

**WETZEL COUNTY COMMITTEE ON AGING  
NEW MARTINSVILLE, WEST VIRGINIA**

**AUDIT REPORT  
SEPTEMBER 30, 2012**

**Wetzel County Committee on Aging  
FISCAL YEAR ENDING SEPTEMBER 30, 2012**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Wetzel County Committee on Aging  
New Martinsville, West Virginia

We have audited the accompanying statement of financial position of Wetzel County Committee on Aging (the "Committee") (a nonprofit organization) as of September 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Committee's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control over financial reporting. Accordingly, we express no such opinion. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note 1 to the financial statements, because of the Committee's reporting requirements, capital asset expenditures are charged to expense when the assets are purchased and depreciation charges are not recognized as an operational expense. This differs from accounting principles generally accepted in the United States of America, which require fixed assets to be capitalized on the statement of financial position and systematic depreciation charges be made to operations over the estimated lives of the assets. It was not practicable to determine the effect of the unrecorded fixed assets and depreciation on the financial statements.

In our opinion, except for the effects of not capitalizing fixed assets and recording systematic depreciation charges as discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Wetzel County Committee on Aging as of September 30, 2012, and the changes in its net assets, and its cash flows for the year 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 14, 2013, on our consideration of Wetzel County Committee on Aging'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 the 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Wetzel County Committee on Aging taken as a whole. The accompanying schedule of federal awards, state awards, and other assistance is presented for the purpose of additional analysis and is not a required part of the basic 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.

A handwritten signature in cursive script that reads "J.R. Snodgrass" followed by a stylized flourish.

Wheeling, West Virginia  
June 14, 2013

**Wetzel County Committee on Aging  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2012**

**ASSETS**

Cash and cash equivalents	\$ 241,860
Certificates of deposit	111,998
Accounts receivable - grants and contracts	135,860
Accounts receivable - other	3,516
Prepaid expense	<u>5,232</u>

**TOTAL ASSETS** \$ 498,466

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable	\$ 17,939
Accrued wages, benefits, and taxes	24,401
Deferred revenue	3,018
Fiscal agent advance (VISTA)	<u>11,837</u>

**TOTAL LIABILITIES** 57,195

**NET ASSETS - UNRESTRICTED** 441,271

**TOTAL LIABILITIES AND NET ASSETS** \$ 498,466

The accompanying notes are an integral part of the financial statements.

**Wetzel County Committee on Aging  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	<u>Unrestricted</u>
<b>REVENUES AND OTHER SUPPORT</b>	
Federal funds	\$ 56,066
State funds	384,052
Medicaid	127,583
Waiver funds	80,266
Client fees and donations	28,732
Project income and rents	17,808
City and county local funds	6,417
Interest income	1,122
Miscellaneous income	6,829
<b>Total revenues and other support</b>	<b>708,875</b>
 <b>EXPENSES</b>	
Program expenses	619,442
Operating and general	99,042
<b>Total expenses</b>	<b>718,484</b>
 <b>CHANGE IN NET ASSETS</b>	<b>(9,609)</b>
 <b>NET ASSETS, BEGINNING OF YEAR</b>	<b>450,880</b>
 <b>NET ASSETS, END OF YEAR</b>	<b>\$ 441,271</b>

The accompanying notes are an integral part of the financial statements.

**Wetzel County Committee on Aging  
STATEMENT OF FUNCTIONAL EXPENSES  
FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	<u>Program Services</u>	<u>Operating and General</u>	<u>Total Expenses</u>
Salaries	\$ 435,090	\$ 74,668	\$ 509,758
Taxes and employee benefits	65,034	13,589	78,623
Travel and transportation costs	8,456	-	8,456
Rent	7,437	-	7,437
Repairs and maintenance	37,691	5,013	42,704
Supplies	10,748	1,689	12,437
Communications and utilities	11,234	1,785	13,019
Insurance	9,215	515	9,730
Other	34,537	1,783	36,320
 Total expenses	 <u>\$ 619,442</u>	 <u>\$ 99,042</u>	 <u>\$ 718,484</u>

The accompanying notes are an integral part of the financial statements.

**Wetzel County Committee on Aging  
STATEMENT OF CASH FLOWS  
FISCAL YEAR ENDED SEPTEMBER 30, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (9,609)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Interest capitalized to certificates of deposit	(410)
Accounts receivable - grants and contracts	(52,639)
Accounts receivable - other	(223)
Prepaid expense	3,532
Accounts payable	5,230
Accrued wages, benefits, and taxes	5,566
Deferred revenue	10,573
Net cash used in operating activities	<u>(37,980)</u>
Decrease in cash and cash equivalents	(37,980)
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2011</b>	<u>279,840</u>
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2012</b>	<u><u>\$ 241,860</u></u>

The accompanying notes are an integral part of the financial statements.



**Wetzel County Committee on Aging  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of the Organization

The Wetzel County Committee on Aging (the "Committee") (a nonprofit organization) is funded primarily by grants awarded under Title III of the Older American's Act and state grant funds through the West Virginia Bureau of Senior Services, as administered by the Northwestern Area Agency on Aging, and through third-party reimbursements, specifically the State of West Virginia Medicaid and Waiver Program. The grants awarded and contracts performed for the enclosed financial statements cover the period beginning October 1, 2011, and ending September 30, 2012.

The Committee provides social, in-home, and community services to residents of Wetzel County who meet the applicable program eligibility requirements. The purpose of these programs is to assist in meeting the needs of older Americans.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, except for not recording property and equipment assets and depreciating them over their estimated useful lives. In accordance with grant award budgets, property and equipment are charged to expense in the periods during which they are purchased instead of being recognized as assets and depreciated over their useful lives. As a result, the expenditures reflected in the statement of activities include the cost of the property and equipment purchased during the year rather than a provision for depreciation. This method differs from accounting principles generally accepted in the United States of America, which require property and equipment assets to be capitalized on the statement of financial position and systematic depreciation charges to be made to operations over the estimated lives of the assets. The effect on the financial statements of that departure from U. S. generally accepted accounting principles is not readily determinable.

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Committee is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of September 30, 2012, the Committee had no temporarily or permanently restricted net assets. In addition, the Committee is required to present a statement of cash flows.

Equipment Purchases

The equipment acquired is owned by the Wetzel County Committee on Aging while used in the program for which it was purchased or in other future authorized programs. However, for equipment purchased with Federal Title III funds, the grantor maintains a reversionary interest; therefore, its disposition, as well as the ownership of any sale proceeds therefrom, is subject to funding source regulations. Certain equipment purchased with state funds remains the property of the State of West Virginia for a period of not less than 5 years. The Bureau of Senior Services provides disposal requirements prior to the 5 year anniversary, if needed.

**Wetzel County Committee on Aging**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Tax

The Committee is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

Wetzel County Committee on Aging has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Committee believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Committee's financial condition, results of activities, or cash flows. Accordingly, the Committee has not recorded any reserves, or related accruals, for interest and penalties for uncertain income tax positions at September 30, 2012.

The Committee is subject to routine audits by taxing jurisdictions. However, there are currently no audits for any tax periods in progress. The Committee believes it is no longer subject to income tax examinations for fiscal years prior to 2009.

Contributed Services and Facilities

During the year ended September 30, 2012, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

The New Martinsville Senior Center and Hundred Senior Center are currently leased to the Wetzel County Committee on Aging through an agreement with the Wetzel County Commission. Lease costs for each facility are \$1.00 per year. The use of the facilities is currently not recognized in the financial statements as in-kind revenue and expense because the amount is not determinable under the requirements of accounting principles generally accepted in the United States of America. Management has estimated the value of the New Martinsville building used for senior center activity to be approximately \$23,775. Of that amount, approximately \$8,670 (see Note 3) is claimed as local match for Title III federal programs. The Centers are available to the Committee as long as the buildings are used as Senior Centers. If the Committee fails to do so, the lease is terminated, and the Committee will be required to vacate the buildings.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cost Allocation

The Committee uses a cost allocation program where all costs that cannot be directly charged to a specific grant or contract are allocated based upon a percentage of direct salary costs, per program, to total direct salaries. Costs that cannot be directly charged or allocated to programs based on direct salaries and management expenses are accumulated as management and general expenses. These expenses include costs incurred under specific grants for Senior Center renovations and equipment purchases.

**Wetzel County Committee on Aging  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Expenses on Leased Facilities

Operating expenses for portions of the Senior Center that are rented/leased to other agencies are allocated based upon square footage allocations. These costs are not netted from rental income on the financial statements due to reporting requirements for project income. This had no effect on the net assets of the Committee. Total costs associated with rented space were \$7,437 for the year ended September 30, 2012. Total rents collected are shown in project income and rents under Title III-B and totaled \$15,070 for the year ended September 30, 2012.

**NOTE 2 - GRANT AND THIRD PARTY COMMITMENTS AND CONTINGENCIES**

The Committee receives a substantial amount of its support from federal and state governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Committee's activities.

Additionally, under the terms of federal and state contracts and grants, periodic audits are required and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursement to the grantor agency. Management believes disallowances, if any, will be immaterial.

**NOTE 3 - FEDERAL MATCHING**

Wetzel County Committee on Aging allocated the following funds as match monies required by Title III awards:

<u>Program</u>	<u>Amount</u>	<u>Source of Funds</u>
Title III-B Social Services	\$ 13,128	State funds
Title III-B Social Services	5,206	In-kind (see Note 1)
Title III-D Health Services	233	In-kind (see Note 1)
Title III-D Health Services	230	State funds
Title III-E Caregiver Services	<u>3,231</u>	In-kind (see Note 1)
Total match amounts	<u>\$ 22,028</u>	

In addition, project income funds included in the notification of grant award were used to cover expenses of the Title III program, but are not considered as matching funds.

**NOTE 4 - CASH AND CASH EQUIVALENTS**

For the purpose of the cash flows statement, the Committee includes cash in banks and on hand and certificates of deposit with original maturities of 90 days or less as cash and cash equivalents. The Committee paid no interest expense or corporate income taxes in fiscal year 2012.

**Wetzel County Committee on Aging**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**NOTE 5 - PLEDGED OR RESTRICTED EQUIPMENT**

The Committee has title to a van that is used to transport elderly and disabled persons. This van was purchased in fiscal year 2005 with a grant received from the West Virginia Department of Transportation. Under this grant, 80 percent of the purchase price of the van was funded through the grant and 20 percent through local monies of the Committee. The West Virginia Department of Transportation remains the first lien holder on the title to the van.

**NOTE 6 - DEFERRED REVENUE/FISCAL AGENT ADVANCE (VISTA)**

Deferred revenue balances include grant funds received and not expended by fiscal year end. As of September 30, 2012, deferred revenue included on the statement of financial position of \$3,018 is comprised of Health Benefits/SHIP funds.

In addition, the Committee acted as fiscal agent for VISTA grant funds received by the County for the Grow Local Go Local Program. As such, the revenue and expenditures for these funds are included in the Committee's records. As of September 30, 2012, total VISTA grant funds received were \$12,991 and \$1,154 in expenditures were disbursed. The remaining \$11,837 is included in fiscal agent advance – VISTA.

**NOTE 7 - SUBSEQUENT EVENTS**

Wetzel County Committee on Aging assessed events occurring subsequent to September 30, 2012, through June 14, 2013, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to, or disclosure in, the financial statements which were available to be issued June 14, 2013.

**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**

Board of Directors  
Wetzel County Committee on Aging  
New Martinsville, West Virginia

We have audited the financial statements of Wetzel County Committee on Aging (the "Committee") (a nonprofit organization), as of and for the year ended September 30, 2012, and have issued our report thereon dated June 14, 2013. Our report on the financial statements was qualified due to effects of the Committee not capitalizing fixed assets and recording systematic depreciation charges and for not reporting expenses on a functional basis as described in Note 1 to the financial statements. 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 the Committee is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Committee'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 Committee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Committee'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 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 the Committee'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 Auditing Standards*.

We noted certain matters that we reported to management of Wetzel County Committee on Aging in a separate letter dated June 14, 2013.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and the federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "J.R. Snodgrass ATC".

Wheeling, West Virginia  
June 14, 2013



**Wetzel County Committee on Aging  
SCHEDULE OF FEDERAL AWARDS, STATE AWARDS,  
AND OTHER ASSISTANCE  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2012**

<u>Federal Awards</u> <u>Pass-through Grantor</u>	<u>CFDA/Award/ Grant No.</u>	<u>Financial Awards Recognized</u>
<b>U. S. Department of Health and Human Services passed through the West Virginia Bureau of Senior Services and Bel-O-Mar Regional Council:</b>		
Disease Prevention and Health Promotion Services - Title III-D	93.043	\$ 3,684
Grants for Supportive Services and Senior Centers - Title III-B	93.044	29,945
National Family Caregiver Support - Title III-E	93.052	9,240
Centers for Medicare and Medicaid Services Research, Demonstrations, and Evaluations	93.779	5,264
Low Income Home Energy Assistance	93.568	179
 <b>U. S. Department of Veterans Affairs passed through Department of Veterans Affairs - Clarksburg, WV:</b>		
Homemaker Home Health Care	64-Unknown	<u>7,754</u>
<b>Total federal awards</b>		<b>\$ <u>56,066</u></b>
 <u>State Awards and Other Assistance</u> <u>State Grantor/Pass-through Grantor</u>		
<b>West Virginia Bureau of Senior Services:</b>		
State Senior Center/Program Funds	SC21224-2012	\$ 27,125
State Senior Center/Program Funds	SC21224-2013	9,000
State Award - Vehicle Maintenance Assistance	21393	1,362
 <b>West Virginia Bureau of Senior Services passed through the Bel-O-Mar Regional Council:</b>		
State Discretionary Grant - Lighthouse	21249	85,862
State Discretionary Grant - Lighthouse	21349	27,904
State Discretionary Grant - Lighthouse - Data Entry	21249	2,685
State Discretionary Grant - Lighthouse - Data Entry	21349	2,179
State Alzheimer's Respite/FAIR	21249	41,929
State Alzheimer's Respite/FAIR	21349	12,950
State Alzheimer's Respite/FAIR - Data Entry	21249	672
State matching funds	21235	13,358
State Legislative Initiatives for the Elderly (L.I.F.E)	21202	124,375
State Legislative Initiatives for the Elderly (L.I.F.E)	21302	<u>34,651</u>
<b>Total state awards</b>		<b><u>384,052</u></b>
 <u>Other Assistance</u>		
<b>U. S. Department of Health &amp; Human Services passed through West Virginia Department of Health and Human Resources Program:</b>		
Medicaid	N/A	127,583
Medicaid waiver	N/A	<u>80,266</u>
<b>Total other assistance</b>		<b><u>207,849</u></b>
<b>Total state awards and other assistance</b>		<b>\$ <u>591,901</u></b>