

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

**AUDIT REPORT
SEPTEMBER 30, 2019**

**Wetzel County Committee on Aging
FISCAL YEAR ENDING SEPTEMBER 30, 2019**

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 15
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>	16 - 17
Supplemental Schedule	
Schedule of Federal and State Awards and Expenses and Other Assistance	18



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Wetzel County Committee on Aging (the "Committee") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

As more fully described in Note 2 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. Accounting principles generally

accepted in the United States of America require fixed assets to be capitalized and systematic depreciation charges be made to operations over the estimated lives of the assets. The effects on the accompanying financial statements of the failure to capitalize fixed asset expenditures have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Wetzel County Committee on Aging as of September 30, 2019, and the changes in its net assets, its functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, Wetzel County Committee on Aging adopted Financial Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, which was effective for the current fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of federal and state awards and expenses and other assistance is presented for the purpose of additional analysis and is 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 April 16, 2020, 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 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 Wetzel County Committee on Aging's internal control over financial reporting and compliance.



Wheeling, West Virginia
April 16, 2020

**Wetzel County Committee on Aging
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019**

ASSETS

Cash and cash equivalents	\$ 158,669
Certificates of deposit	113,946
Accounts receivable - grants and contracts	108,008
Accounts receivable - other	5,342
Prepaid expenses	<u>1,204</u>

TOTAL ASSETS

\$ 387,169

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 14,321
Accrued wages, benefits, and taxes	17,072
Deferred revenue	<u>8,000</u>

TOTAL LIABILITIES

39,393

NET ASSETS - WITHOUT DONOR RESTRICTIONS

347,776

TOTAL LIABILITIES AND NET ASSETS

\$ 387,169

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

**Wetzel County Committee on Aging
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Without Donor Restrictions</u>
REVENUES AND OTHER SUPPORT	
Federal grants and contracts	\$ 108,217
State grants and contracts	425,577
County funds	71,232
Medicaid and Waiver	75,079
Donations	34,076
Project income and rents	19,331
Other	21,140
Interest income	859
Total revenues and other support	<u>755,511</u>
EXPENSES	
Program - Senior Services	662,152
Management and general	102,633
Total expenses	<u>764,785</u>
CHANGE IN NET ASSETS	(9,274)
NET ASSETS, BEGINNING OF YEAR	<u>357,050</u>
NET ASSETS, END OF YEAR	<u><u>\$ 347,776</u></u>

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, 2019**

	<u>Program - Senior Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 460,997	\$ 86,203	\$ 547,200
Payroll taxes and employee benefits	50,890	9,990	60,880
Travel and transportation costs	5,375	3	5,378
Repairs, maintenance, and renovations	11,925	-	11,925
Supplies	18,667	2,204	20,871
Communications and utilities	17,853	2,020	19,873
Insurance	11,217	2,173	13,390
Senior trips and outings expenses	53,881	-	53,881
Other	31,347	40	31,387
TOTAL EXPENSES	<u><u>\$ 662,152</u></u>	<u><u>\$ 102,633</u></u>	<u><u>\$ 764,785</u></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, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (9,274)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Interest capitalized to certificates of deposit	(285)
Accounts receivable - grants and contracts	(32,258)
Accounts receivable - other	203
Prepaid expenses	14,139
Accounts payable	191
Trip deposits	(7,218)
Accrued wages, benefits, and taxes	1,808
Deferred revenue	4,196
Net cash used in operating activities	<u>(28,498)</u>
Decrease in cash and cash equivalents	(28,498)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>187,167</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 158,669</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, 2019**

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, the Northwestern Area Agency on Aging, and through third-party reimbursements, specifically the State of West Virginia Medicaid and Waiver Program. The Committee's financial statements cover the fiscal period beginning October 1, 2018, and ending September 30, 2019.

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 services is to assist in meeting the needs of older Americans, which is the sole focus of the Committee's operations. All services provided by the Committee are considered as part of the Senior Services Program.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Accounting Standards Codification (FASB ASC) No. 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. In accordance with these standards, Wetzel County Committee on Aging reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors as follows:

Net Assets without Donor Restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application of tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Wetzel County Committee on Aging
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions. Unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. However, donor-restricted contributions or grants whose restrictions are met in the same reporting period are reported as without donor restrictions in the statement of activities. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service unless the donor provides more specific directions about the period of its use.

As of June 30, 2019, the Committee had no donor restricted net assets.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Committee considers as cash equivalents all highly liquid investments which can be converted into known amounts of cash and have a maturity period of 90 days or less. As of September 30, 2019, cash and cash equivalents are comprised of cash on hand and cash on deposit with banks. The Committee paid no interest or taxes in fiscal year 2019.

Accounts Receivable

Grants and contracts receivable are primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding grants and contracts receivable are collectible in full; therefore, no allowance for uncollectible receivables has been provided.

Accounts receivable - other balances are comprised of various donations and project income funds due as of fiscal year-end. Management's estimate of uncollectible accounts receivable is based on historical collection experience, a review of the current status of accounts receivable, and management's judgment. There was no provision for uncollectible accounts receivable - other as of September 30, 2019, as management believes all amounts are collectible in full.

Decisions to charge-off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. It is reasonably possible that management's estimate of the allowance for doubtful accounts will change. In fiscal year 2019, the Committee had no charges to operations for bad debt expense.

Wetzel County Committee on Aging
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Revenue Recognition

Revenue is recognized in the accompanying financial statements as follows:

- A. Grant and Reimbursement Contracts - The funds due from the various funding sources under grants and reimbursement contracts are recognized as revenue in the program year when the expenditures are incurred and the grant funds are earned.
- B. Program Service Fees - Amounts due under fee-for-service type arrangements are recognized when the services are provided at the expected reimbursement rate.
- C. Contributions - Cash contributions are recognized in the period earned and are recorded with or without donor restrictions based upon the donor's instructions.
- D. Interest - Income from certificates of deposit is recognized in the accounting period when it is earned.
- E. Trip Income - Total fees for senior trips and outings were approximately \$19,510 and are included as other income in the statement of activities. Expenses related to the trips and other senior outings are included in the trip expense line item on the statement of functional expenses. Trip expenses not covered by amounts collected from the participants are paid by local county funds. These events are ancillary to the operations of the Committee.
- F. Project Income and Rents - The Committee rents certain portions of the New Martinsville Senior Center on a monthly basis, as well as certain rentals for daily use for community social activities. These rents and additional project income amounts are generated to support programs of the Senior Center and are accounted for in the Project Income and Rents line item on the statement of activities. Rent is recorded as earned.

Income Taxes

The Committee is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. The Committee had no unrelated business income for the year ended September 30, 2019. Therefore, no provision has been made for federal income taxes.

Wetzel County Committee on Aging
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

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, 2019.

Contributed Services and Facilities

During the year ended September 30, 2019, 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 all 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 \$8,699 (see In-kind - Note 7) 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.

Expenses

Expenses are recognized as incurred.

Allocation of Expenses by Functional Classification

In accordance with the requirements of the ASU 2016-14, the Committee reports its expenses by functional, as well as natural classification. Expenses that cannot be directly charged to a specific grant or contract are allocated based on a percentage of direct salary costs per contact or grant to total direct salaries. This allocation of expenses complies with U. S. GAAP, which requires that the allocation of expenses to program services, management and general, and fundraising (if applicable) be based on actual experience, which should be applied on at least an annual basis.

Wetzel County Committee on Aging
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

NOTE 2 - 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 \$2,281 for the year ended September 30, 2019. Total rents collected of \$14,965 are included in project income and rents line item for the year ended September 30, 2019, in the statement of activities total account balance of \$19,331. Only \$13,750 of this amount was required project income per Grant #21835 grant requirements.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

Change in Accounting Principles

The Committee implemented FASB ASU No. 2016-14 in the current year. The new standard changes the following aspects of the financial statements.

- The temporarily and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a disclosure about liquidity and availability of resources (Note 4).
- Expenses are to be presented by function and natural classifications in one location, which could be on the face of the statement of activities, as a separate statement, or in the notes to the financial statements.

The Committee's financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) No. 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted net assets	\$ 357,050	\$ -
Temporarily restricted net assets	-	-
Permanently restricted net assets	-	-
Net assets without donor restriction	-	357,050
Net assets with donor restriction	-	-
Total net assets	<u>\$ 357,050</u>	<u>\$ 357,050</u>

**Wetzel County Committee on Aging
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

NOTE 4 - LIQUIDITY

The Committee's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 158,669
Certificates of deposit	113,946
Grants and accounts receivable	<u>113,350</u>
Subtotal	385,965
Less deferred revenue	<u>(8,000)</u>
Total financial assets available	<u>\$ 377,965</u>

The Committee is supported mostly by funding from federal, state, and county governments on a cost reimbursement basis. Under these grants, reimbursements and fees are requested from the funding source once expenses are incurred or services are provided and, in some cases, grant funds are advanced and then reconciled to actual expenses at the end of the grant period. The Committee maintains financial assets on hand to meet normal operating expenses.

NOTE 5 - GRANT AND THIRD-PARTY COMMITMENTS AND CONTINGENCIES

The Committee receives a substantial amount of its support from federal, state, and county governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Committee's senior program 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 6 - DEFERRED REVENUE

The deferred revenue balance of \$8,000 includes grant funds received for grant periods that extend past September 30, 2019, and for which no grant funds have been expended by fiscal year end. As of September 30, 2019, deferred revenue included on the statement of financial position is comprised of \$3,000 of Senior Medicare Patrol funds and \$5,000 of Lighthouse Data Entry funds.

NOTE 7 - 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	\$ 12,642	State funds
Title III-B Social Services	5,072	In-kind (see Note 2)
Title III-D Health Services	244	In-kind (see Note 2)
Title III-E Caregiver Services	<u>3,383</u>	In-kind (see Note 2)
Total match amounts	<u>\$ 21,341</u>	

Wetzel County Committee on Aging
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

NOTE 7 - FEDERAL MATCHING (CONTINUED)

As discussed in Note 2, 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 8 - CONCENTRATIONS

The Committee maintains deposit accounts in two local financial institutions. Accounts in the name of the Committee are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. In addition to FDIC coverage, the financial institution has provided a pledge of securities as additional collateral for uninsured deposits beyond FDIC coverage. This pledge amount that would be available above the FDIC limit is \$99,247. As of September 30, 2019, no balance exceeded the FDIC limit.

NOTE 9 - OTHER EXPENSES

The balance of other expenses totaling \$31,387 presented in the statement of functional expenses is made up of the following:

Professional fees	\$ 12,200
Board member expenses	5,791
Other	<u>13,196</u>
Total	<u>\$ 31,387</u>

NOTE 10 - SUBSEQUENT EVENTS

Beginning in the first quarter of 2020, the nation and the Committee's primary service area were affected by the consequences from the COVID-19 (coronavirus) pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses.

The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies of many states, including the geographical area in which the Committee operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Committee, the Wetzel County Committee on Aging, Inc. may experience work stoppages, interruptions to services to senior citizens, decreases in rental payments received, and possible declines in federal, state, or local funding.

Wetzel County Committee on Aging assessed events occurring subsequent to September 30, 2019, through April 16, 2020, 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 April 16, 2020.



**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, 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, the financial statements of Wetzel County Committee on Aging (the "Committee") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities; functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 16, 2020. Our report was modified due to capital asset expenditures being charged to expense when the assets are purchased, and depreciation charges not being recognized as an operational expense. Accounting principles generally accepted in the United States of America require fixed assets to be capitalized and systematic depreciation charges be made to operations over the estimated lives of the assets.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Committee'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 Committee's internal control. Accordingly, we do not express an opinion on the effectiveness of the Committee'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 Committee'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 Committee'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 Committee's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zeno, Rock, Lilly & Copeland, PC

Wheeling, West Virginia
April 16, 2020

Wetzel County Committee on Aging
SCHEDULE OF FEDERAL AND STATE AWARDS AND EXPENSES
AND OTHER ASSISTANCE
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2019

<u>Federal Awards</u> <u>Pass-through Grantor</u>	<u>CFDA/Award/ Grant No.</u>	<u>Financial Awards Recognized</u>	<u>FY 2019 Expenses</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the West Virginia Bureau of Senior Services and Bel-O-Mar Regional Council:			
Disease Prevention and Health Promotion Services - Title III-D	93.043	\$ 1,382	1,382
Grants for Supportive Services and Senior Centers - Title III-B	93.044	27,359	27,359
National Family Caregiver Support - Title III-E	93.052	10,148	10,148
Special Programs for the Aging- Title IV and Title II Discretionary Projects - Senior Medicare Patrol	93.048	3,000	2,534
Medicare Improvements for Patients and Providers (MIPPA 1913)	93.071	2,000	2,000
Special Programs for the Aging - Title III C Nutrition Services	93.045	2,000	2,000
U. S. DEPARTMENT OF VETERANS AFFAIRS			
Passed through the Department of Veterans Affairs - Clarksburg, WV:			
Homemaker Home Health Care (Veteran's Choice Program)	64-Unknown	62,328	62,328
TOTAL FEDERAL AWARDS AND EXPENSES		<u>\$ 108,217</u>	<u>\$ 107,751</u>

State Awards and Other Assistance
State Grantor/Pass-through Grantor

WEST VIRGINIA BUREAU OF SENIOR SERVICES:			
State Discretionary Grant - Lighthouse	IH1913	\$ 108,206	\$ 108,206
State Discretionary Grant - Lighthouse - Data Entry	IH1913	3,325	3,325
State Discretionary Grant - Lighthouse	IH2013	38,128	38,128
State Alzheimer's Respite/FAIR	IH1913	58,302	58,302
State Alzheimer's Respite/FAIR	IH2013	18,765	18,765
State Legislative Initiatives for the Elderly (L.I.F.E)	21902	146,950	146,950
State Legislative Initiatives for the Elderly (L.I.F.E)	22002	39,175	39,175
		<u>412,851</u>	<u>412,851</u>
State matching funds IIIE	21835	84	84
State matching funds IIIB	21835	12,642	12,642
TOTAL STATE AWARDS AND EXPENSES		<u>\$ 425,577</u>	<u>\$ 425,577</u>

Other Assistance

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
**Passed through the West Virginia Department of
Health and Human Resources Program:**

Medicaid and Waiver Program	N/A	\$ 75,079	
TOTAL OTHER ASSISTANCE		<u>\$ 75,079</u>	

Notes to the schedule:

For federal and state grants, only expenses up to the grant award amounts are reflected in the schedule. Any additional expenses above award amounts would be covered by project income, local, or other corporate funds. For funding under fee-for-service arrangements through the Bureau of Senior Services (BoSS), only expenses up to the amounts earned were reported in the schedule. For arrangements where expenses exceeded amounts reimbursed, project income, corporate, or other local funds were used to cover costs.