

Ritchie Co Integrated Family Services, Inc.

Financial Statements

September 30, 2017

**Altman and Associates, PLLC
Certified Public Accountants**

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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INDEPENDENT AUDITOR'S REPORT

January 22, 2018

Ritchie County Integrated Family Services, Inc.
P.O. Box 195
Harrisville, West Virginia 26362

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of **Ritchie County Integrated Family Services, Inc.**, (a non-profit organization) which comprise the statement of Net Assets as of September 30, 2017, and related Statements of Activities, Functional Expenses and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Ritchie County Integrated Family Services, Inc. expenses the cost of long-lived property and equipment acquired by purchase, donation or capital lease. Accounting principles generally accepted in the United States of America require long-lived property and equipment to be capitalized and depreciated over their estimated useful lives. It was not practical to determine the effects of the unrecorded long-lived property and equipment and related capital lease debt on the financial statement.

Qualified Opinion

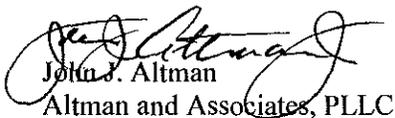
In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Ritchie County Integrated Family Services, Inc. as of September 30, 2017, and the 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 11-17 are 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 auditing standards generally accepted in the United States of America. In our opinion, the information 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 January 22, 2018, on our consideration of the Organizations internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 in considering the Organization's internal control over financial reporting and compliance.


John J. Altman
Altman and Associates, PLLC

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

ASSETS

Current assets:

Cash	\$	67,241
Accounts Receivable		63,313

Total Assets	\$	130,554
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts Payable	\$	10,117
Accrued Wages and Taxes		20,787
Accrued Vacation		1,550

Total Liabilities	\$	32,454
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Net Assets:

Unrestricted		98,100
Temporarily Restricted		-
Permanently Restricted		-
Total net assets	\$	98,100

TOTAL LIABILITIES AND NET ASSETS	\$	130,554
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RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Unrestricted
Support and Revenue:	
Support:	
Federal Grant Awards	\$ 67,075
State Grant Awards	220,907
Donations	33,712
Revenue:	
Project Income	\$ 98,603
Medicaid	249,466
Legislative Initiative/Elderly	223,894
Veterans Income	146,620
Transfer Income	32,197
Interest	79
Other Income	164,089
Total support and Revenue	\$ 1,236,642
 Expenses:	
Program expenses:	
Personal Care	\$ 557,748
Nutrition	145,981
Other Programs	319,646
Total program expenses	\$ 1,023,375
Supporting Services:	
Veterans Program	\$ 166,856
 Total expenses	\$ 1,190,231
 Change in Net Assets	\$ 46,411
 Net Assets, Beginning of Year	\$ 50,069
Fiscal Year Grants Other Than Sept. 30 Year End	1,620
Net Assets, End of Year	\$ 98,100

The accompanying notes are an integral part of these financial statements

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Personal Care	Nutrition	Other Programs	Total Program Expenses	Veterans Program	Total Expenses
Personnel	\$ 400,980	\$ 65,729	\$ 157,648	\$ 624,357	\$ 133,589	\$ 757,946
Payroll Taxes and Benefits	51,692	6,989	30,278	88,959	17,330	106,289
Travel and Training	21,200	105	216	\$ 21,521	-	\$ 21,521
Communications and Utilities	11,582	4,124	15,002	\$ 30,708	-	\$ 30,708
Equipment	-	2,465	844	\$ 3,309	-	\$ 3,309
Food and Disposable Supplies	-	57,863	-	\$ 57,863	-	\$ 57,863
Fuel-Automobiles	9,205	909	15,863	\$ 25,977	7,625	\$ 33,602
Other Program Costs	59,331	113	51,406	\$ 110,850	3,443	\$ 114,293
Printing and Supplies	2,950	-	7,106	\$ 10,056	2,109	\$ 12,165
Transfer Expenses	-	2,819	21,283	\$ 24,102	-	\$ 24,102
Preventative Maintenance	-	4,865	808	\$ 5,673	2,760	\$ 8,433
Total Expenses	\$ 556,940	\$ 145,981	\$ 300,454	\$ 1,003,375	\$ 166,856	\$ 1,170,231

The accompanying notes are an integral part of the financial statements

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Cash Flows from Operating Activities:	
Increase (Decrease) in Net Assets	\$ 46,411
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
(Increase) Decrease in:	
Accounts Receivable	17,988
Increase (Decrease) in:	
Accounts Payable	(38,872)
Accrued Wages	(4,906)
Accrued Vacation	(541)
Net Cash Provided by Operating Activities	<u>(26,331)</u>
Cash Flows from Financing Activities	
Other adjustments	<u>1,620</u>
Net Cash used in Financing Activities	<u>-</u>
Increase in Cash and Cash Equivalents	21,700
Cash and Cash Equivalents, Beginning of Year	<u>\$ 45,541</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 67,241</u></u>
Supplemental Cash Flow Disclosures:	
Cash Paid for:	
Interest	<u><u>79</u></u>

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

NOTE 1- NATURE OF ACTIVITIES

The purpose of the Ritchie County Integrated Family Services, Inc. is to study the social service needs of Ritchie County, West Virginia and its contiguous counties and to take such action as are necessary to assist in meeting those needs.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles with the exception that the Organization does not capitalize and depreciate the cost of capital assets.

The financial Accounting Standards Board issued Financial Accounting Standards Codification (FASB ASC) No. 958-205. Under FASB ASC No. 958-205, defined nonprofits are required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There are no restrictions on the entity's assets.

B. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

C. Accounts Receivable

The organization chooses to use the direct write-off method for accounts receivable. This is not consistent with generally accepted accounting principles; however, any variance between the direct write-off method and the allowance method is believed to be immaterial.

D. Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

The organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must acquire long-lived assets are reported as restricted support.

Absent explicit donor stipulations about how these long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

If a restriction is fulfilled in the same fiscal year in which the contribution is received, the contribution is reported as unrestricted.

Contributions of services shall be recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

E. Capital Assets

All acquisitions of capital assets and all expenditures for repairs, maintenance, renewals and betterments are expensed during the year of purchase. This policy is not in accordance with accounting principles generally accepted in the United States of America which requires that all acquisitions of capital assets be capitalized and depreciated over the estimated useful life of the assets.

F. Expense Allocation

The costs of providing various programs and other activities have been reported in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

G. Tax Status

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

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Organization's Federal Return of Organization Exempt from Income Tax (federal Form 990) for fiscal years ending in 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

H. Fair Value Measurements

As defined in FASB ASC no. 825-10 fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, FASB ASC No.825-10 establishes a fair value hierarchy that prioritized observable and unobservable inputs used to measure fair value into three levels. The Organization had no assets or liabilities requiring fair value disclosure during the year ended September 30, 2017.

I. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

J. Donates Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, fundraising activities, and various committee assignments.

NOTE 3- ACCOUNTS AND GRANTS RECEIVABLE

The Organization operates in the Harrisville, West Virginia area and receives support from various sources, substantially all of whom are local individuals or government agencies.

Accounts and grants receivable are those for which the Organization has performed a service or for which the requirements of a grant have been met and the Organization is awaiting reimbursement.

NOTE 4- COMPENSATED ABSENCES

The Organization provides compensated absences to certain employees in the form of paid time off. The balance of accrued vacation at September 30, 2017 was \$1,550.

NOTE 5- CONCENTRATION OF RISK

The Organization is economically dependent on grants from various federal, state and local governments for the operation of their programs. The Organization's ability to receive these grants is somewhat dependent on the national, state and local economy.

NOTE 6- RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions; injuries to employees; employees' health and life; and natural disasters. The organization manages these risks of loss through the purchase of various insurance policies.

NOTE 7- CONTINGENCIES

The Organization's programs are generally funded from federal, state, and local sources. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, or expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

NOTE 8- SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through January 22 2018, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through January 22, 2018 that would require adjustment or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES- PERSONAL CARE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Schedule 1

	Title III B	Title III E	Title III D	Alzheimer's Program	Medicaid Waiver	Local	Lighthouse Program	Totals
Support and Revenue:								
Federal Grant Awards	\$ 24,758	\$ 5,005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,763
State Grant Awards	17,945	-	-	19,901	-	-	125,375	163,221
Medicaid	-	-	-	-	136,821	112,645	-	249,466
Project Income	5,798	147	-	4,163	-	-	10,000	20,108
Donations	-	462	-	5,581	-	2,118	13,051	21,212
Interest	-	-	-	-	-	79	-	79
Other Income	11	471	-	5,261	16,431	17,314	18,055	57,543
Total Support and Revenue	<u>\$ 48,512</u>	<u>\$ 6,085</u>	<u>\$ -</u>	<u>\$ 34,906</u>	<u>\$ 153,252</u>	<u>\$ 132,156</u>	<u>\$ 166,481</u>	<u>\$ 541,392</u>
Expenses:								
Personnel	27,801	5,456	-	25,985	115,120	102,251	124,367	400,980
Payroll Taxes and Benefits	6,397	570	-	2,288	11,918	11,975	18,544	51,692
Travel and Training	150	273	-	1,136	2,953	6,362	10,326	21,200
Communication and Utilities	3,776	27	-	346	4,592	2,761	80	11,582
Maintenance	808	-	-	-	-	-	-	808
Equipment	-	-	-	-	-	-	-	-
Fuel-Automobiles	9,205	-	-	-	-	-	-	9,205
Other Program Costs	2,907	1,245	-	-	40,392	14,787	-	59,331
Printing and Supplies	1,551	-	-	76	129	1,116	78	2,950
Total direct expenses	<u>52,595</u>	<u>7,571</u>	<u>-</u>	<u>29,831</u>	<u>175,104</u>	<u>139,252</u>	<u>153,395</u>	<u>557,748</u>
Matching Funds Transfers (In) Out	(4,843)	(1,668)	-	-	-	-	-	(6,511)
Total expenses	<u>47,752</u>	<u>5,903</u>	<u>-</u>	<u>29,831</u>	<u>175,104</u>	<u>139,252</u>	<u>153,395</u>	<u>551,237</u>
Net Program Income (Loss)	<u>\$ 760</u>	<u>182</u>	<u>-</u>	<u>5,075</u>	<u>(21,852)</u>	<u>(7,096)</u>	<u>13,086</u>	<u>\$ (9,845)</u>

The accompanying notes are an integral part of the financial statements

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES- NUTRITION PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Totals</u>
Support and revenue			
Federal Grant Awards	\$ 15,437	\$ 21,875	37,312
State Grant Awards	1,148	2,431	3,579
Project income	14,097	64,398	78,495
Donations	-	7,307	7,307
Other income	12,788	4,938	17,726
Total Support and Revenue	<u>43,470</u>	<u>100,949</u>	<u>144,419</u>
Expenses:			
Personnel	21,201	47,048	68,249
Payroll Taxes and Benefits	2,170	5,959	8,129
Travel and Training	133	130	263
Equipment	388	237	625
Communication and Utilities	1,328	1,327	2,655
Food and Disposable Supplies	17,468	42,486	59,954
Fuel -Automobiles	2	2	4
Other Program Costs	2,719	3,273	5,992
Preventative Maintenance	-	110	110
Total Direct Expenses	<u>\$ 45,409</u>	<u>\$ 100,572</u>	<u>\$ 145,981</u>
Matching Funds Transfers (In) Out	<u>\$ (1,820)</u>	<u>\$ (3,866)</u>	<u>\$ (5,686)</u>
Total Expenses	<u>\$ 43,589</u>	<u>\$ 96,706</u>	<u>\$ 140,295</u>
Net Program Income (Loss)	<u>\$ (119)</u>	<u>\$ 4,243</u>	<u>\$ 4,124</u>

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES- VETERANS PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Veterans Program	Totals
Support and Revenue:		
Veterans Program	\$ 146,620	\$ 146,620
Donations	-	-
Other	45,940	45,940
Total Support and Revenue	\$ 192,560	\$ 192,560
Expenses:		
Personnel	133,589	133,589
Payroll Taxes and Benefits	17,330	17,330
Fuel- Automobiles	7,625	7,625
Supplies	2,109	2,109
Other program costs	3,443	3,443
Preventative Maintenance	2,760	2,760
Total Direct Expenses	\$ 166,856	\$ 166,856
Net Program Income (Loss)	25,704	25,704

The accompanying notes are an integral part of the financial statements

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES- OTHER PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General Fund	SHIP Health Benefits	Life	Pass. Trans Service	Totals (1)
Support and Revenue					
State Grant Awards	\$ -	\$ 3,000	\$ -	\$ 51,107	\$ 54,107
Legislative Initiative/Elderly	-	-	223,894	-	\$ 223,894
Donations	5,193	-	-	-	\$ 5,193
Other Income	1,800	6,500	34,006	574	\$ 42,880
Total Support and Revenue	<u>\$ 6,993</u>	<u>\$ 9,500</u>	<u>\$ 257,900</u>	<u>\$ 51,681</u>	<u>\$ 326,074</u>
Expenses					
Personnel	\$ -	\$ 3,693	\$ 111,782	\$ 42,173	\$ 157,648
Payroll Taxes and Benefits	-	283	21,991	8,004	\$ 30,278
Travel and Training	-	-	116	100	\$ 216
Communication and Utilities	-	81	11,862	3,059	\$ 15,002
Equipment	-	844	-	-	\$ 844
Fuel-Automobiles	-	-	14,733	1,130	\$ 15,863
Insurance	-	-	-	-	\$ -
Other Program Costs	6,451	945	35,264	8,746	\$ 51,406
Printing and Supplies	-	63	7,032	11	\$ 7,106
Total direct expenses	<u>\$ 6,451</u>	<u>\$ 5,909</u>	<u>\$ 202,780</u>	<u>\$ 63,223</u>	<u>\$ 278,363</u>
Matching Funds Transfers (In) Out	-	-	41,283	(20,000)	21,283
Total Expenses	<u>\$ 6,451</u>	<u>\$ 5,909</u>	<u>\$ 244,063</u>	<u>\$ 43,223</u>	<u>\$ 299,646</u>
Net Program income (loss)	<u>\$ 542</u>	<u>\$ 3,591</u>	<u>\$ 13,837</u>	<u>\$ 8,458</u>	<u>\$ 26,428</u>

(1) WV Division of Public Transit provides Federal Transit Administration, Section 5310 funding to purchase transportation services from Ritchie County Intergrated Family Services, Inc. The transporation services are to be provided to seniors and individuals with disabilities.

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Federal Grantor/Pass-Through/Program</u>	<u>Term of Grant</u>	<u>CFDA Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services				
<i>Passed through Bel-O-Mar Regional Council Planning Commissions</i>				
Title III B	10/1/16-9/30/17	93.044	\$ 24,758	\$ 24,758
Title III C-1	10/1/16-9/30/17	93.045	15,437	15,437
Title III C-2	10/1/16-9/30/17	93.045	21,875	21,875
Title III E	10/1/16-9/30/17	93.052	5,005	5,005
Total U.S. Department of Health and Human Services				<u>67,075</u>
Total Federal Expenditures				<u><u>\$ 67,075</u></u>

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>State Grantor/Program</u>	<u>Term of Grant</u>	<u>Award Amount</u>	<u>State Expenditures</u>
Bel-O-Mar Regional Planning Commission			
Title III B	10/1/16-9/30/17	\$ 17,945	\$ 17,945
Legislative Initiative for the Elderly	10/1/16-9/30/17	223,894	223,894
Title C-1	10/1/16-9/30/17	1,148	1,148
Title C-2	10/1/16-9/30/17	2,431	2,431
Alzheimers Respite (FAIR)	10/1/16-9/30/17	19,901	19,901
Lighthouse PCA Program	10/1/16-9/30/17	125,375	125,375
Passenger Transportation Service	10/1/16-9/30/17	51,107	51,107
Ship Grant	04/1/16-03/31/17	3,000	<u>3,000</u>
Total State Expenditures			<u><u>\$ 444,801</u></u>

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC.
NOTES TO THE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

NOTE 1- BASIS OF PRESENTATION

The accompanying Schedules of Support, Revenue and Expenses- Personal Care, Support, Revenue and Expenses- Nutrition Programs, Support, Revenue and Expenses- Transportation Program and Support, Revenue and Expenses- Other Programs include the activity of Ritchie County Integrated Family Services, Inc. and are presented on the basis of accounting prescribed by West Virginia Bureau of Senior Services' Region 1 Area Agency on Aging. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The accompanying Schedule of Federal Awards and Schedule of State Awards are presented on the accrual basis.

The Division of Public Transit provides Federal Transit Administration, Section 5310 funding to purchase transportation services from Ritchie County Integrated Family Services, Inc. The transportation services are to be provided to seniors and individuals with disabilities.

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**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 AUDITING
GOVERNMENT STANDARDS.**

January 22, 2018
Ritchie County Integrated Family Services, Inc.
P.O. Box 195
Harrisville, West Virginia 26362

To the Board of Directors:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standard, issued by the Comptroller General of the United States, the financial statements of Ritchie County Integrated Family Services, Inc., which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated January 22, 2018, which was qualified for not capitalizing the costs of long-lived property and equipment.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ritchie County Integrated Family Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ritchie County Integrated Family Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ritchie County Integrated Family Services, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

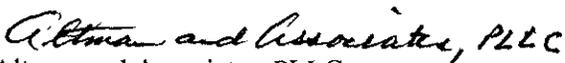
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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 Ritchie County Integrated Family Services, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ritchie County Integrated Family Services, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Altman and Associates, PLLC
Parkersburg, West Virginia