

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

**Audited Financial Statements**

**For the Years Ended  
September 30, 2020 and 2019**

***Williams & Bright, AC***

***427 Kerens Avenue, Post Office Box 2727***

***Elkins, West Virginia 26241***

***(304) 637-9110***

**Hampshire County Committee on Aging, Inc.**  
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# Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Hampshire County Committee on Aging, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2020 and 2019, and the related comparative statements of activities, functional expenses and cash flows for the years 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my 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, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Supplemental and Other Information

The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis and is 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 standards generally accepted in the United States of America. In my 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*, I have also issued my report dated August 5, 2021, on my consideration of the Hampshire County Committee on Aging, Inc's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters on pages 15 and 16. The purpose of that report is to describe the scope of my 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 & Bright, A.C.*

Elkins, West Virginia  
August 5, 2021

**Hampshire County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION**  
**September 30, 2020 and 2019**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>		
Cash and Equivalents	\$ 230,778	\$ 36,774
Accounts Receivable	83,399	108,892
Grants Receivable	49,755	41,857
Prepaid Expenses	7,179	6,740
Inventory	1,600	3,716
Total Current Assets	<u>372,711</u>	<u>197,979</u>
<b>Fixed Assets</b>		
Land, Buildings and Equipment	1,841,984	1,807,979
Accumulated Depreciation	<u>(1,019,154)</u>	<u>(972,735)</u>
Fixed Assets, net	<u>822,830</u>	<u>835,244</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,195,541</u>	<u>\$ 1,033,223</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 1,290	\$ 2,077
Payroll Liabilities	2,229	3,532
Accrued Wages	45,466	48,801
Deferred Compensation	24,572	21,823
Line of Credit		5,000
Payroll Protection Program Loan	154,700	
Current Portion of Long-term Debt	4,854	4,683
Total Current Liabilities	<u>233,111</u>	<u>85,916</u>
<b>Long-Term Liabilities</b>		
Mortgage Payable	<u>204,208</u>	<u>208,966</u>
Total Long-Term Liabilities	<u>204,208</u>	<u>208,966</u>
Total Liabilities	<u>437,319</u>	<u>294,882</u>
<b>Net Assets</b>		
Net Assets without Donor Restrictions	<u>758,222</u>	<u>738,340</u>
Total Net Assets	<u>758,222</u>	<u>738,340</u>
<b>LIABILITIES AND NET ASSETS</b>	<u>\$ 1,195,541</u>	<u>\$ 1,033,222</u>

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

**Hampshire County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF ACTIVITIES**  
**For the Years Ended September 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>REVENUE AND SUPPORT</b>		
Grant Revenues:		
Federal	\$ 23,848	\$ 42,169
Nutrition	167,748	123,587
State	413,839	409,443
Program Service Fees	958,466	891,567
Project Income	48,882	73,703
Contributions	39,198	40,350
Other Income	1,159	46,372
Interest and Dividends	5	4
<b>TOTAL REVENUE AND SUPPORT</b>	<b>1,653,145</b>	<b>1,627,195</b>
<b>EXPENSES</b>		
Program Service Expenses	1,302,489	1,404,692
Management and General	330,774	243,546
<b>TOTAL EXPENSES</b>	<b>1,633,263</b>	<b>1,648,238</b>
<b>INCREASE(DECREASE) IN NET ASSETS</b>	19,882	(21,043)
<b>NET ASSETS, Beginning of Year</b>	738,340	759,383
<b>NET ASSETS, End of Year</b>	<b>\$ 758,222</b>	<b>\$ 738,340</b>

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

**Hampshire County Committee on Aging, Inc.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended September 30, 2020 and 2019**

**2020**

	<b>Program Services</b>						<b>Management and General</b>	<b>TOTAL</b>
	<b>III-B</b>	<b>III-C</b>	<b>III-D/ III-E</b>	<b>LIFE</b>	<b>Local</b>	<b>Subtotal</b>		
<b>Expenses</b>								
Payroll and Benefits	27,214	115,504	12,812	28,793	896,746	1,081,069	136,254	1,217,323
Travel	11,194	6,330	9		49,339	66,872	2,901	69,773
Communications and Utilities						-	43,795	43,795
Office Expense	89		48			137	45,685	45,822
Professional Fees	35	2,433				2,468	16,001	18,469
Raw Food		102,761				102,761		102,761
Maintenance	1,453	15,761				17,214	12,162	29,376
Disposables		13,754				13,754		13,754
Interest						-	7,881	7,881
Insurance						-	14,301	14,301
Transportation	880	7,955				8,835		8,835
Other Expenses	246	2,100		420	6,613	9,379	5,375	14,754
Depreciation						-	46,419	46,419
<b>Program Expenses</b>	<b>41,111</b>	<b>266,598</b>	<b>12,869</b>	<b>29,213</b>	<b>952,698</b>	<b>1,302,489</b>	<b>330,774</b>	<b>1,633,263</b>
<b>Management and General</b>		<b>29,116</b>		<b>107,613</b>	<b>194,045</b>	<b>330,774</b>	<b>(330,774)</b>	
<b>Total Functional Expenses</b>	<b>41,111</b>	<b>295,714</b>	<b>12,869</b>	<b>136,826</b>	<b>1,146,743</b>	<b>1,633,263</b>	<b>-</b>	<b>1,633,263</b>

**2019**

	<b>Program Services</b>						<b>Management and General</b>	<b>TOTAL</b>
	<b>III-B</b>	<b>III-C</b>	<b>III-D/ III-E</b>	<b>LIFE</b>	<b>Local</b>	<b>Subtotal</b>		
<b>Expenses</b>								
Payroll and Benefits	32,434	93,254	25,478	21,924	839,895	1,012,985	172,622	1,185,607
Travel	15,894	5,956	115		76,133	98,098	5,025	103,123
Communications and Utilities		31,392		13,921		45,313		45,313
Office Expense	352	80	144	26,849	873	28,298	240	28,538
Professional Fees		10		12,946	120	13,076	300	13,376
Raw Food		87,982				87,982		87,982
Maintenance	2,742	13,345		22,411		38,498	1,003	39,501
Disposables		11,876				11,876		11,876
Interest						-	9,312	9,312
Insurance				12,597		12,597		12,597
Transportation	1,962	8,362				10,324		10,324
Other Expenses	623	4,335	923	2,017	37,747	45,645	7,888	53,533
Depreciation						-	47,156	47,156
<b>Program Expenses</b>	<b>54,007</b>	<b>256,592</b>	<b>26,660</b>	<b>112,665</b>	<b>954,768</b>	<b>1,404,692</b>	<b>243,546</b>	<b>1,648,238</b>
<b>Management and General</b>	<b>7,798</b>	<b>22,421</b>	<b>6,128</b>	<b>5,271</b>	<b>201,928</b>	<b>243,546</b>	<b>(243,546)</b>	<b>-</b>
<b>Total Functional Expenses</b>	<b>61,805</b>	<b>279,013</b>	<b>32,788</b>	<b>117,936</b>	<b>1,156,696</b>	<b>1,648,238</b>	<b>-</b>	<b>1,648,238</b>

The accompanying notes are an integral part of these financial statements

**Hampshire County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**For the Years Ended September 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase(Decrease) in Net Assets	\$ 19,882	\$ (21,043)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	46,419	47,156
(Increase)Decrease in Accounts Receivable	25,493	(7,106)
(Increase)Decrease in Grants Receivable	(7,898)	11,231
(Increase)Decrease in Prepaid Expenses	(439)	435
(Increase)Decrease in Inventory	2,116	198
Increase(Decrease) in Accounts Payable	(787)	(8,809)
Increase(Decrease) in Payroll Liabilities	(1,303)	(1,369)
Increase(Decrease) in Accrued Wages	(3,335)	4,987
Increase(Decrease) in Deferred Compensation	2,749	387
Net cash provided by (used in) operating activities	82,897	26,067
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	(34,006)	(4,095)
Net Cash provided by (used in) financing activities	(34,006)	(4,095)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program Loan	154,700	
Proceeds from Line of Credit		28,797
Payments on Line of Credit	(5,000)	(62,868)
Payments of Long-term Debt	(4,587)	(4,525)
Net Cash provided by (used in) investing activities	145,113	(38,596)
<b>INCREASE(DECREASE) IN CASH</b>	194,004	(16,624)
<b>CASH BALANCE, Beginning of Year</b>	36,774	53,398
<b>CASH BALANCE, End of Year</b>	\$ 230,778	\$ 36,774
 Supplemental Disclosures of Cash Flows:		
Interest Expense	\$ 7,881	\$ 9,312

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



**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2020 and 2019**

**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. 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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions (both permanent and temporary).

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:

*Net Assets Without Donor Restrictions* – These are resources over which the Board of Directors has discretionary control.

*Net Assets With Donor Restrictions*

*Temporarily Restricted* – Net assets subject to donor-imposed restrictions 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 net assets without restrictions 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.

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2020 and 2019**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the last three years remain open 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, 2020 and 2019, 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, 2020 and 2019, 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. Management believes the difference between this method and the allowance method is immaterial.

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**  
**For Years Ended September 30, 2020 and 2019**

**Note 1. Summary of Significant Accounting Policies (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 \$1,000. Maintenance and repairs are expensed when incurred.

Revenue Recognition

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. There were no restricted net assets on September 30, 2020 and 2019.

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.

Grant revenues for the years ended September 30, 2020 and 2019 were \$605,435 and \$575,199, respectively.

Reclassification

Certain amounts in the 2019 financial statements have been reclassified to conform with current year presentation. Such reclassifications had no effect on net assets or the change in net assets.

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2020 and 2019**

**Note 2. Cash Deposits**

Cash consists of interest and non-interest-bearing checking, savings, and certificate of deposit 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. As of the years ended September 30, 2020 and 2019, all deposits were fully insured by the FDIC.

**Note 3. Accounts Receivable**

Accounts receivable consisted of the following as of September 30:

	<u>2020</u>	<u>2019</u>
WV DHHR	\$ 73,862	96,779
Veterans Administration	4,789	7,600
Private Pay and Other	4,748	4,513
	<u>\$ 83,399</u>	<u>\$ 108,892</u>

**Note 4. Grants Receivable**

Grants receivable consisted of the following as of September 30:

	<u>2020</u>	<u>2019</u>
LIFE	\$ 14,007	\$ 14,929
Title IIIB	6,148	8,459
Title IIIC	19,213	4,088
Title IIID	90	870
SHIP	1,400	
FAIR/Lighthouse	8,897	13,511
	<u>\$ 49,755</u>	<u>\$ 41,857</u>

**Note 5. Property and Equipment**

Property and equipment consisted of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 214,587	\$ 214,587
Land Improvements	74,407	74,407
Buildings	1,049,810	1,033,858
Equipment	503,180	485,127
Total Fixed Assets	1,841,984	1,807,979
Less accumulated depreciation	(1,019,154)	(972,735)
Net property and equipment	<u>\$ 822,830</u>	<u>\$ 835,244</u>

Depreciation expense for years ended September 30, 2020 and 2019 was \$46,419 and \$47,156, respectively.

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2020 and 2019**

**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.

The loan was refinanced in February 2018 with the principal balance of \$255,508 payable in 360 monthly payments of \$1,025.46 and bearing an interest rate of 3.6%.

Future scheduled maturities for years ending September 30 are:

2021	4,854
2022	5,032
2023	5,216
2024	5,407
2025	5,605
Thereafter	182,948
	<u>\$ 209,062</u>

**Note 7. Paycheck Protection Program Loan**

The Organization received a loan from FNB Bank, Inc in the amount of \$154,700 under the Payroll Protection Program established by the Cares Act. The loan bears an interest rate of 1.00% and is dated April 30, 2020. In November 2020, the Organization applied for and was notified that the \$154,700 loan, used for eligible expenditures as described in the Cares Act, was forgiven. The balance of this loan as of September 30, 2020 was \$154,700.

**Note 8. Line of Credit**

The Organization has a line of credit at Bank of Romney, Romney WV, with a limit of \$75,000, secured by the Springfield property. The current interest rate is 4.25%. This line is renewed every 5 years. The balance on the line of credit at September 30, 2020 and 2019 was \$0 and \$5,000, respectively.

**Note 9. 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 years ended September 30, 2020 and 2019 was \$30,588 and \$22,250, respectively, and is included in payroll and benefits in the statement of functional expenses.

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2020 and 2019**

**Note 10. 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 11. Advertising**

Advertising costs are expensed when incurred. Advertising costs for the years ended September 30, 2020 and 2019 were \$260 and \$160, respectively.

**Note 12. Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in the statement of financial position.

**Note 13. 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, 2020 and 2019, the Organization had \$24,572 and \$21,823, respectively, in accrued compensated absences.

**Note 14. Subsequent Events**

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

The spread of the novel coronavirus (COVID-19) has severely impacted the economy. Businesses and organizations have been forced to cease or limit operations for long or indefinite periods. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closure of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown. Governments and financial institutions have responded with monetary and fiscal interventions to try to stabilize economic conditions. The Organization has determined that these are non-adjusting subsequent events. Accordingly, the financial position and changes in net assets as of and for the years ended September 30, 2020 and 2019 have not been adjusted to reflect their impact. The duration and extent of the impact of the COVID-19 pandemic, as well as the effectiveness of government and financial responses remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of activities of the Organization for future periods.

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For Years Ended September 30, 2020 and 2019**

**Note 15. Liquidity and Fund Available**

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following table reflects the Organization's financial assets as of September 30, 2020, reduced by amounts not available for general expenditures within one year:

Financial Assets:	
Cash and Cash Equivalents	\$230,778
Accounts Receivable	83,399
Grants Receivable	<u>49,755</u>
Financial Assets, End of Year	<u>\$363,932</u>

In addition, the Organization maintains a \$75,000 line of credit it can draw upon if needed to meet current obligations.

**Note 14. 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.

**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 ensure 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. Functional Allocations**

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

**Note 17. 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.

**Hampshire County Committee on Aging, Inc.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended September 30, 2020**

	<b>Grant Identification Number</b>	<b>Expenditures</b>
<b>FEDERAL:</b>		
U.S. Department of Health and Human Services:		
Administration for Community Living	93.044	\$ 11,991
Special Programs for the Aging Title III Part B		
Grants for Supportive Services and Senior Centers		
Administration for Community Living	93.043	777
Special Programs for the Aging Title III Part D		
Disease Prevention and Health Promotion Services		
Administration for Community Living	93.052	11,080
Special Programs for the Aging Title III Part E		
National Family Caregiver Support		
Administration for Community Living	93.045	167,748
Special Programs for the Aging Title III Part C		
Nutrition Services (includes expenditures of state awards)		
<i>Total Expenditures of Federal Awards</i>		\$ 191,596
<b>STATE:</b>		
LIFE	7/1/20-6/30/21	2020 \$ 33,790
LIFE	7/1/19-6/30/20	2019 147,476
Lighthouse	7/1/20-6/30/21	2020 24,468
Lighthouse	7/1/19-6/30/20	2019 102,399
FAIR	7/1/20-6/30/21	2020 2,104
FAIR	7/1/19-6/30/20	2019 25,482
Client Tracking	7/1/20-6/30/21	2020 5,000
SMP		3,000
MIPPA		2,000
SHIP		1,400
State Nutrition Supplement		39,674
III-B		26,477
III-E		569
<i>Total Expenditures of State Awards</i>		\$ 413,839
<b>TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS</b>		<b>\$ 605,435</b>

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



# Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

## **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 of  
Hampshire County Committee on Aging, Inc.

I have audited, 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, the financial statements of Hampshire County Committee on Aging, Inc (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2020 and 2019, the related comparative statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued my report thereon dated August 5, 2021.

### **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hampshire County Committee on Aging, Inc's internal control. Accordingly, I 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing on 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 & Bright, A.C.*

Elkins, West Virginia  
August 5, 2021

# Williams & Bright, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

## MANAGEMENT LETTER

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

My audit of the financial statements of Hampshire County Committee on Aging, Inc., for the years ended September 30, 2020 and 2019, highlighted areas where I would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since my audit was not designed to include a complete review of all systems, procedures and controls, the following comments and recommendations should not be considered all inclusive of the areas where improvements may be necessary.

### Segregations of Duties

During my audit I 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 Hampshire County Committee on Aging, Inc. I 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 I am required, under my professional responsibilities, to describe the situation.

After you have had the opportunity to review these comments and recommendations, I would be pleased to discuss those points that you desire. I 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 & Bright, A.C.*

Elkins, West Virginia  
August 5, 2021