

ROANE COUNTY COMMITTEE ON AGING, INC.

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

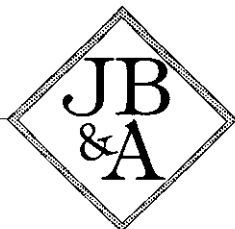
SEPTEMBER 30, 2011

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**ROANE COUNTY COMMITTEE ON AGING, INC.
BOARD OF DIRECTORS
SEPTEMBER 30, 2011**

Charles Mace	President
Linda Drennen	Vice-President
Lloyd Naylor	Secretary
Janet Davis	Treasurer
Dorothy Rhodes	Member
Holmer L. Conley	Member
Sherry Bernardis	Member
David McCutcheon	Member
Christine Kucheraway	Member
Opal Groves	Member
Charles R. Koone	Member



JOHN BURDETTE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

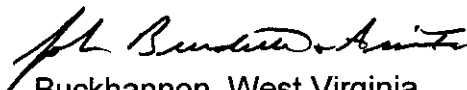
To the Board of Directors
Roane County Committee on Aging, Inc.
Spencer, West Virginia

We have audited the accompanying statements of financial position of Roane County Committee on Aging, Inc. (a nonprofit organization) as of September 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roane County Committee on Aging, Inc. as of September 30, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2012, on our consideration of Roane County Committee on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


Buckhannon, West Virginia
June 12, 2012

**ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011**

ASSETS

Current Assets	
Cash	\$ 11,565
Accounts Receivable	66,181
Prepaid Expenses	<u>1,241</u>
Total current assets	<u>78,987</u>
Property, Plant and Equipment	
Land	25,000
Administrative Equipment	157,703
Vehicles	43,909
Construction Work-in-Process	401,569
Buildings	<u>1,628,409</u>
Total Property and Equipment	2,256,590
Less Accumulated Depreciation	<u>(934,005)</u>
Net Property and Equipment	<u>1,322,585</u>
TOTAL ASSETS	<u><u>\$ 1,401,572</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Line of Credit Note	\$ 33,747
Accounts Payable	25,750
Accrued Wages	<u>57,882</u>
Total Current Liabilities	<u>117,379</u>
Net Assets	
Unrestricted	<u>1,284,193</u>
Total net assets	<u>1,284,193</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,401,572</u></u>

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Unrestricted
Revenues:	
Federal	\$ 106,208
State	345,582
Program Income	225,566
Match Income	14,416
Local Source	153,974
Interest	36
Miscellaneous Income	<u>8,603</u>
Total Revenue	<u>854,385</u>
 Expenses	
Personnel Costs	496,690
Fringe Benefits	102,516
Food and Disposables	67,775
Travel and Training	34,179
Equipment Cost and Maintenance	15,538
Professional Services	4,849
Facilities	38,348
Communications and Utilities	15,958
Office Supplies and Expenses	18,555
Insurance	8,289
Depreciation Expense	72,302
Miscellaneous Expense	<u>72,943</u>
Total Expenses	<u>947,942</u>
Change in Net Assets	(93,557)
Net Assets - Beginning of year	<u>1,377,750</u>
Net Assets - Ending of year	<u><u>\$ 1,284,193</u></u>

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Description	III B	III C-1	III C-2	III D	III E	Elder Abuse	Veterans
Personnel	\$ 30,781	\$ 18,872	\$ 48,465	\$ 1,308	\$ 5,031	\$	\$ 22,624
Fringe Benefits	10,118	5,634	13,371	126	758		3,460
Food & Disposables		20,399	47,376				
Travel & Training	4,010	23	4,244	245	668		922
Repairs & Maintenance	1,609		662				
Professional Services							
Facilities		10,332	24,108				
Communications/Utilities							
Office supplies & expenses	110	207	282	269	931		69
Insurance	2,033		1,592				
Depreciation							
Miscellaneous	3,799	11,966	9,981	321	2,667	318	50
Total Expenses	\$ 52,460	\$ 67,433	\$ 150,081	\$ 2,269	\$ 10,055	\$ 318	\$ 27,125

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Description	Medicaid	Waiver	Lighthouse	LIFE	FAIR	Building	Agency	Totals
Personnel	\$ 44,865	\$ 88,315	\$ 50,518	\$ 96,797	\$ 34,759	\$ 46,253	\$ 8,102	\$ 496,690
Fringe Benefits	5,316	14,034	6,059	22,814	4,655	14,455	1,716	102,516
Food & Disposables								67,775
Travel & Training	4,309	2,549	4,245	7,369	707		4,888	34,179
Repairs & Maintenance				273		12,994		15,538
Professional Services				3,499			1,350	4,849
Facilities	1,293	1,293	1,322					38,348
Communications/Utilities				11,888		4,070		15,958
Office supplies & expenses	254	287	377	8,053	377	5,002	2,337	18,555
Insurance				3,329		1,335		8,289
Depreciation						61,051	11,251	72,302
Miscellaneous	20	52	24	13,586	1,317	20,918	7,924	72,943
Total Expenses	\$ 56,057	\$ 106,530	\$ 62,545	\$ 167,608	\$ 41,815	\$ 166,078	\$ 37,568	\$ 947,942

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (93,557)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	72,302
(Increase) decrease in assets:	
Accounts receivable	2,879
Prepaid expenses	(97)
Increase (Decrease) in liabilities:	
Accounts payable	15,298
Accrued liabilities	<u>3,804</u>
Net cash provided by operating activities	<u>629</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	<u>(7,549)</u>
Net cash used in investing activities	<u>(7,549)</u>

CASH FLOWS FORM FINANCING ACTIVITIES:

Proceeds from short-term borrowing	33,747
Repayment of short-term borrowing	<u>(20,000)</u>
Net cash provided by financing activities	<u>13,747</u>
Net increase in cash and cash equivalents	6,827
Cash and cash equivalents, beginning	<u>4,738</u>
Cash and cash equivalents, ending	<u><u>\$ 11,565</u></u>

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Note 1. Summary of Significant Accounting Policies

Basis of Accounting – The Roane County Committee on Aging, Inc. (RCCOA) uses the cash basis of accounting for all recording purposes during the year. The Committee converts to the full accrual basis of accounting for reporting purposes. Basis of accounting refers to the timing of the recognition of transactions. For the cash basis of accounting, costs are paid and revenues are recognized only when received. The full accrual basis accrues costs when incurred without regard to when those costs are paid; revenue is recognized when earned without regard to when it's received. These financial statements are presented in accordance with the recommendations of the American Institute of Certified Public Accountants in its industry guide, *Audits of Certain Nonprofit Organizations*.

Income Taxes – RCCOA is a nonprofit organization and is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

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

Inventory – Inventories, such as raw food, fruit, frozen meals, and office supplies are expensed in the period in which they are purchased.

Accounting Estimates – In preparing financial statements in conformity with generally accepted accounting principle, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Significant Concentrations of Credit Risk

The Committee's accounts receivable at September 30, 2011, consist primarily of billings to the West Virginia Department of Health and Human Services for home health care services and to the West Virginia Bureau of Senior Services via the Metro Area Agency on Aging for Title III program services.

The bank deposits were insured by the FDIC at September 30, 2011. Deposits in any one bank did not exceed the \$ 250,000 FDIC limit.

ROANE COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Note 3. Property, Plant and Equipment (continued)

RCCOA capitalizes all purchases or other acquisitions of property, plant, and equipment with an estimated useful life of at least five years and a basis of at least \$ 1,000. Other fixed assets are expensed in the year of purchase. Vehicles and office equipment are depreciated over five years. The useful life of building renovations is estimated at thirty years. Construction work-in-progress is capitalized, but not depreciated, until the renovations are completed and placed into service.

Assets' estimated useful lives are as follows:

Office Furniture, Fixtures, and Equipment	5-10 years
Vehicles	5 years
Buildings and Renovations	10-30 years

Note 4. Note Payable

The Committee has a \$ 50,000 line of credit note with Premier Bank. The interest rate is 7% and the note is unsecured. The outstanding balance at September 30, 2011 was \$ 33,747.

Note 5. Retirement Benefits

The Committee provides no retirement plan or other deferred compensation plan to its employees.

Note 6. Compensated Absences

RCCOA has reported accrued leave expenses in accordance with generally accepted accounting principles.

**ROANE COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Note 7. Contingent Liabilities

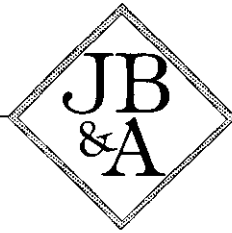
In the normal course of operations, the Committee receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the grant. Any liability for reimbursement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

The Center participates in the West Virginia Public Employees Insurance Agency (PEIA) for health insurance. The Committee does not provide post retirement health benefits. However, PEIA shows a liability of \$ 214,700 at September 30, 2011 for post retirement benefits. The center does not expect to have to pay this liability.

Note 8. Subsequent Events

Management has evaluated subsequent events through June 12, 2012 the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Roane County Committee on Aging, Inc.
Spencer, West Virginia

Our report on our audit of the basic financial statements of the Roane County Committee on Aging, Inc. for the year ended September 30, 2011 appears on page 2. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States for the purpose of forming an opinion of the basic financial statements taken as a whole. The Schedule of Revenues and Support and Schedule Expenditures of State Awards are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Buckhannon, West Virginia
June 12, 2012

**ROANE COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Description	III B	III C-1	III C-2	III D	III E	Elder Abuse	Veterans
Federal Revenues	\$ 16,823	\$ 20,294	\$ 37,569	\$ 1,826	\$ 7,315	\$ 318	\$ 22,063
State Revenues	15,498	11,636	30,281	121			
State Allocated	13,769						
Program Income	2,671	23,164	17,922				
Match Income	3,699	2,757	4,898	322	2,740		
Local Sources			57,960				
Interest							
Miscellaneous							
Total Revenue	52,460	57,851	148,630	2,269	10,055	318	22,063
Personnel	30,781	18,872	48,465	1,308	5,031		22,624
Fringe Benefits	10,118	5,634	13,371	126	758		3,460
Food & Disposables		20,399	47,376				
Travel & Training	4,010	23	4,244	245	668		922
Equipment Costs	1,609		662				
Professional Services							
Facilities		10,332	24,108				
Communications/Utilites							
Office supplies & expense	110	207	282	269	931		69
Insurance	2,033		1,592				
Depreciation							
Miscellaneous	3,799	11,966	9,981	321	2,667	318	50
Total Expenses	52,460	67,433	150,081	2,269	10,055	318	27,125
Net income	\$	\$ (9,582)	\$ (1,451)	\$	\$	\$	\$ (5,062)

The accompanying notes are an integral part of this statement.

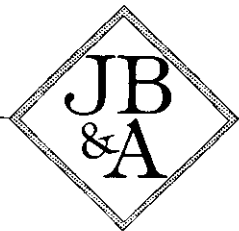
**ROANE COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF REVENUES AND SUPPORT (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<u>Description</u>	<u>Medicaid</u>	<u>Waiver</u>	<u>Lighthouse</u>	<u>LIFE</u>	<u>FAIR</u>	<u>Building</u>	<u>Agency</u>	<u>Totals</u>
Federal Revenues	\$	\$	\$	\$	\$	\$	\$	\$ 106,208
State Revenues			57,035	181,377	19,635		29,999	345,582
State Allocated Program Income	54,484	119,904	4,376	(13,769)	3,045			225,566
Match Income								14,416
Local Sources						86,880	9,134	153,974
Interest							36	36
Miscellaneous							8,603	8,603
Total Revenue	54,484	119,904	61,411	167,608	22,680	86,880	47,772	854,385
Personnel	44,865	88,315	50,518	96,797	34,759	46,253	8,102	496,690
Fringe Benefits	5,316	14,034	6,059	22,814	4,655	14,455	1,716	102,516
Food & Disposables								67,775
Travel & Training	4,309	2,549	4,245	7,369	707		4,888	34,179
Equipment Costs				273		12,994		15,538
Professional Services				3,499			1,350	4,849
Facilities	1,293	1,293	1,322					38,348
Communications/Utilites				11,888		4,070		15,958
Office supplies & expense	254	287	377	8,053	377	5,002	2,337	18,555
Insurance				3,329		1,335		8,289
Depreciation						61,051	11,251	72,302
Miscellaneous	20	52	24	13,586	1,317	20,918	7,924	72,943
Total Expenses	56,057	106,530	62,545	167,608	41,815	166,078	37,568	947,942
Net income	\$ (1,573)	\$ 13,374	\$ (1,134)	\$	\$ (19,135)	\$ (79,198)	\$ 10,204	\$ (93,557)

The accompanying notes are an integral part of this statement.

**ROANE COUNTY COMMITTEE ON AGING, INC.
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<u>Grant Period</u>	<u>Grant Identificaiton Number</u>	<u>State Expenditures</u>
Direct Programs:			
WV Bureau of Senior Services			
Community Partnership Grants		SC21153	<u>\$ 29,999</u>
Total Direct Programs			<u>29,999</u>
Pass through Awards			
WVSU Metro Area Agency on Aging			
IIIB State	June 30, 2011	21136	15,498
IIIC-1 State	June 30, 2011	2911	11,636
IIIC-2 State	June 30, 2011	2911	30,281
IIID State	June 30, 2011	21136	121
LIFE	June 30, 2012	21203	40,450
LIFE	June 30, 2011	21103	140,927
Lighthouse	June 30, 2012	21250	13,819
Lighthouse	June 30, 2011	21150	43,216
FAIR	June 30, 2012	21250	7,178
FAIR	June 30, 2011	21150	<u>12,457</u>
Total pass-through awards			<u>315,583</u>
 TOTAL EXPENDITURES OF STATE AWARDS			 <u><u>\$ 345,582</u></u>



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

To the Board of Directors
Roane County Committee on Aging, Inc.
Spencer, West Virginia

We have audited the financial statements of Roane County Committee on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated June 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

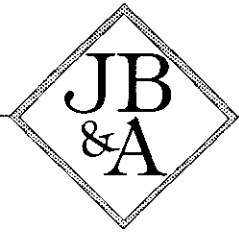
As part of obtaining reasonable assurance about whether Roane County Committee on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

We noted certain other matters that we reported to management of Roane County Committee on Aging, Inc. in a separate letter dated June 12, 2012.

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



Buckhannon, West Virginia
June 12, 2012



JOHN BURDETTE & ASSOCIATES

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MANAGEMENT LETTER

To the Board of Directors
and Senior Management
Roane County Committee on Aging, Inc.
Spencer, West Virginia

In planning and performing our audit of the financial statements of Roane County Committee on Aging, Inc. for the year ended September 30, 2011, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter dated June 12, 2012 contains our communication of significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated June 12, 2012, on the financial statements of Roane County Committee on Aging, Inc.


We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Organizational Structure

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

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

This report is intended solely for the information and use of management, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.


Buckhannon, West Virginia
June 12, 2012