

**RALEIGH COUNTY
COMMISSION ON AGING, INC.
AUDITED FINANCIAL STATEMENTS
For Year Ended September 30, 2012**

RALEIGH COUNTY COMMISSION ON AGING, INC.
AUDITED FINANCIAL STATEMENTS
For Year Ended September 30, 2012

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September 11, 2013

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Raleigh County Commission on Aging, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raleigh County Commission on Aging, Inc. as of September 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of revenue and support on page 18 and the schedule of expenditures of state awards on page 19 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 September 11, 2013, on our consideration of Raleigh County Commission on Aging, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Raleigh County Commission on Aging, Inc's internal control over financial reporting and compliance.



Jeffery S. Hollifield, CPA

RALEIGH COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
September 30, 2012 and 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,176,041	\$ 373,012
Accounts receivable, net	490,450	482,813
Grants receivable	241,821	183,963
Prepaid Items	-	59,610
Total Current Assets	1,908,312	1,099,399
NONCURRENT ASSETS		
Land	175,515	175,515
Buildings	2,619,433	2,619,433
Furniture, Fixtures, and Equipment	193,165	184,961
Vehicles	453,468	458,108
	3,441,581	3,438,017
Less accumulated depreciation	(1,009,549)	(897,952)
Total Capital Assets	2,432,032	2,540,064
TOTAL ASSETS	\$ 4,340,344	\$ 3,639,463
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,596	\$ 34,982
Accrued wages payable	12,243	73,368
Payroll Taxes & Related Liabilities	13,587	13,443
Total Current Liabilities	30,426	121,794
LONG TERM DEBT	-	-
TOTAL LIABILITIES	30,426	121,794
NET ASSETS		
Restricted Net Assets	241,821	183,963
Unrestricted	4,068,097	3,333,706
Total Net Assets	4,309,918	3,517,669
TOTAL LIABILITIES AND NET ASSETS	\$ 4,340,344	\$ 3,639,463

The notes to financial statements are an integral part of this statement.

RALEIGH COUNTY COMMISSION ON AGING, INC.
STATEMENT OF ACTIVITIES
For Year Ended September 30, 2012 and 2011

	2012	2011
REVENUE AND SUPPORT		
Federal financial assistance	\$ 364,081	\$ 304,799
State grant allocations	1,248,597	1,115,023
Donations	10,876	21,179
Medicaid/waiver	2,134,143	1,832,249
Program Income	1,411,008	958,104
Interest Income	1,576	1,576
Other	179,522	200,759
Total Revenue and Support	5,349,802	4,433,688
EXPENSES		
Program Services:		
Title III-B	158,548	228,870
Title III-D	25,672	29,965
Title III-E	91,332	111,284
Title III-C - congregate	310,113	343,397
Title III-C - home delivered	358,111	379,499
LIFE	59,560	63,599
Waiver	1,707,164	1,491,872
Personal Care	707,193	572,149
Transportation	62,311	64,427
Fair	121,982	91,943
Lighthouse	598,389	411,899
Living Well Elder Care	47,466	62,513
Case Management	96,539	86,976
Management and general	213,174	282,957
Total Expenses	4,557,553	4,221,350
INCREASE (DECREASE) IN NET ASSETS	792,249	212,337
Net Assets at beginning of year	3,517,669	3,305,332
NET ASSETS AT END OF YEAR	\$ 4,309,918	\$ 3,517,669

The notes to financial statements are an integral part of this statement.

RALEIGH COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For Year Ended September 30, 2012

	Title IIIB	Title IIID	Title IIIE	Title IIIC	
				Congregate	Home Delivered
Expenses:					
Salaries and wages	\$ 66,755	\$ 11,753	\$ 68,714	\$ 91,346	\$ 116,303
Employee Benefits	23,073	2,283	13,308	26,640	28,570
Contract Services	243	98	57	428	65
Mileage	-	-	-	-	-
Travel & Training	11,119	149	494	1,551	567
Raw Food	-	-	-	123,102	165,612
Medical Supplies	-	-	5	39	18
Disposables	319	125	73	12,072	17,591
Gas & Oil	17,391	-	-	-	8,622
Repairs & Maintenance (Vans)	5,397	-	0	-	2,672
Insurance	343	-	-	-	104
Maintenance Contract	2,046	94	509	2,203	1,730
Office Supplies	4,813	5,235	918	4,748	3,008
Postage Expenses	1,704	79	424	1,837	1,440
Equipment Rental & Repair	429	21	115	497	390
Equipment	1,578	14	78	857	1,092
Building Repair & Maintenance	7,194	3,222	1,689	12,950	3,065
Utilities	11,950	4,211	2,463	18,577	3,776
Parking Rent	-	-	-	-	-
Advertising	3,334	142	1,219	3,360	2,663
Taxes & Licenses	148	10	42	389	343
Professional Services	1,678	678	525	2,952	446
Activities	-	2,356	-	2,008	-
Bank Charges	-	-	-	-	-
Other	37	2	699	4,556	36
Interest Expense	-	-	-	-	-
Bad Debts	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Expenses Capitalized to Assets	(1,005)	(4,800)	-	-	-
Total Expenses	\$ 158,548	\$ 25,672	\$ 91,332	\$ 310,113	\$ 358,111

The notes to financial statements are an integral part of this statement.

RALEIGH COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
For Year Ended September 30, 2012

	Living Well Elder Care	Case Management	Personal Care	Transportation	Life
Expenses:					
Salaries and wages	\$ 34,436	\$ 78,039	\$ 578,108	\$ 43,675	\$ 24,069
Employee Benefits	5,512	14,200	102,540	5,571	4,261
Contract Services	72	15	29	-	34
Mileage	-	-	-	-	-
Travel & Training	116	158	3,596	-	77
Raw Food	-	-	185	-	14
Medical Supplies	-	-	1,696	-	-
Disposables	92	20	37	-	43
Gas & Oil	-	-	-	9,193	-
Repairs & Maintenance (Vans)	-	-	-	2,859	-
Insurance	-	-	-	54	24,499
Maintenance Contract	96	494	686	-	111
Office Supplies	439	854	1,837	9	16,423
Postage Expenses	81	411	571	-	104
Equipment Rental & Repair	54	111	155	-	28
Equipment	59	24	105	105	37,519
Building Repair & Maintenance	2,180	461	873	-	1,015
Utilities	3,092	666	1,298	845	1,457
Parking Rent	-	-	1,005	-	-
Advertising	504	760	6,292	-	189
Taxes & Licenses	36	4	94	-	11
Professional Services	500	106	1,721	-	235
Activities	-	-	-	-	-
Bank Charges	-	-	-	-	-
Other	196	215	6,366	-	3
Interest Expense	-	-	-	-	-
Bad Debts	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Expenses Capitalized to Assets	-	-	-	-	(50,531)
Total Expenses	\$ 47,466	\$ 96,539	\$ 707,193	\$ 62,311	\$ 59,560

The notes to financial statements are an integral part of this statement.

RALEIGH COUNTY COMMISSION ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
For Year Ended September 30, 2012

	Lighthouse	Fair	Waiver	Admn & General	Totals
Expenses:					
Salaries and wages	\$ 498,402	\$ 95,602	\$ 1,310,552	\$ 42,438	\$ 3,060,195
Employee Benefits	85,577	16,350	225,629	7,940	561,454
Contract Services	21	88	60	1,512	2,722
Mileage	-	-	102,746	-	102,746
Travel & Training	1,610	429	3,089	2,419	25,373
Raw Food	-	-	-	4,962	293,874
Medical Supplies	1,078	158	2,177	-	5,170
Disposables	27	113	76	538	31,127
Gas & Oil	-	-	-	1,505	36,710
Repairs & Maintenance (Vans)	-	-	-	1,099	12,027
Insurance	-	-	-	-	24,999
Maintenance Contract	505	125	884	78	9,561
Office Supplies	1,156	270	2,097	141	41,949
Postage Expenses	421	104	736	65	7,976
Equipment Rental & Repair	114	28	199	18	2,159
Equipment	77	19	174	12,667	54,368
Building Repair & Maintenance	631	2,583	1,757	9,238	46,858
Utilities	909	3,753	2,773	710	56,480
Parking Rent	668	132	1,350	-	3,155
Advertising	2,624	953	5,661	200	27,903
Taxes & Licenses	42	10	74	63	1,265
Professional Services	816	739	1,639	1,868	13,902
Activities	-	-	-	4,449	8,814
Bank Charges	-	-	-	2,309	2,309
Other	3,712	526	45,491	(47,924)	13,914
Interest Expense	-	-	-	-	-
Bad Debts	-	-	-	2,511	2,511
Depreciation Expense	-	-	-	164,368	164,368
Expenses Capitalized to Assets	-	-	-	-	(56,335)
Total Expenses	\$ 598,389	\$ 121,982	\$ 1,707,164	\$ 213,174	\$ 4,557,553

The notes to financial statements are an integral part of this statement.

RALEIGH COUNTY COMMISSION ON AGING, INC.
STATEMENT OF CASH FLOWS
For Year Ended September 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Increase (Decrease) in Net Assets	\$ 792,249	\$ 212,337
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	164,368	161,189
(Increase) decrease in operating assets:		
Accounts and grants receivable	(65,494)	(91,802)
Prepaid expenses	59,610	15,710
Increase (decrease) in operating liabilities:		
Accounts payable	(30,386)	(8,922)
Accrued wage payable	(61,125)	(86,877)
Accrued payroll taxes	144	3,252
Net Cash Provided by Operating Activities	859,364	204,886
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in Notes Payable	-	(517,478)
Net Cash Provided by Financing Activities	-	(517,478)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (Increase) Decrease in Fixed Asset	(56,335)	(78,179)
Net Cash Provided by Investing Activities	(56,335)	(78,179)
Net increase (decrease) in cash and cash equivalents	803,029	(390,771)
Cash and Cash Equivalents at Beginning of Year	373,012	763,783
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,176,041	\$ 373,012

The notes to financial statements are an integral part of this statement.

RALEIGH COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Raleigh County Commission on Aging, Inc, is a nonprofit corporation, created by an act of the Raleigh County Commission on October 1, 1980. The organization was formed to provide a governing and managing body for a senior citizens program in Raleigh County, WV, and to set up the necessary organizations, committees, and functions to further all possible interest and participation in benefits and programs for the senior population in Raleigh County. Funding for the Organization consists of Medicaid revenues received for services performed and federal and state grant programs which are utilized to enhance the mission of the Organization.

Basis of Accounting and Financial Statement Presentation - The financial statements of Raleigh County Commission on Aging, Inc. are prepared in accordance with generally accepted accounting principles (GAAP); using the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized when grantor eligibility requirements are met.

Source of Revenue - Raleigh County Commission on Aging, Inc. receives revenues in the form of grants from Title IIIB, Title IIID, Title IIIE, Title IIIC, Title VII (Elder Abuse), the Life Plan Grant, the Lighthouse Grant, the Fair Grant, the Healthy Benefit/SHIP Grant, a Community Partnership Grant, a Transportation Grant, and other various grants from organizations when approved. Grants are recognized when grantor eligibility requirements are met. Raleigh County Commission on Aging, Inc. also receives revenue from personal care services, services billed through the Medicaid/Waiver program, case management services, private pay services, day care services, catering services, rents paid on short term rentals of conference rooms and dining facilities, transportation services, and donations.

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, and then the unrestricted resources as needed. See Note C for information describing restricted assets.

Expense Allocation - Expenses are charged to programs and supporting services based on grant stipulations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes - Raleigh County Commission on Aging, Inc. has been granted an exemption from income taxes under Section 501-c-3 of the Internal Revenue Code and is not considered a private foundation.

Use of Estimates - Raleigh County Commission on Aging, Inc, as do all entities, relies on management's estimates in the preparation of their financial statements. Actual results could differ from those estimates.

Cash Equivalents - The organization considers checking, cash on hand, and savings accounts as cash on the statement of cash flows.

RALEIGH COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

	Type	09/30/12 Amount	09/30/12 Interest Rate
Program Revenue	Checking	458,954	0.10%
Payroll	Checking	33,886	0.10%
Disbursement	Checking	197,093	0.10%
Savings	Savings	486,108	0.15%
Total Cash & Cash Equivalents		1,176,041	

Accounts / Grants Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. Management utilizes a bad debt expense account to track uncollectible amounts. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. The determination of uncollectability is based on historical bad debt experience and an evaluation of the periodic aging of accounts.

Loss from Bad Debts - Bad debt expense, which is a reduction in revenue rather than an expense, is recorded by the direct write-off method, accordingly, bad debt is recorded by a decrease in account receivable and an increase in bad debt expense after accounts have been determined uncollectible. (See Note D)

Prepaid Items - Prepaid balances are for payments made by Raleigh County Commission on Aging, Inc. in the current year to provide services occurring in the subsequent fiscal year.

Property and Equipment and Depreciation - Property and equipment are stated at cost or, if donated, at fair market value at date of donation less accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of the assets. The Commission's policy is to capitalize assets costing greater than \$1,000. In addition, all property and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Major classifications of capital assets of Raleigh County Commission on Aging, Inc. along with their respective useful lives at September 30, 2012 are summarized below:

Classification	Useful Lives
Building	5-30 years
Furniture, Fixtures, & Equipment	3-7 years
Vehicles	5 years

RALEIGH COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended September 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories - Inventories of raw food, materials, and supplies are deemed immaterial and are accordingly expensed as purchased.

NOTE B - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012, was as follows:

	Balance at October 1, 2011	Additions	Retirements & Reclassifications	Balance at Sept. 30, 2012
Land	175,515	-	-	175,515
Building	2,619,433	-	-	2,619,433
Furniture, Fixtures, & Equipment	184,961	14,965	(6,761)	193,165
Vehicles	458,108	41,370	(46,010)	453,468
Total capital assets	\$ 3,438,017	\$ 56,335	\$ (52,771)	\$ 3,441,581
Less accumulated depreciation:				
Land	-	-	-	-
Building	447,665	97,938	-	545,603
Furniture, Fixtures, & Equipment	123,554	21,450	(6,761)	138,243
Vehicles	326,734	44,979	(46,010)	325,703
Total accumulated depreciation	\$ 897,952	\$ 164,368	\$ (52,771)	\$ 1,009,549

Capital asset activity for the year ended September 30, 2011, was as follows:

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

RALEIGH COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended September 30, 2012

NOTE C - RESTRICTED ASSETS

Grants - As Noted in the Grant Agreements, for the grants listed in Note A, all monies are to be used for the Operating Activities of the Grant in question. Federal/State grant monies are received on a reimbursement basis and all grant expenses are required to be tracked in order to show areas of support aided. Any unexpended grant monies have to be approved for carryover to the next year or are lost. Raleigh County Commission on Aging, Inc. is currently in compliance with all grants tested.

Donations - Donations are usually unrestricted; however if a restriction is placed on a donation by the donor the donation is placed in a restricted asset category until the funds are expended and the restriction is released.

Service Revenue - There are currently no restrictions on Service Revenue.

NOTE D - ALLOWANCE FOR UNCOLLECTIBLE

As explained in Note A, Raleigh County Commission on Aging uses the direct write-off method to recorded uncollectible accounts receivable. The determination of uncollectability is based on historical bad debt experience and an evaluation of the periodic aging of accounts.

Detailed transactions are as follows:

	09/30/12	09/30/11
A/R Beginning balance	666,777	574,975
Additions	68,006	94,000
Bad Debt Write-Off	(2,511)	(2,199)
Ending balance	732,271	666,777

NOTE E - DEPOSITS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, Raleigh County Commission on Aging's deposits may not be returned to it. The Organization limits its exposure to custodial credit risk by requiring deposits to be collateralized. The non-pooled deposits are categorized to give an indication of the level of risk assumed by Raleigh County Commission on Aging, Inc. at fiscal year end.

Raleigh County Commission on Aging, Inc. has no policy for interest rate risk.

9/30/2012		
Deposit Type	Book Balance	Bank Balance
Insured	1,176,041	950,296
<hr/>		
9/30/2011		
Deposit Type	Book Balance	Bank Balance
Insured	373,012	449,293
<hr/>		

RALEIGH COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended September 30, 2012

NOTE F - BUSINESS AND CREDIT CONCENTRATION

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Pursuant to grant requirements and West Virginia Code, the bank is required to pledge as collateral depository bonds sufficient to secure the excess deposits.

The categories listed below describe how Raleigh County Commission on Aging's deposits are protected.

Category 1 - insured by FDIC

Category 2 - insured by FDIC up to the prevailing limit and by securities held by the pledging financial institution's trust department in CoA's name.

Category 3 - unsecured.

	<u>Category</u>			Totals
	1	2	3	
Checking	\$ 125,000	\$ 339,187		\$ 464,187
Savings	125,000	361,108		486,108
	\$ 250,000	\$ 700,296	\$ -	\$ 950,296

Raleigh County Commission on Aging, Inc. relies heavily on Governmental Grants, such as those provided by Appalachian Area Agency on Aging and the West Virginia Bureau of Senior Services, for their income. For the year ended September 30, 2012, these sources accounted for \$1,612,678 (30%) of total support and revenue. Medicaid/Waiver revenue accounted for \$2,134,143 (40%) of total revenue and support. The remaining 30% consisted of personal care services, program income, rents, and donations.

NOTE G - EQUITY CLASSIFICATIONS

Equity is classified as net assets and displayed in three components:

- a. Restricted net assets -- Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Temporarily restricted -- Consists of net assets with temporary constraints placed on their use either by donors or banks.
- c. Unrestricted net assets -- All other net assets that do not meet the definition of "restricted" or "temporarily restricted".

NOTE H - COMPARATIVE STATEMENTS

Certain items on the 2011 statements have been reclassified to make those statements comparable to the 2012 statements.

RALEIGH COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended September 30, 2012

NOTE I - DONATED SERVICES

The value of donated volunteer services is not reflected in the accompanying financial statements, since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers, including the Board of Directors (who receive no fees for performing their duties as members, officers, or special committee members) have donated time to help Raleigh County Commission on Aging, Inc. become a successful organization.

NOTE J - BOARD OF DIRECTORS

Directors of Raleigh County Commission on Aging, Inc. are nominated by individual board members, if the nomination is accepted their name is placed on the ballot where the entire board can vote. Officers are selected based on a majority vote. The Officers of Raleigh County Commission on Aging, Inc. at September 30, 2012 were:

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

NOTE K - RISK MANAGEMENT

Raleigh County Commission on Aging, Inc. is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets, errors and omissions; and natural disasters for which Raleigh County Commission on Aging, Inc. carries general liability insurance for these various risks. Amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE L - TAX DEFERRED ANNUITY PLAN

The Organization has a defined contribution retirement plan for its employees which is authorized under Internal Revenue Code Section 403(b). Employees are eligible to participate once they are 18 years old and have been employed for six months. The Organization makes contributions to the plan at an amount equal to 8% of the contributions made by each eligible employee. The Organization's expense related to this plan for the year ended September 30, 2012 & 2011 was \$1,986 and \$1,771 respectively.

NOTE M - CONTINGENT LIABILITIES

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

RALEIGH COUNTY COMMISSION ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended September 30, 2012

NOTE N - OPERATING LEASES

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

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

NOTE O - SUBSEQUENT EVENTS

Subsequent events were reviewed up to the financial statement date of September 11, 2013. Nothing that would have a material affect on the September 30, 2012 financial statements was noted.

Hollifield & Associates

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

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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*

September 11, 2013

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

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 Raleigh County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Raleigh County Commission on Aging, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Raleigh County Commission on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

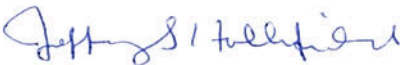
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Raleigh County Commission 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.


Jeffery S. Hollifield, CPA

SUPPLEMENTAL INFORMATION

RALEIGH COUNTY COMMISSION ON AGING, INC.
STATEMENT OF REVENUE AND SUPPORT
For Year Ended September 30, 2012

	Title IIC				
	Title IIB	Title IID	Title IIE	Congregate	Home Delivered
Revenue:					
Federal Monies	\$ 69,476	\$ 9,495	\$ 52,345	\$ 115,010	\$ 117,756
State Monies	33,513	1,227	22,333	75,975	77,788
Donations	-	500	-	1,453	-
Personal Care Services	-	-	-	-	-
Program Income	46	532	-	83,016	16,152
Private Pay In Home Services	-	-	-	-	-
Building Space Revenue	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	15,750
Total Revenue	<u>\$ 103,035</u>	<u>\$ 11,754</u>	<u>\$ 74,678</u>	<u>\$ 275,453</u>	<u>\$ 227,446</u>

	Living Well		Case		
	Elder Care	Management	Personal Care	Transportation	
Revenue:					
Federal Monies	\$ -	\$ -	\$ -	\$ -	\$ -
State Monies	-	-	-	-	209,569
Donations	-	-	-	-	-
Personal Care Services	-	-	1,040,080	-	-
Program Income	98,277	90,084	-	7,108	-
Private Pay In Home Services	-	-	-	-	-
Day Care Revenue	11,701	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-
Total Revenue	<u>\$ 109,977</u>	<u>\$ 90,084</u>	<u>\$ 1,040,080</u>	<u>\$ 7,108</u>	<u>\$ 209,569</u>

	Admn &				
	Lighthouse	Fair	Waiver	General	
Revenue:					
Federal Monies	\$ -	\$ -	\$ -	\$ -	\$ 364,081
State Monies	678,123	103,326	-	46,743	1,248,597
Donations	-	-	-	8,923	10,876
Personal Care Services	-	-	2,134,143	-	3,174,223
Program Income	-	-	-	-	295,215
Private Pay In Home Services	55,393	5,524	-	14,796	75,713
Building Space Revenue	-	-	-	14,230	25,931
Miscellaneous Revenue	-	-	98,816	40,601	155,167
Total Revenue	<u>\$ 733,517</u>	<u>\$ 108,850</u>	<u>\$ 2,232,959</u>	<u>\$ 125,293</u>	<u>\$ 5,349,802</u>

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

RALEIGH COUNTY COMMISSION ON AGING, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For Year Ended September 30, 2012

	Grant Period	State Expenditure
Direct Programs:		
WV Bureau of Senior Services		
Community Partnership Grants	June 30, 2012	\$ 16,169
Total Direct Programs		16,169
Pass through Awards		
Appalachian Area Agency on Aging		
IIIB State	June 30, 2012	25,336
IIIC-1	June 30, 2012	57,254
IIIC-2	June 30, 2012	58,466
IIID	June 30, 2012	961
IIIE	June 30, 2012	15,318
LIFE	June 30, 2012	95,305
LIFE	June 30, 2013	14,785
Lighthouse	June 30, 2012	424,101
Lighthouse	June 30, 2013	174,288
FAIR	June 30, 2012	88,947
FAIR	June 30, 2013	33,035
Total pass-through awards		987,796
TOTAL EXPENDITURES OF STATE AWARDS		\$ 1,003,965

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