

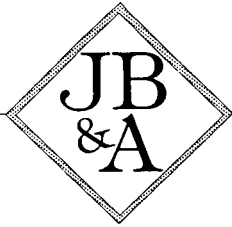
MONROE COUNTY COUNCIL ON AGING, INC.

**INDEPENDENT AUDITORS' REPORT AND
RELATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2012

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JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

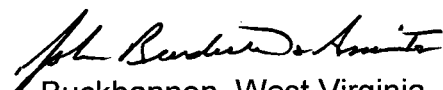
To the Board of Directors
Monroe County Council on Aging, Inc.
Linside, West Virginia

We have audited the accompanying statements of financial position of Monroe County Council on Aging, Inc. (a nonprofit organization) as of September 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Monroe County Council on Aging, Inc. as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2013, on our consideration of Monroe County Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


Buckhannon, West Virginia
June 19, 2013

MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2012

ASSETS

Current Assets	
Cash and cash equivalents	\$ 386,083
Accounts receivable, net	26,756
Grants receivable	53,474
Prepaid expense	<u>2,282</u>
Total current assets	<u>468,595</u>
Property and equipment, net	<u>182,179</u>
TOTAL ASSETS	<u><u>\$ 650,774</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 8,106
Accrued compensation	31,695
Payroll taxes	<u>2,905</u>
Total current liabilities	<u>42,706</u>
Net Assets	
Unrestricted	608,068
Temporarily restricted	<u> </u>
Total net assets	<u>608,068</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 650,774</u></u>

The accompanying notes and auditors' report are integral parts of this statement.

MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal financial assistance	\$ 253,766	\$	\$ 253,766
State grant allocations	345,209		345,209
Other grants	20,000		20,000
Donations	2,303		2,303
Medicaid fees	233,372		233,372
Program income	64,684		64,684
Interest income	219		219
Other income	1,460		1,460
Net assets released from restrictions:			
Restrictions released with time	_____	_____	_____
Total Revenue and Support	<u>921,013</u>	_____	<u>921,013</u>
EXPENSES			
Program Services			
Title III-B	99,960		99,960
Title III-D	1,584		1,584
Title III-E	15,706		15,706
Title III-C - congregate	127,126		127,126
Title III-C - home delivered	177,815		177,815
LIFE	88,239		88,239
Personal Care	328,728		328,728
Lighthouse	48,709		48,709
Fair	24,242		24,242
Management & general	46,726		46,726
Total Expenses	<u>958,835</u>	_____	<u>958,835</u>
Change in Net Assets	(37,822)		(37,822)
NET ASSETS AT BEGINNING, RESTATED	<u>645,890</u>	_____	<u>645,890</u>
NET ASSETS AT END OF YEAR	<u>\$ 608,068</u>	<u>\$</u>	<u>\$ 608,068</u>

The accompanying notes and auditors' report are integral parts of this statement.

**MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Title III-B	Title III-D	Title III-E	Title III-C		LIFE
				Congregate	Home Delivered	
Personnel expenses	\$ 58,615	\$ 184	\$ 12,791	\$ 49,972	\$ 71,796	\$ 69,136
Travel	1		882	210	99	3,603
Printing and supplies	1,451	300		2,418	2,484	1,629
Repairs and maintenance	14,878			1,416	10,501	4,841
Communications and utilities	5,416			5,394	5,394	5,394
Insurance	2,566			2,566	2,566	2,566
Professional services	873	1,100		1,043	968	788
Rawfood				58,029	70,926	
Disposables				5,946	12,989	
Transportation costs	16,094					247
Depreciation						
Other	66		2,033	132	92	35
Total Functional Expenses	\$ 99,960	\$ 1,584	\$ 15,706	\$ 127,126	\$ 177,815	\$ 88,239

**MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Personal Care</u>	<u>Lighthouse</u>	<u>Fair</u>	<u>Admin General</u>	<u>Totals (Memorandum Only)</u>
Personnel expenses	\$ 291,486	\$ 45,661	\$ 23,187	\$	\$ 622,828
Travel	16,312	3,048	1,055		25,210
Printing and supplies	3,794				12,076
Repairs and maintenance	2,101			7,443	41,180
Communications and utilities	5,445				27,043
Insurance	2,598				12,862
Professional services	2,123				6,895
Rawfood					128,955
Disposables	1,937				20,872
Transportation costs					16,341
Depreciation				32,729	32,729
Other	2,932			6,554	11,844
Total Functional Expenses	<u>\$ 328,728</u>	<u>\$ 48,709</u>	<u>\$ 24,242</u>	<u>\$ 46,726</u>	<u>\$ 958,835</u>

The accompanying notes are an integral part of this statement.

**MONROE COUNTY COUNCIL ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (37,822)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	32,729
(Increase) decrease in operating assets:	
Accounts and grants receivable	(24,155)
Prepaid expenses	1,936
Increase (decrease) in operating liabilities:	
Accounts payable	(4,822)
Accrued wages and taxes payable	2,329
Deferred revenue	<u>(21,984)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(51,789)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of vehicle	<u>(12,559)</u>
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NET CASH USED IN FINANCING ACTIVITIES	<u>(12,559)</u>
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Decrease in cash and cash equivalents	(64,348)
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CASH AND CASH EQUIVALENTS, beginning of year	<u>450,431</u>
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CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 386,083</u></u>
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The accompanying notes and auditors' report are integral parts of this statement.

**MONROE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

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

This summary of significant accounting policies of the Monroe County Council on Aging, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

Basis of Accounting

The financial statements of Monroe County Council on Aging, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payable and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The Organization uses the allowance method for accounting for bad debts. Management feels the accounts and grants receivable shown on the balance sheet are fully collectible.

Inventories

Inventories of raw food, materials and supplies are deemed immaterial and are accordingly expensed as purchased.

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

MONROE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization has adopted a \$ 5,000 capitalization policy whereby all property and equipment over \$ 5,000 is depreciated using the straight-line method over its estimated useful life. In addition, all property and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Federal Grants

Grants Monies are received on a reimbursement basis; this is utilized for Title III-B, Title III-D, Title III-E, and Title VII, and LIFE grants. Upon completion of a grant year, any unexpended grants have to be approved for carryover to the next grant year.

Title III-C monies are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the year ended September 30, 2012, was \$ 598,975.

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

**MONROE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Note 1. Summary of Significant Accounting Policies (Continued)

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure 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.

Income Taxes

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

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are generally subject to examination by the Internal Revenue Service for three years after they are filed

Note 2. Grants Receivable

Grants receivable at September 30, 2012, consisted of the following:

Nutrition	\$	7,310
LIEAP		1,617
LIFE		14,520
Lighthouse		12,138
Fair		5,754
III-D		1,302
Client Tracking		833
Community Partnership		10,000

Total	\$	53,474
		=====

Note 3. Property and Equipment

Property and equipment consisted of the following at September 30, 2012:

Land and building	\$	129,257
Vehicles		262,970
Equipment		19,244

		411,471
Less accumulated depreciation		(229,292)

Total	\$	182,179
		=====

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

MONROE COUNTY COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. Concentration

The Organization receives about 65 percent of its total support and revenues from various grants from the Federal and State governments.

In addition, the Organization also receives about 25 percent of its total support and revenues from the West Virginia Department of Health and Human Services under billing for services provided under the Continuum of Care and Medicaid Waiver programs.

Note 5. Contingent Liabilities

In the normal course of operations, the Organization receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Center participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Organization does not provide post retirement health benefits. However, PEIA shows a liability of \$3,468 at September 30, 2012 for post retirement benefits. The Organization does not expect to have to pay this liability.

Note 6. Net Assets

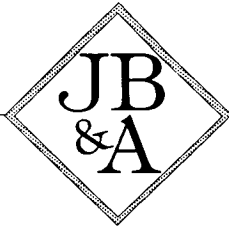
There are no restrictions on net assets at September 30, 2012.

Note 7. Subsequent Events

Management has evaluated subsequent events through June 19, 2013, the date which the financial statements were available to be issued.

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

SUPPLEMENTAL INFORMATION



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Monroe County Council on Aging, Inc.
Lindside, West Virginia

Our report on our audit of the basic financial statements of the Monroe County Council on Aging, Inc. for the year ended September 30, 2012 appears on page 1. We conducted our audit *in accordance* with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States for the purpose of forming an opinion of the basic financial statements taken as a whole. The schedule of revenues is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Buckhannon, West Virginia
June 19, 2013

**MONROE COUNTY COUNCIL ON AGING, INC.
 SCHEDULE OF REVENUES AND SUPPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Title III-B	Title III-D	Title III-E	Title III-C	
				Congregate	Home Delivered
Federal financial assistance	\$ 31,136	\$ 1,343	\$ 12,583	\$ 82,787	\$ 124,300
State grant	28,259				
State LIFE allocated		111	2,873	24,952	39,475
Other grants					
Donations and match		130			
Medicaid Waiver			250	26,384	14,571
Program income	13,585				
Interest income					
Other income					
Total Revenue and Support	\$ 72,980	\$ 1,584	\$ 15,706	\$134,123	\$ 178,346

**MONROE COUNTY COUNCIL ON AGING, INC.
 SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2012**

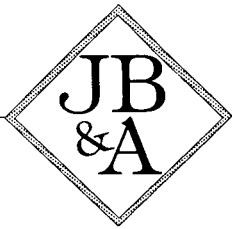
<u>LIFE</u>	<u>Medicaid Waiver</u>	<u>Fair</u>	<u>Lighthouse</u>	<u>Client Tracking</u>	<u>Other</u>	<u>Total (Memorandum Only)</u>
\$	\$	\$	\$	\$	\$ 1,617	\$ 253,766
183,425		37,247	81,193	5,085	10,000	345,209
(67,411)					20,000	20,000
	2,173					2,303
	233,372					233,372
4,232	3,715	517	1,400		30	64,684
					219	219
					1,460	1,460
<u>\$ 120,246</u>	<u>\$ 239,260</u>	<u>\$ 37,764</u>	<u>\$ 82,593</u>	<u>\$ 5,085</u>	<u>\$ 33,326</u>	<u>\$ 921,013</u>

The independent auditors' report on supplemental information is an integral part of this schedule.

**MONROE COUNTY COUCL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants			\$ <u>10,000</u>
Total Direct Programs			<u>10,000</u>
 Pass through Awards			
Appalachian Area Agency on Aging			
IIIB State	June 30, 2012	21238	28,259
LIFE	June 30, 2012	21204	162,410
LIFE	June 30, 2013	21304	21,015
Lighthouse	June 30, 2012	21205	62,684
Lighthouse	June 30, 2013	21305	18,509
FAIR	June 30, 2012	21205	28,112
FAIR	June 30, 2013	21305	9,135
Data Entry	June 30, 2012	21205	3,752
Data Entry	June 30, 2013	21305	<u>1,333</u>
Total pass-through awards			<u>335,209</u>
 TOTAL EXPENDITURES OF STATE AWARDS			 <u>\$ 345,209</u>

The independent auditors' report on supplemental information is an integral part of this schedule.



JOHN BURDETTE & ASSOCIATES

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

To the Board of Directors
Monroe County Council on Aging, Inc.
Linside, West Virginia

We have audited the financial statements of Monroe County Council on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2012, and have issued our report thereon dated June 19, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Monroe County Council on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe County Council on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

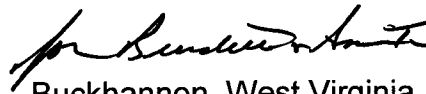
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designated to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

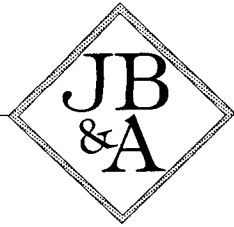
As part of obtaining reasonable assurance about whether Monroe County Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Monroe County Council on Aging, Inc. in a separate letter dated June 19, 2013.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-thru entities and is not intended to be and should not be used by anyone other than these specified parties.



Buckhannon, West Virginia
June 19, 2013



JOHN BURDETTE & ASSOCIATES

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MANAGEMENT LETTER

To the Senior Management and
The Board of Directors of
Monroe County Council on Aging, Inc.
Lindside, West Virginia

In planning and performing our audit of the financial statements of Monroe County Council on Aging, Inc. for the year ended September 30, 2012, we considered the Organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated June 19, 2013, on the financial statements of Monroe County Council on Aging, Inc.

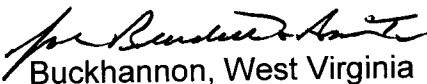
We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Segregation of Duties

We noted that two employees are responsible for most of the accounting and financial duties. As a result, many aspects of the internal accounting control which rely upon an adequate segregation of duties are, for all practical purposes, missing in Monroe County Council on Aging, Inc. We recognize that the Organization is not large enough to make the employment of additional people for the purpose of segregating duties practicable from a financial standpoint, but we are required, under our professional responsibilities to describe the situation.

We wish to thank the Director and his staff for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization.


Buckhannon, West Virginia
June 19, 2013