

Ritchie Co Integrated Family Services, Inc

Financial Statements

September 30, 2014

**Altman and Associates, PLLC
Certified Public Accountants**

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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INDEPENDENT AUDITOR'S REPORT

June 29, 2015

Richie County Integrated Family Services, Inc.
PO Box 195
Harrisville, West Virginia 26362

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of **Ritchie County Integrated Family Services, Inc.**, (a non-profit organization)(the Organization) which comprise the statement of financial position as of September 30, 2014, 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 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 Organization'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.

Basis for Qualified Opinion

Ritchie County Integrated Family Services, Inc. expenses the cost of long-lived property and equipment acquired by purchase, donation or capital lease. Accounting principles generally accepted in the United States of America require long-lived property and equipment to be capitalized and depreciated over their estimated useful lives. It was not practical to determine the effects of the unrecorded long-lived property and equipment and related capital lease debt on the financial statement.

Qualified Opinion

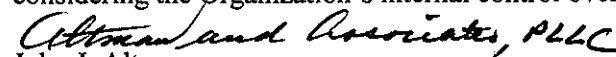
In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Ritchie County Integrated Family Services, Inc. as of September 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 11-17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2015, on our consideration of the Organizations internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 the Organization's internal control over financial reporting and compliance.


John J. Altman
Certified Public Accountant

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

ASSETS

Current assets:

Cash	\$ 17,617
Accounts Receivable	19,448
Grants Receivable	5,334

Total Assets	\$ <u>42,399</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts Payable	\$ 7,824
Accrued Wages and Taxes	25,612
Accrued Vacation	3,179

Total Liabilities	\$ <u>36,615</u>
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Net Assets:

Unrestricted	5,784
Total net assets	\$ <u>5,784</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u>42,399</u>
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RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Unrestricted
Support and Revenue:	
Support:	
Federal Grant Awards	\$ 60,826
State Grant Awards	204,414
Donations	24,035
Revenue:	
Project Income	\$ 23,753
Medicade	189,186
Legislative Initiative/Elderly	151,417
Transportation Income	13,918
Interest	17
Other Income	71,992
Total Support and Revenue	\$ 739,558
 Expenses:	
Program expenses:	
Personal Care	\$ 414,361
Nutrition	161,865
Transportation	24,898
Other Programs	169,382
Total program expenses	\$ 770,506
 Supporting Services:	
Management and general	\$ 36,057
Total expenses	\$ 806,563
Change in Net Assets	\$ (67,005)
Net Assets, Beginning of Year	\$ 36,610
Fund Balance Adjustment -Prior Audits	36,179
Net Assets, End of Year	\$ 5,784

The accompanying notes are an integral part of these financial statements

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Total						
	Personal Care	Nutrition	Transportation	Other Programs	Program Expenses and General	Total Expenses	
Personnel	\$ 335,023	\$ 74,751	\$ 22,360	\$ 74,658	\$ 506,792	\$ 23,094	\$ 529,886
Payroll Taxes and Benefits	50,545	15,431	1,456	25,760	93,192	6,184	99,376
Travel and Training	17,796	2,179	-	1,332	21,307	1,129	22,436
Communications and Utilities	5,813	5,193	-	10,925	21,931	3,027	24,958
Equipment	-	4,183	-	-	4,183	-	4,183
Food and Disposable Supplies	-	54,386	-	-	54,386	-	54,386
Fuel-Automobiles	2,642	-	-	19,855	22,497	-	22,497
Insurance	-	-	-	-	-	-	-
Other Program Costs	2,094	532	1,075	28,778	32,479	2,249	34,728
Printing and Supplies	448	-	-	8,074	8,522	374	8,896
Preventative Maintenance	-	5,210	7	-	5,217	-	5,217
Total Expenses	\$ 414,361	\$ 161,865	\$ 24,898	\$ 169,382	\$ 770,506	\$ 36,057	\$ 806,563

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Cash Flows from Operating Activities:	
Increase (Decrease) in Net Assets	\$ (67,006)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
(Increase) Decrease in:	
Accounts Receivable	6,741
Grants Receivable	28,572
Prepaid Insurance	5,603
Increase (Decrease) in:	
Accounts Payable	(1,867)
Accrued Wages	3,684
Accrued Vacation	218
Payroll Tax Withheld	(1,854)
Net Cash Provided by Operating Activities	<u>41,097</u>
Cash Flows from Financing Activities	
Other Adjustments	<u>36,180</u>
Net Cash used in Financing Activities	<u>36,180</u>
Increase in Cash and Cash Equivalents	10,271
Cash and Cash Equivalents, Beginning of Year	<u>\$ 7,346</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 17,617</u></u>
Supplemental Cash Flow Disclosures:	
Cash Paid for:	
Interest	<u><u>0</u></u>

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE 1- NATURE OF ACTIVITIES

The purpose of the Ritchie County Integrated Family Services, Inc. (the Organization) is to study the social service needs of Ritchie County, West Virginia and its contiguous counties and to take such action as are necessary to assist in meeting those needs.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles with the exception that the Organization does not capitalize and depreciate the cost of capital assets.

The financial Accounting Standards Board issued Financial Accounting Standards Codification (FASB ASC) No. 958-205. Under FASB ASC No. 958-205, defined nonprofits are required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

B. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

C. Accounts Receivable

The organization chooses to use the direct write-off method for accounts receivable. This is not consistent with generally accepted accounting principles; however, any variance between the direct write-off method and the allowance method is believed to be immaterial.

D. Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must acquire long-lived assets are reported as restricted support.

Absent explicit donor stipulations about how these long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

If a restriction is fulfilled in the same fiscal year in which the contribution is received, the contribution is reported as unrestricted.

Contributions of services shall be recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

E. Capital Assets

All acquisitions of capital assets and all expenditures for repairs, maintenance, renewals and betterments are expensed during the year of purchase. This policy is not in accordance with accounting principles generally accepted in the United States of America which requires that all acquisitions of capital assets be capitalized and depreciated over the estimated useful life of the assets.

F. Expense Allocation

The costs of providing various programs and other activities have been reported in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

G. Tax Status

The Organization is a not-for-profit organization and is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue code.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Organization's Federal Return of Organization Exempt from Income Tax (federal Form 990) for fiscal years ending in 2010, 2011, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

H. Fair Value Measurements

As defined in FASB ASC no. 825-10 fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, FASB ASC No.825-10 establishes a fair value hierarchy that prioritized observable and unobservable inputs used to measure fair value into three levels. The Organization had no assets or liabilities requiring fair value disclosure during the year ended June 30, 2014

I. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

J. Donates Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, fundraising activities, and various committee assignments.

NOTE 3- ACCOUNTS AND GRANTS RECEIVABLE

The Organization operates in the Harrisville, West Virginia area and receives support from various sources, substantially all of whom are local individuals or government agencies.

Accounts and grants receivable are those for which the Organization has performed a service or for which the requirements of a grant have been met and the Organization is awaiting reimbursement.

NOTE 4- COMPENSATED ABSENCES

The Organization provides compensated absences to certain employees in the form of paid time off. The balance of accrued vacation at September 30, 2014 was \$3,179.

NOTE 5- LEASES

The Organization also leases a copier under the terms of a lease with a monthly payment of \$147 which is set to expire in February 2015. Under the terms of the lease the Organization will have the option to buy the copier at a price equal to Fair Market Value at the end of the lease period.

Accounting principles generally accepted in the United States of America require that the leases be treated as capital acquisitions. However, as previously stated, the Organization does not capitalize assets as required by generally accepted accounting principles. Instead the lease payments are expensed as paid by the Organization.

NOTE 6- CONCENTRATION OF RISK

The Organization is economically dependent on grants from various federal, state and local governments for the operation of their programs. The Organization's ability to receive these grants is somewhat dependent on the national, state and local economy.

NOTE 7- RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions; injuries to employees; employees' health and life; and natural disasters. The organization manages these risks of loss through the purchase of various insurance policies.

NOTE 8- CONTINGENCIES

The Organization's programs are generally funded from federal, state, and local sources. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, or expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

NOTE 9- SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through June 29, 2015, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through June 29, 2015 that would require adjustment or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES- PERSONAL CARE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Title III B	Title III E	Title III D	Alzheimer's Program	Medicaid Waiver	Local	Lighthouse Program	Totals
Support and Revenue:								
Federal Grant Awards	\$ 27,459	\$ 5,128	\$ 1,213	\$ -	\$ -	\$ -	\$ -	\$ 33,800
State Grant Awards	18,109		66	\$ 25,417	-	13,000	\$ 64,816	121,408
Medicaid					\$ 81,193	107,993		189,186
Project Income	-	-	-	-	-	1,080	5,834	6,914
Donations	-	517	-	2,636	-	-	6,609	9,762
Interest	-	-	-	-	-	17	-	17
Other Income	2,658	-	154	2,975	11,351	18,074	9,484	44,696
Total Support and Revenue	\$ 48,226	\$ 5,645	\$ 1,433	\$ 31,028	\$ 92,544	\$ 140,164	\$ 86,743	\$ 405,783
Expenses:								
Personnel	44,118	7,344	1,542	29,351	80,018	86,761	85,889	335,023
Payroll Taxes and Benefits	8,479	495	82	3,099	13,972	10,345	14,073	50,545
Travel and Training	-	149	-	637	1,523	8,496	6,991	17,796
Communication and Utilities	1,700	70	-	-	2,435	-	1,608	5,813
Equipment	-	-	-	-	-	-	-	-
Fuel-Automobiles	2,642	-	-	-	-	-	-	2,642
Other Program Costs	174	-	-	-	1,920	-	-	2,094
Printing and Supplies	15	-	-	-	433	-	-	448
Total Direct Expenses	57,128	8,058	1,624	33,087	100,301	105,602	108,561	414,361
Matching Funds Transfers (In) Out	(6,466)	(1,369)	(239)	-	-	-	-	(8,074)
Total Expenses	50,662	6,689	1,385	33,087	100,301	105,602	108,561	406,287
Net Program Income (Loss)	\$ (2,436)	(1,044)	48	(2,059)	(7,757)	34,562	(21,818)	\$ (504)

The accompanying notes are an integral part of the financial statements
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ITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES- NUTRITION PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Title III C-1	Title III C-2	Totals
Support and Revenue			
Federal Grant Awards	\$ 9,554	\$ 17,472	27,026
State Grant Awards	23,650	50,165	73,815
Project Income	10,741	6,098	16,839
Total Support and Revenue	<u>43,945</u>	<u>73,735</u>	<u>117,680</u>
Expenses:			
Personnel	29,555	45,196	74,751
Payroll Taxes and Benefits	7,265	8,166	15,431
Travel and Training	315	1,864	2,179
Equipment	174	4,009	4,183
Communication and Utilities	2,431	2,762	5,193
Food and Disposable Supplies	23,921	30,465	54,386
Fuel -Automobiles	-	-	-
Other Program Costs	309	223	532
Preventative Maintenance	1,490	3,720	5,210
Total Direct Expenses	<u>\$ 65,460</u>	<u>\$ 96,405</u>	<u>\$ 161,865</u>
Matching Funds Transfers (In) Out	<u>\$ (12,495)</u>	<u>\$ (8,366)</u>	<u>\$ (20,861)</u>
Total Expenses	<u>\$ 52,965</u>	<u>\$ 88,039</u>	<u>\$ 141,004</u>
Net Program Income (Loss)	<u>\$ (9,020)</u>	<u>\$ (14,304)</u>	<u>\$ (23,324)</u>

The accompanying notes are an integral part of the financial statements

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES- TRANSPORTATION PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Multi Passenger Van</u>	<u>Totals</u>
Support and Revenue:		
Van Revenue	\$ 13,918	\$ 13,918
Donations	8,004	8,004
Total Support and Revenue	<u>\$ 21,922</u>	<u>\$ 21,922</u>
Expenses:		
Personnel	22,360	22,360
Payroll Taxes and Benefits	1,456	1,456
Fuel- Automobiles	-	-
Other program costs	1,075	1,075
Preventative Maintenance	7	7
Total Direct Expenses	<u>\$ 24,898</u>	<u>\$ 24,898</u>
Net Program Income (Loss)	<u>\$ (2,976)</u>	<u>\$ (2,976)</u>

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES- OTHER PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Fund	SHIP Health Benefits	Senior Coordinator Program	Life	Totals
Support and Revenue					
State Grant Awards	\$ -	\$ 9,191	\$ -	\$ -	\$ 9,191
Legislative Initiative/Elderly	-	-	-	151,417	\$ 151,417
Donations	6,269	-	-	-	\$ 6,269
Other Income	12,381	236	-	14,679	\$ 27,296
Total Support and Revenue	<u>\$ 18,650</u>	<u>\$ 9,427</u>	<u>\$ -</u>	<u>\$ 166,096</u>	<u>\$ 194,173</u>
Expenses					
Personnel	-	\$ 4,268	\$ 3,082	\$ 67,308	\$ 74,658
Payroll Taxes and Benefits	4,511	329	1,573	19,347	\$ 25,760
Travel and Training	-	27	-	1,305	\$ 1,332
Communication and Utilities	-	434	206	10,285	\$ 10,925
Equipment	-	-	-	-	\$ -
Fuel-Automobiles	-	-	-	19,855	\$ 19,855
Insurance	-	-	-	-	\$ -
Other Program Costs	9,322	526	22	18,908	\$ 28,778
Printing and Supplies	-	680	61	7,333	\$ 8,074
Total direct expenses	<u>\$ 13,833</u>	<u>\$ 6,264</u>	<u>\$ 4,944</u>	<u>\$ 144,341</u>	<u>\$ 169,382</u>
Matching Funds Transfers (In) Out	10,281	-	(6,144)	24,798	28,935
Total Expenses	<u>\$ 24,114</u>	<u>\$ 6,264</u>	<u>\$ (1,200)</u>	<u>\$ 169,139</u>	<u>\$ 198,317</u>
Net Program income (loss)	<u>\$ (5,464)</u>	<u>\$ 3,163</u>	<u>\$ 1,200</u>	<u>\$ (3,043)</u>	<u>\$ (4,144)</u>

The accompanying notes are an integral part of the financial statements

ITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Federal Grantor/Pass-Through/Program	Term of Grant	CFDA Number	Award Amount	Federal Expenditures
U.S. Department of Health and Human Services				
<i>Passed through Bel-O-Mar Regional Council Planning Commissions</i>				
Title III B	10/1/13-9/30/14	93.044	\$ 27,459	\$ 27,459
Title III C-1	10/1/13-9/30/14	93.045	9,554	9,554
Title III C-2	10/1/13-9/30/14	93.045	17,472	17,472
Title III D	10/1/13-9/30/14	93.043	1,213	1,213
Title III E	10/1/13-9/30/14	93.052	5,128	5,128
Total U.S. Department of Health and Human Services				<u>\$ 60,826</u>
Total Federal Expenditures				<u><u>\$ 60,826</u></u>

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>State Grantor/Program</u>	<u>Term of Grant</u>	<u>Award Amount</u>	<u>State Expenditures</u>
Bel-O-Mar Regional Planning Commission			
Title III B	10/1/13-9/30/14	\$18,109	\$18,109
Title III D Health Services	10/1/13-9/30/14	66	66
Legislative Initiative for the Elderly	7/1/13-6/30/14	151,417	151,417
Title C-1	10/1/13-9/30/14	23,650	23,650
Title C-2	10/1/13-9/30/14	50,165	50,165
Alzheimers Respite (FAIR)	6/1/13/6/30/14	25,417	25,417
Lighthouse PCA Program	6/1/13-6/30/14	64,816	64,816
Total State Expenditures			<u>\$333,640</u>

**RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC.
NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

NOTE 1- BASIS OF PRESENTATION

The accompanying Schedules of Support, Revenue and Expenses- Personal Care, Support, Revenue and Expenses- Nutrition Programs, Support, Revenue and Expenses- Transportation Program and Support, Revenue and Expenses- Other Programs include the activity of Ritchie County Integrated Family Services, Inc. and are presented on the basis of accounting prescribed by West Virginia Bureau of Senior Services' Region 1 Area Agency on Aging. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The accompanying Schedule of Federal Awards and Schedule of State Awards are presented on the accrual basis.

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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 AUDITING GOVERNMENT STANDARDS.

June 29, 2015
Ritchie County Integrated Family Services, Inc.
P.O. Box 195
Harrisville, West Virginia 26362

To the Board of Directors:

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 Standard, issued by the Comptroller General of the United States, the financial statements of Ritchie County Integrated Family Services, Inc., which comprise the statement of financial position as of September 30, 2014, 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 June 29, 2015, which was qualified for not capitalizing the costs of long-lived property and equipment.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ritchie County Integrated Family Services, 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 Ritchie County Integrated Family Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ritchie County Integrated Family Services, Inc.'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 weakness 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 Ritchie County Integrated Family Services, 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 Ritchie County Integrated Family Services, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ritchie County Integrated Family Services, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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