

Hampshire County Committee on Aging, Inc.

Audited Financial Statements

**For the Years Ended
September 30, 2022 and 2021**

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Hampshire County Committee on Aging, Inc.
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Williams & Associates, A.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We 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, 2022 and 2021, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hampshire County Committee on Aging, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hampshire County Committee on Aging, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hampshire County Committee on Aging, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hampshire County Committee on Aging, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 August 29, 2023, 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 on pages 15 and 16. 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, P.C.

Elkins, West Virginia August 29, 2023

Hampshire County Committee on Aging, Inc.
COMPARATIVE STATEMENT OF FINANCIAL POSITION
September 30, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and Equivalents	\$ 304,717	\$ 195,975
Accounts Receivable	50,158	99,977
Grants Receivable	142,930	51,323
Prepaid Expenses	5,633	6,597
Inventory	16,439	1,600
Total Current Assets	<u>519,877</u>	<u>355,472</u>
 Fixed Assets		
Land, Buildings and Equipment	2,108,637	1,966,791
Accumulated Depreciation	<u>(1,140,849)</u>	<u>(1,071,696)</u>
Fixed Assets, net	<u>967,788</u>	<u>895,095</u>
 TOTAL ASSETS	 <u><u>\$ 1,487,665</u></u>	 <u><u>\$ 1,250,567</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 30,119	\$ 1,962
Accrued Wages	47,107	42,438
Deferred Compensation	18,189	26,459
Current Portion of Long-term Debt	3,896	5,032
Total Current Liabilities	<u>99,311</u>	<u>75,891</u>
 Long-Term Liabilities		
Mortgage Payable	<u>190,465</u>	<u>199,150</u>
Total Long-Term Liabilities	<u>190,465</u>	<u>199,150</u>
Total Liabilities	<u>289,776</u>	<u>275,041</u>
 Net Assets		
Net Assets without Donor Restrictions	<u>1,197,889</u>	<u>975,526</u>
Total Net Assets	<u>1,197,889</u>	<u>975,526</u>
 LIABILITIES AND NET ASSETS	 <u><u>\$ 1,487,665</u></u>	 <u><u>\$ 1,250,567</u></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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE AND SUPPORT		
Grant Revenues:		
Federal	\$ 21,287	\$ 178,233
Nutrition	229,525	194,669
State	481,824	412,023
Program Service Fees	1,179,935	956,360
Project Income	58,156	55,432
Contributions	46,463	51,729
Other Income	6,921	1,153
Interest and Dividends	2	3
TOTAL REVENUE AND SUPPORT	<u>2,024,113</u>	<u>1,849,602</u>
 EXPENSES		
Program Service Expenses	1,442,374	1,317,033
Management and General	359,376	315,265
TOTAL EXPENSES	<u>1,801,750</u>	<u>1,632,298</u>
 INCREASE(DECREASE) IN NET ASSETS	222,363	217,304
 NET ASSETS, Beginning of Year	<u>975,526</u>	<u>758,222</u>
 NET ASSETS, End of Year	<u>\$ 1,197,889</u>	<u>\$ 975,526</u>

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, 2022 and 2021

2022

	Program Services						Management and General	TOTAL
	III-B	III-C	III-D/ III-E	LIFE	Local	Subtotal		
Expenses								
Payroll and Benefits	18,264	170,679	15,782	32,159	836,844	1,073,728	139,634	1,213,362
Travel	12,835	780	646		32,298	46,559	931	47,490
Communications and Utilities						-	48,828	48,828
Office Expense	219	2,313	120			2,652	24,386	27,038
Professional Fees						-	37,024	37,024
Raw Food		183,468			273	183,741		183,741
Maintenance	15	4,589				4,604	6,185	10,789
Disposables		27,713			150	27,863		27,863
Interest						-	11,224	11,224
Insurance						-	15,379	15,379
Transportation	729	25,050				25,779		25,779
Other Expenses	305	2,204	424		74,515	77,448	6,632	84,080
Depreciation						-	69,153	69,153
Program Expenses	32,367	416,796	16,972	32,159	944,080	1,442,374	359,376	1,801,750
Management and General		59,005		73,881	226,490	359,376	(359,376)	
Total Functional Expenses	32,367	475,801	16,972	106,040	1,170,570	1,801,750	-	1,801,750

2021

	Program Services						Management and General	TOTAL
	III-B	III-C	III-D/ III-E	LIFE	Local	Subtotal		
Expenses								
Payroll and Benefits	20,598	130,048	12,588	36,385	848,929	1,048,548	122,310	1,170,858
Travel	8,879	2,217	39		37,319	48,454	2,322	50,776
Communications and Utilities						-	44,201	44,201
Office Expense	740	9,682				10,422	34,673	45,095
Professional Fees						-	22,462	22,462
Raw Food		142,673			273	142,946		142,946
Maintenance		17,040				17,040	6,252	23,292
Disposables		19,563				19,563		19,563
Interest						-	7,425	7,425
Insurance						-	17,688	17,688
Transportation	3,700	16,541				20,241		20,241
Other Expenses	134	4,017			5,668	9,819	5,390	15,209
Depreciation						-	52,542	52,542
Management and General	34,051	341,781	12,627	36,385	892,189	1,317,033	315,265	1,632,298
Total Functional Expenses		32,200		77,800	205,265	315,265	(315,265)	
	34,051	373,981	12,627	114,185	1,097,454	1,632,298	-	1,632,298

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, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(Decrease) in Net Assets	\$ 222,363	\$ 222,363
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	69,153	52,542
(Increase)Decrease in Accounts Receivable	49,819	(16,578)
(Increase)Decrease in Grants Receivable	(91,607)	(1,568)
(Increase)Decrease in Prepaid Expenses	(14,839)	582
(Increase)Decrease in Inventory	964	-
Increase(Decrease) in Accounts Payable	28,157	672
Increase(Decrease) in Payroll Liabilities	-	-
Increase(Decrease) in Accrued Wages	4,669	1,887
Increase(Decrease) in Deferred Compensation	(8,270)	(5,257)
Net cash provided by (used in) operating activities	<u>260,409</u>	<u>254,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	<u>(141,846)</u>	<u>(124,807)</u>
Net cash provided by (used in) investing activities	<u>(141,846)</u>	<u>(124,807)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program Loan		(154,700)
Payments of Long-term Debt	<u>(9,821)</u>	<u>(4,880)</u>
Net cash provided by (used in) financing activities	<u>(9,821)</u>	<u>(159,580)</u>
INCREASE(DECREASE) IN CASH	108,742	(29,744)
CASH BALANCE, Beginning of Year	<u>195,975</u>	<u>225,719</u>
CASH BALANCE, End of Year	<u>\$ 304,717</u>	<u>\$ 195,975</u>
 Supplemental Disclosures of Cash Flows:		
Interest Expense	<u>\$ 11,224</u>	<u>\$ 7,425</u>

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, 2022 and 2021

Note 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Hampshire County Committee on Aging, Inc., (HCCOA) 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

HCCOA is a nonprofit organization formed to improve the quality of life for senior citizens in Hampshire County, WV. HCCOA 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, HCCOA 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 HCCOA 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, 2022 and 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Income Tax Exemption

HCCOA is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). HCCOA'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, HCCOA 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 HCCOA for services provided to clients 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, 2022 and 2021, all accounts receivable are deemed collectible.

Grants receivable represent amounts invoiced by HCCOA to grantor agencies under the terms of their grant agreements. As of September 30, 2022 and 2021, 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.

Prepaid Expenses

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

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2022 and 2021

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Property and Equipment

HCCOA 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 as follows:

Buildings	39
Land Improvements	10-15
Equipment	5-10

All equipment/vehicles purchased with grant monies must be disposed of in accordance with the grantor agency's policies. HCCOA has adopted a capitalization policy in the amount of \$1,000. Maintenance and repairs are expensed when incurred.

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, 2022 and 2021, HCCOA had \$18,189 and \$26,459 in compensated absences, respectively.

Grant Monies

Grant monies are received in three ways:

- 1 – On a cost reimbursement basis for which HCCOA requests reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2 – On an as needed basis in which HCCOA requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-D, and Title III-E grants. Upon completion of a grant year any unexpended money must be approved for carryover to the next year. If approval is denied, the money must 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 adjust the grant as originally awarded due to their audit findings. Grant revenues for the year ended September 30, 2022 and 2021 were \$732,636 and \$784,925, respectively.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2022 and 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions are recognized when the donor makes a promise to HCCOA 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, 2022 and 2021.

Advertising Costs

HCCOA expenses advertising costs when incurred. Total advertising costs were \$628 and \$363 for the years ended September 30, 2022 and 2021, respectively.

Fair Value of Financial Instruments

The following methods and assumptions were used by HCCOA in estimating the fair value disclosures for financial statements.

The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

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. HCCOA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. As of the year ended September 30, 2022, all deposits were not fully insured by the FDIC. The balance held at First National Bank was \$291,217.

Note 3. Accounts Receivable

Accounts receivable consisted of the following as of September 30:

	2022	2021
WV DHHR	\$ 46,600	92,454
Veterans Administration	986	4,446
Private Pay and Other	2,572	3,077
	\$ 50,158	\$ 99,977

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2022 and 2021

Note 4. Grants Receivable

Grants receivable consisted of the following as of September 30:

	<u>2022</u>	<u>2021</u>
LIFE	\$ 76,878	\$ 11,635
Title IIIB - Federal	1,619	5,562
Title IIIC	58,483	24,332
Title IIID/E - State	725	130
SHIP	0	3,000
FAIR/Lighthouse	<u>5,225</u>	<u>6,664</u>
	<u>\$ 142,930</u>	<u>\$ 51,323</u>

Note 5. Property and Equipment

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

	<u>2022</u>	<u>2021</u>
Land	\$ 214,587	\$ 214,587
Land Improvements	74,407	74,407
Buildings	1,092,186	1,080,920
Equipment	<u>727,457</u>	<u>596,877</u>
Total Fixed Assets	2,108,637	1,966,791
Less accumulated depreciation	<u>(1,140,849)</u>	<u>(1,071,696)</u>
Net property and equipment	<u>\$ 967,788</u>	<u>\$ 895,095</u>

Depreciation expense for years ended September 30, 2022 and 2021 was \$69,153 and \$52,542, respectively.

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 2017 with the principal balance of \$225,508 payable in 360 monthly payments of \$1,025.46 and bearing an interest rate of 3.6%. The interest rate increased to 6.5% in January 2022, resulting in an increased monthly payment of \$1,367.90.

Future scheduled maturities for years ending September 30 are:

2023	\$ 3,896
2024	4,157
2025	4,435
2026	4,732
2027	5,049
Thereafter	<u>172,092</u>
	<u>\$ 194,361</u>

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2022 and 2021

Note 7. Paycheck Protection Program Loan

HCCOA 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. Therefore, the balance of the loan has been removed from the liability section of the Statement of Financial Position and is included as federal grant revenue on the Statement of Activities for the year ended September, 30, 2021.

Note 8. Line of Credit

HCCOA 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. There was no balance on the line of credit on September 30, 2022 or 2021.

Note 9. Retirement Plan

HCCOA 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, 2022 and 2021 was \$31,408 and \$30,588, respectively, and is included in payroll and benefits in the statement of functional expenses.

Note 10. Donated Services

HCCOA 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. 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.

Hampshire County Committee on Aging, Inc.
NOTES TO FINANCIAL STATEMENTS
For Years Ended September 30, 2022 and 2021

Note 12. 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 HCCOA's financial assets as of September 30:

	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash and Cash Equivalents	\$304,717	\$195,975
Accounts Receivable	50,158	99,977
Grants Receivable	<u>142,930</u>	<u>51,323</u>
Financial Assets, End of Year	<u>\$497,805</u>	<u>\$347,275</u>

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

Note 13. Support Concentration

HCCOA 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 HCCOA's programs and activities.

Note 14. Contingencies

HCCOA 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.

HCCOA 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 15. 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 16. 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 Year Ended September 30, 2022

	Assistance Listing (Formerly CFDA) #	Expenditures
FEDERAL:		
U.S. Department of Health and Human Services:		
Administration for Community Living	93.044	\$ 8,040
Special Programs for the Aging Title III Part B		
Grants for Supportive Services and Senior Centers		
Administration for Community Living	93.043	1,597
Special Programs for the Aging Title III Part D		
Disease Prevention and Health Promotion Services		
Administration for Community Living	93.052	11,650
Special Programs for the Aging Title III Part E		
National Family Caregiver Support		
Administration for Community Living	93.045	229,526
Special Programs for the Aging Title III Part C		
Nutrition Services (includes expenditures of state awards)		
<i>Total Expenditures of Federal Awards</i>		250,813
 STATE:		
	Fiscal Year	
LIFE	7/1/21-6/30/22	162,898
LIFE	7/1/22-6/30/23	105,142
Lighthouse	7/1/21-6/30/22	77,729
Lighthouse	7/1/22-6/30/23	14,931
FAIR	7/1/21-6/30/22	15,809
FAIR	7/1/22-6/30/23	2,567
Client Tracking	7/1/22-6/30/23	5,000
SHIP		3,000
State Nutrition Supplement		73,290
III-B		20,591
III-E		866
<i>Total Expenditures of State Awards</i>		481,823
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS		\$ 732,636

The notes are an integral part of these financial statements.

Williams & Associates, 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.

We 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, 2022 and 2021, the related comparative statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2022-01 that we consider to be a significant deficiency.

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*.

Hampshire County Committee on Aging, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Hampshire County Committee on Aging, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings. Hampshire County Committee on Aging, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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 & Associates P.C.

Elkins, West Virginia
August 29, 2023

Hampshire County Committee on Aging, Inc.
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2022

2022-01 Segregation of Duties

Criteria: Analysis of the internal control system indicated a lack of segregation of duties in certain areas of the accounting process.

Condition: Responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals.

Cause: Responsibilities of approval, execution, recording and custody have been distributed among the office staff as much as possible; however, complete segregation of duties is not economically feasible given the size of organization.

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

Recommendation: We recommend that management and the Board of Directors continue to provide oversight and independent review functions and exercise due diligence and professional skepticism in relation to the Organization's financial operations.

Response: This has been a finding each year and one that we are unable to correct due to the size and nature of our non-profit, because it is economically not feasible at this time.