

**Raleigh County Commission on Aging, Inc.**

**Independent Auditors' Report  
and  
Financial Statements**

**September 30, 2016**

# Raleigh County Commission on Aging, Inc.

## Table of Contents

	<u>Page</u>	
<b>Independent Auditors' Report</b> .....	1-2	
<b>Financial Statements</b>		
Statement of Financial Position .....	3	
Statement of Activities.....	4	
Statement of Functional Expenses .....	5-7	
Statement of Cash Flows .....	8	
Notes to Financial Statements.....	9-13	
<b>Supplementary Information</b>		
Schedule of Revenue and Support .....	14	
Schedule of Expenditures of State Awards.....	15	
<b>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 <i>Government Auditing Standards</i></b> .....		16-17

# Herman & Cormany

## Certified Public Accountants, A.C.

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Accountants & Consultants

### Independent Auditors' Report

To the Board of Directors  
Raleigh County Commission on Aging, Inc.

#### Report on the Financial Statements

We have audited the accompanying financial statements of Raleigh County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the 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 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 audit opinion.

To the Board of Directors  
Raleigh County Commission on Aging, Inc.  
Page two

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raleigh County Commission on Aging, Inc. as of September 30, 2016, 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.

### **Report on Summarized Comparative Information**

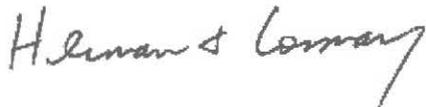
We have previously audited the Raleigh County Commission on Aging, Inc.'s 2015 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated September 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The statement of revenue and support on page 14 and the schedule of expenditures of state awards on page 15, 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 July 19, 2017, on our consideration of Raleigh County Commission on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 Raleigh County Commission on Aging, Inc.'s internal control over financial reporting and compliance.



Charleston, WV  
July 19, 2017

**Raleigh County Commission on Aging, Inc.**

**Statement of Financial Position**

**September 30, 2016, with Comparative Totals  
as of September 30, 2015**

<b>Assets</b>	<b>2016</b>	<b>2015</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$1,066,996	\$1,334,414
Accounts receivable, net	771,955	670,223
Grants receivable	<u>157,149</u>	<u>170,167</u>
<b>Total Current Assets</b>	<u>1,996,100</u>	<u>2,174,804</u>
<b>Noncurrent Assets</b>		
Land	179,315	179,315
Buildings	4,263,740	3,536,502
Furniture, fixtures, and equipment	254,010	220,825
Vehicles	<u>293,784</u>	<u>370,920</u>
	4,990,849	4,307,562
Less accumulated depreciation	<u>1,394,465</u>	<u>1,342,322</u>
<b>Total Noncurrent Assets</b>	<u>3,596,384</u>	<u>2,965,240</u>
<b>Total Assets</b>	<u>\$5,592,484</u>	<u>\$5,140,044</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 21,649	\$ 30,098
Current portion of long-term debt	48,558	-0-
Accrued wages payable	118,735	112,380
Accrued annual leave	13,891	14,438
Payroll taxes and withholdings	<u>54,970</u>	<u>60,220</u>
<b>Total Current Liabilities</b>	<u>257,803</u>	<u>217,136</u>
<b>Long-Term Debt, less current portion</b>	<u>377,995</u>	<u>-0-</u>
<b>Net Assets</b>		
Unrestricted	<u>4,956,686</u>	<u>4,922,908</u>
<b>Total Net Assets</b>	<u>4,956,686</u>	<u>4,922,908</u>
<b>Total Liabilities and Net Assets</b>	<u>\$5,592,484</u>	<u>\$5,140,044</u>

See accompanying notes to financial statements.

# Raleigh County Commission on Aging, Inc.

## Statement of Activities

For the Year Ended September 30, 2016, with Comparative Totals  
as of September 30, 2015

	2016			2015 Total
	Unrestricted	Temporarily Restricted	Total	
<b>Revenues, Gains and Other Support</b>				
Grants				
Appalachian Area Agency on Aging	\$ -0-	\$ 356,137	\$ 356,137	\$ 310,020
Bureau of Senior Services	-0-	712,964	712,964	810,323
Other	-0-	14,500	14,500	23,196
Medicaid waiver	1,704,693	-0-	1,704,693	1,887,311
Personal care and case management	1,522,763	-0-	1,522,763	1,553,855
Nutrition contract - AAA	-0-	375,071	375,071	418,823
United Way of Southern WV	20,000	-0-	20,000	18,750
Program and private pay services	181,421	-0-	181,421	184,473
Contributions	9,272	-0-	9,272	13,372
Interest income	577	-0-	577	552
Rental income	19,936	-0-	19,936	18,268
Other miscellaneous	29,802	-0-	29,802	22,713
Net assets released from restrictions				
Satisfaction of grant activities	<u>1,458,672</u>	<u>(1,458,672)</u>	<u>-0-</u>	<u>-0-</u>
<b>Total Revenues, Gains, and Other Support</b>	<u>4,947,136</u>	<u>-0-</u>	<u>4,947,136</u>	<u>5,261,656</u>
<b>Expenses and Losses</b>				
Program Services:				
Title III-B	151,871	-0-	151,871	175,933
Title III-D	31,875	-0-	31,875	39,470
Title III-E	109,895	-0-	109,895	112,233
Title III-C - congregate	306,369	-0-	306,369	356,447
Title III-C - home delivered	388,285	-0-	388,285	406,285
LIFE	69,658	-0-	69,658	65,057
Waiver	1,565,574	-0-	1,565,574	1,653,328
Personal Care	1,043,950	-0-	1,043,950	1,128,165
Transportation	58,095	-0-	58,095	64,343
Fair	128,690	-0-	128,690	128,370
Lighthouse	628,134	-0-	628,134	530,128
Living Well Elder Care	26,625	-0-	26,625	27,453
Case Management	110,449	-0-	110,449	110,835
Management and general	<u>293,888</u>	<u>-0-</u>	<u>293,888</u>	<u>302,810</u>
<b>Total Expenses and Losses</b>	<u>4,913,358</u>	<u>-0-</u>	<u>4,913,358</u>	<u>5,100,857</u>
<b>Change in Net Assets</b>	33,778	-0-	33,778	160,799
<b>Net Assets, Beginning of Year</b>	<u>4,922,908</u>	<u>-0-</u>	<u>4,922,908</u>	<u>4,762,109</u>
<b>Net Assets, End of Year</b>	<u>\$4,956,686</u>	<u>\$ -0-</u>	<u>\$4,956,686</u>	<u>\$4,922,208</u>

See accompanying notes to financial statements.

**Raleigh County Commission on Aging, Inc.**

**Statement of Functional Expenses**

**For the Year Ended September 30, 2016, with Comparative Totals  
as of September 30, 2015**

	<u>Title III C</u>				
	<u>Title IIIB</u>	<u>Title IIID</u>	<u>Title IIIE</u>	<u>Congregate</u>	<u>Home Delivered</u>
Expenses:					
Salaries and wages	\$ 69,182	\$18,957	\$ 83,787	\$ 95,574	\$149,002
Taxes and benefits	13,527	2,690	13,047	15,961	24,669
Contract services	-0-	-0-	-0-	-0-	-0-
Mileage	-0-	-0-	-0-	-0-	-0-
Travel & training	619	135	446	799	443
Raw food	952	-0-	-0-	100,683	155,471
Medical supplies	-0-	-0-	-0-	-0-	-0-
Disposables	232	-0-	-0-	12,809	17,148
Gas and oil	8,749	-0-	-0-	1,247	3,757
Repairs & maintenance (vans)	12,599	-0-	550	1,603	6,108
Insurance	1,093	-0-	110	-0-	367
Maintenance contract	1,794	82	446	1,932	1,517
Office supplies	5,403	331	1,254	5,790	4,257
Postage expenses	1,879	86	468	1,839	1,774
Equipment rental and repair	246	71	343	2,460	1,169
Equipment	6,479	346	1,886	11,649	6,549
Building repair & maintenance	8,255	3,553	1,898	16,137	6,262
Utilities	13,432	4,878	2,810	20,465	3,970
Parking rent	-0-	-0-	-0-	-0-	-0-
Advertising	3,855	195	1,278	4,600	3,611
Other taxes & licenses	868	48	250	1,091	857
Professional services	912	369	373	1,605	242
Activities	822	44	259	4,724	789
Bank charges	-0-	-0-	-0-	-0-	-0-
Other	973	90	690	5,401	323
Interest	-0-	-0-	-0-	-0-	-0-
Bad debts	-0-	-0-	-0-	-0-	-0-
Depreciation expense	-0-	-0-	-0-	-0-	-0-
 Total Expenses	 <u>\$151,871</u>	 <u>\$31,875</u>	 <u>\$109,895</u>	 <u>\$306,369</u>	 <u>\$388,285</u>

See accompanying notes to financial statements.

**Raleigh County Commission on Aging, Inc.**

**Statement of Functional Expenses (Continued)**

**For the Year Ended September 30, 2016, with Comparative Totals  
as of September 30, 2015**

	<u>Living Well Elder Care</u>	<u>Case Management</u>	<u>Personal Care</u>	<u>Transportation</u>	<u>Life</u>
Expenses:					
Salaries and wages	\$13,771	\$ 89,824	\$ 876,616	\$41,224	\$30,906
Taxes and benefits	2,787	13,341	139,158	4,749	4,639
Contract services	-0-	-0-	-0-	-0-	-0-
Mileage	29	-0-	-0-	-0-	-0-
Travel & training	89	125	3,788	-0-	52
Raw food	-0-	2	19	-0-	-0-
Medical supplies	-0-	-0-	1,359	-0-	-0-
Disposables	-0-	-0-	-0-	-0-	-0-
Gas and oil	-0-	-0-	-0-	4,628	-0-
Repairs & maintenance (vans)	-0-	-0-	2	6,246	-0-
Insurance	-0-	-0-	-0-	190	29,806
Maintenance contract	125	431	602	-0-	109
Office supplies	473	1,198	1,977	61	494
Postage expenses	88	463	630	-0-	114
Equipment rental and repair	226	342	463	-0-	84
Equipment	1,344	1,712	2,378	-0-	430
Building repair & maintenance	2,637	635	1,138	2	967
Utilities	3,696	756	1,664	995	1,457
Parking rent	-0-	-0-	-0-	-0-	-0-
Advertising	616	1,074	4,213	-0-	259
Other taxes & licenses	192	57	1,111	-0-	61
Professional services	272	58	2,013	-0-	127
Activities	45	215	322	-0-	59
Bank charges	-0-	-0-	-0-	-0-	-0-
Other	235	216	6,497	-0-	94
Interest	-0-	-0-	-0-	-0-	-0-
Bad debts	-0-	-0-	-0-	-0-	-0-
Depreciation expense	-0-	-0-	-0-	-0-	-0-
Total Expenses	<u>\$ 26,625</u>	<u>\$110,449</u>	<u>\$1,043,950</u>	<u>\$58,095</u>	<u>\$69,658</u>

See accompanying notes to financial statements.

**Raleigh County Commission on Aging, Inc.**

**Statement of Functional Expenses (Continued)**

**For the Year Ended September 30, 2016, with Comparative Totals  
as of September 30, 2015**

	<u>Lighthouse</u>	<u>Fair</u>	<u>Waiver</u>	<u>Admn. &amp; General</u>	<u>Totals</u>	<u>2015 Totals</u>
Expenses:						
Salaries and wages	\$519,528	\$100,811	\$1,247,614	\$ 70,272	\$3,407,068	\$3,473,177
Taxes and benefits	93,803	18,146	231,331	8,188	586,036	578,965
Contract services	-0-	-0-	-0-	-0-	-0-	1,658
Mileage	-0-	-0-	29,427	-0-	29,456	51,964
Travel & training	1,600	349	3,319	-0-	11,764	16,769
Raw food	10	-0-	41	22	257,200	305,088
Medical supplies	903	179	1,826	-0-	4,267	6,018
Disposables	-0-	-0-	-0-	-0-	30,189	33,150
Gas and oil	-0-	-0-	-0-	-0-	18,381	31,985
Repairs & maintenance (vans)	-0-	-0-	-0-	486	27,594	25,271
Insurance	-0-	-0-	-0-	-0-	31,566	27,130
Maintenance contract	413	109	739	68	8,367	7,310
Office supplies	1,317	323	2,362	200	25,440	31,456
Postage expenses	464	114	812	-0-	8,731	8,013
Equipment rental and repair	341	84	597	78	6,504	4,135
Equipment	1,657	433	3,065	(16,900)	21,028	23,759
Building repair & maintenance	821	2,659	2,381	432	47,777	62,270
Utilities	1,052	3,924	2,940	498	62,537	64,200
Parking rent	-0-	-0-	-0-	-0-	-0-	2,912
Advertising	2,220	474	4,127	163	26,685	38,779
Other taxes & licenses	253	61	438	36	5,323	1,448
Professional services	894	511	1,786	9,572	18,734	28,877
Activities	239	56	418	1,870	9,862	22,475
Bank charges	-0-	-0-	-0-	3,157	3,157	6,068
Other	2,619	457	32,351	-0-	49,946	81,632
Interest	-0-	-0-	-0-	15,082	15,082	-0-
Bad debts	-0-	-0-	-0-	25,929	25,929	23,944
Depreciation expense	-0-	-0-	-0-	174,735	174,735	142,404
Total Expenses	<u>\$628,134</u>	<u>\$128,690</u>	<u>\$1,565,574</u>	<u>\$293,888</u>	<u>\$4,913,358</u>	<u>\$5,100,857</u>

See accompanying notes to financial statements.

**Raleigh County Commission on Aging, Inc.**

**Statement of Cash Flows**

**For the Year Ended September 30, 2016, with Comparative Totals  
as of September 30, 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 33,778	\$ 160,799
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	174,735	142,404
Gain on sale of vehicles	(2,801)	-0-
(Increase) decrease in operating assets:		
Accounts receivable	(101,732)	94,391
Grants receivable	13,018	(73,821)
Increase (decrease) in operating liabilities:		
Accounts payable	(8,449)	25,208
Accrued wage payable	6,355	100,137
Accrued annual leave	(547)	14,438
Accrued payroll taxes and withholdings	<u>(5,250)</u>	<u>22,597</u>
<b>Net Cash Provided By Operating Activities</b>	<u>109,107</u>	<u>486,153</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of buildings and equipment	(243,879)	(920,161)
Proceeds from sale of vehicle	<u>2,801</u>	<u>-0-</u>
<b>Net Cash Used In Investing Activities</b>	<u>(241,078)</u>	<u>(920,161)</u>
<b>Cash Flows From Financing Activities</b>		
Principal payments on long-term debt	<u>(135,447)</u>	<u>-0-</u>
<b>Net Cash Used in Financing Activities</b>	<u>(135,447)</u>	<u>-0-</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(267,418)	(434,008)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>1,334,414</u>	<u>1,768,422</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$1,066,996</u>	<u>\$1,334,414</u>
<b>Non-Cash Investing and Financing Activities:</b>		
Building construction costs financed with long-term debt	<u>\$ 562,000</u>	<u>\$ -0-</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Interest paid	<u>\$ 15,082</u>	<u>\$ -0-</u>

See accompanying notes to financial statements.

# Raleigh County Commission on Aging, Inc.

## Notes to Financial Statements

September 30, 2016, with Comparative Totals  
as of September 30, 2015

### Note A – Summary of Significant Accounting Policies

Nature of Activities - Raleigh County Commission on Aging, Inc. is a nonprofit corporation, created by an act of the Raleigh County Commission on October 1, 1980. The organization was formed to provide a governing and management body for a senior citizens program in Raleigh County, WV, and to set up the necessary organizations, committees, and functions to further all possible interest and participation in benefits and programs for the senior population of Raleigh County. Funding for the organization consists of Medicaid revenues received for services performed and federal and state grant programs which are utilized to enhance the mission of the Organization.

Basis of Accounting and Financial Statement Presentation – The financial statements of Raleigh County Commission on Aging, Inc. are prepared in accordance with generally accepted accounting principles (GAAP); using the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized when grantor eligibility requirements are met.

Source of Revenue - Raleigh County Commission on Aging, Inc. receives revenues in the form of grants from Title IIB, Title IID, Title III E, Title III C, Title VII (Elder Abuse), the Life Plan Grant, the Lighthouse Grant, the Fair Grant, the Healthy Benefit/SHIP Grant, a Community Partnership Grant, a Transportation Grant, and other various grants from organizations when approved. Grants are recognized when grantor eligibility requirements are met. Raleigh County Commission on Aging, Inc. also receives revenue from personal care services, serviced billed through the Medicaid/Waiver program, case management services, private pay services, day care services, catering services, rents paid on short term rentals of conference rooms and dining facilities, transportation services, and donations.

Net Asset Recognition - The organization is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net assets:* Net assets that are not subject to any donor-imposed stipulations.

*Temporarily restricted net assets:* Net assets subject to donor-imposed restriction on their use that may be met either by actions of the Organization or the passage of time.

*Permanently restricted net assets:* Net assets subject to donor-imposed or other legal restrictions requiring that principal be maintained permanently by the Organization.

At September 30, 2016, the Organization did not have activities that created net assets that would be recorded as temporarily or permanently restricted at September 30, 2016.

**Raleigh County Commission on Aging, Inc.**

**Notes to Financial Statements**

**September 30, 2016, with Comparative Totals  
as of September 30, 2015**

**Note A – Summary of Significant Accounting Policies (Continued)**

Expense Allocation - Expenses are charged to programs and supporting services based on grant stipulations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes - Raleigh County Commission on Aging, Inc. has been granted an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation.

As of September 30, 2016, the tax years that remain subject to examination by taxing authorities begin with 2013. Tax returns for 2013, 2014, 2015 and 2016 remain open to examination by taxing authorities. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

Use of Estimates - Raleigh County Commission on Aging, Inc. as do all entities, relies on management's estimates in the preparation of their financial statements. Actual results could differ from those estimates.

Cash Equivalents - For purposes of the statement of cash flows, the organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts/Grants Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. Management utilizes a bad debt expense account to track uncollectible amounts. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. The determination of uncollectability is based on historical bad debt experience and an evaluation of the periodic aging of accountings.

Advertising - Advertising costs are expensed as incurred. The total advertising expense for the years ended September 30, 2016 and 2015 is \$26,685 and \$38,779, respectively.

Comparative Totals - The financial statements include certain prior year summarized comparative information in total but not by net class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2015, from which the summarized information was derived.

# Raleigh County Commission on Aging, Inc.

## Notes to Financial Statements

September 30, 2016, with Comparative Totals  
as of September 30, 2015

### Note A – Summary of Significant Accounting Policies (Continued)

Reclassifications - Certain amounts in the 2015 comparative financial statements have been reclassified to conform to the classifications reported in the financial statements for the year ended September 30, 2016.

Property and Equipment and Depreciation - Property and equipment are stated at cost or, if donated, at fair market value at date of donation less accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of the assets. The Organization's policy is to capitalize assets costing greater than \$1,000. 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 expenses as incurred.

Major classifications of capital assets of Raleigh County Commission on Aging, Inc. along with their respective useful lives at September 30, 2016 are summarized below:

<u>Classification</u>	<u>Useful Lives</u>
Building	5-30 years
Furniture, fixtures and equipment	3-7 years
Vehicles	5 years

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

### Note B – Allowance for Uncollectible Accounts Receivable

The Organization uses the direct write-off method and the allowance method to record uncollectible accounts receivable. The determination of uncollectability is based on historical bad debt experience and an evaluation of the periodic aging of accounts. During the years ended September 30, 2016 and 2015, the Organization directly wrote off uncollectible accounts receivable of \$25,929 and \$23,944, respectively.

Additionally, the Organization has an allowance for losses on additional accounts receivable of \$34,267 and \$23,932 for the years ended September 30, 2016 and 2015, respectively, for potentially uncollectible receivables. The amount is recorded in the accompanying financial statements as follows:

	<u>2016</u>	<u>2015</u>
Accounts receivable	\$806,222	\$694,155
Allowance for doubtful accounts	<u>(34,267)</u>	<u>(23,932)</u>
	<u>\$771,955</u>	<u>\$670,223</u>

# Raleigh County Commission on Aging, Inc.

## Notes to Financial Statements

September 30, 2016, with Comparative Totals  
as of September 30, 2015

### Note C – Business and Credit Concentration

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization's bank accounts are collateralized by U.S. Treasury notes held with the federal reserve in New York.

Additionally, the Organization receives a majority of its revenues from services rendered and federal and state grant funds. A material reduction in those services or grant support would have a significant impact on the Organization's programs and activities.

### Note D - Grants Receivable

The total grants receivable by program at September 30, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Title IIIB	\$ 9,211	\$ 6,237
Title IIID	351	605
Life	9,151	32,239
Title IIIE	3,358	11,192
Lighthouse and FAIR	103,774	88,402
Nonmedicaid services		
29,280	26,968	
Elder Abuse	2,024	2,024
MIPPA	-0-	2,500
	<u>\$157,149</u>	<u>\$170,167</u>

### Note E - Donated Services

The value of donated volunteer services is not reflected in the accompanying financial statements, since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers, including the Board of Directors (who receive no fees for performing their duties as members, officers, or special committee members) have donated their time, which has not been recorded as revenue and an offsetting expense in the financial statements.

### Note F - Tax Deferred Annuity Plan

The Organization has a defined contribution retirement plan for its employees which is authorized under Internal Revenue Code Section 403(b). Employees are eligible to participate once they are 18 years old and have been employed for six months. The Organization make contributions to the plan at an amount equal to 8% of the contributions made by each eligible employee. The Organization's expense related to this plan for the years ended September 30, 2016 and 2015 was \$3,027 and \$1,739, respectively.

**Raleigh County Commission on Aging, Inc.**

**Notes to Financial Statements**

**September 30, 2016, with Comparative Totals  
as of September 30, 2015**

**Note G – Notes Payable**

Notes payable at September 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Notes payable to a bank, bearing interest at 3.75% and payable in monthly installment of \$5,623 through April, 2026. Secured by building.	\$426,553	\$ -0-
Less: current portion of long-term debt	<u>48,558</u>	<u>-0-</u>
	<u>\$377,995</u>	<u>\$ -0-</u>

The following is a schedule of maturities of long-term debt as of September 30, 2016:

2017	\$ 48,558
2018	50,410
2019	52,333
2020	54,329
2021	56,402
Thereafter	<u>164,521</u>
	<u>\$426,553</u>

**Note H - Subsequent Events**

Subsequent events were evaluated through July 19, 2017, which is the date the financial statements were available to be issued, and determined that there are no subsequent events that require disclosure.

## **Supplementary Information**

**Raleigh County Commission on Aging, Inc.**

**Schedule of Revenue and Support**

**For the Year Ended September 30, 2016**

	<u>Title III C</u>				
	<u>Title IIIB</u>	<u>Title IIID</u>	<u>Title IIIE</u>	<u>Congregate</u>	<u>Home Delivered</u>
<b>Revenue</b>					
Federal monies	\$63,053	\$6,489	\$44,827	\$ 85,941	\$109,483
State monies	33,240	1,344	15,800	83,713	125,552
Donations/other grants	-0-	-0-	-0-	15,652	1,500
Personal Care Services	-0-	-0-	-0-	-0-	-0-
Program income	896	95	-0-	81,416	11,672
Private pay in home services	-0-	-0-	-0-	-0-	-0-
Building space revenue	-0-	-0-	-0-	-0-	-0-
Miscellaneous revenue	-0-	-0-	-0-	-0-	20,000
<b>Total Revenue</b>	<u>\$97,189</u>	<u>\$7,928</u>	<u>\$60,627</u>	<u>\$266,722</u>	<u>\$268,207</u>

	<u>Living Well Elder Care</u>	<u>Case Management</u>	<u>Personal Care</u>	<u>Transportation</u>	<u>Life</u>
<b>Revenue</b>					
Federal monies	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State monies	2,024	-0-	-0-	-0-	159,743
Donations/other grants	-0-	-0-	-0-	-0-	-0-
Personal care services	-0-	-0-	1,434,494	-0-	-0-
Program income	-0-	88,269	-0-	6,408	-0-
Private pay in home services	-0-	-0-	-0-	-0-	-0-
Day care revenue	6,547	-0-	-0-	-0-	-0-
Miscellaneous revenue	5,250	-0-	-0-	-0-	-0-
<b>Total Revenue</b>	<u>\$13,821</u>	<u>\$88,269</u>	<u>\$1,434,494</u>	<u>\$6,408</u>	<u>\$159,743</u>

	<u>Lighthouse</u>	<u>Fair</u>	<u>Waiver</u>	<u>Admin. &amp; General</u>	<u>Totals</u>
<b>Revenue</b>					
Federal monies	\$ -0-	\$ -0-	\$ -0-	\$ 8,250	\$ 318,043
State monies	604,105	100,609	-0-	-0-	1,126,130
Donations/other grants	-0-	-0-	-0-	6,620	23,772
Personal care services	-0-	-0-	1,686,420	-0-	3,120,914
Program income	-0-	2,280	-0-	-0-	191,036
Private pay in home services	54,389	5,755	-0-	11,963	72,107
Building space revenue	-0-	-0-	-0-	19,936	19,936
Day Care Revenue	-0-	-0-	-0-	-0-	6,547
Miscellaneous revenue	-0-	-0-	18,273	25,128	68,651
<b>Total Revenue</b>	<u>\$658,494</u>	<u>\$108,644</u>	<u>\$1,704,693</u>	<u>\$71,897</u>	<u>\$4,947,136</u>

See independent auditor's report.

**Raleigh County Commission on Aging, Inc.**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended September 30, 2016**

	<u>Grant Period</u>	<u>State Expenditure</u>
<b>Direct Programs</b>		
WV Bureau of Senior Services		
Lighthouse	June 30, 2016	\$433,265
Lighthouse	June 30, 2017	170,840
FAIR	June 30, 2016	66,821
FAIR	June 30, 2017	<u>33,788</u>
<b>Total Direct Programs</b>		<u>704,714</u>
 <b>Pass-through Awards</b>		
Appalachian Area Agency on Aging		
IIIB State	September 30, 2016	33,240
IIIC-1	September 30, 2016	73,806
IIIC-2	September 30, 2016	105,841
IIID	September 30, 2016	1,344
IIIE	September 30, 2016	15,800
LIFE	June 30, 2016	24,485
LIFE	June 30, 2017	164,876
Elder Abuse	September 30, 2016	<u>2,024</u>
<b>Total pass-through awards</b>		<u>421,416</u>
<b>Total Expenditures of State Awards</b>		<u>\$1,126,130</u>

See independent auditor's report.

# Herman & Cormany

## Certified Public Accountants, A.C.

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Accountants & Consultants

### **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  
Raleigh County Commission on Aging, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Raleigh County Commission on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, 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 July 19, 2017.

#### **Internal Control over Financial Reporting**

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

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

To the Board of Directors  
Raleigh County Commission on Aging, Inc.  
Page two

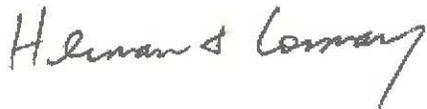
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Raleigh County Commission on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.



Charleston, West Virginia  
July 19, 2017