

Ritchie Co Integrated Family Services, Inc.

Financial Statements

September 30, 2015

**Altman and Associates, PLLC
Certified Public Accountants**

Table of Contents

Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Supplementary Information	
Schedule of Support, Revenue and Expenses-Personal Care	11
Schedule of Support, Revenue and Expenses- Nutrition Programs	12
Schedule of Support, Revenue and Expenses-Transportation Program	13
Schedule of Support, Revenue and Expenses-Other Programs	14
Schedule of Federal Awards	15
Schedule of State Awards	16
Notes to the Supplementary Information	17
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	18

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INDEPENDENT AUDITOR'S REPORT

June 27, 2016

Richie County Integrated Family Services, Inc.
PO Box 195
Harrisville, West Virginia 26362

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of **Ritchie County Integrated Family Services, Inc.**, (a non-profit organization) which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Organization'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, 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.

Basis for Qualified Opinion

Ritchie County Integrated Family Services, Inc. expenses the cost of long-lived property and equipment acquired by purchase, donation or capital lease. Accounting principles generally accepted in the United States of America require long-lived property and equipment to be capitalized and depreciated over their estimated useful lives. It was not practical to determine the effects of the unrecorded long-lived property and equipment and related capital lease debt on the financial statement.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Ritchie County Integrated Family Services, Inc. as of September 30, 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 11-17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2015, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 Organization's internal control over financial reporting and compliance.

Altman and Associates, PLLC

Altman and Associates, PLLC

ASSETS

Current assets:

Cash

\$ 13

Accounts Receivable

85

Total Assets

\$ 99

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts Payable

\$ 70

Accrued Wages and Taxes

25

Accrued Vacation

2

Total Liabilities

\$ 98

Net Assets:

Unrestricted

Total net assets

\$ 1

TOTAL LIABILITIES AND NET ASSETS

\$ 99

Support and Revenue:

Support:

Federal Grant Awards
State Grant Awards
Donations

Revenue:

Project Income
Medicade
Legislative Initiative/Elderly
Transportation Income
Medical Management
Transfer Income
Interest
Other Income

Total support and Revenue

Expenses:

Program expenses:

Personal Care
Nutrition
Transportation
Other Programs
Total program expenses

Supporting Services:

Management and general

Total expenses

Change in Net Assets

Net Assets, Beginning of Year

Adjustment -Fund Balance prior Audits

Net Assets, End of Year

The accompanying notes are an integral part of these financial statements

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Personal Care	Nutrition	Transportation	Other Programs	Total Program Expenses	Management and General	Total Expenses
Personnel	\$ 479,944	\$ 75,041	\$ 9,428	\$ 97,986	\$ 662,399	\$ 13,370	\$ 675,769
Payroll Taxes and Benefits	72,584	14,715	644	36,069	124,012	816	124,828
Travel and Training	18,148	737		2,654	\$ 21,539	176	\$ 21,715
Communications and Utilities	15,397	6,354	-	10,872	\$ 32,623		\$ 32,623
Equipment	268	336	-	-	\$ 604	-	\$ 604
Food and Disposable Supplies	-	61,140	-	-	\$ 61,140	-	\$ 61,140
Fuel-Automobiles	7,675	1,420	-	15,998	\$ 25,093	-	\$ 25,093
Insurance	-	-	-	-	\$ -	-	\$ -
Other Program Costs	13,519	253	250	31,959	\$ 45,981	945	\$ 46,926
Printing and Supplies	3,207	-	-	8,095	\$ 11,302		\$ 11,302
Transfer Expenses				58,568	\$ 58,568		\$58,568
Preventative Maintenance	-	3,475	7	-	\$ 3,482	-	\$ 3,482
Total Expenses	\$ 610,742	\$ 163,471	\$ 10,329	\$ 262,201	\$ 1,046,743	\$ 15,307	\$ 1,062,050

Cash Flows from Operating Activities:	
Increase (Decrease) in Net Assets	\$ 29,767
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
(Increase) Decrease in:	
Accounts Receivable	(66,020)
Grants Receivable	5,334
Prepaid Insurance	
Increase (Decrease) in:	
Accounts Payable	62,315
Accrued Wages	217
Accrued Vacation	(394)
Net Cash Provided by Operating Activities	<u>1,452</u>
 Cash Flows from Financing Activities	
Other Adjustments	<u>(34,980)</u>
Net Cash used in Financing Activities	<u>-</u>
 Increase in Cash and Cash Equivalents	(3,761)
 Cash and Cash Equivalents, Beginning of Year	<u>\$ 17,617</u>
 Cash and Cash Equivalents, End of Year	<u><u>\$ 13,856</u></u>
 Supplemental Cash Flow Disclosures:	
Cash Paid for:	
Interest	<u><u>0</u></u>

The accompanying notes are an integral part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 1- NATURE OF ACTIVITIES

The purpose of the Ritchie County Integrated Family Services, Inc. (the Organization) is to study the social needs of Ritchie County, West Virginia and its contiguous counties and to take such action as are necessary to in meeting those needs.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles with the exception that the Organization does not capitalize and depreciate the cost of capital assets.

The financial Accounting Standards Board issued Financial Accounting Standards Codification (FASB ASC) 958-205. Under FASB ASC No. 958-205, defined nonprofits are required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

B. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

C. Accounts Receivable

The organization chooses to use the direct write-off method for accounts receivable. This is not consistent with generally accepted accounting principles; however, any variance between the direct write-off method and the allowance method is believed to be immaterial.

D. Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated 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.

The organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must acquire long-lived assets are reported as restricted support.

Absent explicit donor stipulations about how these long-lived assets must be maintained, the Organization reports the expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

If a restriction is fulfilled in the same fiscal year in which the contribution is received, the contribution is reported as unrestricted.

Contributions of services shall be recognized if the services received (a) create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

E. Capital Assets

All acquisitions of capital assets and all expenditures for repairs, maintenance, renewals and betterments are expensed during the year of purchase. This policy is not in accordance with accounting principles generally accepted in the United States of America which requires that all acquisitions of capital assets be capitalized and depreciated over the estimated useful life of the assets.

F. Expense Allocation

The costs of providing various programs and other activities have been reported in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

G. Tax Status

The Organization is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue code.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that is more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Organization's Federal Return of Organization Exempt Income Tax (federal Form 990) for fiscal years ending in 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

H. Fair Value Measurements

As defined in FASB ASC no. 825-10 fair value is based on the price that would be received to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, FASB ASC No.825-10 establishes a fair value hierarchy that prioritized observable and unobservable inputs used to measure fair value into three levels. The Organization had no assets or liabilities requiring fair value disclosure during the year ended June 30, 2015.

I. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

J. Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally receives services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, fundraising activities, and various committee assignments.

NOTE 3- ACCOUNTS AND GRANTS RECEIVABLE

The Organization operates in the Harrisville, West Virginia area and receives support from various sources, substantially all of whom are local individuals or government agencies.

Accounts and grants receivable are those for which the Organization has performed a service or for which the requirements of a grant have been met and the Organization is awaiting reimbursement.

NOTE 4- COMPENSATED ABSENCES

The Organization provides compensated absences to certain employees in the form of paid time off. The balance accrued vacation at September 30, 2015 was \$2,785.

NOTE 5- CONCENTRATION OF RISK

The Organization is economically dependent on grants from various federal, state and local governments for the operation of their programs. The Organization's ability to receive these grants is somewhat dependent on the national, state and local economy.

NOTE 6- RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The organization manages these risks of loss through the purchase of various insurance policies.

NOTE 7- CONTINGENCIES

The Organization's programs are generally funded from federal, state, and local sources. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews can result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. The amount, if any, or expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

NOTE 8- SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through June 27, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through June 27, 2016 that would require adjustment or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

RITCHIE COUNTY INTEGRATED FAMILY SERVICES, INC
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES- PERSONAL CARE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Schedule 1

	Title III B	Title III E	Title III D	Alzheimer's Program	Medicaid Waiver	Local	Lighthouse Program	Totals
Support and Revenue:								
Federal Grant Awards	\$ 27,459	\$ 3,042	\$ -		\$ -	\$ -		\$ 30,501
State Grant Awards	17,900	-	-	36,468	-	39,920	122,523	216,811
Medicaid	-	-	-	-	146,880	135,262	-	282,142
Project Income	2,796.00	71	-	-	-	1,368	9,587	13,822
Donations	-	534	-	3,716	-	68	11,257	15,575
Interest	-	-	-	-	-	46	-	46
Other Income		2,121	177	6,405	22,270	24,155	19,605	74,733
Total Support and Revenue	\$ 48,155	\$ 5,768	\$ 177	\$ 46,589	\$ 169,150	\$ 200,819	\$ 162,972	\$ 633,630
Expenses:								
Personnel	41,027	6,238		38,725	122,002	146,018	125,934	479,944
Payroll Taxes and Benefits	7,982	386		4,560	20,794	20,365	18,497	72,584
Travel and Training	22	66	-	823	2,583	6,362	8,292	18,148
Communication and Utilities	3,851	-	-	-	4,730	4,330	2,486	15,397
Equipment	134	-	-	-	134	-	-	268
Fuel-Automobiles	7,675	-	-	-	-	-	-	7,675
Other Program Costs	253	-	-	-	7,457	5,809	-	13,519
Printing and Supplies	763	-	-	-	634	712	1,098	3,207
Total direct expenses	61,707	6,690	-	44,108	158,334	183,596	156,307	610,742
Matching Funds Transfers (In) Ou	(4,843)	(914)	-	-	-	-	-	(5,757)
Total expenses	56,864	5,776	-	44,108	158,334	183,596	156,307	604,985

	Title III C-1	Title III C-2	T
Support and revenue			
Federal Grant Awards	\$ 10,116	\$ 11,001	
State Grant Awards	1,111	1,172	
Project income	29,255	30,631	
Other income	9,095	5,560	
Total Support and Revenue	<u>49,577</u>	<u>48,364</u>	
Expenses:			
Personnel	28,960	46,081	
Payroll Taxes and Benefits	6,806	7,909	
Travel and Training	-	737	
Equipment	336	-	
Communication and Utilities	2,817	3,537	
Food and Disposable Supplies	8,863	52,277	
Fuel -Automobiles	-	1,420	
Other Program Costs	253	-	
Preventative Maintenance	3,475	-	
Total Direct Expenses	<u>\$ 51,510</u>	<u>\$ 111,961</u>	<u>\$ 1</u>
Matching Funds Transfers (In) Out	<u>\$ (4,583)</u>	<u>\$ (22,960)</u>	<u>\$ (</u>
Total Expenses	<u>\$ 46,927</u>	<u>\$ 89,001</u>	<u>\$ 1</u>
Net Program Income (Loss)	<u>\$ 2,650</u>	<u>\$ (40,637)</u>	<u>\$</u>

The accompanying notes are an integral part of the financial statements

	Multi Passenger Van	Totals
Support and Revenue:		
Van Revenue	\$ 8,429	\$ 8,429
Donations		
Other	4,952	4,952
Total Support and Revenue	<u>\$ 13,381</u>	<u>\$ 13,381</u>
Expenses:		
Personnel	9,428	9,428
Payroll Taxes and Benefits	644	644
Fuel- Automobiles	-	-
Training		175
Other program costs	250	1,195
Preventative Maintenance	7	7
Total Direct Expenses	<u>\$ 10,328</u>	<u>\$ 10,328</u>
Net Program Income (Loss)	<u>\$ 3,053</u>	<u>\$ 3,053</u>

The accompanying notes are an integral part of the financial statements

	General Fund	SHIP Health Benefits	Life	Pass. Trans Service	Total
Support and Revenue					
State Grant Awards	\$ -	\$ 11,750	\$ -	\$ -	\$ -
Legislative Initiative/Elderly		-	214,248		\$ 214,248
Donations	5,742	-			\$ 5,742
Other Income	18,100	236	27,378	5,666	\$ 51,380
Total Support and Revenue	\$ 23,842	\$ 11,986	\$ 241,626	\$ 5,666	\$ 283,120
Expenses					
Personnel	\$ -	\$ 6,916	\$ 89,641	\$ 1,429	\$ 98,006
Payroll Taxes and Benefits	1,841	476	33,432	320	\$ 36,069
Travel and Training	-	45	2,609		\$ 2,654
Communication and Utilities	-	63	10,809		\$ 10,872
Equipment	-	-	-		\$ -
Fuel-Automobiles	-	-	15,998		\$ 15,998
Insurance	-	-	-		\$ -
Other Program Costs	8,161		23,798		\$ 31,959
Printing and Supplies	-	10	8,085		\$ 8,095
Total direct expenses	\$ 10,002	\$ 7,510	\$ 184,372	\$ 1,749	\$ 203,633
Matching Funds Transfers (In) Out	-	-	58,568	(10,000)	\$ 48,568
Total Expenses	\$ 10,002	\$ 7,510	\$ 242,940	\$ (8,251)	\$ 252,199
Net Program income (loss)	\$ 13,840	\$ 4,476	\$ (1,314)	\$ 13,917	\$ 27,919

The accompanying notes are an integral part of the financial statements

Federal Grantor/Pass-Through/Program	Term of Grant	CFDA Number	Award Amount	E
U.S. Department of Health and Human Services <i>Passed through Bel-O-Mar Regional Council Planning Commissions</i>				
Title III B	10/1/14-9/30/15	93.044	\$ 27,459	
Title III C-1	10/1/4-9/30/15	93.045	10,116	
Title III C-2	10/1/14-9/30/15	93.045	11,001	
Title III E	10/1/14-9/30/15	93.052	3,042	
Total U.S. Department of Health and Human Services				
Total Federal Expenditures				

<u>State Grantor/Program</u>	<u>Term of Grant</u>	<u>Award Amount</u>	<u>State Expenditures</u>
Bel-O-Mar Regional Planning Commission			
Title III B	10/1/14-9/30/15	\$ 17,900	\$ 17,900
Legislative Initiative for the Elderly	7/1/14-6/30/15	\$ 214,248	\$ 214,248
Title C-1	10/1/14-9/30/15	\$ 1,111	\$ 1,111
Title C-2	10/1/14-9/30/15	\$ 1,172	\$ 1,172
Alzheimers Respite (FAIR)	6/1/14/6/30/15	\$ 36,468	\$ 36,468
Lighthouse PCA Program	6/1/14-6/30/15	\$ 122,523	\$ 122,523
Total State Expenditures			<u>\$ 393,422</u>

NOTE 1- BASIS OF PRESENTATION

The accompanying Schedules of Support, Revenue and Expenses- Personal Care, Support, Revenue and Expenses- Nutrition Programs, Support, Revenue and Expenses- Transportation Program and Support, Revenue and Expenses- Other Programs include the activity of Ritchie County Integrated Family Services, Inc. and are presented on the basis of accounting prescribed by West Virginia Bureau of Senior Services' Region 1 Area Agency on Aging. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The accompanying Schedule of Federal Awards and Schedule of State Awards are presented on the accrual basis.

Phone: 304-428-2191
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West Virginia Society &
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH AUDITING
GOVERNMENT STANDARDS.**

June 27, 2016
Ritchie County Integrated Family Services, Inc.
P.O. Box 195
Harrisville, West Virginia 26362

To the Board of Directors:

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 Standard, issued by the Comptroller General of the United States, the financial statements of Ritchie

County Integrated Family Services, Inc., which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 27, 2016, which was qualified for not capitalizing the costs of long-lived property and equipment.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ritchie County Integrated Family Services, 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 Ritchie County Integrated Family Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ritchie County Integrated Family Services, 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 introductory paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

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

Altman and Associates, PLLC

Altman and Associates, PLLC
Parkersburg, West Virginia