

**BERKELEY COUNTY COMMITTEE  
ON AGING, INC.  
d/b/a BERKELEY SENIOR SERVICES**

FINANCIAL STATEMENTS

For the Years Ended September 30, 2013 and 2012

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**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To the Board of Directors  
Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
Martinsburg, West Virginia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Berkeley County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013 and 2012, and the related statements of activities, cash flows, and functional expenses 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**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Berkeley County Committee on Aging, Inc. as of September 30, 2013 and 2012, and the changes in its 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2013, on our consideration of the Berkeley 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 the Berkeley County Committee on Aging Inc's internal control over financial reporting and compliance.

*Decker & Company PLLC*

December 16, 2013

Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
STATEMENTS OF FINANCIAL POSITION  
September 30, 2013 and 2012

<b>ASSETS</b>		
	<u>2013</u>	<u>2012</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 683,143	\$ 575,832
Accounts receivable	401,715	464,080
Prepaid expenses	<u>19,500</u>	<u>7,098</u>
<b>Total current assets</b>	<u>1,104,358</u>	<u>1,047,010</u>
Property and equipment, net	<u>1,118,423</u>	<u>1,143,572</u>
<b>Total assets</b>	<u><u>\$ 2,222,781</u></u>	<u><u>\$ 2,190,582</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 18,675	\$ 29,515
Accrued expenses	<u>59,084</u>	<u>74,474</u>
<b>Total current liabilities</b>	<u>77,759</u>	<u>103,989</u>
<b>NET ASSETS</b>		
Unrestricted	1,935,652	2,027,934
Board designated - building fund	150,000	-
Temporarily restricted	<u>59,370</u>	<u>58,659</u>
<b>Total net assets</b>	<u>2,145,022</u>	<u>2,086,593</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 2,222,781</u></u>	<u><u>\$ 2,190,582</u></u>

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

Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
STATEMENTS OF ACTIVITIES  
For the years ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Changes in unrestricted net assets</b>		
<b>REVENUE AND SUPPORT</b>		
Federal and state financial assistance	\$ 873,516	\$ 815,633
Other grants	64,437	82,700
Medicaid waiver	668,687	831,016
Service Revenue	765,607	762,961
In-Kind Donations	169,063	168,202
Contributions and fundraising	75,716	45,818
Other income	4,896	6,706
	<u>2,621,922</u>	<u>2,713,036</u>
<b>Net assets (added to) released from restrictions</b>	<u>(711)</u>	<u>(1,025)</u>
<b>Total unrestricted revenue and support</b>	<u>2,621,211</u>	<u>2,712,011</u>
<b>EXPENSES</b>		
Program services	2,359,586	2,475,250
Fundraising	18,579	26,915
General and administrative	185,328	172,930
	<u>2,563,493</u>	<u>2,675,095</u>
<b>Total expenses</b>	<u>2,563,493</u>	<u>2,675,095</u>
<b>Decrease in unrestricted net assets</b>	<u>57,718</u>	<u>36,916</u>
<b>Changes in temporarily restricted net assets</b>		
<b>Net assets added to (released from) restrictions</b>	<u>711</u>	<u>1,025</u>
<b>Increase (decrease) in temporarily restricted net assets</b>	<u>711</u>	<u>1,025</u>
<b>Increase (decrease) in net assets</b>	<u>58,429</u>	<u>37,941</u>
<b>Net assets, beginning of year</b>	<u>2,086,593</u>	<u>2,048,652</u>
<b>Net assets, end of year</b>	<u><u>\$ 2,145,022</u></u>	<u><u>\$ 2,086,593</u></u>

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

Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
STATEMENTS OF CASH FLOWS  
For the years ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 58,429	\$ 37,941
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	105,152	106,037
(Gain) on sale of property and equipment	(600)	-
(Increase) decrease in accounts receivable	62,365	(33,148)
(Increase) decrease in prepaid expenses	(12,402)	7,990
Increase (decrease) in accounts payable and accrued expenses	<u>(15,390)</u>	<u>(6,816)</u>
<b>Net cash provided by operating activities</b>	<u>186,714</u>	<u>118,996</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property and equipment	600	-
Property and equipment additions	<u>(80,003)</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(79,403)</u>	<u>-</u>
<b>Increase (decrease) in cash and cash equivalents</b>	107,311	118,996
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>575,832</u>	<u>456,836</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 683,143</u>	<u>\$ 575,832</u>

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

Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended September 30, 2013

	Direct Cost						Indirect Cost Pool					
	IN HOME CARE	IN HOME RESPITE	NUTRITION	REC & SOCIAL	SUPPORT SERVICE	TRANSPORTATION	UNCLASSIFIED	TOTAL	FUNDRAISING	FACILITIES	ADMIN	TOTAL
Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	1,222	-	-	-	68	158	-	1,448	816	-	631	2,895
Building repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Case Management Overpayment	427	-	-	-	-	-	-	427	-	-	-	427
Depreciation	-	-	-	-	-	-	-	-	-	105,152	-	105,152
Dues/Fees/Subscriptions	-	224	-	56	4	-	-	284	55	-	2,977	3,316
Equipment maintenance and repairs	1,720	86	-	902	-	-	-	2,708	-	-	899	3,607
Food purchases	311	498	60,967	1,267	765	13	-	63,821	1,235	24	459	65,539
Fuel	275	163	820	617	3,127	28,041	-	33,043	120	-	700	33,863
Furniture/equipment purchase	800	-	-	1,300	-	-	-	2,100	-	3,265	800	6,165
HM/Waiver Medicaid Overpayment	30	-	-	-	-	-	-	30	-	-	-	30
Indirect cost	-	-	7,035	3,053	-	5,506	-	15,594	-	-	(15,594)	-
Insurance	-	-	-	-	-	1,396	-	1,396	-	-	11,891	13,287
Licenses & Permits	-	285	-	-	38	-	-	323	-	-	-	323
Meals	-	-	-	-	5	159	-	164	-	-	-	164
Medicaid Transportation Overpay	-	-	-	-	-	378	-	378	-	-	-	378
Mileage	46,822	115	-	-	-	-	-	46,937	-	-	254	47,191
Miscellaneous	-	-	-	-	-	-	(10)	(10)	-	-	268	258
Other expense	-	-	-	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-	-	-	-
Personnel expenses	1,237,066	135,776	51,670	68,178	23,109	136,651	(4,127)	1,648,323	8,771	26,227	229,008	1,912,329
Postage	-	4	-	-	-	-	-	4	80	-	1,421	1,505
Printing	40	-	77	40	-	-	-	157	-	-	7,280	7,437
Professional services	5,901	165	-	160	6	224	-	6,456	-	455	13,667	20,578
Rent - Building	75,600	13,440	23,688	10,640	10,640	10,640	-	144,648	1,680	-	21,672	168,000
Rent - Tower (Radio)	-	-	-	-	-	1,512	-	1,512	-	-	-	1,512
Repairs & Maintenance	589	-	634	2,464	-	538	-	4,225	155	37,881	1,077	43,338
Seminars, Conventions, Meetings	570	1,005	-	-	-	196	-	1,771	273	-	2,532	4,576
Senior Activities	-	110	-	500	-	-	-	610	-	-	-	610
Staff Incentives	41	138	6	182	-	-	-	367	-	-	7,117	7,484
Supplies	7,263	1,974	9,375	7,657	1,555	2,386	-	30,210	1,972	884	8,480	41,546
Telephone	526	290	-	-	500	1,449	-	2,765	-	-	6,437	9,202
Training	1,151	1,360	-	75	79	80	-	2,745	-	250	476	3,471
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle repair and maintenance	61	92	547	-	1,476	17,931	-	20,107	-	-	843	20,950
Write off	5,038	1,685	576	-	-	479	(15)	7,763	-	-	1,419	9,182
Utilities	3,966	-	-	-	-	-	-	3,966	-	21,342	3,862	29,170
Volunteer Awards	-	-	-	-	-	-	-	-	-	-	8	8
<b>Total direct expenses</b>	<b>1,389,419</b>	<b>157,410</b>	<b>155,395</b>	<b>97,091</b>	<b>41,372</b>	<b>207,737</b>	<b>(4,152)</b>	<b>2,044,272</b>	<b>15,157</b>	<b>195,480</b>	<b>308,584</b>	<b>2,563,493</b>
Facilities cost pool allocation	86,011	13,683	27,367	13,684	13,683	13,684	1,955	170,067	1,955	(195,480)	23,458	-
Administration cost pool allocation	102,700	11,737	2,934	8,803	10,270	7,336	1,467	145,247	1,467	-	(146,714)	-
<b>Total Expenses</b>	<b>1,578,130</b>	<b>182,830</b>	<b>185,696</b>	<b>119,578</b>	<b>65,325</b>	<b>228,757</b>	<b>(730)</b>	<b>2,359,586</b>	<b>18,579</b>	<b>-</b>	<b>185,328</b>	<b>2,563,493</b>

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



Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended September 30, 2012

Expenses	Direct Cost										Indirect Cost Pool						
	Case MGMT	FAIR	TITLE III-B	III-C FOOD SERVICE	III-D RECREATION AND SOCIAL ACTIVITIES	III-E ADULT RESPITE	LIFE	LIGHTHOUSE	OTHER	PERSONAL CARE	VITALS	TOTAL	FUNDRAISING	MANAGEMENT AND GENERAL	FACILITIES	ADMIN	TOTAL
Personnel expenses	37,207	103,332	97,480	52,907	7,079	35,779	101,697	226,621	14,267	1,038,389	12,072	1,726,830	14,078	117,400	24,542	145,604	2,028,454
Advertising	-	-	263	178	-	-	319	314	19	1,257	-	2,350	1,798	-	-	875	5,023
Building repairs and maintenance	-	-	-	-	-	-	-	875	-	3,272	-	4,147	-	-	11,310	-	15,457
Equipment maintenance and repairs	-	445	1,089	1,912	-	438	1,099	255	187	1,509	-	6,934	45	-	-	1,392	8,371
Food purchases	82	527	997	65,327	-	270	293	103	20	519	2,095	70,233	3,207	-	2,809	2,915	79,164
Furniture/equipment purchase	-	-	1,086	-	-	-	1,086	-	-	-	-	2,172	-	-	-	-	2,172
Gas	434	-	10,001	1,200	-	45	18,948	16	2,802	65	-	33,511	119	-	40	1,273	34,943
Mileage	36	114	-	-	-	51	-	8,879	-	43,760	51	52,891	-	-	-	719	53,610
Other expense	469	122	234	190	-	73	406	16	41	7,926	-	9,477	-	-	4	1,153	10,634
Other services	-	-	1,797	-	-	-	907	-	151	-	-	2,855	-	-	-	7,946	10,801
Supplies	-	962	3,474	7,696	-	478	3,924	1,456	270	5,882	-	24,142	1,123	-	887	7,344	33,496
Training	-	211	151	-	-	335	262	487	37	1,953	-	3,436	-	-	-	-	3,436
Transportation	-	-	-	-	-	-	(300)	-	-	-	300	-	942	-	-	-	942
Vehicle repair and maintenance	379	-	3,436	204	-	98	6,303	-	858	-	-	11,278	-	-	10	135	11,423
Write off	71	-	1,500	27	-	-	1	161	144	1,054	-	2,958	-	333	-	-	3,291
Building space	5,040	6,720	10,080	23,688	-	6,720	21,840	15,120	1,512	55,440	-	146,160	1,680	20,160	-	-	168,000
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106,037	-	106,037
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,153	22,153
Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,675	1,675
Printing	-	-	-	-	-	-	-	-	-	64	-	64	465	-	-	8,799	9,328
Professional services	-	146	98	48	-	16	41	631	-	4,264	-	5,244	-	-	549	22,990	28,783
Utilities	305	210	757	-	-	105	1,361	749	214	2,984	-	6,685	-	-	23,035	8,182	37,902
<b>Total direct expenses</b>	<b>44,023</b>	<b>112,789</b>	<b>132,443</b>	<b>153,377</b>	<b>7,079</b>	<b>44,408</b>	<b>158,187</b>	<b>255,683</b>	<b>20,522</b>	<b>1,168,338</b>	<b>14,518</b>	<b>2,111,367</b>	<b>23,457</b>	<b>137,893</b>	<b>169,223</b>	<b>233,155</b>	<b>2,675,095</b>
Facilities cost pool allocation	5,077	6,769	10,153	23,860	-	6,769	21,999	15,230	1,523	55,844	-	147,224	1,692	20,307	(169,223)	-	-
Administration cost pool allocation	4,668	12,965	12,230	6,638	888	4,489	12,760	28,443	1,790	130,283	1,515	216,659	1,766	14,730	-	(233,155)	-
<b>Total Expenses</b>	<b>53,768</b>	<b>132,523</b>	<b>154,826</b>	<b>183,875</b>	<b>7,967</b>	<b>55,666</b>	<b>192,946</b>	<b>299,356</b>	<b>23,835</b>	<b>1,354,465</b>	<b>16,033</b>	<b>2,475,250</b>	<b>26,915</b>	<b>172,930</b>	<b>-</b>	<b>-</b>	<b>2,675,095</b>

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

Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2013 and 2012

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### Organization and Nature of Activities

The Berkeley County Committee on Aging, Inc. d/b/a Berkeley Senior Services is a non-stock, non-profit corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax-exempt organization under Internal Revenue Service Code Section 501(c)(3).

The Organization's mission is to provide transportation, nutrition, in-home care, case management, and referral services to senior citizens of Berkeley County, West Virginia, all with the primary objective of improving their quality of life.

The Organization relies principally on funding under Title III of the Older Americans Act of 1965, as amended; nutritional funding from the U.S. Department of Agriculture, allocations from the United Way; and Berkeley County Commission. In addition, the Organization provides in-home care to seniors under Medicaid, Veteran's Administration, and West Virginia Lighthouse programs.

### Basis of Accounting

The financial statements of the Organization 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 requirements of the Not-for-Profit Presentation of Financial Statements Topic of the FASB Accounting Standards Codification. Under the Standards, 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. There were no permanently restricted net assets at September 30, 2013 or 2012.

### Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

### Contributed Services

The Organization receives a substantial amount of services donated by its volunteers in carrying out the Organization's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under the Not-for-Profit Entities Revenue Recognition Topic of the FASB Accounting Standards Codification.

### Grants

Grants received by the Organization to provide for operations represent exchange transactions whereby the Organization must provide services as outlined in the related grant agreements. As such, these grants are not considered contributions and are not subject to the provisions of the Not-for-Profit Entities Revenue Recognition Topic of the FASB Accounting Standards Codification.

Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
NOTES TO FINANCIAL STATEMENTS (continued)  
September 30, 2013 and 2012

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with maturities of 18 months or less to be cash equivalents.

Accounts Receivable

Accounts receivable represent fees due under service provider agreements and amounts due under grant agreements. The Organization grants credit without collateral to its clients, most of whom are residents of the area served by the Organization and insured under third-party payer agreements. Management has recorded the receivables at their estimated net realizable value and has identified the accounts that it believes to be uncollectible. At September 30, 2013 and 2012, accounts receivable consisted primarily of amounts due from the Veterans Administration and Medicaid.

Property and Equipment

Property and equipment is carried at cost or, if donated, at the approximate fair market value at the date of donation. All property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets which range from five to forty years. The Organization's policy is to capitalize all property and equipment costs in excess of \$5,000. Maintenance and repairs are expensed as incurred.

Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Tax

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. The Organization believes they are no longer subject to income tax examinations for years prior to 2010.

Functional allocation of expenses

Certain costs have been allocated among the programs and supporting services benefits. Allocations of costs by function are based principally on specific identification of cost to program, supporting services, or fund-raising. Non-specifically identified costs are based on management's allocation of time requirements for the various functions based on its analysis of historical activities.

**CASH**

All of the Organization's cash accounts are FDIC insured. Cash balances in excess of FDIC insurance limits, if any, are uncollateralized. Management considers this to be a normal business risk.

Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services  
NOTES TO FINANCIAL STATEMENTS (continued)  
September 30, 2013 and 2012

**PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Building and improvements	\$1,671,238	\$1,671,238
Equipment	46,433	46,433
Vehicles	420,797	386,990
Land	<u>7,500</u>	<u>7,500</u>
	<b>2,145,968</b>	2,112,161
Less accumulated depreciation	<b><u>(1,027,545)</u></b>	<u>(968,589)</u>
<b>Total</b>	<b><u>\$1,118,423</u></b>	<b><u>\$1,143,572</u></b>

**BOARD DESIGNATED – BUILDING FUND NET ASSETS**

Board designated net assets represents cash funds the board of directors has designated to be used for a future building project.

**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets, principally donated vehicles under the state of West Virginia 5310 grant, are available for future periods once certain time and or use restrictions have been met.

**COMMITMENTS AND CONTINGENCIES**

In the normal course of operations, the Organization may be subject to lawsuits and claims. In the opinion of management, the disposition of such lawsuits, if any, will not have a material effect on the Organization’s financial position or results of operations.

**RETIREMENT PLAN**

The Organization sponsors a defined contribution retirement plan under section 403(b) of the Internal Revenue Code covering substantially all employees meeting certain eligibility requirements. The Organization matches 100% of the employee’s contribution up to 9% of the employee’s wages. Employer contributions approximated \$21,800 and \$17,800 for 2013 and 2012 respectively, and are included as personnel expenses in the statement of revenue and expenses.

**SUBSEQUENT EVENTS**

In December of 2013, the Organization razed one of its buildings with a net book value of approximately \$43,000 known as the “Pink House”.

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 16, 2013, the date the financial statements were available to be issued.

**INDEPENDENT AUDITORS' 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  
Berkeley County Committee on Aging, Inc.  
d/b/a Berkeley Senior Services

We have audited the financial statements of the Berkeley Senior Services (a nonprofit organization) as of and for the year ended September 30, 2013, and have issued our report thereon dated December 16, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Berkeley Senior Services is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Berkeley Senior Service's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described below that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 Standard*.

This report is intended solely for the information and use of management, the Board of Directors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Decker & Company PLLC*

December 16, 2013