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**McDOWELL COUNTY COMMISSION ON AGING, INC.**

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

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2023**

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**McDowell County Commission on Aging, Inc.**  
**TABLE OF CONTENTS**  
**For the Fiscal Year Ended September 30, 2023**

	<u>Page</u>
<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1-2</b>
 <b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Cash Flows .....	5
Statement of Functional Expenses .....	6
Notes to Financial Statements.....	7-16
 <b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Expenditures of State Awards.....	17
 <b>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 <i>Governmental Auditing Standards</i> .....</b>	
	<b>18-19</b>
 <b>SCHEDULE OF FINDINGS AND RESPONSES .....</b>	 <b>20</b>

# Williams & Associates, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying financial statements of McDowell County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year 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 McDowell County Committee on Aging, Inc., as of September 30, 2023, and the changes in net assets and its cash flows for the year 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 McDowell 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 McDowell 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 McDowell County Commission 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 McDowell County Commission 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 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 standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of 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 July 10, 2024, on our consideration of McDowell County Commission on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters on pages 18-19. 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 McDowell County Commission on Aging, Inc.'s internal control over financial reporting and compliance.

*Williams & Associates, A.C.*

Elkins, West Virginia

July 10, 2024

**McDowell County Commission on Aging, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**September 30, 2023**

**ASSETS**

Current Assets	
Cash and Equivalents	\$ 945,784
Accounts Receivable	63,355
Grants Receivable	112,745
Investments	533,507
Prepaid Expenses	<u>38,513</u>
Total Current Assets	<u>1,693,904</u>
 Fixed Assets, net	 <u>742,733</u>

<b>TOTAL ASSETS</b>	<b><u><u>\$2,436,637</u></u></b>
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**LIABILITIES AND NET ASSETS**

Liabilities

Current Liabilities	
Accounts Payable	\$ 50,496
Payroll Liabilities	<u>80,216</u>
Total Current Liabilities	<u>130,712</u>

Net Assets

Net Assets without Donor Restrictions	<u>2,305,925</u>
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Total Net Assets	<u>2,305,925</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$2,436,637</u></u></b>
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**See accompanying notes and independent auditor's report.**

**McDowell County Commission on Aging, Inc.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2023**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 14,617	-	\$ 14,617
Grants		-	-
Federal	384,069	-	384,069
State	1,145,988	-	1,145,988
Other	402,065	-	402,065
Program Service Fees	949,481	-	949,481
Project Income	96,500	-	96,500
Investment Income	31,089	-	31,089
Unrealized Gain on Investments	15,532	-	15,532
Fundraising	55,745	-	55,745
Other	20,766	-	20,766
	<u>3,115,852</u>	<u>-</u>	<u>3,115,852</u>
<b>TOTAL REVENUES AND SUPPORT</b>			
<b>EXPENSES</b>			
Program Services	2,784,521	-	2,784,521
	<u>2,784,521</u>	<u>-</u>	<u>2,784,521</u>
<b>TOTAL EXPENSES</b>			
<b>CHANGE IN NET ASSETS</b>	331,331	-	331,331
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,974,594	-	1,974,594
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,305,925</u>	<u>\$ -</u>	<u>\$2,305,925</u>

See the accompanying notes and independent auditor's report.

**McDowell County Commission on Aging, Inc.**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**For the Year Ended September 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 331,331
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	80,190
(Increase)Decrease in Operating Assets:	
Accounts Receivable	113,345
Grants Receivable	114,203
Prepaid Expenses	(18,217)
Increase(Decrease) in Operating Liabilities:	
Accounts Payable	(5,815)
Payroll Liabilities	18,804
Deferred Revenue	(116,796)

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

517,045

**CASH FLOW FROM INVESTING ACTIVITIES**

Purchases of Fixed Assets	(360,903)
Purchases of Investments	(342,358)

**NET CASH USED IN INVESTING ACTIVITIES**

(703,261)

**NET INCREASE(DECREASE) IN CASH AND EQUIVALENTS**

(186,216)

**CASH AND EQUIVALENTS, BEGINNING OF YEAR**

1,132,001

**CASH AND EQUIVALENTS, END OF YEAR**

\$ 945,785

**SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid for interest	<u><u>\$ -</u></u>
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See accompanying notes and independent auditor's report.

**McDowell County Commission on Aging, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended September 30, 2023**

	PROGRAM SERVICES									
	Title III Programs									
	III-C			III-D	III-E	LIFE	In-Home Care		Other Programs	Total
	III-B	Congregate	Home-Delivered				BOSS	DHHR		
<b>FUNCTIONAL EXPENSES</b>										
Personnel	\$ 40,004	\$ 25,938	\$ 153,057	\$ 1,841	\$ 20,261	\$ 58,463	\$ 226,843	\$ 883,320	\$ 262,880	\$1,672,607
Travel and Training		51	301	550			3,404	2,092	7,629	14,027
Contractual								\$ 2,600	\$ 32,675	35,275
Food and Disposables		25,672	151,335						207,200	384,207
Depreciation									80,190	80,190
Communication and Utilities	5,784	2,599	14,891			11,356		11,285	110	46,025
Office Supplies and Postage	1,164	348	1,443	750		31,617		8,977	10,831	55,130
Insurance	6,301	865	5,101			4,396		17,164	14,334	48,161
Professional Fees	3,531	539	3,175					18,827		26,072
Advertising		8	49			1,854			23,177	25,088
Vehicle Fuel and Maintenance	9,004		15,877			17,204			13,485	55,570
Repairs and Maintenance	2,314	1,640	8,225			19,185		1,053	20	32,437
Fundraising									56,943	56,943
Other	36	120	756	236		8,003		4,004	239,634	252,789
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 68,138</b>	<b>\$ 57,780</b>	<b>\$ 354,210</b>	<b>\$ 3,377</b>	<b>\$ 20,261</b>	<b>\$ 152,078</b>	<b>\$ 230,247</b>	<b>\$ 949,322</b>	<b>\$ 949,108</b>	<b>\$2,784,521</b>

See the accompanying notes and independent auditor's report.



**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the McDowell County Commission on Aging Inc. (MCCOA) 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.

Nature of Operations – The McDowell County Commission on Aging, Inc. is a nonprofit organization whose purpose is to maintain and improve daily life for seniors, the disabled, and their caregivers through advocacy, education, promotion of wellness, and provision of support services.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*.

In addition, the financial statements of MCCOA have been prepared in accordance with generally accepted accounting principles. MCCOA reports 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.

*Net Assets without Donor Restrictions* – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

*Net Assets with Donor Restrictions* – Net assets limited as to use by donor-imposed time and/or purpose restrictions.

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 restriction. 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. MCCOA has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Basis of Accounting – The financial statements of the McDowell County Commission on Aging, Inc. have been prepared on the accrual basis of accounting.

**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

Cash and Equivalents – For purposes of the statements of cash flows, cash and equivalents include cash deposits in bank accounts and investments in highly liquid debt instruments with a maturity of three months or less.

Accounts Receivable – Accounts receivable represent amounts owed MCCOA for services it provided under the West Virginia Department of Health and Human Resources-Medicaid Waiver and Community Care, the Veterans Administration, FAIR and Lighthouse client fees, as well as private pay clients.

Grants Receivable – Grants receivable represent amounts owed MCCOA from grantors according to the stipulations of the grant agreement.

Uncollectible Accounts – MCCOA uses the direct write-off method for uncollectible accounts. When an amount is determined to be uncollectible, the amount is recorded as bad debt expense and the corresponding receivable account is credited. As of September 30, 2023, all receivables were deemed collectible. Although the direct write-off method is not acceptable under generally accepted accounting principles, because of the infrequency and nominal amounts of bad debt, the difference between this method and the allowance method are deemed immaterial.

Inventory – Inventories of raw food, disposables and supplies are deemed immaterial and are expensed when purchased.

Investments – MCCOA 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.

Property and Equipment – MCCOA records all equipment purchases at cost and all donated property, equipment, and land at fair market value. All property and equipment purchased with grant monies must have prior approval from the grantor agency to dispose of such equipment. The organization has adopted a capitalization policy in the amount of \$5,000. MCCOA depreciates these costs using the straight-line method over the asset's estimated useful life, as follows:

**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment (Continued)

	<u>Years</u>
Buildings	39
Computer Systems	3-5
Furniture and Equipment	7-10
Improvements	15-20
Vehicles	5

Revenue Recognition – Contributions and grants with donor-imposed conditions are reported as revenue when qualifying expenses have been incurred or other conditions have been met. Cash received but not yet expended for these conditional grants is recorded as deferred revenue. Unrestricted grants and contributions are recorded as revenue in the period received.

Grant Monies – Grant monies are received in four main ways:

- On a cost reimbursement basis for which the organization requests reimbursement for monies already spent. This is utilized for the LIFE Program and Division of Public Transit grants.
- On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future. This method is used for the Title III grants, except for nutrition.
- Title III-C nutrition monies are received on a meal reimbursement basis but are not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title-III program operating expenses.
- On an application only basis from the WV Department of Transportation, Division of Public Transit, through the Federal Transit Administration (FTA) for the purchase of vehicles or communication equipment to be used in transporting seniors and individuals with disabilities.

Advertising – Advertising costs are expensed when incurred and totaled \$25,088 for the year ended September 30, 2023.

Income Taxes - MCCOA is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). MCCOA is classified as a publicly supported organization, which is not a private foundation. Accordingly, no provision for income taxes has been reported. The last three years' tax returns remain open to examination.

**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Reclassifications – Certain amounts in the 2023 financial statements have been reclassified to conform with current year presentation. Such reclassifications had no effect on net assets or the change in net assets.

**NOTE 2 – CASH CONCENTRATION**

Cash and cash equivalents include cash on hand and deposits with banking institutions in checking and savings accounts. Bank balances are currently insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. MCCOA currently utilizes the IntraFi Network to guarantee all deposits in excess of the FDIC limit are insured.

**NOTE 3 – RESTRICTED CASH**

MCCOA had no restricted cash on September 30, 2023.

**NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Cash	\$ 945,784
Investments	529,700
Accounts Receivable	63,355
Grants Receivable	<u>112,745</u>
Financial assets available within one year	<u><u>\$ 1,651,584</u></u>

**NOTE 5 – FAIR VALUE MEASUREMENTS**

FASB Standards Codification 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy under FASB Accounting Standards Codifications 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)**

Level 2 – Inputs to the valuation methodology include:

- i. Quoted prices for similar assets or liabilities in active markets;
- ii. Quoted prices for identical or similar assets or liabilities in inactive markets;
- iii. Inputs other than quoted prices that are observable for the asset or liability;
- iv. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 at 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 MCCOA 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.

**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)**

The following table sets forth by level, within the fair value hierarchy, MCCOA's financial assets at fair value on a recurring basis as of September 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and CD's	313,481			313,481
Corporate Equities	196,809			196,809
I-Bonds	21,107			21,107
Mutual Funds	2,110			2,110
	<u>\$ 533,507</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 533,507</u>

**NOTE 6 – INVESTMENTS**

The cost and estimated market value of investment securities on September 30, 2023:

Original Cost	\$ 551,313
Gross Unrealized Gains(Losses)	<u>(17,806)</u>
Estimated Market Value	<u>\$ 533,507</u>

**NOTE 7 – RECEIVABLES**

Grants receivable consisted of the following on September 30, 2023:

WV BOSS	\$ 17,924
Title III monies	34,348
LIFE	27,861
Tobacco	28,749
Transit	<u>3,863</u>
Total	<u>\$ 112,745</u>

Accounts receivable consisted of the following on September 30, 2023

WV DHHR	\$ 60,662
Veterans Administration	2,629
Other	<u>64</u>
Total	<u>\$ 63,355</u>

All accounts are deemed collectible.

**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 8 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following on September 30, 2023:

Land	\$ 103,411
Building & Improvements	602,959
Vehicles	513,587
Equipment	<u>80,867</u>
Total Property and Equipment	1,300,824
Less Accumulated Depreciation	<u>( 558,091)</u>
Net Property and Equipment	<u>\$ 742,733</u>

Depreciation expense was \$80,190 for the year ended September 30, 2023.

**NOTE 9 – CONTINGENT LIABILITIES**

Operating expenditures made against federal and state grants are subject to audit by the grantor agency. Additionally, Medicaid amounts paid on prospectively determined per diem rates are subject to audit and disallowance of charges based on a determination of whether the charges complied with all pertinent Medicaid regulations. Such audits and reviews could result in requests for reimbursement for expenditures disallowed under the terms of the grants or fees paid and subsequently disallowed by Medicaid. Adjustments are recorded when they are identified. Amounts cannot be determined at this time and management believes such amounts, if any, to be immaterial.

MCCOA is 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. MCCOA maintains liability insurance to mitigate these risks.

**NOTE 10 – RETIREMENT PLAN**

In July 2023, MCCOA began participating in a 457(b) deferred compensation plan. MCCOA directors participate by contributing 5% of their gross wages which is combined with 15% contributed by MCCOA. The covered employees are eligible to draw benefits upon retirement. MCCOA's contributions to the retirement plan were \$4,386 for the fiscal year ended September 30, 2023 and is included in personnel in the statement of functional expenses.

**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 11 – GRANT REVENUES**

Grant revenues consisted of the following for the year ended September 30, 2023:

Federal Grant Revenues:	
Title III Programs	\$ 125,192
ARPA Funds	116,796
National and State Tobacco Control Program	78,000
5310 Transportation	<u>64,081</u>
Total Federal Grant Revenues	<u>384,069</u>
State Grant Revenues:	
Title III Programs	394,397
Legislative Initiative for the Elderly	194,347
WV Bureau of Senior Services	295,244
Healthy Lifestyles	50,000
Summer Feeding	<u>212,000</u>
Total State Grant Revenues	<u>1,145,988</u>
Private Grant Revenues	<u>402,065</u>
Total Grant Revenues	<u>\$ 1,932,122</u>

**NOTE 12 – FUNDRAISING**

The following is a summary of fundraising for the year ended September 30, 2023:

Fundraising Income	\$ 55,745
Fundraising Expenses	<u>(56,943)</u>
Fundraising, net	<u>\$ (1,198)</u>

**NOTE 13 – CONTRIBUTED SERVICES**

Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recognized. Contributed services which are recognized are valued at the estimated cost that would have been incurred by MCCOA to purchase similar services.



**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 14 – TRANSPORTATION GRANTS**

MCCOA is eligible for grants under 49 USC §5310 and §5311 through the WV Department of Transportation, Division of Public Transit. These grants provide funds to MCCOA for operating assistance and to purchase vehicles. The 5310 grants provide for increased mobility for the elderly and those with disabilities. The 5311 grants specifically provide funds for rural areas.

Both are formula grants where typically the MCCOA pays 20% and the grantor pays 80% of the cost of the vehicle. There were no vehicles received during the year ended September 30, 2023.

After five years, MCCOA may dispose of the vehicles according to the terms of the grant, usually with the grantor receiving the proceeds.

**NOTE 15 – SUPPORT CONCENTRATION**

The following are details of revenue for the years ended September 30, 2023:

Net revenue from:	
In-Home Care	29%
Title III	13%
Lighthouse/FAIR	9%
LIFE	6%
Other Programs	43%
	<u>100%</u>

Any significant reduction in in-home care or Title III funding could have a significant effect on MCCOA's programs and activities.

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated events subsequent to year end through July 10, 2024, the financial statements were available to be issued, and determined no further disclosure was required.

**McDowell County Commission on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2023**

**NOTE 17 – SUMMARY OF PROGRAMS**

Title III Older Americans Act

III-B – provides supportive services to maintain maximum independence and dignity in a home environment. Services provided include assisted transportation and chore services.

III-C – provides both congregate and home-delivered nutrition services.

III-D – provides disease prevention and health promotion services.

III-E – provides family caregiver support.

Legislative Initiative for the Elderly

LIFE – is a state-funded program and part of the senior center array of services. Services vary by county but are modeled after those provided by the Older Americans Act. Funds are provided through WV Lottery proceeds.

In-Home Care Services

Lighthouse Program – provides in-home care to assist seniors whose income and assets disqualify them from Medicaid services.

FAIR (Family Alzheimer's In-Home Respite) – offers relief to caregivers and, at the same time, provides one-on-one attention and individualized activities for persons with a written diagnosis of Alzheimer's disease or a related dementia.

VA (Veterans Administration) – provides in-home care for veterans of the armed forces intended to keep them in their own homes as opposed to a nursing home.

Medicaid Waiver/Continuum of Care/Case Management – provides personal care services and supervision, home health aides, nursing, chore, and homemaker services, as approved by the WV Department of Health and Human Resources.

Transit

Transportation – provides public non-emergency medical transportation services in McDowell County in West Virginia.

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

<u>Programs</u>	<u>Grant Period</u>	<u>Grant #</u>	<u>Expenditures</u>
<i>Direct Programs:</i>			
WV Bureau of Senior Services			
Lighthouse	June 30, 2023	IH2347	\$ 214,727
Lighthouse	June 30, 2024	IH2447	61,690
Family Alzheimer's In-Home Respite (FAIR)	June 30, 2023	IH2347	10,067
Family Alzheimer's In-Home Respite (FAIR)	June 30, 2024	IH2447	3,760
Client Tracking	June 30, 2023	IH2447	<u>5,000</u>
Total WV Bureau of Senior Services			<u>295,244</u>
<i>Pass-through Awards</i>			
Appalachian Area Agency on Aging			
IIIB Supportive Services	June 30, 2023	22239-05	27,178
IIIC Congregate and Home-Delivered Nutrition Services	June 30, 2023	22239-05	366,773
IIID Disease Prevention	June 30, 2023	22239-05	446
Legislative Initiative for the Elderly (LIFE)	June 30, 2023	23905-05	133,504
Legislative Initiative for the Elderly (LIFE)	June 30, 2024	24905-05	60,843
Summer Feeding	September 30, 2023	22239-05	<u>212,000</u>
Total Appalachian Area Agency on Aging			<u>800,744</u>
WV Department of Health and Human Resources			
Healthy Lifestyles - Tobacco Grant	June 30, 2023	G230574	40,000
Healthy Lifestyles - Tobacco Grant	June 30, 2024	G240398	<u>10,000</u>
Total WV Department of Health and Human Resources			<u>50,000</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u><b>1,145,988</b></u>

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

# Williams & Associates, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

**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  
McDowell County Committee on Aging, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of McDowell County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 10, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered McDowell County Committee on Aging, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 McDowell County Committee on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of McDowell 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 the 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying management letter with findings as item 2023-01 that we consider to be a significant deficiency.

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

As part of obtaining reasonable assurance about whether McDowell County Commission on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2023-01.

## **McDowell County Commission on Aging, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on McDowell County Commission on Aging, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. McDowell County Commission 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 of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Williams & Associates, A.C.*

Elkins, West Virginia  
July 10, 2024

**McDOWELL COUNTY COMMISSION ON AGING, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Fiscal Year Ended September 30, 2023**

**SIGNIFICANT DEFICIENCIES**

2023-01 Lack of Segregation of Duties

**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:** The MCCOA has limited staff and responsibilities for approving, executing, and recording transactions and custody of the resulting assets arising from financial transactions are not assigned to different individuals because the MCCOA 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 the MCCOA'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. However, we recognize that full and complete segregation of duties is not economically feasible.

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