

Hampshire County Committee on Aging, Inc.

Audited Financial Statements

September 30, 2014

Audited by

**Williams & Associates, AC
204 Davis Avenue, Post Office Box 2727
Elkins, West Virginia 26241**

Hampshire County Committee on Aging, Inc.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hampshire County Committee on Aging, Inc.
Moorefield, West Virginia

We have audited the accompanying financial statements of Hampshire County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of activities by program on page 13 and the schedule of expenditures of federal and state awards on page 14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2015, on our consideration of Hampshire County Committee on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hampshire County Committee on Aging, Inc.'s internal control over financial reporting and compliance.

Williams & Associates, A.C.

Williams & Associates, A.C.

Elkins, West Virginia

June 22, 2015

Hampshire County Committee on Aging, Inc.
STATEMENTS OF FINANCIAL POSITION
September 30, 2013 & 2014

ASSETS	2013	2014
Current Assets		
Cash & Equivalents	\$ 144,918	\$ 88,606
Accounts Receivable	108,176	112,392
Grants Receivable	68,541	50,492
Prepaid Expenses	11,786	14,001
Inventory	6,208	7,118
Total Current Assets	339,629	272,609
Fixed Assets		
Buildings & Equipment	1,761,116	1,786,981
Accumulated Depreciation	(714,180)	(765,835)
Fixed Assets, net	1,046,936	1,021,146
TOTAL ASSETS	\$ 1,386,565	\$ 1,293,755
 LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 28,205	\$ 12,704
Accrued Wages	54,914	65,720
Deferred Compensation	27,372	31,760
Current Portion of Long-term Debt	8,883	9,330
Total Current Liabilities	119,374	119,514
Long-Term Liabilities		
Mortgage Payable	262,773	247,410
OPEB Liability	269,299	277,369
Total Long-Term Liabilities	532,072	524,779
Total Liabilities	651,446	644,293
Net Assets		
Net Assets, Unrestricted	735,119	649,462
Total Net Assets	735,119	649,462
LIABILITIES & NET ASSETS	\$ 1,386,565	\$ 1,293,755

The accompanying notes are an integral part of these financial statements.

Hampshire County Committee on Aging, Inc.
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2013 & 2014

	2013	2014
REVENUE & SUPPORT		
Grant Revenues:		
Federal	\$ 40,289	\$ 40,865
State	398,396	446,465
Nutrition	122,709	116,405
Program Service Fees	1,122,658	1,164,938
Project Income	73,086	69,084
Contributions	3,590	16,406
Fundraising	2,104	-
Net Gain(Loss) on Disposal of Assets	17,731	-
Other Income	51,065	-
Interest & Dividends	294	204
TOTAL REVENUE & SUPPORT	1,831,922	1,854,367
 EXPENSES		
Program Service Expenses	1,587,853	1,547,461
Management & General	297,654	392,563
TOTAL EXPENSES	1,885,507	1,940,024
 INCREASE(DECREASE) IN NET ASSETS	(53,585)	(85,657)
 NET ASSETS, Beginning of Year	788,704	735,119
 NET ASSETS, End of Year	\$ 735,119	\$ 649,462

The accompanying notes are an integral part of these financial statements.

Hampshire County Committee on Aging, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Increase(Decrease) in Net Assets	\$ (85,657)
Adjustments to reconcile net income to net cash provided(used) by operating activities:	
Depreciation	51,655
(Increase)Decrease in Accounts Receivable	(4,216)
(Increase)Decrease in Grants Receivable	18,048
(Increase)Decrease in Prepaid Expenses	(2,215)
(Increase)Decrease in Inventory	(910)
Increase(Decrease) in Accounts Payable	(8,108)
Increase(Decrease) in Accrued Wages	3,414
Increase(Decrease) in Deferred Compensation	4,388
Increase(Decrease) in OPEB Liability	<u>8,070</u>
Net cash provided(used) by operating activities	<u>(15,531)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Purchases of Fixed Assets	<u>(25,865)</u>
Net Cash provided(used) by financing activities	<u>(25,865)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments of Long-term Debt	<u>(14,916)</u>
Net Cash provided(used) by investing activities	<u>(14,916)</u>

INCREASE(DECREASE) IN CASH (56,312)

CASH BALANCE, 10/1/13 144,918

CASH BALANCE, 9/30/14 \$ 88,606

Supplemental Disclosures of Cash Flows:

Interest Expense	<u><u>\$ 12,584</u></u>
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The accompanying notes are an integral part of these financial statements.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 1. Summary of Significant Accounting Policies

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

Organization

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 Organization is funded by various federal and state grant programs as well as program service fees for providing in-home care services through various programs of the WV Department of Health and Human Services.

Basis of Accounting

The financial statements of Hampshire County Committee on Aging, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements of Accounting Standards Codification 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under ASC 958-205, 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.

Under these provisions, net assets and revenues, expenses, gains and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. These are resources over which the Board of Directors has discretionary control.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or with the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted – Resources subject to a donor restriction that they be maintained permanently by the Organization. There were no permanently restricted net assets as of September 30, 2014.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 1. Summary of Significant Accounting Principles (Continued)

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The Organizations returns for 2013, 2012, and 2011 remain subject to examination by the Internal Revenue Service.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Accounts and Grants Receivable

Accounts receivable represent amounts owed the Organization for services provided to clients of the Organization under contracts with the West Virginia Department of Health and Human Resources – Medicaid Waiver and Community Care Programs, the Veterans Administration, as well as amounts due from private pay clients. As of September 30, 2014, all accounts receivable are deemed collectible.

Grants receivable represent amounts invoiced by the Organization to grantor agencies under the terms of their grant agreements. As of September 30, 2014, all grants receivable are deemed collectible.

The Organization uses the direct write-off method for accounting for bad debts wherein accounts are written off in the period management determines that collection is not probable.

Inventory

Inventory consists primarily of raw food, disposables, and supplies purchased under the Title III-C grant and are recorded at cost, as determined by the last purchase price, on a first-in, first-out basis.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 1. Summary of Significant Accounting Principles (Continued)

Property and Equipment

The Organization is currently capitalizing all equipment purchases at cost and all donated equipment at fair market value and is depreciating these costs using the straight-line method over the asset's estimated useful life. All equipment/vehicles purchased with grant monies must be disposed of in accordance with the grantor agency's policies. The Organization has adopted a capitalization policy in the amount of \$1000. Maintenance and repairs are expensed when incurred.

Revenue Recognition

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. There were no temporarily or permanently restricted net assets as of or for the year ended September 30, 2014.

Grant Monies

Grant monies are received in three ways:

- 1 – On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2 – On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-E, and Title III-D/MM grants. Upon completion of a grant year any unexpended money has to be approved for carryover to the next year. If approval is denied, the money has to be reimbursed to the grantor.
- 3 – Title III-C grant funds are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title III-C program operating expenses.

Operating expenditures made against federal and state grants 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. Grant revenues for the year ended September 30, 2014 were \$603,735.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 2. Certificates of Deposit

The Organization has one certificate of deposit at the Bank of Romney.

A 6-month certificate of deposit dated April 29, 2014, maturing on October 29, 2014, bearing an interest rate of 0.30%. The balance on this CD at September 30, 2014 was \$38,821.

Note 3. Accounts Receivable

Accounts receivable consisted of the following at September 30, 2014:

WV DHHR	\$	83,857
Veterans Administration		28,469
Title III-B – Project Income		<u>66</u>
	\$	<u>112,392</u>

Note 4. Grants Receivable

Grants receivable consisted of the following at September 30, 2014:

LIFE	\$	16,512
Title IIIC		14,809
FAIR/Lighthouse		15,720
Title III-B		2,509
Title III-E		392
Title III-D		<u>550</u>
	\$	<u>50,492</u>

Note 5. Property and Equipment

Property and equipment consisted of the following at September 30, 2014:

Land	\$	214,587
Land Improvements		74,407
Buildings		1,033,858
Equipment		<u>464,129</u>
Total Fixed Assets		1,786,981
Less accumulated depreciation		<u>(765,835)</u>
Net property and equipment	\$	<u>1,021,146</u>

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 6. Mortgage Payable

Mortgage payable consists of a loan from the Bank of Romney with an original principal amount of \$380,879 due in monthly installments of \$2,105.94 which began on October 19, 2010, bearing an interest rate of 4.92%, and secured by deed of trust on 8.111 acres, more or less, and building and UCC on equipment and furnishings.

Future scheduled maturities for years ending September 30 are:

2015	\$	9,330
2016		9,799
2017		10,293
2018		10,811
2019		11,355
Thereafter		<u>205,152</u>
	\$	<u><u>256,740</u></u>

Note 7. Retirement Plan

The Organization sponsors a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. 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 9.5% of the employee's earnings. The employer's share of retirement payments for the current year was \$33,492 and is included in personnel costs on the statement of activities by program.

Note 8. Cash Deposits

Cash consists of interest and non-interest bearing checking and savings accounts on deposit in institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. All the carrying values are the same as market value. As of September 30, 2014, all deposits were fully insured by the FDIC.

Note 9. Donated Services

The Organization has a number of volunteers who have donated time and services 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 as defined by FASB ASC 958-605 *Not-for-Profit Entities: Recognition Principles*.

Note 10. Advertising

Advertising costs are expensed as incurred. Advertising costs for the year ended September 30, 2014 were \$740.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 11. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets.

Note 12. Compensation 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, 2014, the Organization had \$31,760 in accrued compensation absences.

Note 13. Subsequent Events

Management has evaluated events subsequent to the balance sheet date through the date of the independent accountants' report, the date on which the financial statements were available to be issued, for items requiring adjustment or disclosure in these financial statements.

Note 14. Other Post Employment Benefits (OPEB)

The Organization 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. West Virginia Code §16D 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. The report may be obtained by writing to Public Employees Insurance Agency, 1900 Kanawha Blvd, East, Charleston, WV 25305.

West Virginia 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 shows the components of the Organization's annual OPEB cost for the year ended September 30, 2014, the amount actually contributed to the plan and changes in the Agency's net OPEB obligations.

Annual Required Contributions (ARC)	\$ 21,582
Adjustments	<u>0</u>
Annual OPEB cost	\$ 21,582
Contributions made	<u>(13,512)</u>
Increase in OPEB liability	\$ 8,070
OPEB Liability, 10/1/13	<u>\$269,299</u>
OPEB Liability, 9/30/14	<u>\$277,369</u>

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Note 15. Contingencies

The Organization receives grant funding from federal and state agencies. The grant expenditures are subject to audit by the granting agencies. These audits are conducted to insure compliance with conditions of the grant award. Instances of noncompliance could result in grant awards being repaid. Any potential adjustments are believed to be immaterial.

The Organization is at risk of loss from various torts and lawsuits. These risks are mitigated by maintaining insurance with the West Virginia Board of Risk.

Note 16. Support Concentration

The Hampshire County Committee on Aging, Inc. receives a significant amount of its support from the West Virginia Department of Health and Human Resources for providing services to the community under the Medicaid Waiver (Title XIX) and personal care programs. Any significant decrease in the level of support received from these programs could have a material effect on the Agency's programs and activities.

SUPPLEMENTAL INFORMATION

Hampshire County Committee on Aging, Inc.
STATEMENT OF ACTIVITIES BY PROGRAM
For the Year Ended September 30, 2014

	Program Services										Management & General	Total
	III-B	III-C	III-D	III-E	Waiver/ COC/CM	LIFE	FAIR/LH	Other Programs	Subtotal			
Revenue & Support												
Grant Revenue												
Federal	\$ 29,940	\$ 116,405	\$ 1,972	\$ 8,953	\$ -	\$ -	\$ -	\$ -	\$ 157,270	\$ -	\$ -	\$ 157,270
State	20,426	60,451				141,321	193,568	30,699	446,465			446,465
Program Service Fees					1,164,938				1,164,938			1,164,938
Project Income	4,906	64,113	65					16,406	69,084			69,084
Contributions								204	16,406			16,406
Interest Income								204	204			204
Total Revenue & Support	55,272	240,969	2,037	8,953	1,164,938	141,321	193,568	47,309	1,854,367	-	-	1,854,367
Expenses												
Payroll & Benefits	32,045	117,045		6,377	5,705	5,692	199,943	812,000	1,178,807	206,776		1,385,583
Travel	20,435	4,417		502	82		23,460	105,346	154,242	17,359		171,601
Communications & Utilities										46,797		46,797
Office Expense										11,927		11,927
Professional Fees		2,975	500						3,475	12,239		15,714
Raw Food		83,770							83,770			83,770
Maintenance		6,484							6,484			6,484
Disposables		16,658							16,658			16,658
Insurance												
Transportation	3,755	8,242						475	12,472	7,770		20,242
Other Expenses		791	1,545					89,217	91,553	20,305		111,858
Depreciation										51,655		51,655
Indirect Expenses		84,871				17,583		290,109	392,563	(392,563)		-
Total Expenses	56,235	325,253	2,045	6,879	5,787	23,275	223,403	1,297,147	1,940,024	-	-	1,940,024
Change in Net Assets	\$ (963)	\$ (84,284)	\$ (8)	\$ 2,074	\$ 1,159,151	\$ 118,046	\$ (29,835)	\$ (1,249,838)	\$ (85,657)	\$ -	\$ -	\$ (85,657)

The notes are an integral part of these financial statements.

Hampshire County Committee on Aging, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL & STATE AWARDS
For the Fiscal Year Ended September 30, 2014

	Grant Identification Number	Expenditures
FEDERAL:		
U.S. Department of Health and Human Services:	93.044	\$ 29,940
Administration on Aging		
Special Programs for the Aging Title III Part B		
Grants for Supportive Services and Senior Centers		
Administration on Aging	93.043	1,972
Special Programs for the Aging Title III Part D		
Disease Prevention and Health Promotion Services		
Administration on Aging	93.052	8,953
Special Programs for the Aging Title III Part E		
National Family Caregiver Support		
Administration on Aging	93.045	116,405
Special Programs for othe Aging Title III Part C		
Nutrition Services (includes expenditures of states awards)		
<i>Total Expenditures of Federal Awards</i>		\$ 157,270
STATE:		
LIFE	7/1/13-6/30/14	2014 \$ 154,996
LIFE	7/1/14-6/30/15	2015 46,776
Lighthouse	7/1/13-6/30/14	2014 121,195
Lighthouse	7/1/14-6/30/15	2015 35,640
FAIR	7/1/13-6/30/14	2014 28,614
FAIR	7/1/14-6/30/15	2015 8,120
Community Partnership		20,650
III-B		20,426
MIPPA		436
SHIP		9,612
<i>Total Expenditures of State Awards</i>		\$ 446,465
TOTAL EXPENDITURES OF FEDERAL & STATE AWARDS		\$ 603,735

The notes are an integral part of these financial statements.

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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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hampshire County Committee on Aging, Inc. (a nonprofit Organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hampshire County Committee on Aging, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hampshire County Committee on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Hampshire County Committee on Aging, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Williams & Associates, A.C.

Williams & Associates, A.C.
Elkins, West Virginia
June 22, 2015

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MANAGEMENT LETTER

To the Board of Directors
Hampshire County Committee on Aging, Inc
Romney, West Virginia

Our audit on the financial statements of Hampshire County Committee on Aging, Inc., for the year ended September 30, 2014, highlighted areas where we would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the organization. Since our audit was not designed to include a complete review of all systems, procedures and controls, the following comments and recommendations should not be considered to be all inclusive of the areas where improvements may be necessary.

Segregations of Duties

During our audit we noted that two people perform most of the accounting and financial duties. As a result, many aspects of internal accounting control which rely upon an adequate segregation of duties are for all practical purposes missing in the Hampshire County Committee on Aging, Inc. We recognize that the organization is not large enough to make the employment of additional staff for the purpose of segregating duties practicable from a financial standpoint, but we are required, under our professional responsibilities, to describe the situation.

After you have had the opportunity to review these comments and recommendations, we would be pleased to discuss those points that you desire. We would like to thank your staff for their assistance in performing the audit and the Board of Directors for the opportunity to serve Hampshire County Committee on Aging, Inc.

Williams & Associates, A.C.

Elkins, West Virginia
June 22, 2015