

Hampshire County Committee on Aging, Inc.

Audited Financial Statements

September 30, 2015

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 Board of Directors
Hampshire County Committee on Aging, Inc.
Romney, West Virginia 26757

Report on the Financial Statements

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, 2015, 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 the 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 the Hampshire County Committee on Aging, Inc. as of September 30, 2015, and the results of activities and changes in net assets and cash flows for the year then ended in conformity 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 schedules of revenues and support and expenditures of federal and state programs 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 29, 2016, 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.

Elkins, West Virginia
June 29, 2016

Hampshire County Committee on Aging, Inc.
STATEMENTS OF FINANCIAL POSITION
September 30, 2014 & 2015

ASSETS	2014	2015
Current Assets		
Cash & Equivalents	\$ 88,606	\$ 37,307
Accounts Receivable	112,392	130,278
Grants Receivable	50,492	45,059
Prepaid Expenses	14,001	12,447
Inventory	7,118	4,862
Total Current Assets	272,609	229,953
 Fixed Assets		
Buildings & Equipment	1,786,981	1,800,001
Accumulated Depreciation	(765,835)	(818,556)
Fixed Assets, net	1,021,146	981,445
 TOTAL ASSETS	 \$ 1,293,755	 \$ 1,211,398
 LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 12,704	\$ 17,865
Payroll Liabilities	-	9,482
Accrued Wages	65,720	60,975
Deferred Compensation	31,760	33,828
Deferred Revenue	-	5,583
Current Portion of Long-term Debt	9,330	9,799
Total Current Liabilities	119,514	137,532
 Long-Term Liabilities		
Mortgage Payable	247,410	232,809
OPEB Liability	277,369	295,285
Total Long-Term Liabilities	524,779	528,094
Total Liabilities	644,293	665,626
 Net Assets		
Net Assets, Unrestricted	649,462	545,772
Total Net Assets	649,462	545,772
 LIABILITIES & NET ASSETS	 \$ 1,293,755	 \$ 1,211,398

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, 2014 & 2015

	<u>2014</u>	<u>2015</u>
REVENUE & SUPPORT		
Grant Revenues:		
Federal	\$ 40,865	\$ 34,679
State	446,465	403,027
Nutrition	116,405	128,086
Program Service Fees	1,164,938	1,214,722
Project Income	69,084	58,118
Contributions	16,406	39,224
Other Income	-	614
Interest & Dividends	204	75
TOTAL REVENUE & SUPPORT	<u>1,854,367</u>	<u>1,878,545</u>
EXPENSES		
Program Service Expenses	1,547,461	1,584,622
Management & General	392,563	397,613
TOTAL EXPENSES	<u>1,940,024</u>	<u>1,982,235</u>
INCREASE(DECREASE) IN NET ASSETS	(85,657)	(103,690)
NET ASSETS, Beginning of Year	<u>735,119</u>	<u>649,462</u>
NET ASSETS, End of Year	<u>\$ 649,462</u>	<u>\$ 545,772</u>

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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Increase(Decrease) in Net Assets	\$ (103,690)
Adjustments to reconcile net income to net cash provided(used) by operating activities:	
Depreciation	52,721
(Increase)Decrease in Accounts Receivable	(17,886)
(Increase)Decrease in Grants Receivable	5,433
(Increase)Decrease in Prepaid Expenses	2,256
(Increase)Decrease in Inventory	1,554
Increase(Decrease) in Accounts Payable	5,161
Increase(Decrease) in Accrued Wages	2,068
Increase(Decrease) in Deferred Compensation	4,737
Increase(Decrease) in Deferred Revenue	5,583
Increase(Decrease) in OPEB Liability	<u>17,916</u>
Net cash provided(used) by operating activities	<u>(24,147)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Purchases of Fixed Assets	<u>(13,020)</u>
Net Cash provided(used) by financing activities	<u>(13,020)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments of Long-term Debt	<u>(14,132)</u>
Net Cash provided(used) by investing activities	<u>(14,132)</u>

INCREASE(DECREASE) IN CASH (51,299)

CASH BALANCE, 10/1/14 88,606

CASH BALANCE, 9/30/15 \$ 37,307

Supplemental Disclosures of Cash Flows:

Interest Expense	<u><u>\$ 12,322</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, 2015

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, 2015.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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 the last three years 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, 2015, 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, 2015, 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, 2015

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, 2015.

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, 2015 were \$565,792.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 2. 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. 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. All year end deposits are fully insured by the FDIC.

Note 3. Accounts Receivable

Accounts receivable consisted of the following at September 30, 2015:

WV DHHR	\$ 95,106
Veterans Administration	26,818
Title III-B – Project Income	354
Title III-C – Donations	7,420
Other – Local	<u>580</u>
	<u>\$ 130,278</u>

Note 4. Grants Receivable

Grants receivable consisted of the following at September 30, 2015:

LIFE	\$ 8,032
Title IIIC	14,410
FAIR/Lighthouse	15,331
Title III-B	<u>7,286</u>
	<u>\$ 45,059</u>

Note 5. Property and Equipment

Property and equipment consisted of the following at September 30, 2015:

Land	\$ 214,587
Land Improvements	74,407
Buildings	1,033,858
Equipment	<u>477,149</u>
Total Fixed Assets	1,800,001
Less accumulated depreciation	<u>(818,556)</u>
Net property and equipment	<u>\$ 981,445</u>

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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:

2016	9,799
2017	10,293
2018	10,811
2019	11,355
2020	11,926
Thereafter	188,424
	\$ 242,608

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 \$32,609 and is included in personnel costs on the statement of activities by program.

Note 8. 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 9. Advertising

Advertising costs are expensed as incurred. Advertising costs for the year ended September 30, 2015 were \$799.

Note 10. Prepaid Expenses

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

Note 11. 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, 2015, the Organization had \$33,828 in accrued compensated absences.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 12. 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 13. 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, 2015, the amount actually contributed to the plan and changes in the Agency's net OPEB obligations.

Annual Required Contributions (ARC)	\$ 28,728
Adjustments	<u>0</u>
Annual OPEB cost	\$ 28,728
Contributions made	<u>(10,812)</u>
Increase in OPEB liability	\$ 17,916
OPEB Liability, 10/1/14	<u>\$277,369</u>
OPEB Liability, 9/30/15	<u>\$295,285</u>

Note 14. 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.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 15. 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.

Hampshire County Committee on Aging, Inc.
STATEMENT OF ACTIVITIES BY PROGRAM
For the Year Ended September 30, 2015

	Program Services							Subtotal	Management & General	Total	
	III-B	III-C	III-D	III-E	Waiver/ COC/CM	LIFE	FAIR/LH				Other Programs
Revenue & Support											
Grant Revenue											
Federal	\$ 24,385		\$ 1,422	\$ 8,872				\$ 34,679	\$ -	\$ 34,679	
Nutrition		\$ 128,086						128,086		128,086	
State	19,921						187,411	24,300		231,632	
LIFE		37,789				133,606				171,395	
Program Service Fees					941,849			272,873		1,214,722	
Project Income	4,979	53,039	100							58,118	
Contributions		34,656						4,568		39,224	
Other Income								614		614	
Interest Income								75		75	
Total Revenue & Support	49,285	253,570	1,522	8,872	941,849	133,606	187,411	302,430	1,878,545	-	1,878,545
Expenses											
Payroll & Benefits	28,210	127,048		10,833	625,891		237,993	196,001	1,225,976	211,812	1,437,788
Travel	16,609	4,012		468	88,995		24,132	8,077	142,293	17,696	159,989
Bad Debts							426		426		426
Communications & Utilities									-	43,024	43,024
Offic Expense									-	10,578	10,578
Professional Fees		2,890	550				450		3,890	11,977	15,867
Raw Food		71,022							71,022		71,022
Maintenance	1,839	14,318			80				16,237	6,769	23,006
Disposables		15,537							15,537		15,537
Interest									-	12,322	12,322
Insurance									-	8,282	8,282
Transportation	2,627	6,068					1,300		9,995		9,995
Other Expenses		800	972	527	4,326		1,227	91,394	99,246	22,432	121,678
Depreciation									-	52,721	52,721
Indirect Expenses	9,149	41,205		3,513	202,991		77,187	63,568	397,613	(397,613)	-
Total Expenses	58,434	282,900	1,522	15,341	922,283	-	342,715	359,040	1,982,235	-	1,982,235
Change in Net Assets	\$ (9,149)	\$ (29,330)	\$ -	\$ (6,469)	\$ 19,566	\$ 133,606	\$ (155,304)	\$ (56,610)	\$ (103,690)	\$ -	\$ (103,690)

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, 2015

	Grant Identification Number	Expenditures
FEDERAL:		
U.S. Department of Health and Human Services:	93.044	\$ 24,385
Administration on Aging		
Special Programs for the Aging Title III Part B		
Grants for Supportive Services and Senior Centers		
Administration on Aging	93.043	1,422
Special Programs for the Aging Title III Part D		
Disease Prevention and Health Promotion Services		
Administration on Aging	93.052	8,872
Special Programs for the Aging Title III Part E		
National Family Caregiver Support		
Administration on Aging	93.045	128,086
Special Programs for othe Aging Title III Part C		
Nutrition Services (includes expenditures of state awards)		
<i>Total Expenditures of Federal Awards</i>		\$ 162,765
STATE:		
LIFE	7/1/14-6/30/15	2015 \$ 152,772
LIFE	7/1/15-6/30/16	2016 18,623
Lighthouse	7/1/14-6/30/15	2015 114,100
Lighthouse	7/1/15-6/30/16	2016 38,732
FAIR	7/1/14-6/30/15	2015 25,349
FAIR	7/1/15-6/30/16	2016 9,230
Community Partnership		13,000
III-B		19,921
MIPPA		5,300
SHIP		6,000
<i>Total Expenditures of State Awards</i>		\$ 403,027
TOTAL EXPENDITURES OF FEDERAL & STATE AWARDS		\$ 565,792

The notes are an integral part of these financial statements.

Williams & Associates, A.C.

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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*

To the Board of Directors
Hampshire County Committee on Aging, Inc.
Romney, West Virginia 26757

We have audited the financial statements of the Hampshire County Committee on Aging, Inc., (a non-profit organization) as of and for the year ended September 30, 2015, and have issued a report thereon dated June 29, 2016. 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.

Compliance

As part of obtaining reasonable assurance about whether the Hampshire County Committee on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, 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 is not an object of my 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*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Hampshire County Committee on Aging, Inc., in a separate letter dated June 29, 2016, and included in this audit report on page 17.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Hampshire County Committee on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one

or more of the internal control components does not reduce to a relatively low level the risk that misstatements in an amount 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. We noted no matters involving the internal control over financial reporting in its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Hampshire County Committee on Aging, Inc., in a separate letter dated June 29, 2016, and included in this audit report on page 17.

This report is intended solely for the information and use 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 these specified parties.

Williams & Associates, A.C.

Elkins, West Virginia
June 29, 2016

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MANAGEMENT LETTER

To the Board of Directors
Hampshire County Committee on Aging, Inc.
Romney, West Virginia 26757

Our audit on the financial statements of Hampshire County Committee on Aging, Inc., for the year ended September 30, 2015, 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 29, 2016