
SUMMERS COUNTY COUNCIL ON AGING, INC.

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

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

*Williams & Associates, A.C.
427 Kerens Avenue, PO Box 2727
Elkins, West Virginia 26241
(304) 637-9110*

Summers County Council on Aging, Inc.
TABLE OF CONTENTS
For the Year Ended September 30, 2023

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-2
 FINANCIAL STATEMENTS	
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.....	7-15
 SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of State Awards.....	16
 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>	
	17-18
 SCHEDULE OF FINDINGS AND RESPONSES	 19

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Summers County Council on Aging, Inc.

Opinion

We have audited the accompanying financial statements of Summers County Council 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.

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

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 Summers County Council 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 Summers County Council 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 Summers County Council 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 Summers County Council 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 August 26, 2024, on our consideration of Summers County Council 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 17-18. 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 Summers County Council on Aging, Inc.'s internal control over financial reporting and compliance.

Williams & Associates, A.C.

Elkins, West Virginia
August 26, 2024

Summers County Council on Aging, Inc.
STATEMENT OF FINANCIAL POSITION
September 30, 2023

ASSETS

Current Assets

Cash and Equivalents	\$ 579,428
Investments	177,778
Accounts Receivable, net	34,203
Grants Receivable	40,500
Prepaid Expenses	<u>5,628</u>
Total Current Assets	<u>837,537</u>

Fixed Assets, net	<u>290,806</u>
-------------------	----------------

TOTAL ASSETS	<u><u>\$1,128,343</u></u>
---------------------	----------------------------------

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities

Accounts Payable	\$ 14,784
Payroll Liabilities	<u>43,472</u>
Total Current Liabilities	<u>58,256</u>

Net Assets

Net Assets without Donor Restrictions	<u>1,070,087</u>
---------------------------------------	------------------

Total Net Assets	<u>1,070,087</u>
------------------	------------------

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$1,128,343</u></u>
---	----------------------------------

See accompanying notes and independent auditor's report.

Summers County Council on Aging, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants			
Federal	\$ 240,026	-	\$ 240,026
State	374,398	-	374,398
Program Service Fees	558,083	-	558,083
Project Income	49,971	-	49,971
Contributions	38,645	-	38,645
Investment Income	18,343	-	18,343
Other	1,786	-	1,786
	<u>1,281,252</u>	<u>-</u>	<u>1,281,252</u>
TOTAL REVENUES AND SUPPORT			
	<u>1,281,252</u>	<u>-</u>	<u>1,281,252</u>
EXPENSES			
Program Services	1,182,669		1,182,669
Management and General	67,406	-	67,406
	<u>1,250,075</u>	<u>-</u>	<u>1,250,075</u>
TOTAL EXPENSES			
	<u>1,250,075</u>	<u>-</u>	<u>1,250,075</u>
CHANGE IN NET ASSETS	31,177	-	31,177
NET ASSETS, BEGINNING OF YEAR	<u>1,038,910</u>	<u>-</u>	<u>1,038,910</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,070,087</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,070,087</u></u>

See the accompanying notes and independent auditor's report.

Summers County Council on Aging, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 31,177
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	51,942
(Increase)Decrease in Operating Assets:	
Accounts Receivable	(16,685)
Grants Receivable	(3,410)
Prepaid Expenses	(151)
Increase(Decrease) in Operating Liabilities:	
Accounts Payable	(7,409)
Payroll Liabilities	13,046

NET CASH PROVIDED BY OPERATING ACTIVITIES

68,510

CASH FLOW FROM INVESTING ACTIVITIES

Sales of Fixed Assets	145,000
Purchases of Investments	<u>(177,778)</u>

NET CASH USED IN INVESTING ACTIVITIES

(32,778)

NET INCREASE(DECREASE) IN CASH AND EQUIVALENTS

35,732

CASH AND EQUIVALENTS, BEGINNING OF YEAR

543,696

CASH AND EQUIVALENTS, END OF YEAR

\$ 579,428

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest	<u><u>\$ -</u></u>
------------------------	--------------------

See accompanying notes and independent auditor's report.

Summers County Council on Aging, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2023

	PROGRAM SERVICES												
	Title III Programs												
	III-C			In-Home Care									
	III-B	Congregate	Home-Delivered	III-D	III-E	LIFE	BOSS	Medicaid	5310	Other	Subtotal	Management & General	Total
FUNCTIONAL EXPENSES													
Personnel	\$38,479	\$ 25,397	\$101,585		\$17,660	\$183,209	\$124,192	\$444,018	\$17,213	\$ 497	\$ 952,250	\$ 6,813	\$ 959,063
Travel and Training	985				1,045	9,218	339	582			12,169		12,169
Contractual	531	435	676			628		2,561			4,831		4,831
Food and Disposables		7,529	40,369								47,898		47,898
Depreciation											-	51,942	51,942
Communication and Utilities	1,279	536	2,143			22,009		6,154			32,121		32,121
Office Supplies and Postage	1,222	272	1,088			27,624		5,877			36,083		36,083
Insurance	2,101	870	3,479			4,670		10,448			21,568		21,568
Professional Fees	200		400			4,000		400			5,000		5,000
Vehicle Fuel and Maintenance	9,696					4,303			5,149		19,148		19,148
Repairs and Maintenance	514	137	778			835		2,113		43,935	48,312		48,312
Other		32	126	1,318				1,279		534	3,289	8,651	11,940
TOTAL FUNCTIONAL EXPENSES	\$55,007	\$ 35,208	\$150,644	\$1,318	\$18,705	\$256,496	\$124,531	\$473,432	\$22,362	\$ 44,966	\$1,182,669	\$ 67,406	\$ 1,250,075

See the accompanying notes and independent auditor's report.

Summers County Council 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 Summers County Council on Aging Inc. (SCCOA) 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 Summers County Council 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 SCCOA have been prepared in accordance with generally accepted accounting principles. SCCOA 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. SCCOA 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 Summers County Council on Aging, Inc. have been prepared on the accrual basis of accounting.

Summers County Council 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 SCCOA 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 SCCOA from grantors according to the stipulations of the grant agreement.

Uncollectible Accounts – SCCOA uses the allowance method for uncollectible accounts. As of September 30, 2023, the balance of the allowance account was \$2,000.

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

Investments – SCCOA 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 – SCCOA 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. SCCOA depreciates these costs using the straight-line method over the asset's estimated useful life, as follows:

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

Summers County Council on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. There were no advertising costs for the year ended September 30, 2023.

Income Taxes - SCCOA is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). SCCOA 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.

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. As of September 30, 2023, SCCOA's balances at one bank exceeded this limit. Management monitors the soundness of this financial institution and feels risk is negligible. SCCOA has not experienced any losses in such accounts.

Summers County Council on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 3 – RESTRICTED CASH

SCCOA had no restricted cash on September 30, 2023.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Cash	\$ 579,428
Investments	177,778
Accounts Receivable	34,203
Grants Receivable	40,500
Financial assets available within one year	<u>\$ 831,909</u>

As part of SCCOA's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

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.

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.

Summers County Council on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

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 SCCOA 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.

The following table sets forth by level, within the fair value hierarchy, SCCOA'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>
Cash and CD's	579,428			579,428
Annuities	177,778			177,778
	<u>\$ 757,206</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 757,206</u>

Summers County Council on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 6 – ANNUITY

On June 22, 2022, SCCOA entered into a Mass Mutual “American Freedom Classic 3” annuity contract yielding 3% for the first three years. The original purchase price was \$170,764. The account value as of September 30, 2023 was \$177,778.

NOTE 7 – RECEIVABLES

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

WV BOSS	\$ 8,334
Title III monies	11,233
LIFE	17,656
Transit	<u>3,277</u>
Total	<u>\$ 40,500</u>

Accounts receivable consisted of the following on September 30, 2023

WV DHHR	\$ 36,203
Less Allowance	<u>(2,000)</u>
Total	<u>\$ 34,203</u>

NOTE 8 – PROPERTY AND EQUIPMENT

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

Land	\$ 45,078
Building & Improvements	862,247
Vehicles	276,461
Equipment	<u>155,132</u>
Total Property and Equipment	1,338,918
Less Accumulated Depreciation	<u>(1,048,112)</u>
Net Property and Equipment	<u>\$ 290,806</u>

Depreciation expense was \$51,942 for the year ended September 30, 2023.

Summers County Council on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
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.

SCCOA 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. SCCOA maintains liability insurance to mitigate these risks.

NOTE 10 – GRANT REVENUES

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

Federal Grant Revenues:	
Title III Programs	\$ 167,277
ARPA Funds	25,053
5310 Transportation	<u>47,696</u>
Total Federal Grant Revenues	<u>240,026</u>
State Grant Revenues:	
Title III Programs	16,933
Legislative Initiative for the Elderly	199,731
WV Bureau of Senior Services	117,234
Local Economic Development	<u>40,500</u>
Total State Grant Revenues	<u>374,398</u>
Total Grant Revenues	<u>\$ 614,424</u>

Summers County Council on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 11 – 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 SCCOA to purchase similar services.

NOTE 12 – SUPPORT CONCENTRATION

SCCOA currently receives nearly 43% of its revenue from the WV Department of Health and Human Services for services provided under the Medicaid program and 39% of its revenue from programs administered via the WV Bureau of Senior Services. Any significant reduction in Medicaid or WV Bureau of Senior Services funding could have a significant effect on SCCOA's programs and activities.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to year end through August 26, 2024, the date the financial statements were available to be issued, and determined no further disclosure was required.

NOTE 14 – 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.

Summers County Council on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 14 – SUMMARY OF PROGRAMS (Continued)

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.

Medicaid – 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 Summers County in West Virginia.

Summers County Council on Aging, Inc.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended September 30, 2023

Programs	Grant Period	Grant #	Expenditures
<i>Direct Programs:</i>			
WV Department of Economic Development			
Local Economic Development Grant			\$ 40,500
Total WV Department of Economic Development			40,500
WV Bureau of Senior Services			
Lighthouse	June 30, 2023	IH2353	75,162
Lighthouse	June 30, 2024	IH2453	21,056
Family Alzheimer's In-Home Respite (FAIR)	June 30, 2023	IH2353	13,099
Family Alzheimer's In-Home Respite (FAIR)	June 30, 2024	IH2453	2,916
Client Tracking	June 30, 2024	IH2453	5,000
Total WV Bureau of Senior Services			117,233
<i>Pass-through Awards</i>			
Appalachian Area Agency on Aging			
IIIB Supportive Services	September 30, 2023	22339-11	16,934
Legislative Initiative for the Elderly (LIFE)	June 30, 2023	23905-011	149,660
Legislative Initiative for the Elderly (LIFE)	June 30, 2024	24905-011	50,071
Total Appalachian Area Agency on Aging			216,665
TOTAL EXPENDITURES OF STATE AWARDS			\$ 374,398

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
Summers County Council 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 Summers County Council 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 August 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Summers County Council 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 Summers County Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Summers County Council 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 state of findings and responses as items 2023-01 and 2023-02 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Summers County Council 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 and 2023-02.

Summers County Council on Aging, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Summers County Council on Aging, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Summers County Council 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
August 26, 2024

SUMMERS COUNTY COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND RESPONSES
For the 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 SCCOA 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 SCCOA 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 SCCOA'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.

2023-02 Bank Balances Exceed FDIC Insurance Limit

Criteria: Bank balances should be maintained so that funds are fully insured by the FDIC.

Condition: Bank balances exceed FDIC insurance limit.

Cause: Bank balances in one bank exceed the FDIC limit which has resulted in uninsured funds.

Effect: Bank deposits exceeding \$250,000 are uninsured, which results in unnecessary risk.

Recommendation: We recommend SCCOA request for the bank to either pledge a bond to cover the excess deposits or utilize the IntraFi Network Deposits program to insure all deposited funds.

Response: We concur with the finding and recommendation.