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**Roane County Committee on Aging, Inc.**

**INDEPENDENT AUDITOR'S REPORT  
AND RELATED FINANCIAL STATEMENTS**

**For the Years Ended September 30, 2023 and 2022**

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**Roane County Committee on Aging, Inc.**  
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# Williams & Associates, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Roane County Committee on Aging, Inc.

### Opinion

We have audited the accompanying financial statements of Roane County Committee on Aging, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2023 and 2022, and the related comparative statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roane County Committee on Aging, Inc., as of September 30, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Roane County Committee on Aging, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Roane County Committee on Aging, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Roane County Committee on Aging, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Roane County Committee on Aging, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards 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 August 21, 2024, on our consideration of Roane County Committee 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 on pages 16-17. 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 Roane County Committee on Aging, Inc.'s internal control over financial reporting and compliance.

*Williams & Associates, A.C.*

Elkins, West Virginia  
August 21, 2024

**Roane County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION**  
**September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Equivalents	\$ 629,282	\$ 583,544
Accounts and Grants Receivable	57,449	70,565
Prepaid Expenses	2,948	3,039
Total Current Assets	<u>689,679</u>	<u>657,148</u>
<b>Fixed Assets</b>		
Property and Equipment	2,462,295	2,388,963
Accumulated Depreciation	<u>(1,811,686)</u>	<u>(1,720,255)</u>
Fixed Assets, net	<u>650,609</u>	<u>668,708</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,340,288</u></u>	<u><u>\$ 1,325,856</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 13,132	\$ 49,174
Payroll Tax Liabilities	4,842	4,531
Accrued Wages	11,372	12,522
Deferred Compensation	11,368	10,598
FEMA Deobligation Payable	119,932	119,932
Total Current Liabilities	<u>160,646</u>	<u>196,757</u>
 TOTAL LIABILITIES	160,646	196,757
<b>Net Assets</b>		
Net Assets without Donor Restrictions	1,179,642	1,129,099
Total Net Assets	<u>1,179,642</u>	<u>1,129,099</u>
 <b>LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,340,288</u></u>	<u><u>\$ 1,325,856</u></u>

**See accompanying notes and independent auditor's report.**

**Roane County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF ACTIVITIES**  
**For the Years Ended September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>REVENUE AND SUPPORT</b>		
Grant Revenues:		
Federal	\$ 233,269	\$ 176,242
State	474,651	546,836
Other	9,000	-
Project Income	23,202	30,072
Program Services	2,245	8,640
Contributions	800	1,792
Rental Income	104,117	102,692
Local Sources	92,197	111,272
Interest Income	903	151
Other Income	43,612	8,403
<b>TOTAL REVENUE AND SUPPORT</b>	<u>983,996</u>	<u>986,100</u>
<b>EXPENSES</b>		
Program Expenses	694,466	681,422
Management and General	238,987	261,642
<b>TOTAL EXPENSES</b>	<u>933,453</u>	<u>943,064</u>
<b>CHANGE IN NET ASSETS</b>	50,543	43,036
<b>NET ASSETS, Beginning of Year</b>	<u>1,129,099</u>	<u>1,086,063</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 1,179,642</u>	<u>\$ 1,129,099</u>

See accompanying notes and independent auditor's report.

**Roane County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**For the Years Ended September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 50,543	\$ 43,036
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	91,431	89,523
(Increase) Decrease in Accounts and Grants Receivable	13,116	(29,159)
(Increase) Decrease in Prepaid Expenses	91	83
Increase (Decrease) in Accounts Payable	(36,042)	30,805
Increase (Decrease) in Payroll Tax Liabilities	311	(151)
Increase (Decrease) in Accrued Wages	(1,150)	(366)
Increase (Decrease) in Deferred Compensation	<u>770</u>	<u>(1,397)</u>
Net cash provided by (used in) by operating activities	<u>119,070</u>	<u>132,374</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	<u>(73,332)</u>	<u>(27,080)</u>
Net cash provided by (used in) by investing activities	<u>(73,332)</u>	<u>(27,080)</u>
<b>Increase (Decrease) in Cash</b>	45,738	105,294
<b>Cash Balance, Beginning of Year</b>	<u>583,544</u>	<u>478,250</u>
<b>Cash Balance, End of Year</b>	<u><u>\$ 629,282</u></u>	<u><u>\$ 583,544</u></u>

See accompanying notes and independent auditor's report.

**Roane County Committee on Aging, Inc.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Fiscal Years Ended September 30, 2023 and 2022**

	Program Services								
	Title III				In-Home Care			Management	
2023	B	C	E	LIFE	LH/FAIR	VA	Subtotal	and General	Total
Expenses									
Wages	\$ 35,474	\$ 78,721	\$ 1,239	\$ 75,251	\$ 41,635	\$ 1,739	\$ 234,059	\$ 30,758	\$ 264,817
Taxes and Benefits	3,180	16,376	125	19,566	4,608	177	44,032	16,402	60,434
Communications and Utilities		1,648		17,948			19,596	45,208	64,804
Food and Disposables		310,689					310,689		310,689
Transportation		8,335					8,335		8,335
Repairs and Maintenance	1,570	1,975		5,170			8,715	18,166	26,881
Supplies and Equipment		3,336		10,517	153		14,006	13,033	27,039
Travel and Training	1,012		2	695	1,629	80	3,418		3,418
Depreciation							-	91,431	91,431
Professional Fees				24,000			24,000		24,000
Insurance				5,173			5,173	17,418	22,591
Other Expenses	4,902	12,996	2,403	2,000	6	136	22,443	6,571	29,014
Total Expenses	46,138	434,076	3,769	160,320	48,031	2,132	694,466	238,987	933,453
2022									
Expenses									
Wages	36,985	73,680	1,763	70,409	45,599	4,822	233,258	44,545	\$ 277,803
Taxes and Benefits	3,525	7,131	187	15,138	5,205	479	31,665	22,556	54,221
Communications and Utilities	182	4,047		17,554			21,783	39,182	60,965
Food and Disposables		317,952					317,952		317,952
Transportation		4,067					4,067		4,067
Repairs and Maintenance	2,088			11,000			13,088	13,386	26,474
Supplies and Equipment				4,963	215		5,178	18,702	23,880
Travel and Training	1,098	179	5	703	1,878	321	4,184	1,996	6,180
Depreciation							-	89,523	89,523
Professional Fees				24,000			24,000	8,032	32,032
Insurance				5,893			5,893	13,886	19,779
Other Expenses	5,194	12,158	2,960		42		20,354	9,834	30,188
Total Expenses	49,072	419,214	4,915	149,660	52,939	5,622	681,422	261,642	943,064

See accompanying notes and independent auditor's report.



**Roane County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2023 and 2022**

**Note 1. Summary of Significant Accounting Policies**

**Organization** – Roane County Committee on Aging, Inc., (RCCOA) is a nonprofit organization formed to improve the quality of life for senior citizens in Roane County, West Virginia. The purpose is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for seniors, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement federal, state, and local programs for the aging that no other agency is implementing. RCCOA is primarily funded by various federal and state grants.

**Basis of Accounting** – The financial statements of RCCOA have been prepared on the accrual basis of accounting.

**Income Taxes** – RCCOA is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). RCCOA is classified as a publicly supported organization, which is not a private foundation. Accordingly, no provision for income taxes has been reported. RCCOA's returns for the prior three years remain open to examination by the Internal Revenue Service.

**Use of 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.

**Basis of Presentation** – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements of Accounting Standards Codification 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions (both permanent and temporary).

Under these provisions, net assets and revenues, expenses, gains and losses are classified based on donor-imposed restrictions. Accordingly, net assets of RCCOA and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* - These are resources over which the Board of Directors has discretionary control.

*Net Assets with Donor Restrictions* –

*Temporarily Restricted* – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of RCCOA and/or with the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted* – Resources subject to a donor restriction that they be maintained permanently by RCCOA.

**Roane County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2023 and 2022**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition** – Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. RCCOA has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions will be met in the year the contribution was received.

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

**Receivables** – Accounts receivable represent amounts owed RCCOA for services provided to clients of the Organization under contracts with the Veterans Administration, as well as amounts due from private pay clients. As of September 30, 2023 and 2022, all accounts receivable are deemed collectible.

Grants receivable represent amounts invoiced by RCCOA to grantor agencies under the terms of their grant agreements. As of September 30, 2023 and 2022, all grants receivable are deemed collectible.

**Uncollectible Accounts** – RCCOA uses the direct write-off method for accounting for bad debts wherein accounts are written off in the period management determines that collection is not probable. Management believes the difference between the direct write off method and the allowance method is immaterial.

**Inventory** – Inventory of raw food, disposables and supplies purchased under the Title III-C nutrition grant are deemed immaterial and expensed when purchased.

**Property and Equipment** – RCCOA is currently capitalizing all fixed asset 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 be disposed of in accordance with the grantor agency's policies. RCCOA has adopted a capitalization policy for items with a useful life of at least five years and basis of at least \$5,000. Maintenance and repairs are expensed when incurred.

Estimated useful lives are as follows:

Office Furniture, Fixtures, and Equipment	5-10 years
Vehicles	5 years
Buildings and Renovations	10-30 years

**Roane County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2023 and 2022**

**Note 1. Summary of Significant Accounting Principles (Continued)**

**Grant Monies** – Grant monies are received in three ways:

- 1 – On a cost reimbursement basis for which RCCOA requests reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2 – On an as needed basis in which RCCOA requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-E, and Title III-D grants. Upon completion of a grant year any unexpended money has to be approved for carryover to the next year. If approval is denied, the money must be reimbursed to the grantor.
- 3 – Title III-C grant funds 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.

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 audit findings. Grant revenues for the year ended September 30, 2023 and 2022 were \$716,920 and \$723,078, respectively.

**Advertising** – Advertising costs are expensed as incurred. Advertising costs for years ended September 30, 2023 and 2022 were \$4,216 and \$2,592, respectively.

**Compensated Absences** – Amounts owed to employees for earned but unused vacation time are accrued as a liability in the statement of financial position. For the years ended September 30, 2023 and 2022, RCCOA had \$11,368 and \$10,598, respectively, in accrued compensated absences.

**Donated Services** – RCCOA receives a significant amount of donated services from unpaid volunteers. No amounts have been recognized in the Statement of Activities because the criteria for recognition as contributed services as defined by FASB ASC 958-605 *Not-for-Profit Entities: Recognition Principles* have not been satisfied.

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received, if subject to reasonable estimation. There were no such donations for the years ended September 30, 2023 and 2022.

**Prepaid Expenses** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as assets.

**Roane County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2023 and 2022**

**Note 2. Fair Value Measurements**

Accounting standards generally accepted in the United States of America establish a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach).

Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs that reflect the reporting entity's own assumptions.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of September 30, 2023.

Money Market Funds: Valued using the amortized cost, in accordance with rules under the Investment Company Act of 1940.

Common Stock: Valued at the most recent repurchase of outstanding shares as treasury stock.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although RCCOA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Roane County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2023 and 2022**

**Note 2. Fair Value Measurements (Continued)**

The following table sets forth by level, within the fair value hierarchy, RCCOA's financial assets at fair value on a recurring basis as of September 30:

<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Equivalents	<u>\$629,282</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$629,282</u>

<u>2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Equivalents	<u>\$583,544</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$583,544</u>

**Note 3. Receivables**

Accounts and grants receivable consisted of the following as of September 30:

	<u>2023</u>	<u>2022</u>
Accounts Receivable		
Veterans Administration	\$ 0	229
Employee Advances	<u>5,215</u>	<u>5,215</u>
	<u>\$ 5,215</u>	<u>\$ 5,444</u>
Grants Receivable		
LIFE	\$ 29,781	\$ 12,117
Title IIIB	3,231	3,313
Title IIIC	17,695	48,714
Title IIIE	168	135
FAIR/Lighthouse	<u>1,359</u>	<u>842</u>
	<u>\$ 52,234</u>	<u>\$ 65,121</u>
Total Receivables	<u>\$ 57,449</u>	<u>\$ 70,565</u>

**Note 4. Property and Equipment**

Property and equipment consisted of the following as of September 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 25,000	\$ 25,000
Buildings	2,208,189	2,134,857
Vehicles	85,099	85,099
Equipment	<u>144,007</u>	<u>144,007</u>
Total Fixed Assets	2,462,295	2,388,963
Less accumulated depreciation	<u>(1,811,686)</u>	<u>(1,720,255)</u>
Net property and equipment	<u>\$ 650,609</u>	<u>\$ 668,708</u>

**Roane County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2023 and 2022**

**Note 4. Property and Equipment (Continued)**

Depreciation expense for the years ended September 30, 2023 and 2022 was \$91,431 and \$89,523, respectively.

**Note 5. Line of Credit**

RCCOA has a line of credit at Premier Bank, with a limit of \$50,000, and a variable interest rate. This line is renewed annually. There was no balance on the line of credit as of September 30, 2023 and 2022.

**Note 6. FEMA Deobligation Payable**

RCCOA received funds from the Federal Emergency Management Agency for flood damage that occurred on June 23, 2016. RCCOA has \$119,932 of the funds remaining and unused but has never been asked to return the balance. This amount is listed as FEMA Deobligation Payable in the statement of financial position.

**Note 7. Subsequent Events**

Management has evaluated events subsequent to the balance sheet date through the date of the independent auditor's report, the date on which the financial statements were available to be issued, for items requiring adjustment or disclosure in these financial statements.

**Note 8. Contingencies**

RCCOA receives grant funding from federal and state agencies. The grant expenditures are subject to audit by the granting agencies. These audits are conducted to insure compliance with conditions of the grant award. Instances of noncompliance could result in grant awards being repaid. Any potential adjustments are believed to be immaterial.

RCCOA could be involved in various legal actions from time to time in the ordinary course of business. Management is not currently aware of any matters that will have a significant adverse effect on the accompanying financial statements. RCCOA maintains liability insurance to mitigate these risks.

**Note 9. Support Concentration**

RCCOA receives over 70% of its funding through Title III programs and over 17% of its funding via the Legislative Initiative for the Elderly (LIFE) program. Any decrease in Title III or LIFE funding could have a significant effect on RCCOA's programs and activities.

**Roane County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2023 and 2022**

**Note 10. Concentration of Credit Risk**

Cash consists of interest and non-interest-bearing checking and savings accounts on deposit in institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. As of the years ended September 30, 2023 and 2022, the balance in one of RCCOA's accounts exceeded the FDIC insurance limit of \$250,000. The bank has pledged a bond with a market value of \$444,374.39 to cover the balance that exceeds \$250,000.

**Note 11. Accounting Pronouncement**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded in the statement of financial position upon the commencement of all leases except for short-term leases (12 months or less). Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital and operating leases in existing lease accounting guidance. As a result, the effect of leases on the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance.

**Note 12. Lease Agreements**

<b>Lessee</b>	<b>Term</b>	<b>Monthly Rent</b>
KVC, WV	8/31/23-8/31/24	\$1,760
Mt State Educational Services Cooperative	7/1/23-6/30/24	\$1,050
21 <sup>st</sup> Century Grant	7/1/23-6/30/28	\$1,667
Shanna's School of Dance	9/1/23-9/1/24	\$ 535
Roane County Helping Hand	7/1/23-7/1/24	\$ 107
AFL-CIO Appalachian Council	3/1/22-3/31/25	\$3,163
Community Resources Inc	3/1/23-3/31/24	\$350

Revenue from these leases is recorded on a straight-line basis over the life of the lease and is reflected as rental income in the statement of activities.

**Roane County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2023 and 2022**

**Note 13. Significant Grant Funding and Programs**

The Older Americans Act provides various programs to assist seniors, the significant programs in which RCCOA participates are detailed below:

Title III-B – This program provides grants to states for supportive services for seniors to include health, education, transportation, and various other services to assist older individuals. RCCOA received \$50,149 and \$44,365, respectively, for the fiscal years ended September 30, 2023 and 2022, under this program.

Title III-C (Congregate and Home-Delivered Meals) – The purposes of this program are to provide nutrition services to reduce hunger and food insecurity, to promote socialization of older individuals and to promote health and well-being by providing access to nutrition and other disease prevention and health promotion services. RCCOA received \$588,211 and \$480,063 for this program for the fiscal years ended September 30, 2023 and 2022, respectively.

Legislative Initiative for the Elderly (LIFE) – This program is funded by the State Legislature through lottery funds. The services are modeled after those provided by the Older Americans Act. For the fiscal years ended September 30, 2023 and 2022, RCCOA received \$183,656 and \$172,356, respectively.

In addition to the Older Americans Act, the West Virginia Bureau of Senior Services (BOSS) also administers other programs and grants on behalf of the State of West Virginia. The significant programs in which RCCOA participates are detailed below:

Family Alzheimer's In-Home Respite (FAIR) – The FAIR program offers relief to family caregivers and provides one-on-one attention and individualized activities for persons with a written diagnosis of Alzheimer's disease or a related dementia. For the fiscal years ended September 30, 2023 and 2022, RCCOA received \$4,471 and \$2,110, respectively.

Lighthouse – The Lighthouse program is designed to assist those seniors who have functional needs in their homes, but whose income or assets disqualify them for Medicaid services. This program provides support in personal care, mobility, nutrition, and housekeeping. For the fiscal years ended September 30, 2023 and 2022, RCCOA received \$17,479 and \$16,394, respectively.



**Roane County Committee on Aging, Inc.**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For the Year Ended September 30, 2023**

<u>Program</u>	<u>Grant Period</u>	<u>Grant #</u>	<u>Expenditures</u>
Direct Programs:			
WV Department of Health and Human Resources			
Bureau of Senior Services			
Lighthouse	6/30/2023	IH2325	\$ 8,955
Lighthouse	6/30/2024	IH2425	2,817
Family Alzheimer's In-Home Respite (FAIR)	6/30/2023	IH2325	3,236
Family Alzheimer's In-Home Respite (FAIR)	6/30/2024	IH2425	629
Client Tracking	6/30/2023	IH2325	<u>5,000</u>
Total Direct Programs			<u>20,637</u>
Pass-Through Programs from Appalachian Area Agency on Aging:			
III-B	9/30/2023	23236	21,046
III-C	9/30/2023	23236	249,312
Legislative Initiative for the Elderly (LIFE)	6/30/2023	23203	140,067
Legislative Initiative for the Elderly (LIFE)	6/30/2024	24203	<u>43,589</u>
Total Pass-Through Programs			<u>454,014</u>
Total Expenditures of State Awards			<u><u>474,651</u></u>

See accompanying notes and independent auditor's report.

**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***

To the Board of Directors of  
Roane County Committee on Aging, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Roane County Committee on Aging, Inc., a nonprofit organization, which comprise the comparative statement of financial position as of September 30, 2023 and 2022, the related comparative statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 21, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Roane County Committee 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 Roane County Committee on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Roane County Committee on Aging, 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 weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-1 that we consider to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Roane County Committee 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 another matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2023-1.

### **Roane County Committee on Aging, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Roane County Committee on Aging, Inc.'s response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. Roane County Committee on Aging, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Roane County Committee on Aging, 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 Roane County Committee on Aging, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Williams & Associates, A.C.*

Elkins, West Virginia  
August 21, 2024

**Roane County Committee on Aging, Inc.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended September 30, 2023**

**2023-1 Segregations of Duties**

**This is a recurring finding.**

**Criteria:** Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

**Condition:** The same employee is responsible for recording accounts receivable, reconciling the bank statements and posting journal entries.

**Cause:** RCCOA has limited staff and responsibilities of approval, execution, recording and custody of the resulting assets arising from financial transactions are not assigned to different individuals because RCCOA does not employ enough administrative staff members to make the necessary segregation possible.

**Effect:** More than a remote likelihood exists that a material misstatement of the financial statements will not be prevented or detected by RCCOA's internal controls.

**Recommendation:** We recommend responsibilities of approval, execution, recording and custody be distributed among employees, management and the board of directors to the degree possible.

**View of Responsible Officials and Corrective Action:** To the extent possible, RCCOA has segregated its duties. Any further segregation of duties would not be economically feasible.

**Response:** We concur with the finding and recommendation.