

**THE COMMITTEE ON AGING
FOR RANDOLPH COUNTY, INC.**

AUDITED FINANCIAL STATEMENTS

**For the Years Ended
September 30, 2018 &
September 30, 2017**

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**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
AUDIT FOR YEARS ENDED SEPTEMBER 30, 2018 & 2017**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Committee on Aging for Randolph County, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of the Committee on Aging for Randolph County, Inc. (a nonprofit organization), which comprise the comparative statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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.

Auditors' 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 entity's preparation and fair presentation of the financial statements 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 the entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Committee on Aging for Randolph County, Inc., as of September 30, 2018 & 2017, and the statement of activities and changes in net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental and Other Information

The schedule of revenues is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is also 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 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 May 8, 2019, on our consideration of the Committee on Aging for Randolph County, 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. 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 Committee on Aging for Randolph County, Inc.'s internal control over financial reporting and compliance (pg. 20-21).

Williams & Bright A. C.

Elkins, West Virginia
May 8, 2019

The Committee on Aging for Randolph County, Inc.
COMPARATIVE STATEMENT OF FINANCIAL POSITION
September 30, 2018 & 2017

	2018	2017
ASSETS		
Current Assets		
Cash and Equivalents	\$ 355,946	\$ 349,728
Certificates of Deposit	745,915	669,398
Investments	639,778	641,828
Accounts Receivable	135,154	141,121
Grants Receivable	128,618	82,499
Inventory	10,788	16,335
Prepaid Expenses	13,784	15,172
Total Current Assets	\$ 2,029,983	\$ 1,916,081
Fixed Assets		
Property and Equipment	1,888,035	1,906,719
Less Accumulated Depreciation	1,014,048	1,033,179
Net Fixed Assets	873,987	873,540
TOTAL ASSETS	\$ 2,903,970	\$ 2,789,621
 LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 6,048	\$ 3,141
Accrued Compensation, Taxes & Benefits	162,630	72,283
Deferred Revenue	855	-
Total Current Liabilities	\$ 169,533	\$ 75,424
Long-Term Liabilities		
OPEB Plan Liability	498,449	498,449
Total Long-Term Liabilities	498,449	498,449
TOTAL LIABILITIES	\$ 667,982	\$ 573,873
Net Assets without Restrictions	1,883,466	2,070,195
Net Assets with Restrictions	352,522	145,553
TOTAL NET ASSETS	2,235,988	2,215,748
TOTAL LIABILITIES AND NET ASSETS	\$ 2,903,970	\$ 2,789,621

The accompanying notes are an integral part of these financial statements.

The Committee on Aging for Randolph County, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>TOTAL</u>
SUPPORT			
Contributions	\$ 226,115		\$ 226,115
Grants		1,170,040	1,170,040
Program Service Fees	1,317,782		1,317,782
Project Income		135,650	135,650
Investment Return	16,665	112	16,777
Fundraising		75,270	75,270
Local Match	86,692		86,692
Rental Income	25,750		25,750
Other	64,122		64,122
TOTAL SUPPORT	<u>\$ 1,737,126</u>	<u>\$ 1,381,072</u>	<u>\$ 3,118,198</u>
EXPENSES			
Program Services	\$ 2,803,462	\$ -	2,803,462
Management and General	294,496		294,496
TOTAL EXPENSES	<u>\$ 3,097,958</u>	<u>\$ -</u>	<u>\$ 3,097,958</u>
INCREASE(DECREASE) IN NET ASSETS	(1,360,832)	1,381,072	20,240
NET ASSETS RELEASED FROM RESTRICTIONS	1,174,103	(1,174,103)	-
NET ASSETS, Beginning of Year	<u>2,070,195</u>	<u>145,553</u>	<u>2,215,748</u>
NET ASSETS, End of Year	<u>\$ 1,883,466</u>	<u>\$ 352,522</u>	<u>\$ 2,235,988</u>

The accompanying notes are an integral part of these financial statements.

The Committee on Aging for Randolph County, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2017

	Without Restrictions	With Restrictions	TOTAL
SUPPORT			
Contributions	\$ 2,482	\$ 163,299	\$ 165,781
Grants		1,149,598	1,149,598
Program Service Fees	1,362,870		1,362,870
Project Income		113,461	113,461
Investment Return	17,099	160	17,259
Fundraising	4,491	94,667	99,158
Other	36,428	188,776	225,204
	\$ 1,423,370	\$ 1,709,961	\$ 3,133,331
TOTAL SUPPORT			
 EXPENSES			
Program Services	\$ 2,767,367	\$ -	2,767,367
Management and General	496,437		496,437
	\$ 3,263,804	\$ -	\$ 3,263,804
TOTAL EXPENSES			
INCREASE(DECREASE) IN NET ASSETS	(1,840,434)	1,709,961	(130,473)
NET ASSETS RELEASED FROM RESTRICTIONS	1,713,200	(1,713,200)	-
NET ASSETS, Beginning of Year	2,197,429	148,792	2,346,221
NET ASSETS, End of Year	\$ 2,070,195	\$ 145,553	\$ 2,215,748

The accompanying notes are an integral part of these financial statements.

The Committee on Aging for Randolph County, Inc.
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2018 & 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(Decrease) in Net Assets	\$ 20,240	\$ (130,473)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	106,292	106,004
(Increase)Decrease in Operating Assets:		
Accounts Receivable	5,967	11,434
Grants Receivable	(46,119)	(19,332)
Inventory	5,547	(2,271)
Prepaid Expenses	1,388	(3,265)
Increase(Decrease) in Operating Liabilities:		
Accounts Payable	2,907	(14,638)
Accrued Compensation, Taxes & Benefits	90,347	31,156
Deferred Revenue	855	-
OPEB Liability	-	10,098
	\$ 187,424	\$ (11,287)
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOW FROM INVESTING ACTIVITIES		
Net, Purchases and Sales of Property and Equipment	(104,689)	(11,693)
NET CASH USED IN INVESTING ACTIVITIES	(104,689)	(11,693)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	-	(37,057)
Purchases and Sales of Investments	(76,517)	24,589
NET CASH USED BY FINANCING ACTIVITIES	(76,517)	(12,468)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,218	(35,448)
CASH AND CASH EQUIVALENTS, Beginning of Year	349,728	385,176
CASH AND CASH EQUIVALENTS, End of Year	\$ 355,946	\$ 349,728

The accompanying notes are an integral part of these financial statements.

The Committee on Aging for Randolph County, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2018

	Program Services										Total Program Services	Management & General	TOTAL
	Community Care/ Waiver/Case Mgt	III-B	III-C	III-D	III-E	LH	FAIR	Transit	LIFE	Other Programs			
Personnel	\$ 939,068	\$ 55,228	\$ 208,761	\$ 2,451	\$ 14,402	\$ 131,147	\$ 27,111	\$ 357,829		\$ 125,433	\$ 1,861,430	\$ 360,175	\$ 2,221,605
Travel	45,743	2,987	161		212	9,806	1,016	2,629		8,110	70,664	882	71,546
Printing & Copying	1,328		991					487		52	2,858	4,529	7,387
Postage & Shipping	328		313					730		300	1,671	2,548	4,219
Office Supplies	1,255		186			52		944		4,755	7,192	5,943	13,135
Raw Food			128,729								128,729		128,729
Disposables			8,617								8,617		8,617
Transportation			8,080								8,080		8,080
Utilities	4,932		35,666					2,091			42,689	39,957	82,646
Repairs & Maintenance	286		8,841					65,953		370	75,450	9,599	85,049
Other	3,995		2,557					6,738	15,568	60,857	89,715	99,176	188,891
Advertising	1,440		167					24,421		6,363	32,391	23,816	56,207
Insurance								26,163			26,163	8,856	35,019
Professional Fees	360										360	9,208	9,568
Rent Expense	12,000		6,000					6,900		7,200	32,100		32,100
Bad Debts	7,462	965				42				299	8,768		8,768
Small Equipment & Supplies	4,275		5,906							2,591	12,772	4,083	16,855
Loss on Sale of Fixed Assets								13,245			13,245		13,245
Depreciation												106,292	106,292
Subtotal	1,022,472	59,180	414,975	2,451	14,614	141,047	28,127	508,130	15,568	216,330	2,422,894	675,064	3,097,958
Indirect Costs	186,996	14,508	62,496	288	2,256	21,972	4,848	72,252	-	14,952	380,568	(380,568)	-
Total Functional Expenses	\$ 1,209,468	\$ 73,688	\$ 477,471	\$ 2,739	\$ 16,870	\$ 163,019	\$ 32,975	\$ 580,382	\$ 15,568	\$ 231,282	\$ 2,803,462	\$ 294,496	\$ 3,097,958

The accompanying notes are an integral part of these financial statements.

The Committee on Aging for Randolph County, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2017

	Program Services										Total Program Services	Management & General	TOTAL
	Community Care/ Waiver/Case Mgt	III-B	III-C	III-D	III-E	LH	FAIR	Transit	LIFE	Other Programs			
Personnel	\$ 1,052,105	\$ 58,181	\$ 216,059	\$ 2,531	\$ 12,968	\$ 144,510	\$ 31,534	\$ 364,641		\$ 185,202	\$ 2,067,731	\$ 273,379	\$ 2,341,110
Travel	96,543	6,907	342		779	16,758	3,425	2,509		13,528	140,791	4,059	144,850
Printing & Supplies	3,412		7,065			45	6	1,405		8,616	20,549	20,413	40,962
Raw Food			129,764							158	129,922		129,922
Disposables			9,804								9,804		9,804
Transportation			5,768								5,768		5,768
Communication & Utilities	3,037		33,636					2,247		973	39,893	37,153	77,046
Repairs & Maintenance	4,731		10,116					72,745		588	88,180	21,044	109,224
Other	27,090	52	7,823			34		14,846	17,639	123,062	190,546	12,274	202,820
Advertising	1,823							18,433		12,851	33,107	18,512	51,619
Insurance			1,000					36,941			37,941	3,599	41,540
Bad Debts	900	490				738	1,007				3,135		3,135
Depreciation											-	106,004	106,004
Subtotal	1,189,641	65,630	421,377	2,531	13,747	162,085	35,972	513,767	17,639	344,978	2,767,367	496,437	3,263,804
Indirect Costs	190,485	11,135	59,360	353	1,918	22,684	4,920	70,707	482	18,702	380,746	(380,746)	-
Total Functional Expenses	\$ 1,380,126	\$ 76,765	\$ 480,737	\$ 2,884	\$ 15,665	\$ 184,769	\$ 40,892	\$ 584,474	\$ 18,121	\$ 363,680	\$ 3,148,113	\$ 115,691	\$ 3,263,804

The accompanying notes are an integral part of these financial statements.

THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Committee on Aging for Randolph County, Inc., is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Randolph County, West Virginia. The purpose of the Organization is to study and document the needs of the seniors; to encourage, promote and aid in the establishment of programs for the seniors; to conduct programs of public education on 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 Committee on Aging for Randolph County, 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. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements of the Committee on Aging for Randolph County, Inc., have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

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

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.

Accounts Receivable

Accounts receivable represent amounts owed the Organization for services provided to clients of the Organization under contracts with the West Virginia Department of Health and Human Resources – Medicaid Waiver and Community Care Programs. In addition, the Organization uses the allowance method for accounting for bad debts whereby an allowance for doubtful accounts is established based on the realization of the accounts receivable at year end. As of September 30, 2018 and 2017, all accounts receivable are deemed collectible.

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

THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Grants Receivable

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor-restricted contributions are reported as increases in net assets with restrictions or net assets without restrictions depending on if restrictions exist. Net assets with restrictions are reclassified to net assets without restrictions when a restriction expires. The Organization uses the allowance method to determine collectibility of grants receivable. As of September 30, 2018 and 2017, all grants receivable are deemed collectible.

Cash and Cash Equivalents

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

Property and Equipment

Prior to October 1, 1990, the Organization expensed all property and equipment in the period of acquisition as directed by the grantor agencies. The Organization, effective October 1, 1990, is currently capitalizing all equipment purchases at cost and all donated equipment at fair market value and is depreciating these costs using the straight-line method over the asset's estimated useful life. All equipment/vehicles purchased with grant monies must have approval from the grantor agency to dispose of such equipment and the method of disposition. The Organization has adopted a capitalization policy in the amount of \$500.

Investments

The Organization 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.

Inventory

Inventory consists primarily of raw food, disposables, and supplies purchased under the Title III-C grant and are recorded at lower of cost (first-in, first-out basis) or market.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The organization's returns for the prior three years remain open to examination by the Internal Revenue Service.

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

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies (Continued)

Grant Monies

Grant monies are received in three ways:

- 1 – On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent. This is utilized for the LIFE and Transit program grants.
- 2 – On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-E, Title III-D, SHIP and Elder Abuse grants. Upon completion of a grant year any unexpended money has to be approved for carryover to the next year, but if approval is denied, the money has to be reimbursed to the grantor.
- 3 – Title III-C funds are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title III-C program operating expenses.

Total federal and state grant revenues for the years ended September 30, 2018 and 2017 were \$1,170,040 and \$1,149,598, respectively.

Operating expenditures made against federal and state grants are subject to audit by the Grantor agency. These agencies may subsequently make adjustments to the grant as originally awarded due to their audit findings.

Donated Facilities

Several of the Committee on Aging for Randolph County, Inc.'s facilities are owned by the Randolph County Commission. These include the main senior center building in Elkins and the nutrition sites in Mill Creek and Harman. These facilities are leased to the Organization. Since recent appraisals are not available, a fair rental value could not be reasonably calculated and recorded as donated services and rent expense in these financial statements.

Advertising

Advertising costs are expensed as incurred and totaled \$56,207 and \$51,619 for the years ended September 30, 2018 and 2017, respectively.

Note 2. Receivables

Accounts receivable consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
WV DHHR	\$ <u>135,154</u>	<u>\$141,121</u>

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

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 2. Receivables (Continued)

Grants receivable consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
LIFE	\$15,242	\$15,332
Title III-C	32,911	7,075
Title III-B	5,939	0
WV BOSS	29,828	5,000
Lighthouse/FAIR	13,372	24,134
Transit	<u>31,326</u>	<u>30,958</u>
	<u>\$128,618</u>	<u>\$82,499</u>

Note 3. Investments

The cost and estimated market value of investment securities at September 30:

<u>2018</u>	Original Cost	Gross Unrealized Gains	Estimated Market Value
Investments, Unrestricted	<u>\$ 639,778</u>	<u>\$ 0</u>	<u>\$ 639,778</u>

<u>2017</u>	Original Cost	Gross Unrealized Gains	Estimated Market Value
Investments, Unrestricted	<u>\$ 641,828</u>	<u>\$ 0</u>	<u>\$ 641,828</u>

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Organization determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instruments.

The Organization measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

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

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 3. Investments (Continued)

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Organization 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.

Note 4. Property and Equipment

Property and equipment consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 336,788	\$ 336,788
Buildings	298,122	298,122
Improvements	415,462	415,462
Furniture & Equipment	174,701	163,518
Office Equipment	92,740	92,740
Vehicles	<u>570,222</u>	<u>600,089</u>
Total Fixed Assets	1,888,035	1,906,719
Less accumulated depreciation	<u>(1,014,048)</u>	<u>(1,033,179)</u>
Net property and equipment	<u>\$ 873,987</u>	<u>\$ 873,540</u>

Note 5. Retirement Program

Certain employees are eligible to be included in the organization's retirement program. The employee contributes 4.5% of his/her gross wages which is combined with 9.5% contributed by the Committee on Aging for Randolph County, Inc. The covered employees are eligible to draw benefits upon retirement. Service contributions to the retirement program were \$38,777 and \$40,640 for 2018 & 2017, respectively. Of this amount, \$22,537 and \$22,068 was included in salaries and fringe benefits and \$16,240 and \$18,572 was included in indirect expenses on the respective statement of functional expenses.

Note 6. Other Post-Employment Benefits (Defined Benefit OPEB Plan)

The Committee on Aging for Randolph County, Inc. participates in the West Virginia Public Employee Insurance Agency's health insurance plan. In order to comply with GASB Statement No. 43 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective July 1, 2007 the Organization began recording annual required contributions (ARC) as a liability. The balance of the liability as of September 30, 2018 and 2017 was \$498,449. Total OPEB expense for the years ended September 30, 2018 and 2017 was \$0 and \$10,098, respectively.

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

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 6. Other Post-Employment Benefits (Defined Benefit OPEB Plan) (Continued)

The West Virginia Legislature passed legislation to provide alternate funding sources for OPEB unfunded liability. In addition, the PEIA Finance Board imposed limits on the retiree subsidy currently provided for PEIA premiums for retirees. Future increases in the subsidy will be limited to no more than 3% per year. These actions are expected to have a material impact on the amounts billed for OPEB in the future, resulting in credits being issued to reduce the recorded OPEB liability.

Note 7. Support Concentration

The Committee on Aging for Randolph County, Inc., receives approximately 36% of its support from the West Virginia Department of Health and Human Services for providing services under the Medicaid Waiver and Community Care programs. Any significant reduction in the level of support from these sources could have a material effect on the Organization's programs and activities.

Note 8. Split-Interest Agreement (Trust)

The Committee on Aging for Randolph County, Inc., is the beneficiary of a perpetual trust created on March 1, 1984 and held by Davis Trust Company. The Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The income is restricted to pay for "recurring expenses" incurred by the Organization. The funds held in trust are owned by the Organization and are therefore reflected on the Statement of Financial Position as Investments.

The Organization is also the beneficiary of a perpetual trust created on August 13, 1984 by the Randolph County Commission and held by Citizens National Bank. The Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. The income is restricted to pay for "general operating expenses," but cannot be used to pay salaries. The funds held in trust remain the property of the Randolph County Commission; therefore, they are not reflected on the Statements of Financial Position.

Note 9. Transportation Grants

As a Section 5310/5311 Public Transit agency, the Committee on Aging for Randolph County, Inc., is the recipient of grants from the WV Department of Transportation, Division of Public Transit. These grants provide funds for the Organization for operating assistance and to purchase vehicles. The Organization received two Section 5311 vehicles during the year ended September 30, 2018, totaling \$108,802. No vehicles were received in 2017.

Note 10. Subsequent Events

The Committee on Aging for Randolph County, Inc.'s management has evaluated subsequent events through the date of the audit report and determined that there are no events that need reported.

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

**THE COMMITTEE ON AGING FOR RANDOLPH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 11. Contingent Liability

The Committee on Aging for Randolph County, Inc. is the defendant in three civil lawsuits concerning three former employees. The Organization believes it will be successful in its defense of the allegations and does not believe any liability will result from it. Therefore, no liability has been recognized in these financial statements.

Note 12. Concentration of Credit Risk

During the fiscal year, the Committee on Aging for Randolph County, Inc. at times had funds on deposit in financial institutions well in excess of the \$250,000 insured by the Federal Deposit Insurance Corporation. Financial institutions have placed funds through the Certificate of Deposit Account Registry Services (CDARS) in order to mitigate this risk.

Note 13. Restricted Net Assets

The statement of financial position contains net assets with restrictions comprised of cash from grantors and fundraising restricted as to use. In addition, the board has restricted the cash and certificates of deposits totaling \$52,050 to cover the accrued leave liability.

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

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Pass-Through Programs from Upper Potomac Area Agency on Aging:			
U.S. Department of Health & Human Services:			
Administration for Community Living Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers	93.044		\$ 41,047
Administration for Community Living Special Programs for the Aging Title III Part D Disease Prevention and Health Promotion Services	93.043		\$ 2,218
Administration for Community Living Special Programs for the Aging Title III Part E National Family Caregiver Support	93.052		\$ 12,451
Administration for Community Living Special Programs for the Aging Title III Part C Nutrition Services (includes state award)	93.045		\$ 210,008
<i>Total US Department of Health & Human Services</i>			<u>\$ 265,724</u>
Pass-Through Program from WV Department of Transportation:			
United States Department of Transportation:			
Federal Transit Administration Formula Grants for Rural Areas	20.509		<u>\$ 367,639</u>
<i>Total US Department of Transportation</i>			<u>\$ 367,639</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 633,363</u></u>

The accompanying notes are an integral part of this schedule.

The Committee on Aging for Randolph County, Inc.
SCHEDULE OF REVENUES
For the Year Ended September 30, 2018

	III-B	III-D	III-E	III-C	FAIR	COC/ Waiver	Lighthouse	Transit	Other	TOTALS
GRANT REVENUES										
Federal	\$ 41,047	\$ 2,218	\$ 12,451	\$ 210,008	\$ -	\$ -	\$ -	\$ 367,639		\$ 633,363
State	14,348	127	-	-	32,662		155,972	75,000	64,428	342,537
LIFE 2017-18	20,902		1,498	26,128	1,300		7,800	71,567	7,606	136,801
LIFE 2018-19	5,512			12,302	400		1,000	26,590	4,035	49,839
Other				7,500						7,500
Total Grant Revenues	81,809	2,345	13,949	255,938	34,362	-	164,772	540,796	76,069	1,170,040
OTHER REVENUES										
Contributions										
Individual and Businesses	\$ 314	\$ -	\$ -	\$ 18,297	\$ -	\$ -	\$ -	\$ 6,829	\$ 100,675	\$ 126,115
Local Government				51,000				49,000		100,000
Program Service Fees					2,907	1,133,765	12,603	16,973	151,534	1,317,782
Project Income	8,865		1,036	80,592				45,007	150	135,650
Investment Return								74	16,703	16,777
Fundraising									75,270	75,270
Local Match	7,239	360	4,150	48,443				26,500		86,692
Rental Income									25,750	25,750
Other	150			17,729					46,243	64,122
Total Other Revenues	16,568	360	5,186	216,061	2,907	1,133,765	12,603	144,383	416,325	1,948,158
TOTAL REVENUES	\$ 98,377	\$ 2,705	\$ 19,135	\$ 471,999	\$ 37,269	\$ 1,133,765	\$ 177,375	\$ 685,179	\$ 492,394	\$ 3,118,198

The accompanying notes are an integral part of these financial statements.

The Committee on Aging for Randolph County, Inc.
STATEMENT OF REVENUES
For the Year Ended September 30, 2017

	III-B	III-D	III-E	III-C	FAIR	COC/ Waiver	Lighthouse	Transit	Other	TOTALS
GRANT REVENUES										
Federal	\$ 44,725	\$ 2,218	\$ 16,009	\$ 105,321	\$ -	\$ -	\$ -	\$ 266,630	\$ -	\$ 434,903
State	14,348	127		114,620	36,753		179,105	75,000	54,957	474,910
LIFE 2016-17	20,958	360		25,146	605		3,500	80,434	40,590	171,593
LIFE 2017-18	6,721			10,560	400		2,000	27,405	13,806	60,892
Private				5,000					2,300	7,300
Total Grant Revenues	86,752	2,705	16,009	260,647	37,758	-	184,605	449,469	111,653	1,149,598
OTHER REVENUES										
Contributions										
Individual and Businesses	\$ 2,936	\$ -	\$ 2	\$ 18,978	\$ -	\$ -	\$ 250	\$ 39,133	\$ 2,482	\$ 63,781
Local Government				68,000				\$ 34,000		102,000
Program Service Fees					1,930	1,260,515		26,708	73,717	1,362,870
Project Income	10,045		807	100,239				2,290	80	113,461
Investment Return	2			2		19		72	17,164	17,259
Fundraising									99,158	99,158
Other	900			5,136			14,143	25,459	179,566	225,204
Total Other Revenues	13,883	-	809	192,355	1,930	1,260,534	14,393	127,662	372,167	1,983,733
TOTAL REVENUES	\$ 100,635	\$ 2,705	\$ 16,818	\$ 453,002	\$ 39,688	\$ 1,260,534	\$ 198,998	\$ 577,131	\$ 483,820	\$ 3,133,331

The accompanying notes are an integral part of these financial statements.

**Independent Auditors' 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
The Committee on Aging for Randolph County, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Committee on Aging for Randolph County, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2018 and 2017, the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 8, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Committee on Aging for Randolph County, 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 the Committee on Aging for Randolph County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Committee on Aging for Randolph County, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 the Committee on Aging for Randolph County 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 on 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 & Bright A. C.

Elkins, West Virginia
May 8, 2019

May 8, 2019

The Committee on Aging for Randolph County Inc
Elkins, West Virginia 26241

Our audit on the financial statements of Committee on Aging for Randolph County Center, Inc., for the years ended September 30, 2018 and 2017, highlighted areas where we would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since our audit was not designed to include a complete review of all systems, procedures and controls, the following comments and recommendations should not be considered to be all inclusive of the areas where improvements may be necessary.

SIGNIFICANT DEFICIENCIES

2018-1 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 organization 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 organization 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 organization's internal controls.

Recommendation: We recommend responsibilities of approval, execution, recording and custody should 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.

Williams & Bright AC

Elkins, West Virginia