

**HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.**

**INDEPENDENT AUDITOR'S REPORT AND  
RELATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2009**

**HAMPSHIRE COUNTY COMMITTEE ON AGING, INC**

**CONTENTS**

|   |       |
|---|-------|
| Independent Auditors' Report.....   | 1     |
| Financial Statements:   |       |
| Statement of Financial Position.....  | 2     |
| Statement of Activities.....  | 3     |
| Statement of Functional Expenses.....   | 4     |
| Statement of Cash Flows.....  | 5     |
| Notes to Financial Statements.....  | 6-10  |
| Independent Auditor's Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit in Accordance<br>with Governmental Auditing Standards..... | 11-12 |
| Supplementary Information:  |       |
| Schedule of Revenues.....   | 13    |
| Grant Schedules:  |       |
| Title IIIB, IIID, and IIIE.....   | 14    |
| Title IIIC.....   | 15    |
| Elder Abuse.....  | 16    |
| SHIP.....   | 17-18 |
| Direct Services (LIFE).....   | 19-20 |
| Special Grants - BOSS.....  | 21    |
| Report of Compliance - WV Bureau Senior Services.....   | 22    |
| Schedule of Findings & Responses.....   | 23    |
| Schedule of Prior Audit Findings.....   | 24    |

# R. Thomas CPA & Associates

(Formerly Gohdes & Thomas, CPAs)

Rosalie E. Thomas, CPA

401 Maple Avenue  
P.O. Box 655  
Moorefield, WV 26836  
Phone: (304) 530-2035  
Fax: (304) 530-7367

## INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS  
HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
ROMNEY, WEST VIRGINIA

We have audited the accompanying combined statement of financial position of Hampshire County Committee on Aging, Inc. (a nonprofit organization) as of September 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Committee on Aging's management. 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 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 audit provides 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 Hampshire County Committee on Aging, Inc. as of September 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2010, on our consideration of Hampshire County Committee on Aging's internal control over financial reporting and on our tests of its compliance with 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 the internal control over financial reporting or on compliance. This 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Hampshire County Committee on Aging, Inc. taken as a whole. The accompanying report on compliance requirements, schedule of findings and questioned costs, and schedule of property acquisitions, as required by a directive from the West Virginia Bureau of Senior Services, and the schedules of grant activity are presented for purposes of additional analysis and are not a required part of the financial statements of the Hampshire County Committee on Aging, Inc. 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.

R. THOMAS CPA & ASSOCIATES

R. Thomas CPA & Associates  
June 24, 2010

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2009

ASSETS

|                             |              |
|-----------------------------|--------------|
| Current Assets              |              |
| Cash                        | \$ 118,952   |
| Accounts Receivable         | 134,867      |
| Grants Receivable           | 74,764       |
| Prepaid Expenses            | 15,630       |
| Inventory                   | 4,361        |
| Total Current Assets        | \$ 348,574   |
|                             |              |
| Property and Equipment      |              |
| Property and Equipment, Net | \$ 701,311   |
| Construction in Progress    | 13,016       |
| Total Property & Equipment  | \$ 714,327   |
|                             |              |
| TOTAL ASSETS                | \$ 1,062,901 |

LIABILITIES & NET ASSETS

|                              |            |
|------------------------------|------------|
| Current Liabilities          |            |
| Accounts Payable             | \$ 24,030  |
| Accrued Payroll Expenses     | 64,779     |
| Accrued Compensated Absences | 27,184     |
| Total Current Liabilities    | \$ 115,993 |
|                              |            |
| Long-Term Liabilities        |            |
| OPEB Plan Liabilities        | \$ 52,876  |
| Total Liabilities            | \$ 168,869 |

NET ASSETS

|                                  |              |
|----------------------------------|--------------|
| Net Assets, Unrestricted         | \$ 894,032   |
|                                  |              |
| TOTAL NET ASSETS                 | \$ 894,032   |
|                                  |              |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,062,901 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

UNRESTRICTED SUPPORT

|                      |  |              |
|----------------------|--|--------------|
| Grants               |  |              |
| Federal              |  | \$ 40,167    |
| State                |  | 355,443      |
| Nutrition            |  | 104,773      |
| Program Service Fees |  | 1,228,930    |
| Program Income       |  | 62,933       |
| Contributions        |  | 4,902        |
| Interest Income      |  | 2,771        |
| Other Income         |  | <u>243</u>   |
| TOTAL SUPPORT        |  | \$ 1,800,162 |

UNRESTRICTED EXPENSES

|                        |  |                     |
|------------------------|--|---------------------|
| Program Services       |  | \$ 1,447,943        |
| Management and General |  | <u>410,615</u>      |
| TOTAL EXPENSES         |  | <u>\$ 1,858,558</u> |

|  |                          |
|--|--------------------------|
| DECREASE IN UNRESTRICTED NET ASSETS        | \$ (58,396)              |
| UNRESTRICTED NET ASSETS, BEGINNING OF YEAR | <u>. 952,428</u>         |
| UNRESTRICTED NET ASSETS, END OF YEAR       | <u><u>\$ 894,032</u></u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

|                          | PROGRAM          |                   |                 | SERVICES         |               |                 |                   | LOCAL FUNDS         | PROGRAM SERVICES TOTAL | MANAGEMENT AND GENERAL |
|--------------------------|------------------|-------------------|-----------------|------------------|---------------|-----------------|-------------------|---------------------|------------------------|------------------------|
|                          | III B            | III C             | III D           | III E            | ELDER ABUSE   | SHIP            | LIFE              |                     |                        |                        |
| Personnel                | \$ 41,230        | \$ 103,994        |                 | \$ 11,143        |               | \$ 6,912        | \$ 61,255         | \$ 883,204          | \$ 1,107,738           | \$ 255,238             |
| Travel                   | 22,041           | 16,822            |                 | 309              |               | 168             |                   | 154,694             | 194,034                | 6,121                  |
| Printing/Supplies        |                  | 14,559            | \$ 148          | 830              | \$ 312        | 411             |                   |                     | 16,260                 | 11,543                 |
| Communications/Utilities |                  |                   |                 |                  |               |                 |                   |                     |                        | 34,799                 |
| Office Expense           |                  |                   |                 |                  |               |                 |                   |                     |                        | 12,099                 |
| Professional Fees        |                  |                   |                 |                  |               |                 |                   |                     |                        |                        |
| Raw Food                 |                  | 70,858            |                 |                  |               |                 |                   |                     | 70,858                 |                        |
| Maintenance              |                  | 1,185             |                 |                  |               |                 |                   | 1,966               | 3,151                  | 25,416                 |
| Training                 |                  | 300               |                 |                  |               |                 |                   | 382                 | 682                    | .                      |
| Insurance                |                  |                   |                 |                  |               |                 |                   |                     |                        | 13,446                 |
| Other                    |                  | 3,855             | 938             | 14               |               |                 |                   | 50,413              | 55,220                 | 15,491                 |
| Depreciation Expense     |                  |                   |                 |                  |               |                 |                   |                     |                        | 36,462                 |
| Program Services         | \$ 63,271        | \$ 211,573        | \$ 1,086        | \$ 12,296        | \$ 312        | \$ 7,491        | \$ 61,255         | \$ 1,090,659        | \$ 1,447,943           |                        |
| Management & General     |                  | 40,785            |                 |                  |               | 447             | 91,938            | 277,445             |                        | \$ 410,615             |
| Total Functional Expense | <u>\$ 63,271</u> | <u>\$ 252,358</u> | <u>\$ 1,086</u> | <u>\$ 12,296</u> | <u>\$ 312</u> | <u>\$ 7,938</u> | <u>\$ 153,193</u> | <u>\$ 1,368,104</u> | <u>\$ 1,447,943</u>    | <u>\$ 410,615</u>      |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Cash Flows From Operating Activities:

|   |        |                           |
|---|--------|---------------------------|
| Increase in net assets  | \$     | (58,396)                  |
| Adjustments to reconcile changes in net assets<br>to net cash provided by operating activities: |        |                           |
| Depreciation  |        | 36,462                    |
| (Increase) decrease in operating assets   |        |                           |
| Accounts Receivable   |        | (28,792)                  |
| Grant Receivable  |        | (29,209)                  |
| Inventory   |        | 2,130                     |
| Prepaid Expenses  |        | (5,128)                   |
| Increase (decrease) in operating liabilities  |        |                           |
| Accounts Payable  |        | 9,742                     |
| Accrued Annual Leave  |        | 3,159                     |
| Accrued Payroll/Travel  |        | 2,018                     |
| OPEB Liability  |        | <u>34,363</u>             |
| <br>Net Cash Provided By Operating Activities   | <br>\$ | <br>(33,651)              |
| <br>Cash Flows from Investing Activities  |        |                           |
| Purchases of Property/Equipment   | \$     | <u>(28,130)</u>           |
| <br>Net Cash Provided by Investing Activities   | <br>\$ | <br>(28,130)              |
| <br>Net Increase In Cash and Cash Equivalents   | <br>\$ | <br>(61,781)              |
| <br>Cash and Cash Equivalents, Beginning of Year  |        | <br><u>180,733</u>        |
| <br>Cash and Cash Equivalents, End of Year  | <br>\$ | <br><u><u>118,952</u></u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

NOTES TO FINANCIAL STATEMENTS  
HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SEPTEMBER 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Hampshire County Committee on Aging, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of the management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Nature of Activities

The Hampshire County Committee on Aging, Inc. is a nonprofit organization formed to improve the quality of life for senior citizens in Hampshire County, WV. The Committee on Aging qualifies as a tax-exempt organization under Section 501 ( c ) (3) of the Internal Revenue Code and, accordingly, is not subject to federal tax. The Agency is supported by various federal and state grant programs as well as program service fees for providing in-home care services funded through the WV Department of Health and Human Services.

B. Basis of Accounting

The accompanying financial statements are prepared on the accrual basis in conformity with generally accepted accounting principles, and accordingly reflect all significant receivables and payables and other liabilities.

C. Accounts Receivable

Accounts receivable consist mainly of amounts due from WV Department of Health & Human Resources, the Veterans Administration and private pay clients, for in-home care services provided to clients. No allowance for uncollectible accounts has been established. Uncollectible accounts are written off in the period management determines that collection is not probable. Management believes all receivables will be collected in full.

D. Property and Equipment

Equipment is recorded at cost and depreciated on the straight-line basis over their estimated useful life. All equipment purchased with grant monies must have approval from the grantor agency to dispose of such equipment and the method of disposition. The Agency capitalizes all expenditures for property, furniture, and equipment in excess of \$1,000. Maintenance and repairs are expensed as incurred.

E. Inventory

The inventory of raw food on hand at September 30, 2009 at the various nutrition sites has been recorded at cost, as determined by the last purchase price , on a first-in first-out basis (FIFO).

F. Revenue Recognition

Contributions and grants are recognized when the donor or grantor makes a promise that is, in substance, unconditional. Contributions that are restricted by the donor or grantor are reported as increases in unrestricted net assets if the restrictions expire in the year that the contributions are recognized. There are no temporarily or permanently restricted net assets as of or for the year ended September 30, 2009. All grant funds were expended on or before that date, or converted to next fiscal year carryover.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SEPTEMBER 30, 2009

G. Cash and Cash Equivalents

With regard to the statement of cash flows, Hampshire County Committee on Aging, Inc. considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

H. Financial Statement Presentation

Financial statement presentation follows the recommendations as set forth in Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

I. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The Committee on Aging has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets. Funds received by the Committee on Aging, consists mainly of grant monies awarded from federal and state government programs and program service fees. These funds are viewed as exchange transactions and not contributions.

J. 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 these estimates.

K. Advertising Costs

Advertising costs are expensed as incurred and totaled \$1,503 for the year ended September 30, 2009.

NOTE 2 – CASH DEPOSITS

Cash consists of interest and non-interest bearing checking accounts, savings accounts, and certificates of deposits on deposit in institutions insured by the Federal Deposit Insurance Corporation. Deposit accounts, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents. All the carrying values are the same as market value. At year-end all deposits were fully insured by FDIC.

NOTE 3 – DONATED SERVICES

A number of volunteers have donated time and services to the Agency in carrying out its programs and activities. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services under the guidance of SFAS No. 116.

NOTE 4 – RETIREMENT PLAN

The Committee's Section 403 (B) retirement plan is funded through the purchase of a group insurance annuity contract. Full-time employees are eligible to participate in the plan; employee contributions are voluntary and are made on a pretax basis. Currently, employer contributions are 9 ½% of the employee's

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SEPTEMBER 30, 2009

earnings; the employer's share of retirement payments for the current year was \$31,655 and is included in personnel costs on the respective statement of functional expenses .

NOTE 5 – ACCOUNTS RECEIVABLE

The accounts receivable amounts consist of the following:

|               |  |                   |
|---------------|--|-------------------|
| General Funds | Outstanding Homemaker and Continuum Care Billing | \$ 117,422        |
|               | Private Pay Clients/Vet. Admin.                  | 17,330            |
|               | IIIB – Program Income                            | <u>115</u>        |
|               |  | <u>\$ 134,857</u> |

NOTE 6 – GRANT MONIES

Grant monies are received as follows:

1. On a cost reimbursement basis for monies already spent. This is used for the LIFE program grant.
2. On an as needed basis. The Agency requests monies that it will need in the immediate future. This method applied to Title III B, Title III D, Title III E and SHIP grants. Once a grant period has been completed, any unexpended money must be approved for carryover into the following year or reimbursed to the grantor.
3. Title III C monies are received on a meal reimbursement basis. The amount reimbursed for meals cannot exceed the total grant award. Any unexpended funds at the end of the year are restricted to future III C program expenditures.

Total government grant revenues for the year ended September 30, 2009, were \$500,383. Federal and state grant expenditures are subject to audit by the grantor agency. These agencies may subsequently make adjustments to the grant as originally awarded due to their audit findings.

The grants receivable amounts consist of the following:

|                                |               |
|--------------------------------|---------------|
| Title IIIC/Nutrition           | \$ 27,932     |
| LIFE Grant                     | 24,189        |
| IIIB                           | 5,846         |
| Elder Abuse                    | 348           |
| FAIR/Lighthouse/Transportation | <u>16,449</u> |
|                                | \$ 74,764     |

NOTE 7 – PROPERTY AND EQUIPMENT

The major classes of property are as follows:

|                   | Cost          | Acc. Dep.<br>9/30/09 | Net          | Method of Dep.      |
|-------------------|---------------|----------------------|--------------|---------------------|
| Land              | \$ 214,587    |                      | \$ 214,587   |                     |
| Building          | 621,887       | \$ 196,438           | 425,449      | S/L 25– 40 years    |
| Equipment         | 401,194       | 341,430              | 59,764       | S/L – 5 to 10 years |
| Land Improvements | <u>42,889</u> | <u>41,379</u>        | <u>1,510</u> | S/L – 5 to 10 years |
|                   | \$ 1,280,557  | \$ 579,247           | \$ 701,310   |                     |

Depreciation expense for the year ended September 30, 2009 was \$36,462.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
 SEPTEMBER 30, 2009

NOTE 8 – CONSTRUCTION IN PROGRESS

In a prior year, the COA had begun the preliminary design phase of the construction of a senior center complex to be located near Highview, WV. As of September 30, 2009, \$13,016 had been paid for preliminary design services and pre-construction costs.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS PLANS (OPEB)

Plan Description: The Agency contributes to the West Virginia Retiree Health Care Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit post employment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). The Trust provides medical benefits to retired employees. Article 16D, of the Statutes of the State of West Virginia assigns PEIA with the administration of the WV OPEB plan. PEIA issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. That report may be obtained by writing to Public Employees Insurance Agency, 1900 Kanawha Blvd., East, Charleston, WV 25305.

Funding Policy: WV Code 5-16D-6 requires PEIA to bill the entire annual required contribution (ARC) beginning July 1, 2007 to employers. PEIA is only required to collect the minimum annual employer payment (MAEP), which is only a component of the ARC. Employers are required to record OPEB expense equal to the billed ARC and reflect a liability in their financial statements for any unpaid portion of the ARC.

The following table shows the components of the Agency’s annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Agency’s net OPEB obligations.

|  |                 |
|--|-----------------|
| Annual required contributions          | \$ 49,573       |
| Adjustments                            | <u>0</u>        |
| Annual OPEB cost                       | \$ 49,573       |
| Contributions made                     | <u>(15,210)</u> |
| Increase in OPEB obligations           | 34,363          |
| Net OPEB obligation, beginning of year | <u>18,513</u>   |
| Net OPEB obligation, end of year       | \$ 52,876       |

NOTE 10 – COMPENSATED ABSENCES

Amounts owed to employees for earned but unused vacation time are accrued as a liability in the statement of financial position. As of September 30, 2009 the Agency has \$27,184 in accrued compensated absences.

NOTE 11 – SUPPORT CONCENTRATION

The Hampshire County Committee on Aging, Inc. receives a significant portion of its support from the West Virginia Department of Health and Human Services for providing services to the community under the Medicaid Waiver (Title XIX) and Community Care programs. Any significant reduction in the level of support received from these programs could have a material effect on the Committee on Aging’s programs and activities.

NOTE 12 – CONTINGENCIES

The Agency receives grant funding from federal and state agencies. The grant programs are subject to audit by the granting authority and are conducted to ensure compliance with conditions of the grant award. Any potential adjustments, which may arise as a result of these audits, are believed to be immaterial.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SEPTEMBER 30, 2009

NOTE 13 – FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and activities, have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 14 – TOTAL COLUMNS

The accompanying financial statements reflect totals of all net assets and activities. The totals are shown for memorandum purposes only and do not reflect the elimination of interagency activities using principles of consolidation. Memorandum total columns are not required components of the financial statements and are presented for analytical purposes only.

# R. Thomas CPA & Associates

(Formerly Gohdes & Thomas, CPAs)

Rosalie E. Thomas, CPA

401 Maple Avenue  
P.O. Box 655  
Moorefield, WV 26836  
Phone: (304) 530-2035  
Fax: (304) 530-7367

INDEPENDENT AUDITOR'S 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  
HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
ROMNEY, WEST VIRGINIA

We have audited the financial statements of Hampshire County Committee on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2009, and have issued our report thereon dated June 24, 2010. 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.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hampshire County Committee on Aging'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 Hampshire County Committee on Aging'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliable in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. They are Findings 2009-01 and 2009-02.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that

might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hampshire County Committee on Aging's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Hampshire County COA's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Agency's response, and accordingly, we express no opinion on it.

This report is intended for the information of the Board of Directors, management, and West Virginia Bureau of Senior Services, and is not intended to be and should not be used by anyone other than those specified parties.

R. THOMAS CPA & ASSOCIATES

R. Thomas CPA & Associates

June 24, 2010

SUPPLEMENTARY INFORMATION

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
 SCHEDULE OF REVENUES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

|  | III B            | III C             | III D           | III E           | ELDER<br>ABUSE | SHIP        | LIGHTHOUSE       | FAIR             | TRANSPORTATION  | LIFE              | LOCAL               | TOTAL ALL<br>ACCOUNTS<br>(MEMORANDUM<br>ONLY) |
|--|------------------|-------------------|-----------------|-----------------|----------------|-------------|------------------|------------------|-----------------|-------------------|---------------------|---|
| GRANT REVENUES                               |                  |                   |                 |                 |                |             |                  |                  |                 |                   |                     |   |
| Federal Grants                               | \$ 29,328        |                   | \$ 1,269        | \$ 9,222        | \$ 348         | \$ -        |                  |                  |                 |                   |                     | \$ 40,167                                     |
| Nutrition Grants                             |                  | \$ 104,773        |                 |                 |                |             |                  |                  |                 |                   |                     | 104,773                                       |
| State Monies Through<br>Area Agency on Aging | 19,139           | 9,177             |                 |                 |                |             | \$ 86,059        | \$ 23,618        | \$ 7,324        |                   |                     | 145,317                                       |
| LIFE Grants                                  |                  | 50,003            |                 |                 |                |             |                  |                  |                 | \$ 135,123        |                     | 185,126                                       |
| Other State Grants                           |                  |                   |                 |                 |                |             |                  |                  |                 |                   | \$ 25,000           | 25,000  |
| <b>Total Grant Revenues</b>                  | <b>\$ 48,467</b> | <b>\$ 163,953</b> | <b>\$ 1,269</b> | <b>\$ 9,222</b> | <b>\$ 348</b>  | <b>\$ -</b> | <b>\$ 86,059</b> | <b>\$ 23,618</b> | <b>\$ 7,324</b> | <b>\$ 135,123</b> | <b>\$ 25,000</b>    | <b>\$ 500,383</b>                             |
| OTHER REVENUES                               |                  |                   |                 |                 |                |             |                  |                  |                 |                   |                     |   |
| Program Income                               | \$ 6,290         | \$ 56,563         |                 |                 |                |             |                  |                  |                 |                   | \$ 80               | \$ 62,933                                     |
| Program Service Fees                         |                  |                   |                 |                 |                |             | \$ 4,510         | \$ 1,607         |                 | \$ 15             | 1,222,798           | 1,228,930                                     |
| Contributions                                |                  |                   |                 |                 |                |             | 100              | 175              |                 |                   | 4,627               | 4,902   |
| Interest                                     |                  |                   |                 |                 |                |             |                  |                  |                 |                   | 2,771               | 2,771   |
| Misc./Other                                  |                  |                   |                 |                 |                |             |                  |                  |                 |                   | 243                 | 243   |
| <b>Total Other Revenues</b>                  | <b>\$ 6,290</b>  | <b>\$ 56,563</b>  | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>    | <b>\$ -</b> | <b>\$ 4,610</b>  | <b>\$ 1,782</b>  | <b>\$ -</b>     | <b>\$ 15</b>      | <b>\$ 1,230,519</b> | <b>\$ 1,299,779</b>                           |
| <b>Total Revenues</b>                        | <b>\$ 54,757</b> | <b>\$ 220,516</b> | <b>\$ 1,269</b> | <b>\$ 9,222</b> | <b>\$ 348</b>  | <b>\$ -</b> | <b>\$ 90,669</b> | <b>\$ 25,400</b> | <b>\$ 7,324</b> | <b>\$ 135,138</b> | <b>\$ 1,255,519</b> | <b>\$ 1,800,162</b>                           |

SEE INDEPENDENT AUDITORS' REPORT.



HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES - GRANT BASIS  
FOR TITLE IIIB, IIID, and IIIE PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUES:

|                     |                  |
|---------------------|------------------|
| Grant Federal Funds | \$ 39,819        |
| Grant State Funds   | 19,139           |
| Program Income      | 6,290            |
| Local Funds         | <u>11,846</u>    |
| Total Revenues      | <u>\$ 77,094</u> |

EXPENDITURES:

|                       |                      |
|-----------------------|----------------------|
| Personnel             | \$ 52,373            |
| Travel                | 22,291               |
| Printing and Supplies | 1,781                |
| Other                 | <u>466</u>           |
| Total Expenditures    | <u>\$ 76,911</u>     |
| <br>                  |                      |
| Title IIID Carryover  | <u><u>\$ 183</u></u> |

SEE INDEPENDENT AUDITORS' REPORT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
STATEMENT OF SUPPORT, REVENUES, AND EXPENSES - GRANT BASIS  
FOR TITLE IIIC PROGRAM  
FOR THE GRANT YEAR ENDED SEPTEMBER 30, 2009

|                             | <u>CONGREGATE</u>      | <u>HOME<br/>DELIVERED</u> | <u>TOTAL</u>           |
|-----------------------------|------------------------|---------------------------|------------------------|
| REVENUES:                   |                        |                           |                        |
| Nutrition Award             | \$ 65,115              | \$ 39,658                 | \$ 104,773             |
| Stimulus Funds              | 9,177                  | -                         | 9,177                  |
| Project Income              | 39,752                 | 16,811                    | 56,563                 |
| LIFE Funds                  | 30,445                 | 19,558                    | 50,003                 |
| Local Funds                 | <u>12,617</u>          | <u>22,038</u>             | <u>34,655</u>          |
| <br>Total Revenues          | <br><u>\$ 157,106</u>  | <br><u>\$ 98,065</u>      | <br><u>\$ 255,171</u>  |
| EXPENDITURES:               |                        |                           |                        |
| Personnel                   | \$ 56,713              | \$ 49,787                 | \$ 106,500             |
| Raw Food                    | 48,087                 | 22,354                    | 70,441                 |
| Disposables                 | 7,452                  | 4,691                     | 12,143                 |
| Transportation              | 1,441                  | 15,381                    | 16,822                 |
| Other                       | <u>43,413</u>          | <u>5,852</u>              | <u>49,265</u>          |
| <br>Total Expenditures      | <br><u>\$ 157,106</u>  | <br><u>\$ 98,065</u>      | <br><u>\$ 255,171</u>  |
| <br>NET REVENUES (EXPENSES) | <br><u><u>\$ -</u></u> | <br><u><u>\$ -</u></u>    | <br><u><u>\$ -</u></u> |

SEE INDEPENDENT AUDITORS' REPORT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
ELDER ABUSE  
SCHEDULE OF REVENUE, SUPPORT AND EXPENSES - GRANT BASIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUES:

|                     |               |
|---------------------|---------------|
| Grant Federal Funds | \$ 348        |
| Total Revenues      | <u>\$ 348</u> |

EXPENDITURES:

|                    |               |
|--------------------|---------------|
| Other              | \$ 312        |
| Total Expenditures | <u>\$ 312</u> |

|                       |                     |
|-----------------------|---------------------|
| ELDER ABUSE CARRYOVER | <u><u>\$ 36</u></u> |
|-----------------------|---------------------|

SEE INDEPENDENT AUDITORS' REPORT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SHIP  
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES - GRANT BASIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

|                       | <u>04/01/2008-<br/>9/30/2008</u> | <u>10/01/2008-<br/>3/31/2009</u> | <u>TOTAL</u>    |
|-----------------------|----------------------------------|----------------------------------|-----------------|
| REVENUE:              |                                  |                                  |                 |
| Federal Grant Funds   | \$ 5,000                         | \$ -                             | \$ 5,000        |
| Local Funds           | -                                | 296                              | 296             |
|                       | <u>\$ 5,000</u>                  | <u>\$ 296</u>                    | <u>\$ 5,296</u> |
| EXPENDITURES:         |                                  |                                  |                 |
| Personnel             | \$ 715                           | \$ 3,140                         | \$ 3,855        |
| Travel                | 584                              | -                                | 584             |
| Other                 | -                                | 857                              | 857             |
|                       | <u>\$ 1,299</u>                  | <u>\$ 3,997</u>                  | <u>\$ 5,296</u> |
| NET INCOME (EXPENSES) | <u>\$ 3,701</u>                  | <u>\$ (3,701)</u>                | <u>\$ -</u>     |

Grant period is April 01, 2008 to March 31, 2009.

SEE INDEPENDENT AUDITORS' REPORT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SHIP  
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES - GRANT BASIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE:

|                     |      |
|---------------------|------|
| Federal Grant Funds | \$ - |
|---------------------|------|

EXPENDITURES:

|                    |                 |
|--------------------|-----------------|
| Personnel          | \$ 3,772        |
| Travel             | .168            |
| Total Expenditures | <u>\$ 3,940</u> |

|                         |                   |
|-------------------------|-------------------|
| NET REVENUES (EXPENSES) | <u>\$ (3,940)</u> |
|-------------------------|-------------------|

Grant period is July 01, 2009 to June 30, 2010.

SEE INDEPENDENT AUDITORS' REPORT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
 DIRECT LIFE - FY 08/09  
 SCHEDULE OF REVENUES, SUPPORT AND EXPENSES - GRANT BASIS  
 FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009

|                         | ACTUAL<br>7/1/2008<br>TO<br>9/30/2008 | ACTUAL<br>10/1/2008<br>TO<br>6/30/2009 | TOTAL<br>ACTUAL   |
|-------------------------|---------------------------------------|--|-------------------|
| REVENUE:                |                                       |  |                   |
| State Funds             | \$ 61,158                             | \$ 71,920                              | \$ 133,078        |
| Program Services        | -                                     | 15                                     | 15                |
| Local                   | -                                     | 9,005                                  | 9,005             |
| Total Revenues          | <u>\$ 61,158</u>                      | <u>\$ 80,940</u>                       | <u>\$ 142,098</u> |
| EXPENDITURES:           |                                       |  |                   |
| Personnel               | \$ 59,718                             | \$ 82,016                              | \$ 141,734        |
| Other                   | 364                                   | -                                      | 364               |
| Total Expenditures      | <u>\$ 60,082</u>                      | <u>\$ 82,016</u>                       | <u>\$ 142,098</u> |
| NET REVENUES (EXPENSES) | <u>\$ 1,076</u>                       | <u>\$ (1,076)</u>                      | <u>\$ -</u>       |

Grant period is July 01, 2008 to June 30, 2009.

SEE INDEPENDENT AUDITOR'S REPORT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
DIRECT LIFE - FY 09/10  
SCHEDULE OF REVENUES, SUPPORT AND EXPENSES - GRANT BASIS  
FOR THE PERIOD JULY 1, 2009 TO SEPTEMBER 30, 2009

REVENUE:

|                |                  |
|----------------|------------------|
| State Funds    | \$ 63,203        |
| Total Revenues | <u>\$ 63,203</u> |

EXPENDITURES:

|                    |                  |
|--------------------|------------------|
| Personnel          | \$ 64,803        |
| Other              | 4,262            |
| Print/Supplies     | 2,112            |
| Total Expenditures | <u>\$ 71,177</u> |

|                       |                   |
|-----------------------|-------------------|
| NET INCOME (EXPENSES) | <u>\$ (7,974)</u> |
|-----------------------|-------------------|

Grant period is July 01, 2009 to June 30, 2010.

SEE INDEPENDENT AUDITOR'S REPORT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
STATEMENT OF SUPPORT, REVENUES AND EXPENSES - GRANT BASIS  
SPECIAL GRANTS - WEST VIRGINIA BUREAU OF SENIOR SERVICES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

|                                | <u>GRANT NO.</u><br><u>SC 2944</u> |
|--------------------------------|------------------------------------|
| REVENUES:                      |                                    |
| State Grant Funds              | \$ 25,000                          |
| EXPENDITURES:                  |                                    |
| Equipment & Operating Expenses | <u>\$ 25,000</u>                   |
| NET INCOME (EXPENSES)          | <u><u>\$ -</u></u>                 |

SEE INDEPENDENT AUDITOR'S REPORT.



# R. Thomas CPA & Associates

(Formerly Gohdes & Thomas, CPAs)

Rosalie E. Thomas, CPA

401 Maple Avenue  
P.O. Box 655  
Moorefield, WV 26836  
Phone: (304) 530-2035  
Fax: (304) 530-7367

## REPORT ON SELECTED COMPLIANCE REQUIREMENTS AS REQUIRED BY THE WEST VIRGINIA BUREAU OF SENIOR SERVICES

TO THE BOARD OF DIRECTORS  
HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
ROMNEY, WEST VIRGINIA

We have audited the financial statements of Hampshire County Committee on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2009, and have issued our report thereon dated June 24, 2010. 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.

As part of obtaining reasonable assurance about whether Hampshire County Committee on Aging, Inc. financial statements are free of material misstatement, we performed tests of certain compliance requirements per the directive of the West Virginia Bureau of Senior Services. However, providing an opinion on compliance with these 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 that are required to be reported under the directive of the West Virginia Bureau of Senior Services.

This report is intended for the information of the Board of Directors, management, and the granting agencies, and is not intended to be and should not be used by anyone other than those specified parties.

*R. THOMAS CPA & ASSOCIATES*  
R. Thomas CPA & Associates

June 24, 2010

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SUMMARY OF FINDINGS & RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

A. Reportable Conditions in Internal Control

**2009-01 Segregation of Duties**

Condition: We noted during our audit that the Hampshire County Committee on Aging, Inc. did not have complete segregation of duties in the financial and accounting office.

Criteria: During our analysis of internal control, we noted that duties related to the custody of assets, authorization of transactions, accounting function, and the record keeping responsibility, are not completely separated.

Cause: The small size of the accounting staff precludes certain internal controls necessary to provide optimum segregation of duties.

Effect: Because of the failure to segregate duties, internal accounting control does not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Corrective Action: Responsibilities of accounting and financial duties should be distributed among office staff to the best degree possible to assure proper segregation of duties. However, we recognize the Agency is not large enough to obtain complete segregation of duties from a financial standpoint. The Board will remain involved in the financial process to provide oversight and independent review functions.

**2009-02 Drafting of Financial Statements**

Condition: Hampshire County Committee on Aging, Inc. does not prepare financial statements in accordance with generally accepted accounting principles. In order to satisfy GAAP, the year-end financial statements are required to include extensive notes and disclosures in the financial statements.

Criteria: Statement of Auditing Standard #112 defines a significant deficiency as a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles.

Cause: Small accounting staff and limited resources

Effect: Unknown

Corrective Action: It is not cost efficient for the Hampshire County Committee, Inc. to prepare its own financial statements. The Agency has engaged external auditors to ensure that the year-end financial statements are in compliance with GAAP.

SEE INDEPENDENT AUDITOR'S REPORT.

HAMPSHIRE COUNTY COMMITTEE ON AGING, INC.  
SCHEDULE OF PRIOR FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

|                                     |         |                     |
|-------------------------------------|---------|---------------------|
| SEGREGATION OF DUTIES:              | 2008-01 | Repeated as 2009-01 |
| DRAFTING OF FINANCIAL<br>STATEMENTS | 2008-02 | Repeated as 2009-02 |

SEE INDEPENDENT AUDITOR'S REPORT.