

# **FINANCIAL STATEMENTS AND AUDITOR'S REPORTS**

**Roane County Committee on Aging, Inc.**

For the Year Ended September 30, 2012

**William Kenneth Yoho II**

**Certified Public Accountant**

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Roane County Committee on Aging, Inc.  
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September 30, 2012

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**Financial Statements and Auditor's Reports**

**Roane County Committee on Aging, Inc.**

**For the Year Ended September 30, 2012**

# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

December 26, 2012

Board of Directors  
Roane County Committee on Aging, Inc.  
Petersburg, WV 26847

### INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statements of financial position of Roane County Committee on Aging, Inc. as of September 30, 2012, and the related statements of activities; revenue, support, and functional expenses; and cash flows for the year then ended. These financial statements are the responsibility of the Committee's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit 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. I believe that my audit provides a reasonable basis for my opinion.

In my 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, 2012, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 26, 2012, on my consideration of the Committee's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, 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 my audit.

William Kenneth Yoho II  
Certified Public Accountant

Roane County Committee on Aging, Inc.  
Statement of Financial Position  
September 30, 2012

**ASSETS**

<b>Current Assets:</b>	
Cash in Banks	\$ 5,100
Accounts Receivable	59,997
Deposits & Prepaid Expenses	<u>1,241</u>
<b>Total Current Assets</b>	<u>66,338</u>
 <b>Property, Plant and Equipment:</b>	
Land and Buildings	1,744,695
Vehicles and Equipment	216,961
Construction Work in Process	321,767
Less: Accumulated Depreciation	<u>(999,077)</u>
<b>Total Property, Plant and Equipment</b>	<u>1,284,346</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,350,684</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>	
Accounts Payable	\$ 29,300
Accrued Wages	17,794
Accrued Annual Leave	31,606
Accrued & Withheld Taxes	<u>8,430</u>
<b>Total Current Liabilities</b>	87,130
Note Payable (Long-Term Liability)	<u>20,000</u>
<b>Total Liabilities</b>	<u>107,130</u>
 <b>Net Assets:</b>	
Unrestricted Net Assets	<u>1,243,554</u>
<b>Total Net Assets</b>	<u>1,243,554</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,350,684</u></u>

Refer also to the notes to the financial statements and the auditor's reports.

Roane County Committee on Aging, Inc.  
Statement of Activities and Changes in Net Assets  
For the Year Ended September 30, 2012

<b>Revenues:</b>	
Federal	\$ 113,996
State	274,640
Service Fees	266,445
Program Income	50,514
Interest Income	27
Match Income	14,008
Local Sources	53,219
Miscellaneous Income	<u>89,809</u>
Total Revenues	<u>862,657</u>
<b>Expenses:</b>	
Salaries and Wages	466,591
Fringe Benefits	101,102
Food and Disposables	75,905
Travel and Training	29,152
Equipment	30,113
Facilities	39,612
Communications and Utilities	10,351
Office Expenses	31,082
Insurance Expenses	4,871
Depreciation Expense	65,072
Match Off-set	14,008
Miscellaneous Expense	<u>35,436</u>
Total Expenses	<u>903,296</u>
Net Income	(40,639)
Net Assets - Beginning of Year	<u>1,284,193</u>
Net Assets - End of Year	<u>\$ 1,243,554</u>

Refer also to the notes to the financial statements and the auditor's reports.

Roane County Committee on Aging, Inc.  
Statement of Revenue, Support, and Functional Expenses  
For the Year Ended September 30, 2012

<u>Description</u>	<u>Title III B</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Title III D</u>	<u>Title III E</u>	<u>FAIR</u>	<u>Light- house</u>	<u>Elder Abuse</u>
Federal Revenues	\$ 22,031	\$ 19,488	\$ 37,794	\$ 1,826	\$ 8,222	\$ 0	\$ 0	\$ 318
State Revenues	15,498	14,383	33,562	121	0	0	0	0
Service Fees	0	0	0	0	0	24,934	66,750	0
Program Income	2,300	30,298	17,916	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0
Match Income	3,699	2,580	4,667	322	2,740	0	0	0
Local Sources	0	0	53,219	0	0	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	<u>43,528</u>	<u>66,749</u>	<u>147,158</u>	<u>2,269</u>	<u>10,962</u>	<u>24,934</u>	<u>66,750</u>	<u>318</u>
Salaries and Wages	19,663	18,350	42,876	1,308	9,696	30,737	52,270	0
Fringe Benefits	6,777	6,176	12,831	122	1,183	6,393	8,677	0
Food & Disposables	0	26,612	49,294	0	0	0	0	0
Travel & Training	0	0	0	306	873	382	5,142	0
Equipment	7,337	2,280	11,082	0	0	0	0	0
Facilities	0	10,332	24,108	0	0	1,293	1,293	0
Communications	0	0	0	0	0	0	0	0
Office Expenses	206	192	333	211	32	377	377	0
Insurance	1,451	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
Miscellaneous	4,395	1,710	3,968	0	0	20	20	318
Match Offset	<u>3,699</u>	<u>2,580</u>	<u>4,667</u>	<u>322</u>	<u>2,740</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<u>43,528</u>	<u>68,232</u>	<u>149,160</u>	<u>2,269</u>	<u>14,524</u>	<u>39,203</u>	<u>67,779</u>	<u>318</u>
<b>Net Income (Expense)</b>	<u>\$ 0</u>	<u>\$ (1,483)</u>	<u>\$ (2,002)</u>	<u>\$ 0</u>	<u>\$ (3,561)</u>	<u>\$ (14,269)</u>	<u>\$ (1,028)</u>	<u>\$ 0</u>

Please refer also to the auditor's reports and the notes to the financial statements.

Roane County Committee on Aging, Inc.  
Statement of Revenue, Support, and Functional Expenses  
For the Year Ended September 30, 2012

<u>Description</u>	<u>SHINE</u>	<u>Medicaid</u>	<u>Waiver</u>	<u>Sliding Fee</u>	<u>LIFE</u>	<u>SHIP</u>	<u>Local</u>	<u>Totals</u>
Federal Revenues	\$ 21,595	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,685	\$ 37	\$ 113,996
State Revenues	0	0	0	2,820	169,944	0	38,312	274,640
Service Fees	0	55,991	118,770	0	0	0	0	266,445
Program Income	0	0	0	0	0	0	0	50,514
Interest Income	0	0	0	0	0	0	27	27
Match Income	0	0	0	0	0	0	0	14,008
Local Sources	0	0	0	0	0	0	0	53,219
Miscellaneous	0	0	0	0	0	0	89,809	89,809
<b>Total Revenues</b>	<u>21,595</u>	<u>55,991</u>	<u>118,770</u>	<u>2,820</u>	<u>169,944</u>	<u>2,685</u>	<u>128,184</u>	<u>862,657</u>
Salaries and Wages	23,817	47,603	84,333	411	92,736	3,312	39,480	466,591
Fringe Benefits	3,073	7,957	12,276	350	19,273	292	15,722	101,102
Food & Disposables	0	0	0	0	0	0	0	75,905
Travel & Training	994	4,393	3,650	0	12,626	52	733	29,152
Equipment	0	0	0	0	8,251	0	1,163	30,113
Facilities	0	1,293	1,293	0	0	0	0	39,612
Communications	0	0	0	0	16,529	0	(6,177)	10,351
Office Expenses	140	349	349	0	25,099	164	3,254	31,082
Insurance	0	0	0	0	2,200	0	1,220	4,871
Depreciation	0	0	0	0	0	0	65,072	65,072
Miscellaneous	0	321	350	0	6,005	14	18,314	35,436
Match Offset	0	0	0	0	0	0	0	14,008
<b>Total Expenditures</b>	<u>28,023</u>	<u>61,916</u>	<u>102,250</u>	<u>761</u>	<u>182,719</u>	<u>3,834</u>	<u>138,781</u>	<u>903,296</u>
<b>Net Income (Expense)</b>	<u>\$ (6,429)</u>	<u>\$ (5,925)</u>	<u>\$ 16,520</u>	<u>\$ 2,059</u>	<u>\$ (12,774)</u>	<u>\$ (1,149)</u>	<u>\$ (10,597)</u>	<u>\$ (40,639)</u>

Please refer also to the auditor's reports and the notes to the financial statements.



Roane County Committee on Aging, Inc.  
Statement of Cash Flows  
For the Year Ended September 30, 2012

Cash flows from operating activities:

Net Income	\$ <u>(40,639)</u>
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	65,072
(Increase) decrease in accounts receivable	6,184
Increase (decrease) in accounts payable	10,249
Current period cash flow activities	<u>(20,498)</u>
 Total adjustments	 <u>61,007</u>
 Net cash provided (used) by operating activities	 <u>20,368</u>

Cash flows from investing activities:

Purchases of fixed assets	(26,833)
Redemption of investments	<u>0</u>
 Net cash provided by investing activities	 <u>(26,833)</u>
 Net increase (decrease) in cash and cash equivalents	 (6,465)
Cash and cash equivalents, beginning of year	<u>11,565</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,100</u></u>

Refer also to the notes to the financial statements and the auditor's reports.

Roane County Committee on Aging, Inc.  
Notes to Financial Statements  
For the Year Ended September 30, 2012

**Note 1. Summary of Significant Accounting Policies**

Organization – The Roane County Committee on Aging, Inc. (RCCOA) was incorporated on October 29, 1973 for the purpose of assisting Grant County, West Virginia, elderly persons and their families in finding and making effective use of the resources which would be helpful to them in developing their abilities and in living a purposeful life.

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 incurred only when those 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 is 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*.

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

Cash Equivalents – RCCOA considers all highly liquid instruments with a maturity of three months or less to be cash equivalents.

Accounting Estimates -- In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that affect 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.

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.

Management and General Expenses – The Committee chooses not to disclose management and general expenses. That amount is a portion of the amount reported as indirect expense.

**Note 2. Significant Concentrations of Credit Risk**

The Committee's accounts receivable at September 30, 2012, 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.

Primary funding sources include the United States federal government funds via USDA and Title III programs as pass-through amounts from the West Virginia Bureau of Senior Services, matching amounts from the State of West Virginia, the West Virginia Department of Human Resources, and the Grant County Commission.

Roane County Committee on Aging, Inc.  
Notes to Financial Statements  
For the Year Ended September 30, 2012  
Continued

**Note 2. Significant Concentrations of Credit Risk (continued)**

As of September 30, 2012, the Committee carried the following balances on its books in demand and time deposit accounts:

Grant County Bank	\$35,746
Summit Community Bank	\$126,958
Edward Jones Investments	\$178,212

**Note 3. Property, Plant and Equipment**

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. Retirement Benefits**

The Roane County Committee on Aging, Inc. provides no retirement plan or other deferred compensation plan to its employees.

**Note 5. Compensated Absences**

RCCOA accumulates paid vacation time based on years of service and individual classification as described in the employee manual. Accrued annual leave expenses accumulate and appear in the financial statements in accordance with generally accepted accounting principles.

**Note 6. 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 as of September 30, 2012 was \$20,000.

Roane County Committee on Aging, Inc.  
Notes to Financial Statements  
For the Year Ended September 30, 2012  
Continued

**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 agreement. 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 as of September 30, 2012 for post-retirement benefits. The Committee does not expect to have to service this liability.

**Note 8. Subsequent Events**

Management has evaluated subsequent events through June 30, 2013. There appeared to be no events that should be reported with this document.

**Roane County Committee on Aging, Inc.**

**For the Year Ended September 30, 2012**

**SUPPLEMENTARY INFORMATION**

# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

December 26, 2012

Board of Directors  
Roane County Committee on Aging, Inc.  
Petersburg, WV 26847

### INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

My report on the audit of the basic financial statements of the Roane County Committee on Aging, Inc. for the year ended September 30, 2012, appears on page 2. I conducted the 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 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 basis 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.

William Kenneth Yoho II  
Certified Public Accountant

Roane County Committee on Aging, Inc.  
 Schedule of Expenditures of State Awards  
 For the Fiscal Year Ended September 30, 2012

DIRECT PROGRAMS - WV Bureau of Senior Services:

Community Partnership Grant	12293	\$124,143
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PASS-THROUGH AWARDS - WVSU Area Agency on Aging:

Title III B	June 30, 2012	21236	\$15,498
Title III C-1	June 30, 2012	State	\$1,658
Title III C-1	June 30, 2012	In-Home	\$12,725
Title III C-2	June 30, 2012	State	\$3,869
Title III C-1	June 30, 2012	In-Home	\$29,693
Title III D	June 30, 2012	21236	\$121
Lighthouse	June 30, 2012	21250	\$51,103
Lighthouse	September 30, 2012	21350	\$17,680
FAIR	June 30, 2012	21250	\$18,348
FAIR	September 30, 2012	21350	\$7,448
LIFE	June 30, 2012	21203	\$143,319
LIFE	September 30, 2012	21303	\$42,081

Total Expenditures of State Awards	\$ <u>343,5426</u>
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# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

December 26, 2012

Board of Directors  
Roane County Committee on Aging, Inc.  
Petersburg, WV 26847

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

I have audited the financial statements of Roane County Committee on Aging, Inc. (a not-for-profit organization) as of and for the year ended September 30, 2012, and have issued my report thereon dated December 26, 2012. I conducted my 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.

#### Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management of 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.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I noted no matters involving the internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the agency's financial statements are free of material misstatement, I 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 the audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that would be required to be reported under *Government Auditing Standards*.



I noted other matters involving the internal control over financial reporting that I have reported to the management of Roane County Committee on Aging, Inc. during our exit conference and in a letter to management dated December 26, 2012.

This report is intended solely for the information and use of the audit committee, management, board of directors, and certain funding and oversight agencies of the Roane County Committee on Aging, Inc. This report is not intended to be and should not be used by anyone other than these specified parties.

William Kenneth Yoho II  
Certified Public Accountant

# WILLIAM KENNETH YOHO II

## CERTIFIED PUBLIC ACCOUNTANT

December 26, 2012

Board of Directors  
Roane County Committee on Aging, Inc.  
Petersburg, WV 26847

### MANAGEMENT LETTER

In planning and performing my audit of the financial statements of Roane County Committee on Aging, Inc. for the year ended September 30, 2012, in accordance with auditing standards generally accepted in the United States of America and under *Government Auditing Standards*, I considered the agency's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control. Accordingly, I do not express an opinion on the effectiveness of the Committee's internal control.

However, during the audit I became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. A separate letter dated December 26, 2012 contains my communication of significant deficiencies or material weaknesses in the agency's internal control. This letter does not affect my report dated December 26, 2012, on the financial statements of Roane County Committee on Aging, Inc.

I will review the status of these comments during our next audit engagement. I have discussed these comments with various agency personnel, and would be willing 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. My comments are summarized below.

#### Organizational Structure

The size of the Committee'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 remains involved in the financial affairs of the agency to provide oversight and independent review functions.

This report is intended solely for the information and use of the audit committee, management, board of directors, and certain funding and oversight agencies of the Roane County Committee on Aging, Inc. This report is not intended to be and should not be used by anyone other than these specified parties.

William Kenneth Yoho II  
Certified Public Accountant