

**THE COMMITTEE ON AGING
FOR RANDOLPH COUNTY, INC.**

AUDITED FINANCIAL STATEMENTS

September 30, 2008

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
AUDIT FOR YEAR ENDED SEPTEMBER 30, 2008**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia

I have audited the accompanying statement of financial position of the Committee on Aging for Randolph County, Inc. as of September 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Committee on Aging for Randolph County, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As more fully described in Note 1 to the financial statements, prior to October 1, 1990, the Organization had expensed all property and equipment. Property and equipment should have been capitalized at cost if purchased, or at fair value if donated or contributed, to conform with generally accepted accounting principles, and those amounts should have been depreciated over the estimated useful lives of the assets. The cumulative amounts for such property and equipment cannot be reasonably verified.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Committee on Aging for Randolph County, Inc. as of September 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated November 26, 2008, on my consideration of the Committee on Aging for Randolph County Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Williams & Associates, A.C.
Williams & Associates, A.C.
Elkins, West Virginia
November 26, 2008

The Committee on Aging for Randolph County, Inc.
STATEMENT OF FINANCIAL POSITION
September 30, 2008

ASSETS

Current Assets

Cash and Equivalents	\$ 233,817
Certificates of Deposit	282,000
Investments	868,573
Accounts Receivable	70,942
Grants Receivable	33,950
Inventory	11,137
Prepaid Expenses	<u>22,593</u>

Total Current Assets \$ 1,523,012

Fixed Assets

Property and Equipment	1,557,266
Accumulated Depreciation	<u>(721,746)</u>

Net Fixed Assets 835,520

TOTAL ASSETS

\$ 2,358,532

LIABILITIES

Current Liabilities

Accounts Payable	\$ 1,905
Accrued Compensation	8,698
Note Payable - current portion	17,394
Unearned Revenue	<u>38,201</u>

Total Current Liabilities \$ 66,198

Long-Term Liabilities

OPEB Plan Liability	14,737
Unearned Revenue	<u>65,905</u>

Total Long-Term Liabilities 80,642

TOTAL LIABILITIES

\$ 146,840

Net Assets, Unrestricted 2,128,148

Net Assets, Temporarily Restricted 83,544

Net Assets, Permanently Restricted -

TOTAL NET ASSETS

2,211,692

TOTAL LIABILITIES AND NET ASSETS

\$ 2,358,532

See Independent Auditor's Report.

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

The Committee on Aging for Randolph County, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>TOTAL</u>
SUPPORT				
Contributions	\$ 21,917	\$ -	-	\$ 21,917
Grants				
Federal Monies		331,467		331,467
State Monies		603,769		603,769
NSIP Monies		45,798		45,798
Program Service Fees	865,731	418		866,149
Project Income		205,988		205,988
Investment Return	48,482			48,482
Other	179,434			179,434
TOTAL SUPPORT	<u>\$ 1,115,564</u>	<u>\$ 1,187,440</u>	<u>-</u>	<u>\$ 2,303,004</u>
EXPENSES				
Program Services	\$ 2,036,815	\$ -		2,036,815
Management and General	133,111			133,111
TOTAL EXPENSES	<u>\$ 2,169,926</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 2,169,926</u>
INCREASE(DECREASE) IN NET ASSETS	(1,054,362)	1,187,440	-	133,078
NET ASSETS RELEASED FROM RESTRICTIONS:	1,228,779	(1,221,042)	(7,737)	-
PRIOR PERIOD ADJUSTMENT (See Note 1)	(342,003)	-	-	(342,003)
NET ASSETS, 10/1/07	<u>2,295,734</u>	<u>117,146</u>	<u>7,737</u>	<u>2,420,617</u>
NET ASSETS, 9/30/08	<u>\$ 2,128,148</u>	<u>\$ 83,544</u>	<u>\$ -</u>	<u>\$ 2,211,692</u>

See Independent Auditor's Report.

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

The Committee on Aging for Randolph County, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$	133,078
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation		81,688
(Increase)Decrease in Operating Assets:		
Accounts Receivable		(3,595)
Grants Receivable		15,594
Inventory		(501)
Prepaid Expenses		(9,068)
Increase(Decrease) in Operating Liabilities:		
Accounts Payable		163
Accrued Compensation		10,449
Unearned Revenue		<u>(50,516)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	177,292
CASH FLOW FROM INVESTING ACTIVITIES		
Increase in Investments and Certificates of Deposit		(33,256)
Purchase of Property and Equipment		<u>(5,431)</u>
NET CASH USED IN INVESTING ACTIVITIES		(38,687)
CASH FLOW FROM FINANCING ACTIVITIES		
Principal Payments on Loans		<u>(13,981)</u>
NET CASH USED BY FINANCING ACTIVITIES		(13,981)
NET INCREASE IN CASH AND CASH EQUIVALENTS		124,624
CASH AND CASH EQUIVALENTS, 10/1/07		<u>109,193</u>
CASH AND CASH EQUIVALENTS, 9/30/08	\$	<u><u>233,817</u></u>

See Independent Auditor's Report.

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

**The Committee on Aging for Randolph County, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2008**

Program Services

	Community Care/ Medicaid Waiver	Federal III-B/ Assisted Transportation	Federal III-C		Federal III-E	Federal III-D/MM	Health Benefits			Total Program Services	Management & General	TOTAL	
			Congregate	Home Delivered			Counseling	Lighthouse	FAIR				Transit
FUNCTIONAL EXPENSES													
Personnel	\$ 662,758	\$ 64,281	\$ 114,643	\$ 47,515	\$ 12,480	\$ 1,425	\$ 5,411	\$ 79,528	\$ 26,501	\$ 281,600	\$ 1,296,142	\$ 6,716	\$ 1,302,858
Travel	57,575	3,787			3,048	45		10,344	1,988	1,545	78,332		78,332
Printing & Supplies	2,898	634				654				1,834	6,020	11,656	17,676
Raw Food			75,757	58,590							134,347		134,347
Disposables			8,045	677							8,722		8,722
Equipment	958									1,312	2,270		2,270
Training	1,094										1,094		1,094
Transportation			5,504	17,585							23,089		23,089
Communication and Utilities	3,568										3,568	12,290	15,858
Indirect Costs	142,338	16,223	39,760	32,532	3,055	465	820	14,827	4,726	76,138	330,884	5,902	336,786
Medicaid/Excise Tax	246										246	1,186	1,432
Other	4,847	1,248	28,142	14,060	117					95,582	143,996	11,814	155,810
Advertising	687									7,418	8,105	1,859	9,964
Depreciation											-	81,688	81,688
Total Functional Expenses	\$ 876,969	\$ 86,173	\$ 271,851	\$ 170,959	\$ 18,700	\$ 2,589	\$ 6,231	\$ 104,699	\$ 33,215	\$ 465,429	\$ 2,036,815	\$ 133,111	\$ 2,169,926

See Independent Auditor's Report.

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

THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

This summary of significant accounting policies of The Committee on Aging for Randolph County, Inc., is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Accounts Receivable

Accounts receivable represent amounts owed the Organization for services provided to clients of the Organization under contracts with the West Virginia Department of Health and Human Resources – Medicaid Waiver and Community Care Programs. In addition, the Organization uses the allowance method for accounting for bad debts whereby an allowance for doubtful accounts is established based on the realization of the accounts receivable at year end. As of September 30, 2008, all accounts receivable are deemed collectible.

The accompanying independent auditor's report is an integral part of these notes.

THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

Grants Receivable

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization uses the allowance method to determine collectibility of grants receivable. As of September 30, 2008, all grants receivable are deemed collectible.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Property and Equipment

Prior to October 1, 1990, the Organization expensed all property and equipment in the period of acquisition as directed by the grantor agencies. The Organization, effective October 1, 1990, is currently capitalizing all equipment purchases at cost and all donated equipment at fair market value and is depreciating these costs using the straight-line method over the asset's estimated useful life. All equipment/vehicles purchased with grant monies must have approval from the grantor agency to dispose of such equipment and the method of disposition. The Organization has adopted a capitalization policy in the amount of \$500.

A satellite site that was constructed in 2004 located in Harman, WV, was capitalized and depreciated after construction was completed. The site was deeded to the Randolph County Commission in September 2004, but was never removed from the books. An adjustment was made to remove this fixed asset and corresponding depreciation from the books during this fiscal year.

Investments

The Organization reports investments in marketable securities with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets.

Inventory

Inventory consists primarily of raw food, disposables, and supplies purchased under the Title III-C grant and are recorded at lower of cost (first-in, first-out basis) or market.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

The accompanying independent auditor's report is an integral part of these notes.

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Grant Monies

Grant monies are received in three ways:

- 1 – On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2 – On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-E, Title III-D, Transit, SHIP and Elder Abuse grants. Upon completion of a grant year any unexpended money has to be approved for carryover to the next year, but if approval is denied, the money has to be reimbursed to the grantor.
- 3 – Title III-C are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2008 was \$988,312.

Operating expenditures made against federal and state grants are subject to audit by the Grantor agency. These agencies may subsequently make adjustments to the grant as originally awarded due to their audit findings.

Donated Facilities

The Committee on Aging for Randolph County, Inc.'s facilities are owned by the Randolph County Commission. Since recent appraisals are not available, a fair rental value could not be reasonably calculated and recorded as donated services and rent expense in these financial statements.

Advertising

Advertising costs are expensed as incurred and totaled \$9,964 for the year ended September 30, 2008.

Note 2. Receivables

Accounts receivable consisted of the following at September 30, 2008:

COC/Waiver	\$ 70,942
	<u> </u>

Grants receivable consisted of the following at September 30, 2008:

Transit	\$ 17,181
Title III-C	3,473
FAIR	3,528
Lighthouse	<u>9,768</u>
	<u>\$ 33,950</u>

The accompanying independent auditor's report is an integral part of these notes.

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 3. Investments

Investments are stated at fair value and consist of U.S. Government Agency Obligations and U.S. Treasury Bills. Fair values and appreciation (depreciation) at September 30, 2008 are summarized below:

	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Investments, unrestricted	\$ 868,573	\$ 869,429	\$ 856

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended September 30, 2008.

Investment expense	\$ (2,145)
Net realized and unrealized gains(losses)	(5,239)
Other interest income	55,866
	<u>\$ 48,482</u>

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30, 2008:

Land	\$ 346,788
Buildings	352,271
Improvements	143,928
Furniture & Equipment	162,909
Office Equipment	70,123
Vehicles	433,218
Other Equipment	48,029
Total Fixed Assets	1,557,266
Less accumulated depreciation	721,746
Net property and equipment	<u>\$ 835,520</u>

Note 5. Retirement Program

Certain employees are eligible to be included in the organization's retirement program. The employee contributes 4.5% of his/her gross wages which is combined with 9.5% contributed by The Committee on Aging for Randolph County, Inc. The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program were \$39,962 for the year. Of this amount, \$23,436 was included in salaries and fringe benefits and \$16,526 was included in indirect expenses on the respective statement of functional expenses.

The accompanying independent auditor's report is an integral part of these notes.

THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

Note 6. Other Post-Employment Benefits (Defined Benefit OPEB Plan)

The Committee on Aging for Randolph County, Inc. participates in the West Virginia Public Employee Insurance Agency's health insurance plan. In order to comply with GASB Statement No. 43 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective July 1, 2007 the Organization began recording annual required contributions (ARC) as a liability and have elected to place equivalent funds into a trust account at Davis Trust Company earmarked for payment of the corresponding liability. The balance in this account at September 30, 2008 was \$14,737.

Note 7. Support Concentration

The Committee on Aging for Randolph County, Inc., receives approximately 35% of its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

Note 8. Split-Interest Agreement (Trust)

The Committee on Aging for Randolph County, Inc., is the beneficiary of a perpetual trust created in 1984 and held by Davis Trust Company. The Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The income is restricted to pay for "recurring expenses" incurred by the Organization.

Note 9. Transportation Grants/Unearned Revenue

The Committee on Aging for Randolph County, Inc., is the recipient of grants from the WV Department of Transportation, Division of Public Transit. These grants provide funds for the Organization to purchase vehicles. The Organization must make an initial payment of 20% of the price of the vehicle plus a share of the administrative costs. The remainder is provided by the grant, but title to the vehicle is not released to the Organization until five years have expired. Therefore, the balance is shown as unearned revenue in the financial statements and the grant revenue is recorded annually as this time expires. As of September 30, 2008, the value of the unexpired amount was \$104,106.

Note 10. Long-Term Liabilities

The Committee on Aging for Randolph County, Inc. has a note at Davis Trust Company note dated November 1, 2004 for \$114,585 at 5.5% for four years with four annual payments of \$32,692. This is a mortgage on the Harman building. The balance at September 30, 2008 was \$17,394 and is all due within the next year.

The accompanying independent auditor's report is an integral part of these notes.

SUPPLEMENTAL INFORMATION

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Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia

My report on my audit of the basic financial statements of the Committee on Aging for Randolph County, Inc., for the year ended September 30, 2008, appears on page one (1). I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of revenues is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Williams & Associates, A.C.
Elkins, West Virginia
November 26, 2008

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF REVENUES
For the Year Ended September 30, 2008

	III-B/ Assisted Transportation	III-D/MM	III-E	III-C1	III-C2	SHIP	Elder Abuse	FAIR	COC/ Waiver	Lighthouse	Transit	Other	TOTALS
GRANT REVENUES													
Federal	\$ 41,187	\$ 2,170	\$ 13,807	\$ 52,683	\$ 10,465	\$ 8,600	\$ 514	\$ -	\$ -	\$ -	\$ 202,041	\$ -	\$ 331,467
NSIP				27,808	17,990								45,798
State	11,927	127		16,299	5,985			46,930			23,921		105,189
Other State				36,057	37,074							65,517	138,648
Other State Match	2,418												2,418
LIFE				27,436	29,714					143,460	110,056	37,176	347,842
LIFE Match	4,846	224	4,602										9,672
Total Grant Revenues	60,378	2,521	18,409	160,283	101,228	8,600	514	46,930	-	143,460	336,018	102,693	981,034
OTHER REVENUES													
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 694	\$ 50	\$ 690	\$ -	\$ 20,483	\$ 21,917
Program Service Fees								418	798,186			67,545	866,149
Project Income	6,683	607		89,390	34,075						75,233		205,988
Investment Return	52								98		155	48,177	48,482
Other		158		10,553	33,947				18,000		76,084	40,692	179,434
Total Other Revenues	6,735	765	-	99,943	68,022	-	-	1,112	816,334	690	151,472	176,897	1,321,970
TOTAL REVENUES	\$ 67,113	\$ 3,286	\$ 18,409	\$ 260,226	\$ 169,250	\$ 8,600	\$ 514	\$ 48,042	\$ 816,334	\$ 144,150	\$ 487,490	\$ 279,590	\$ 2,303,004

The accompanying independent auditor's report and notes are integral parts of these financial statements.

Williams & Associates, A.C.

Certified Public Accountant

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

To the Board of Directors
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia 26241

I have audited the financial statements of the Committee on Aging for Randolph County, Inc., (a non-profit organization) as of and for the year ended September 30, 2008, and have issued a report thereon dated November 26, 2008. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether the Committee on Aging for Randolph County, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of law, regulations, contracts, and grants, 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 is not an object of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance, which we have reported to management of the Committee on Aging for Randolph County, Inc., in a separate letter dated November 26, 2008, and included in this audit report on pages 17 and 18.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Committee on Aging for Randolph County, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal

control components does not reduce to a relatively low level the risk that misstatements in an amount that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting that its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting, which I have reported to management of the Committee on Aging for Randolph County, Inc., in a separate letter dated November 26, 2008, and included in this audit report on pages 17 and 18.

This report is intended solely for the information and use of the board of directors, management, and West Virginia Bureau of Senior Services and is not intended to be and should not be used by anyone other than these specified parties.

Williams & Associates, A.C.
Elkins, West Virginia
November 26, 2008

Williams & Associates, A.C.

Certified Public Accountant

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REPORT ON SELECTED COMPLIANCE REQUIREMENTS OF THE WEST VIRGINIA BUREAU OF SENIOR SERVICES

To the Board of Directors
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia

I have audited the financial statements of the Committee on Aging for Randolph County, Inc. (a non-profit organization) as of and for the year ended September 30, 2008, and have issued my report thereon dated November 26, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the Committee on Aging for Randolph County, Inc.'s financial statements are free of material misstatement, I performed tests of certain compliance requirements per the directive of the West Virginia Bureau of Senior Services. Providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. However, the results of my tests disclosed no instances of noncompliance that are required to be reported under the directive of the West Virginia Bureau of Senior Services.

This report is intended for the information of the Board of Directors, management and the granting agencies and it not intended to be and should not be used by anyone other than those specified parties.

Williams & Associates, A.C.

Williams & Associates, A.C.

November 26, 2008

Williams & Associates, A.C.

Certified Public Accountant

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MANAGEMENT LETTER

To the Board of Directors
The Committee on Aging for Randolph County, Inc.
Elkins, West Virginia

My audit on the financial statements of the Committee on Aging for Randolph County, Inc., for the year ended September 30, 2008, highlighted areas where I would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since my audit was not designed to include a complete review of all systems, procedures and controls, the following comments and recommendations should not be considered to be all inclusive of the areas where improvements may be necessary.

Segregations of Duties

During my audit I noted that two people perform most of the accounting and financial duties. As a result, many aspects of internal accounting control which rely upon an adequate segregation of duties are for all practical purposes missing in the Committee on Aging for Randolph County, Inc. I recognize that the Organization is not large enough to make the employment of additional staff for the purpose of segregating duties practicable from a financial standpoint, but I am required, under my professional responsibilities, to describe the situation.

Inventory

During my audit, I noted that the inventory list was not totaled correctly. These lists should be totaled and checked prior to being provided to the auditor.

Accounting Records/Trial Balance

I noted during my audit that the trial balance provided did not correspond to the amounts on last year's audit report. Adjusting entries should be entered by accounting staff to insure that the audited amounts correspond with the Organization's accounting records.

Balance Sheet Accounts

I noted during my audit that some balance sheet accounts were missing from the trial balance provided. The balance sheet accounts, including fixed assets, should be added to the trial balance. Transactions occurring in asset and liability accounts should be appropriately recorded.

Deposit Insurance

Although the FDIC limits have been temporarily increased to \$250,000 until December 2009 and Citizens National Bank has pledged securities totaling \$250,000, this is still not enough to insure the total amount of funds in this bank. The Organization should ask bank officials to pledge additional securities to insure all funds.

Property Insurance

The Mill Creek building has not yet been deeded to the Randolph County Commission; however, the Commission has the building listed on their current insurance policy. Because the Commission does not have an insurable interest in the building, the insurance company could refuse to pay claims on the building. The Organization should obtain insurance on this building until such time the property has been appropriately deeded to the Commission. This should be done immediately to avoid any potential losses.

After you have had the opportunity to review these comments and recommendations, I would be pleased to discuss those points that you desire. I would like to thank your staff for their assistance in performing the audit and the Board of Directors for the opportunity to serve the Committee on Aging for Randolph County, Inc.

Williams & Associates, A.C.

Elkins, West Virginia
November 26, 2008