

Raleigh County Commission on Aging, Inc.

**Independent Auditors' Report
and
Financial Statements**

September 30, 2018

Raleigh County Commission on Aging, Inc.

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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, 2018, 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.
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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, 2018, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017 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 March 4, 2019, 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 solely 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 the effectiveness of Raleigh County Commission on Aging, Inc.'s 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
March 4, 2019

Raleigh County Commission on Aging, Inc.

Statement of Financial Position

September 30, 2018, with Comparative Totals
as of September 30, 2017

Assets	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and cash equivalents	\$1,567,528	\$1,529,117
Accounts receivable, net	586,790	587,106
Grants receivable	118,327	125,670
Prepaid expenses	<u>12,303</u>	<u>12,303</u>
Total Current Assets	<u>2,284,948</u>	<u>2,254,196</u>
Noncurrent Assets		
Land	179,315	179,315
Buildings	4,263,740	4,263,740
Furniture, fixtures, and equipment	286,658	266,966
Vehicles	<u>348,720</u>	<u>257,538</u>
	5,078,433	4,967,559
Less accumulated depreciation	<u>1,773,738</u>	<u>1,539,794</u>
Total Noncurrent Assets	<u>3,304,695</u>	<u>3,427,765</u>
Total Assets	<u>\$5,589,643</u>	<u>\$5,681,961</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$9,400	\$ 20,627
Current portion of long-term debt	10,541	55,050
Accrued wages payable	141,169	135,842
Accrued annual leave	22,304	22,304
Payroll taxes and withholdings	<u>61,994</u>	<u>56,942</u>
Total Current Liabilities	<u>245,408</u>	<u>290,765</u>
Long-Term Debt, less current portion	<u>-0-</u>	<u>167,846</u>
Net Assets		
Unrestricted	<u>5,344,235</u>	<u>5,223,350</u>
Total Net Assets	<u>5,344,235</u>	<u>5,223,350</u>
Total Liabilities and Net Assets	<u>\$5,589,643</u>	<u>\$5,681,961</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Activities

For the Year Ended September 30, 2018, with Comparative Totals
as of September 30, 2017

	2018			2017 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues, Gains and Other Support				
Grants				
Appalachian Area Agency on Aging	\$ -0-	\$ 364,233	\$ 364,233	\$ 396,722
Bureau of Senior Services	-0-	642,156	642,156	719,769
Other	-0-	36,951	36,951	29,777
Medicaid waiver	1,608,443	-0-	1,608,443	1,734,788
Personal care and case management	1,681,832	-0-	1,681,832	1,682,574
Nutrition contract - AAA	-0-	409,950	409,950	423,014
United Way of Southern WV	24,733	-0-	24,733	18,333
Program and private pay services	225,490	-0-	225,490	221,029
Contributions	14,516	-0-	14,516	24,463
Interest income	1,949	-0-	1,949	988
Rental income	14,810	-0-	14,810	12,062
Other miscellaneous	27,674	-0-	27,674	33,666
Net assets released from restrictions				
Satisfaction of grant activities	<u>1,453,290</u>	<u>(1,453,290)</u>	<u>-0-</u>	<u>-0-</u>
Total Revenues, Gains, and Other Support	<u>5,052,737</u>	<u>-0-</u>	<u>5,052,737</u>	<u>5,297,185</u>
Expenses and Losses				
Program Services:				
Title III-B	164,241	-0-	164,241	161,328
Title III-D	30,620	-0-	30,620	25,206
Title III-E	117,261	-0-	117,261	126,029
Title III-C - congregate	302,695	-0-	302,695	310,922
Title III-C - home delivered	385,165	-0-	385,165	388,339
LIFE	94,101	-0-	94,101	79,614
Waiver	1,449,356	-0-	1,449,356	1,552,756
Personal Care	1,207,096	-0-	1,207,096	1,164,526
Transportation	53,306	-0-	53,306	58,109
Fair	116,744	-0-	116,744	121,787
Lighthouse	548,137	-0-	548,137	607,109
Living Well Elder Care	32,275	-0-	32,275	28,925
Case Management	111,634	-0-	111,634	108,274
Management and general	<u>319,221</u>	<u>-0-</u>	<u>319,221</u>	<u>297,597</u>
Total Expenses and Losses	<u>4,931,852</u>	<u>-0-</u>	<u>4,931,852</u>	<u>5,030,521</u>
Change in Net Assets	120,885	-0-	120,885	266,664
Net Assets, Beginning of Year	<u>5,223,350</u>	<u>-0-</u>	<u>5,223,350</u>	<u>4,956,686</u>
Net Assets, End of Year	<u>\$5,344,235</u>	<u>\$ -0-</u>	<u>\$5,344,235</u>	<u>\$5,223,350</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses

For the Year Ended September 30, 2018, with Comparative Totals
as of September 30, 2017

	<u>Title IIIB</u>	<u>Title IIID</u>	<u>Title IIIE</u>	<u>Title IIC</u>	
				<u>Congregate</u>	<u>Home Delivered</u>
Expenses:					
Salaries and wages	\$ 83,025	\$ 17,202	\$ 93,669	\$ 94,775	\$141,890
Taxes and benefits	13,203	2,254	11,397	14,196	27,068
Contract services	-0-	-0-	-0-	-0-	-0-
Mileage	-0-	-0-	-0-	-0-	-0-
Travel & training	765	222	508	1,227	388
Raw food	-0-	-0-	-0-	107,046	172,234
Medical supplies	-0-	-0-	-0-	-0-	-0-
Disposables	-0-	-0-	-0-	12,860	19,174
Gas and oil	11,786	-0-	-0-	1,720	5,168
Repairs & maintenance (vans)	8,194	-0-	302	1,234	4,564
Insurance	-0-	-0-	-0-	-0-	-0-
Maintenance contract	1,955	89	488	2,105	1,653
Office supplies	5,389	372	1,280	5,927	4,259
Postage expenses	2,152	98	535	2,317	1,820
Equipment rental and repair	573	116	138	1,637	1,617
Equipment	3,705	212	994	3,072	(9,158)
Building repair & maintenance	6,593	2,629	1,398	11,336	1,491
Utilities	14,574	5,434	3,144	22,632	4,446
Parking rent	-0-	-0-	-0-	-0-	-0-
Advertising	6,446	313	1,718	7,366	5,784
Other taxes & licenses	977	19	104	451	354
Professional services	3,923	1,585	1,029	6,904	1,042
Activities	981	-0-	244	2,699	830
Bank charges	-0-	45	-0-	-0-	-0-
Other	-0-	30	313	3,191	541
Interest	-0-	-0-	-0-	-0-	-0-
Bad debts	-0-	-0-	-0-	-0-	-0-
Depreciation expense	-0-	-0-	-0-	-0-	-0-
Total Expenses	<u>\$164,241</u>	<u>\$30,620</u>	<u>\$117,261</u>	<u>\$302,695</u>	<u>\$385,165</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses (Continued)

**For the Year Ended September 30, 2018, with Comparative Totals
as of September 30, 2017**

	<u>Living Well Elder Care</u>	<u>Case Management</u>	<u>Personal Care</u>	<u>Transportation</u>	<u>Life</u>
Expenses:					
Salaries and wages	\$16,180	\$91,895	\$1,052,643	\$37,232	\$33,369
Taxes and benefits	3,192	12,848	132,985	4,080	4,149
Contract services	-0-	-0-	-0-	-0-	-0-
Mileage	-0-	-0-	-0-	-0-	-0-
Travel & training	1,859	71	3,962	-0-	90
Raw food	-0-	-0-	-0-	-0-	-0-
Medical supplies	-0-	-0-	3,170	-0-	-0-
Disposables	-0-	-0-	-0-	-0-	-0-
Gas and oil	-0-	-0-	-0-	6,254	-0-
Repairs & maintenance (vans)	-0-	-0-	54	-0-	-0-
Insurance	-0-	-0-	-0-	4,952	38,972
Maintenance contract	90	472	655	-0-	119
Office supplies	542	1,217	2,219	-0-	336
Postage expenses	101	519	722	-0-	131
Equipment rental and repair	90	92	135	-0-	54
Equipment	1,062	975	1,370	-0-	13,303
Building repair & maintenance	2,275	402	372	-0-	-0-
Utilities	3,914	844	2,016	788	2,492
Parking rent	-0-	-0-	-0-	-0-	-0-
Advertising	714	1,636	2,306	-0-	415
Other taxes & licenses	79	27	186	-0-	25
Professional services	1,172	250	1,749	-0-	548
Activities	46	237	329	-0-	60
Bank charges	-0-	-0-	-0-	-0-	-0-
Other	959	149	2,223	-0-	38
Interest	-0-	-0-	-0-	-0-	-0-
Bad debts	-0-	-0-	-0-	-0-	-0-
Depreciation expense	-0-	-0-	-0-	-0-	-0-
 Total Expenses	 <u>\$32,275</u>	 <u>\$111,634</u>	 <u>\$1,207,096</u>	 <u>\$53,306</u>	 <u>\$94,101</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Functional Expenses (Continued)

**For the Year Ended September 30, 2018, with Comparative Totals
as of September 30, 2017**

	<u>Lighthouse</u>	<u>Fair</u>	<u>Waiver</u>	<u>Admin. & General</u>	<u>Totals</u>	<u>2017 Totals</u>
Expenses:						
Salaries and wages	\$461,407	\$91,852	\$1,175,257	\$103,415	\$3,493,811	\$3,551,462
Taxes and benefits	73,421	13,747	197,841	14,839	525,220	528,870
Contract services	-0-	-0-	-0-	-0-	-0-	-0-
Mileage	-0-	-0-	21,664	-0-	21,664	24,175
Travel & training	1,730	525	3,349	49	14,745	14,677
Raw food	-0-	-0-	-0-	-0-	279,280	270,513
Medical supplies	2,107	416	4,259	-0-	9,952	6,810
Disposables	-0-	-0-	-0-	-0-	32,034	32,351
Gas and oil	-0-	-0-	-0-	-0-	24,928	21,107
Repairs & maintenance (vans)	24	43	46	105	14,566	29,034
Insurance	-0-	-0-	-0-	-0-	43,924	36,124
Maintenance contract	483	119	844	73	9,145	9,158
Office supplies	1,475	313	2,642	205	26,176	26,761
Postage expenses	531	131	930	82	10,069	9,499
Equipment rental and repair	99	110	197	22	4,880	6,952
Equipment	1,103	275	1,809	(16,444)	2,278	12,717
Building repair & maintenance	557	2,152	1,602	379	31,186	38,177
Utilities	1,190	4,820	3,166	3,273	72,733	65,042
Parking rent	-0-	-0-	-0-	122	122	-0-
Advertising	1,695	418	2,966	260	32,037	32,593
Other taxes & licenses	91	25	159	42	2,539	1,711
Professional services	891	1,522	2,009	9,657	32,281	46,284
Activities	242	60	424	5,329	11,481	12,087
Bank charges	-0-	-0-	-0-	3,210	3,255	3,001
Other	1,091	216	30,192	(4,170)	34,773	38,397
Interest	-0-	-0-	-0-	5,125	5,125	19,429
Bad debts	-0-	-0-	-0-	2,197	2,197	7,399
Depreciation expense	-0-	-0-	-0-	191,451	191,451	186,191
 Total Expenses	 <u>\$548,137</u>	 <u>\$116,744</u>	 <u>\$1,449,356</u>	 <u>\$319,221</u>	 <u>\$4,931,852</u>	 <u>\$5,030,521</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Statement of Cash Flows

For the Year Ended September 30, 2018, with Comparative Totals
as of September 30, 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 120,885	\$ 266,664
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	191,451	186,191
Gain on sale of vehicles	(5,000)	-0-
(Increase) decrease in operating assets:		
Accounts receivable	316	184,849
Grants receivable	7,343	31,479
Prepaid expenses	-0-	(12,303)
Increase (decrease) in operating liabilities:		
Accounts payable	(11,227)	(1,022)
Accrued wage payable	5,327	17,107
Accrued annual leave	-0-	8,413
Accrued payroll taxes and withholdings	5,052	1,972
Net Cash Provided By Operating Activities	<u>314,147</u>	<u>683,350</u>
Cash Flows From Investing Activities		
Purchase of buildings and equipment	(68,381)	(17,572)
Proceeds from sale of vehicle	5,000	-0-
Net Cash Used In Investing Activities	<u>(63,381)</u>	<u>(17,572)</u>
Cash Flows From Financing Activities		
Principal payments on long-term debt	(212,355)	(203,657)
Net Cash Used in Financing Activities	<u>(212,355)</u>	<u>(203,657)</u>
Net Increase in Cash and Cash Equivalents	38,411	462,121
Cash and Cash Equivalents - Beginning of Year	<u>1,529,117</u>	<u>1,066,996</u>
Cash and Cash Equivalents - End of Year	<u>\$1,567,528</u>	<u>\$1,529,117</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	<u>\$ 5,125</u>	<u>\$ 19,429</u>

See accompanying notes to financial statements.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2018, with Comparative Totals
as of September 30, 2017

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 IIIC, 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, 2018, the Organization did not have activities that created net assets that would be recorded as temporarily or permanently restricted at September 30, 2018.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2018, with Comparative Totals
as of September 30, 2017

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, 2018, the tax years that remain subject to examination by taxing authorities begin with 2015. Tax returns for 2015, 2016, 2017 and 2018 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 – The preparation of financial statements in conformity with U.S. GAAP 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 amounts of revenues and expenses during the reporting period. 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. Managements 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, 2018 and 2017 is \$32,037 and \$32,593, 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, 2017, from which the summarized information was derived.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2018, with Comparative Totals
as of September 30, 2017

Note A – Summary of Significant Accounting Policies (Continued)

Reclassifications - Certain amounts in the 2017 comparative financial statements have been reclassified to conform to the classifications reported in the financial statements for the year ended September 30, 2018.

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, 2018 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 expensed 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, 2018 and 2017, the Organization directly wrote off uncollectible accounts receivable of \$2,197 and \$7,399, respectively.

Additionally, the Organization has an allowance for losses on additional accounts receivable of \$573 and \$8,116 for the years ended September 30, 2018 and 2017, respectively, for potentially uncollectible receivables. The amount is recorded in the accompanying financial statements as follows:

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$587,363	\$595,222
Allowance for doubtful accounts	<u>(573)</u>	<u>(8,116)</u>
	<u>\$586,790</u>	<u>\$587,106</u>

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

September 30, 2018, with Comparative Totals
as of September 30, 2017

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, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Title IIIB	\$ 10,419	\$ 297
Title IIID	393	316
Life	44,281	45,504
Title IIIE	2,038	-0-
Lighthouse and FAIR	34,228	60,265
Nonmedicaid services	26,968	17,264
Elder Abuse	-0-	2,024
	<u>\$118,327</u>	<u>\$125,670</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, 2018 and 2017 was \$2,080 and \$2,299, respectively.

Raleigh County Commission on Aging, Inc.

Notes to Financial Statements

**September 30, 2018, with Comparative Totals
as of September 30, 2017**

Note G – Notes Payable

Notes payable at September 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</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.	\$10,541	\$222,896
Less: current portion of long-term debt	<u>-0-</u>	<u>55,050</u>
	<u>\$10,541</u>	<u>\$167,846</u>

The following is a schedule of maturities of long-term debt as of September 30, 2018:

<u>Year Ended September 30,</u>	<u>Amount</u>
2019	\$10,541
2020	-0-
Thereafter	<u>-0-</u>
	<u>\$10,541</u>

Note H - Subsequent Events

Subsequent events were evaluated through March 4, 2019, 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, 2018

	<u>Title III C</u>				
	<u>Title IIIB</u>	<u>Title IIID</u>	<u>Title IIIE</u>	<u>Congregate</u>	<u>Home Delivered</u>
Revenue					
Federal monies	\$ 69,412	\$5,464	\$45,160	\$163,963	\$252,988
State monies	33,240	963	15,800	14,973	54,606
Donations/other grants	-0-	2,750	-0-	4,129	27,834
Personal Care Services	-0-	-0-	-0-	-0-	-0-
Program income	-0-	-0-	-0-	67,743	10,279
Private pay in home services	-0-	-0-	-0-	-0-	-0-
Building space revenue	-0-	-0-	-0-	-0-	-0-
Daycare Revenue	-0-	-0-	-0-	-0-	-0-
Miscellaneous revenue	-0-	-0-	-0-	-0-	-0-
Total Revenue	<u>\$102,652</u>	<u>\$9,177</u>	<u>\$60,960</u>	<u>\$250,808</u>	<u>\$345,707</u>

	<u>Living Well Elder Care</u>	<u>Case Management</u>	<u>Personal Care</u>	<u>Transportation</u>	<u>Life</u>
	Revenue				
Federal monies	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State monies	9,100	-0-	-0-	-0-	124,486
Donations/other grants	-0-	-0-	-0-	-0-	-0-
Personal care services	-0-	-0-	1,600,209	-0-	-0-
Program income	7,776	81,623	-0-	96	-0-
Private pay in home services	-0-	-0-	-0-	-0-	-0-
Day care revenue	5,730	-0-	-0-	-0-	-0-
Miscellaneous revenue	-0-	-0-	-0-	-0-	-0-
Total Revenue	<u>\$22,606</u>	<u>\$81,623</u>	<u>\$1,600,209</u>	<u>\$ 96</u>	<u>\$124,486</u>

	<u>Lighthouse</u>	<u>Fair</u>	<u>Waiver</u>	<u>Admin. & General</u>	<u>Totals</u>
	Revenue				
Federal monies	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 536,987
State monies	559,005	83,151	-0-	-0-	895,324
Donations/other grants	-0-	-0-	-0-	20,482	55,195
Personal care services	-0-	-0-	1,595,976	-0-	3,196,185
Program income	-0-	-0-	-0-	-0-	167,517
Private pay in home services	52,365	12,625	-0-	67,313	132,303
Building space revenue	-0-	-0-	-0-	14,810	14,810
Day Care Revenue	-0-	-0-	-0-	-0-	5,730
Miscellaneous revenue	-0-	-0-	12,471	36,215	48,686
Total Revenue	<u>\$611,370</u>	<u>\$95,776</u>	<u>\$1,608,447</u>	<u>\$138,820</u>	<u>\$5,052,737</u>

See independent auditor's report.

Raleigh County Commission on Aging, Inc.
Schedule of Expenditures of State Awards
For the Year Ended September 30, 2018

	<u>Grant Period</u>	<u>State Expenditure</u>
Direct Programs		
WV Bureau of Senior Services		
Lighthouse	June 30, 2018	\$401,072
Lighthouse	June 30, 2019	157,933
FAIR	June 30, 2018	64,995
FAIR	June 30, 2019	18,156
Connecting the Dots	December 31, 2018	5,000
SMP	May 31, 2018	<u>2,000</u>
Total Direct Programs		<u>649,156</u>
 Pass-through Awards		
Appalachian Area Agency on Aging		
IIIB State	September 30, 2018	33,240
IIIC-1	September 30, 2018	14,973
IIIC-2	September 30, 2018	54,606
IIID	September 30, 2018	963
IIIE	September 30, 2018	15,800
LIFE	June 30, 2018	103,249
LIFE	June 30, 2019	21,237
Elder Abuse	September 30, 2018	<u>2,100</u>
Total pass-through awards		<u>246,168</u>
Total Expenditures of State Awards		<u>\$895,324</u>

See independent auditor's report.

**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, 2018, 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 March 4, 2019.

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.
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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
March 4, 2019