For the Year  
Ended September 30, 2021

**Note 1 – Summary of Significant Accounting Policies (Continued)**

H Revenues

Revenues are recognized in the accompanying financial statements as follows:

1. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which that support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

2. Federal Grants

Grant monies are received on a reimbursement basis; this is utilized from Title III-B, Title III-D, Title III-E, Title III-F, and Title VII grants. Upon completion of a grant year, any unexpected money has to be approved for carryover to the next grant year, but if approval is denied, the money must be returned to the grantor.

Title III-C monies are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses.

The funds from various funding sources under reimbursement contracts are recognized as revenue in the accounting period in which the grant is earned.

3. Interest Income

Interest income is recognized in the accounting period when it is earned. The Organization maintains funds received from various sources in interest bearing certificates of deposits and savings accounts.

4. Donations

Donations are recognized as unrestricted, restricted or temporarily restricted according to their designation in the period in which they are received.

**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

Notes to the Financial Statements For the Year  
Ended September 30, 2021

**Note 1 – Summary of Significant Accounting Policies (Continued)**

H. Revenues (Continued)

5. Rental Income

Rental income received from non-related organizations is recognized as revenue in the accounting period in which it is earned.

I. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers cash in operating bank accounts and certificates of deposit with an original maturity date of three months or less as cash.

J. Cost Allocation

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expense include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

K. Recently Issued Accounting Standards

On August 18, 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for Profit Entities (Topic 958)* that amends how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. This new standard, which the Organization is not required to adopt until its year ending September 30, 2019, requires improved presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors and other users.

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize assets and liabilities on the balance sheet for leases with lease terms greater than twelve months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. This amends current guidance that requires only capital leases to be recognized on the lessee balance sheet. ASU 2016-02 will also require additional disclosures on the amount, timing and uncertainty of cash flows arising from leases. The guidance is effective for the Organization for reporting periods beginning after December 15, 2021 with early adoption permitted.

The Organization is presently evaluating the effects that these ASU's will have on its future financial statements, including related disclosures.

**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

Notes to the Financial Statements For the Year  
Ended September 30, 2021

**Note 2 – Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

Protection of Jefferson County Council on Aging’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Deposits – At year end, the carrying amount of Jefferson County Council on Aging deposits was \$576,351 and the bank balance was \$614,619. Of the bank balance, \$354,420 was FDIC insured and \$260,199 was not collateralized.

**Note 3 – Grants Receivable**

Grants receivable is considered collectible in one year. At year end, the Organization had \$138,124 in grants receivable.

**Note 4 – Property, Plant and Equipment**

The balance of property, plant and equipment at year end consisted of the following:

Land and Buildings	\$1,241,948
Vehicles	375,191
Equipment, Furniture and Fixtures	<u>404,892</u>
Total	2,022,031
Accumulated Depreciation	<u>(1,076,274)</u>
Net Property, Plant and Equipment	<u>\$945,757</u>

**Depreciation for the year was \$59,597**

## JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Notes to the Financial Statements For the Year

Ended September 30, 2021

### Note 5 – Capital Lease

In August 2018, The Jefferson County Council on Aging leased office equipment under capital lease expiring in 2023. The asset and liability under capital lease is recorded at the fair market value of the assets. The assets are amortized over their estimated productive lives. Amortization of the assets under capital lease is included in the depreciation expense for fiscal year 2021.

The following is a summary of equipment held under capital lease:

Office Equipment	\$19,545
Accumulated Depreciation	<u>(11,727)</u>
Net	<u>\$ 7,818</u>

Future minimum lease payments under capital lease as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	<u>978</u>
Net minimum lease payments	\$ 3,909
Amount representing interest	<u>(390)</u>
Present Value of net minimum lease payments	<u>\$ 3,519</u>

The capital lease provides a purchase option at the end of the lease term. The purchase option is at the price representing the fair market value of the equipment at the expiration of the lease.

### Note 6 – Operating Lease

The Jefferson Center leases space for purposes of its mission statement under the terms of a non-cancelable operating lease. The term of the lease was five years and began in April 2019 and ends in March 2024. The Organization chose to renew for an additional four years. Total rent expense for the year ended September 30, 2021 was \$44,808. The organization decided to renew for a three year term.

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$47,604
2023	\$47,604
2024	\$47,604
Total Minimum Lease Payments	<u>\$142,812</u>

### Note 7 – Retirement Program

The Organization has a 401K through American Funds, which covers substantially all regular employees as of July 1, 2014. The employees may elect to defer any percentage of their compensation each year up to the limit set forth by the Federal Government, up to \$19,500 or \$26,000 for individuals who reach age 50 by a predetermined date. The employer will match the contribution by up to 100% of the employee deferral but will not exceed a match of 5%.

**JEFFERSON COUNTY COUNCIL ON AGING**  
Jefferson County, West Virginia

Notes to the Financial Statements For the Year  
Ended September 30, 2021

**Note 8 – Concentrations**

The Organization depends on grants from the federal, state and local sources for its continued existence.

**Note 9 – Contingent Liabilities**

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

**Note 10 – Subsequent Events**

Jefferson County Council on Aging, Inc. has evaluated subsequent events through June 10, 2022; the date financial statements were available to be issued. The Organization is evaluating the global pandemic of COVID-19.

**Note 11 – Reinstatement of Net Assets**

Beginning Net Assets was increased by \$211,429. This represented the adjustments made to cash to write off outstanding checks and deposits in transit that appeared in the reconciliations in error.

**Note 12 – Adopted Accounting Standard**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets- Net assets that are not subject to donor-imposed stipulations but may be designated for specific purpose by the board of directors.
- Restricted net assets- Net assets subject to temporary or permanent donor-imposed stipulations. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction. Generally, the donors of permanently restricted assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

On October 1, 2018, the Organization adopted *Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-for-Profit Entities*. Changes to the Organization's accounting policies have been made in accordance with the provisions in the standards. Changes in presentation of the Financials Statements have been retrospectively applied to the comparative statements presented. The adoption of the standard did not result in substantial changes to the Organization's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Restricted net assets are no longer disaggregated between temporary and permanently restricted net assets on the face of the financial statements. Net assets subject to donor-imposed stipulations are presented in a single asset category. The purpose and length of any such stipulation is disclosed in the Notes to the Financial Statements



**JEFFERSON COUNTY COUNCIL ON AGING**  
Jefferson County, West Virginia

Notes to the Financial Statements For the Year  
Ended September 30, 2021

**Note 13: Liquidity**

As part of the Organizations liquidity management, it pools cash in excess of daily requirements in other demand deposit accounts such as savings or money market accounts..

The Organizations financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2021
Cash and Cash Equivalents	<u>\$576,351</u>
Accounts Receivable	<u>138,124</u>
	<u><u>\$714,475</u></u>

**Note 14: Employer Retention Credit**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act developed the Employee Retention Tax Credit (ERC). Becoming law in March 2020. The CARES Act helps businesses keep employees on the payroll.

Other laws impacting the act include the Consolidated Appropriations Act 2021 (CAA) and the American Rescue Plan Act (ARPA). Both acts amend and extend credits and advance payments through 2021.

Under the ERTC, small to mid-size businesses are eligible to receive up to 50% of qualifying wages paid through March 13<sup>th</sup> to December 31, 2020. This includes employers receiving a loan under the Paycheck Protection Program (PPP). The maximum is \$10,000 in wages per employee.

The CAA increases the tax credit to 70% for employee wages paid through the end of 2021, including some health insurance costs. This credit is for a maximum of \$10,000 in wages per employee per quarter during the first two quarters of 2021.

Business with 100 or fewer full-time employees may qualify for a 100% employee wage credit.

Jefferson County Council on Aging recorded \$310,216 in federal financial assistance revenue in 2021.

**JEFFERSON COUNTY COUNCIL ON AGING**

Jefferson County, West Virginia

## Consolidating Schedule - Statement of Financial Position

September 30, 2021

Assets	Jefferson Council on Aging	Jefferson Center	Eliminating Entries	Total
Current Assets:				
Cash	\$ 513,535	\$ 62,816	\$ -	\$ 576,351
Accounts Receivable	131,554	6,570	-	138,124
Total Current Assets	<u>645,089</u>	<u>69,386</u>	<u>-</u>	<u>714,475</u>
Long-term Assets:				
Net, Property, Plant and Equipment	<u>934,586</u>	<u>11,171</u>	<u>-</u>	<u>945,757</u>
Total Assets	<u>\$ 1,579,675</u>	<u>\$ 80,557</u>	<u>\$ -</u>	<u>\$ 1,660,232</u>
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable	5,695	274		5,969
Deferred Revenue	0	0		0
Accrued Wages and Taxes	\$ 60,401	\$ 7,686	-	\$68,087
Total Current Liabilities	<u>66,096</u>	<u>7,960</u>	<u>-</u>	<u>74,056</u>
Net Assets				
Without Donor Restrictions	<u>1,513,579</u>	<u>72,597</u>	<u>-</u>	<u>1,586,176</u>
Total Net Assets	<u>1,513,579</u>	<u>72,597</u>	<u>-</u>	<u>1,586,176</u>
Total Liabilities and Net Assets	<u>\$ 1,579,675</u>	<u>\$ 80,557</u>	<u>\$ -</u>	<u>\$ 1,660,232</u>

See Notes to the consolidated financial statements.

**JEFFERSON COUNTY COUNCIL ON AGING**  
Jefferson County, West Virginia

Consolidating Schedule - Statement of Activities  
For the Year Ended September 30, 2021

	Jefferson Council on Aging	Jefferson Center	Eliminating Entries	Total
<b>Unrestricted Revenue:</b>				
Federal Financial Assistance	\$ 537,789	\$ -	\$ -	\$ 537,789
State Grant Allocations	446,979	-	-	446,979
Donations	2,384	792	-	3,176
Contractual Revenues	454,179	75,728	-	513,967
Project Income	11,445	-	-	11,445
Interest Income	88	-	-	88
Facilities Rental	100	-	-	100
Miscellaneous	-	6,911	-	6,911
In-kind Donations	-	-	-	-
<b>Total Unrestricted Revenue</b>	<u>1,452,964</u>	<u>83,431</u>	<u>-</u>	<u>1,536,395</u>
<b>Expenses:</b>				
Title III-B	33,201	-	-	33,201
Title III-C Congregate	24,578	-	-	24,578
Title III-C Home Delivered	161,700	-	-	161,700
Title III-D	27	-	-	27
Title III-E	3,322	-	-	3,322
Light House	183,483	-	-	183,483
5310 Grant Program	-	-	-	-
Personal Care	404,496	-	-	404,496
Life	149,047	-	-	149,047
Administrative and General	361,503	131,641	-	493,144
<b>Total Expenses</b>	<u>1,321,357</u>	<u>131,641</u>	<u>-</u>	<u>1,452,998</u>
Increase/(Decrease) in Net Assets	<u>131,607</u>	<u>(48,210)</u>	<u>-</u>	<u>83,397</u>
Net Assets, Beginning of Year Without Donor Restrictions (Restated)	<u>1,381,972</u>	<u>120,807</u>	<u>-</u>	<u>1,502,779</u>
Net Assets, End of Year Without Donor Restrictions	<u>\$ 1,513,579</u>	<u>\$ 72,597</u>	<u>\$ -</u>	<u>\$ 1,586,176</u>

See Notes to the Consolidated Financial Statements



# Caudill & Associates, CPA PLLC

3070 Lake Crest Cir – Ste – 400/267, Lexington, KY 40513

Member American Institute of Certified Public Accountants  
Member American Institute of Certified Public Accountants – Not for Profit Section  
Member American Institute of Certified Public Accountants – Government Audit Quality Center  
Member American Institute of Certified Public Accountants – Forensic and Valuation Services Section  
Member American Institute of Certified Public Accountants – Employee Benefit Plan Audit Quality Center

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

Jefferson County Council on Aging  
Ranson, West Virginia

To the Board of Directors:

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 Jefferson County Council on Aging, Inc., (a nonprofit organization), which comprise the consolidated balance sheet, as of September 30, 2021, and the related statement of activities, statement of functional expenses, change in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 10, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization’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 the Organization’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 the Jefferson County Council 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.

*Caudill & Associates, CPA*

Caudill and Associates, CPA PLLC  
Certified Public Accountant

Lexington, KY  
June 10, 2022