

Hardy County Committee on Aging, Inc.

Audited Financial Statements

September 30, 2015

Audited by

**Williams & Associates, AC
204 Davis Avenue, Post Office Box 2727
Elkins, West Virginia 26241**

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

204 Davis Ave., PO Box 2727
Elkins, WV 26241
Phone: 304-637-9110
Fax: 304-637-9006

Certified Public Accountant

40 East Main Street
Buckhannon, WV 26201
Phone: 304-473-0007
Fax: 304-473-0009

INDEPENDENT AUDITOR'S REPORT

To Board of Directors
Hardy County Committee on Aging, Inc.
Moorefield, WV 26836

Report on the Financial Statements

We have audited the accompanying financial statements of Hardy County Committee on Aging, Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hardy County Committee on Aging, Inc. as of September 30, 2015, and the results of activities and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and support 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 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 21, 2016, on our consideration of Hardy 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 Hardy County Committee on Aging, Inc.'s internal control over financial reporting and compliance.

Elkins, West Virginia
June 21, 2016

Hardy County Committee on Aging, Inc.
STATEMENT OF FINANCIAL POSITION
September 30, 2015

ASSETS

Current Assets

Cash & Equivalents	\$	154,576
Certificates of Deposit		100,375
Investments		6,885
Accounts Receivable		25,862
Grants Receivable		58,591
Insurance Proceeds Receivable		26,100
Prepaid Expenses		6,730
Inventory		6,327
Total Current Assets		385,446

Fixed Assets

Land		703,180
Buildings & Equipment		2,598,345
Accumulated Depreciation		(1,102,114)
Total Fixed Assets		2,199,411

TOTAL ASSETS

\$ 2,584,857

LIABILITIES & NET ASSETS

Liabilities

Current Liabilities

Accounts Payable	\$	19,254
Accrued Wages		52,751
Deferred Compensation		23,942
Current Portion of Long-term Debt		67,659
Total Current Liabilities		163,606

Long-Term Liabilities

Mortgage Payable		526,021
OPEB Liability		260,898
Total Long-Term Liabilities		786,919

Total Liabilities		950,525
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Net Assets

Net Assets, Unrestricted		1,456,395
Net Assets, Permanently Restricted		177,937
Total Net Assets		1,634,332

LIABILITIES & NET ASSETS

\$ 2,584,857

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

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

REVENUE & SUPPORT	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>TOTAL</u>
Grant Revenues:			
Federal	37,290		37,290
State	380,513		380,513
Nutrition	130,566		130,566
Program Service Fees	171,247		171,247
Project Income	28,852		28,852
Rental Income, net	93,676		93,676
Contributions	12,200		12,200
Investment Income	397	104	501
Unrealized Gain(Loss) on Investments		(180)	(180)
Other Income	27,536	500	28,036
Net Assets Released from Restrictions	5,550	(5,550)	-
TOTAL REVENUE & SUPPORT	<u>887,827</u>	<u>(5,126)</u>	<u>882,701</u>
 EXPENSES			
Program Service Expenses	666,384		666,384
Management & General	237,396		237,396
TOTAL EXPENSES	<u>903,780</u>	<u>-</u>	<u>903,780</u>
 INCREASE(DECREASE) IN NET ASSETS BEFORE INCOME TAXES	(15,953)	(5,126)	(21,079)
 PROVISION FOR INCOME TAXES	<u>(8,325)</u>	<u>-</u>	<u>(8,325)</u>
 INCREASE(DECREASE) IN NET ASSETS	(24,278)	(5,126)	(29,404)
 NET ASSETS, Beginning of Year	<u>1,480,673</u>	<u>183,063</u>	<u>1,663,736</u>
 NET ASSETS, End of Year	<u><u>1,456,395</u></u>	<u><u>177,937</u></u>	<u><u>1,634,332</u></u>

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

Hardy County Committee on Aging, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Increase(Decrease) in Net Assets	\$ (29,404)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	77,806
Unrealized Loss on Investments	180
(Increase)Decrease in Accounts Receivable	(5,196)
(Increase)Decrease in Grants Receivable	(12,930)
(Increase)Decrease in Insurance Proceeds Receivable	(26,100)
(Increase)Decrease in Prepaid Expenses	(1,563)
(Increase)Decrease in Inventory	(1,528)
Increase(Decrease) in Accounts Payable	1,837
Increase(Decrease) in Accrued Wages	2,221
Increase(Decrease) in Deferred Compensation	935
Increase(Decrease) in OPEB Liability	<u>21,734</u>
Net cash provided by (used in) operating activities	<u>27,992</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Equipment	(12,775)
Increase(Decrease) in certificates of deposit	<u>33,872</u>
Net Cash provided by (used in) financing activities	<u>21,097</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principle payments on long-term debt	<u>(61,162)</u>
Net Cash provided by (used in) investing activities	<u>(61,162)</u>

INCREASE(DECREASE) IN CASH (12,073)

CASH BALANCE, Beginning of Year 166,649

CASH BALANCE, End of Year \$ 154,576

SUPPLEMENTARY DISCLOSURE:

Cash paid during the year for:

Interest paid	\$ 36,747
Income taxes paid	\$ 8,325

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

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

Note 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Hardy 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

Hardy County Committee on Aging, Inc. is a nonprofit organization formed to provide a variety of social services to the elderly in Hardy 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 Hardy County Committee on Aging, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements of Accounting Standards Codification 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Under these provisions, net assets and revenues, expenses, gains and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. These are resources over which the Board of Directors has discretionary control.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or with the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted – Resources subject to a donor restriction that they be maintained permanently by the Organization.

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

Note 1. Summary of Significant Accounting Principles (Continued)

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The organization's returns for the prior three years remain subject to examination by the Internal Revenue Service.

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Accounts and Grants Receivable

Accounts receivable represent amounts owed the Organization for services provided to clients of the Organization under contracts with the West Virginia Department of Health and Human Resources – Medicaid Waiver and Community Care Programs, the Veterans Administration, as well as amounts due from private pay clients. As of September 30, 2015, all accounts receivable are deemed collectible.

Grants receivable represent amounts invoiced by the Organization to grantor agencies under the terms of their grant agreements. As of September 30, 2015, all grants receivable are deemed collectible.

The Organization uses the direct write-off method for accounting for bad debts wherein accounts are written off in the period management determines that collection is not probable.

Inventory

Inventory consists primarily of raw food, disposables, and supplies purchased under the Title III-C grant and are recorded at cost, as determined by the last purchase price, on a first-in, first-out basis.

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

Note 1. Summary of Significant Accounting Principles (Continued)

Investments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Organization determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instruments.

The Organization measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Organization reports investments in marketable securities with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets.

Property and Equipment

The Organization is currently capitalizing all equipment purchases at cost and all donated equipment at fair market value and is depreciating these costs using the straight-line method over the asset's estimated useful life. All equipment/vehicles purchased with grant monies must be disposed of in accordance with the grantor agency's policies. The Organization has adopted a capitalization policy in the amount of \$1000. Maintenance and repairs are expensed when incurred.

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

Note 1. Summary of Significant Accounting Principles (Continued)

Revenue Recognition

Contributions/grants are recognized when the donor/grantor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor/grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor/grantor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grant Monies

Grant monies are received in three ways:

- 1 – On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent. This is utilized for the LIFE program grant.
- 2 – On an as needed basis in which the Organization requests monies that it feels it will need in the immediate future; this is utilized for Title III-B, Title III-E, and Title III-D/MM grants. Upon completion of a grant year any unexpended money has to be approved for carryover to the next year. If approval is denied, the money has to be reimbursed to the grantor.
- 3 – Title III-C grant funds are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any unexpended monies are restricted for future Title III-C program operating expenses.

Operating expenditures made against federal and state grants are subject to audit by the Grantor agency. These agencies may subsequently make adjustments to the grant as originally awarded due to their audit findings. Grant revenues for the year ended September 30, 2015 were \$548,369.

Note 2. Certificates of Deposit

The organization had the following certificates of deposits on September 30, 2015:

	<u>Balance</u>
Pendleton County Bank, 5-year, 1.14%, maturing 2/27/18	\$ 12,015
Grant County Bank, 1-year, 0.33%, maturing 9/7/16	19,431
Grant County Bank, 1-year, 0.33%, maturing 9/7/16	17,702
Capon Valley Bank, 6-month, 0.20%, maturing 2/19/16	37,227
Capon Valley Bank, 6-month, 0.20%, maturing 2/19/16	<u>14,000</u>
Total Certificates of Deposit as of September 30, 2015	<u>\$100,375</u>

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

Note 3. Investments

Investments are stated at fair value and consist of common stock. Fair values and appreciation (depreciation) at September 30, 2015 are summarized below.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Investments, permanently restricted	<u>\$4,513</u>	<u>\$6,885</u>	<u>\$2,372</u>

Note 4. Accounts Receivable

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

WV DHHR	\$	13,953
Veterans Administration		7,381
Rent Receivable		<u>4,528</u>
	\$	<u>25,862</u>

Note 5. Grants Receivable

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

LIFE	\$	9,755
Title IIIC		28,943
Title IIID		837
FAIR/Lighthouse		<u>19,056</u>
	\$	<u>58,591</u>

Note 6. Property and Equipment

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

Land	\$	703,180
Buildings		2,338,094
Equipment		<u>260,251</u>
Total Fixed Assets		3,301,525
Less accumulated depreciation		<u>(1,103,114)</u>
Net property and equipment	\$	<u>2,199,411</u>

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

Note 7. Mortgage Payable

Mortgage payable consists of a loan from Grant County Bank with an original principal amount of \$1,100,000 due in 240 monthly installments of \$8,221.25 which began in January 2013, bearing an interest rate of 5.5%, and secured by a deed of trust.

Future scheduled maturities for years ending September 30 are:

2016	67,659
2017	71,476
2018	75,507
2019	79,767
2020	84,266
Thereafter	<u>215,005</u>
	<u>\$ 593,680</u>

Note 8. Retirement Plan

The organization sponsors a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. Full-time employees are eligible to participate in the plan. Employee contributions are voluntary and are made on a pretax basis. Currently employer contributions are 9.5% of the employee's earnings. The employer's share of retirement payments for the current year was \$19,915 and is included in payroll & benefits costs on the statement of activities by program.

Note 9. Cash Deposits

Cash consists of interest and non-interest bearing checking and savings accounts on deposit in institutions insured by the Federal Deposit Insurance Corporation (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. All the carrying values are the same as market value. As of September 30, 2015, all deposits were fully insured by the FDIC.

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 as incurred. Advertising costs for the year ended September 30, 2015 were \$400.

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

Note 12. Prepaid Expenses

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

Note 13. Compensation Absences

Amounts owed to employees for earned but unused vacation time are accrued as a liability in the statement of financial position. As of September 30, 2015, the organization had \$23,942 in accrued compensated absences.

Note 14. Subsequent Events

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

Note 15. Other Post Employment Benefits (OPEB)

The organization contributes to the West Virginia Retiree Health Care Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). The Trust provides medical benefits to retired employees. West Virginia Code §16D assigns PEIA with the administration of the WV OPEB plan. PEIA issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. The report may be obtained by writing to Public Employees Insurance Agency, 1900 Kanawha Blvd, East, Charleston, WV 25305.

West Virginia Code §5-16D-6 requires PEIA to bill the entire annual required contribution (ARC) beginning July 1, 2007 to employers. PEIA is only required to collect the minimum annual employer payment (MAEP), which is only a component of the ARC. Employers are required to record OPEB expense equal to the billed ARC and reflect a liability in their financial statements for any unpaid portion of the ARC.

The following shows the components of the organization's annual OPEB cost for the year ended September 30, 2015, the amount actually contributed to the plan and changes in the Agency's net OPEB obligations.

Annual Required Contributions (ARC)	\$ 36,145
Adjustments	<u>0</u>
Annual OPEB cost	\$ 36,145
Contributions made	<u>(14,411)</u>
Increase in OPEB liability	\$ 21,734
OPEB Liability, 10/1/14	<u>\$239,164</u>
OPEB Liability, 9/30/15	<u>\$260,898</u>

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

Note 16. Contingencies

The organization receives grant funding from federal and state agencies. The grant expenditures are subject to audit by the granting agencies. These audits are conducted to insure compliance with conditions of the grant award. Instances of noncompliance could result in grant awards being repaid. Any potential adjustments are believed to be immaterial.

The organization is at risk of loss from various torts and lawsuits. These risks are mitigated by maintaining insurance with the West Virginia Board of Risk.

Note 17. Lease Agreements

A lease agreement was entered into on January 12, 1987 between the organization and the Henkel Addition Park for lot 12 of said Addition on Spring Avenue. This lease specifies that the lease term is for 99 years and the total lease amount was \$99 paid in full at the signing of the lease.

It was further agreed that an attractive building would be erected along with a sign designating the property as the Henkel Addition Park and that the organization would bear the cost of such sign. At the time of dissolution of the organization, or for all practical purposes should it be unable to continue to serve the public, the lease shall become null and void and all improvements and appurtenances placed on the property will become the property of Henkel Addition Park.

In accordance with the lease agreement, a brick building was constructed during 1989 with the majority of the monies contributed by the Hardy County Commission, through a Small Cities Block Grant from the State of West Virginia, and the remainder by the Hardy County Committee on Aging, Inc. Since a recent appraisal is not available for the land and building, a fair rental value was unable to be calculated and recorded as contributed support and rent expense in these financial statements.

Note 18. Permanently Restricted Assets

The statement of financial position includes the following assets which have been permanently restricted by the Circuit Court of Hardy County, West Virginia dated March 15, 1975 in reference to the Last Will and Testament of Edgar A. Hawse, deceased, for the development of a rest and retirement center.

Cash	\$ 747
Certificate of deposit	51,227
Investments	6,885
Receivable	87,804
Land	<u>31,274</u>
Total permanently restricted net assets	\$ <u>177,937</u>

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

Note 19. Income Taxes

The provision for federal and state income taxes consists of the following at September 30, 2015:

Current taxes	\$	8,325
Deferred taxes		<u>0</u>
	\$	<u>8,325</u>

There is no provision for deferred income taxes as depreciable lives and methods are not materially different for reporting and income tax purposes.

Note 20. Support Concentration

The Hardy 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.

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

	Program Services								Management & General	Total	
	III-B	III-C	III-D	III-E	SHIP	In-Home Services	LIFE	Local			Subtotal
Revenue & Support											
Grant Revenue											
Federal	\$26,423	\$ -	\$ 837	\$ 2,313	\$7,000	\$ -	\$ -	\$ -	\$ 36,573		\$ 36,573
Nutrition		131,283							131,283		131,283
State Grants Through Area Agency on Aging	15,911								15,911		15,911
LIFE Grants		55,879					121,101		176,980		176,980
Other State Grants						164,622		23,000	187,622		187,622
Total Grants Revenues	42,334	187,162	837	2,313	7,000	164,622	121,101	23,000	548,369	-	548,369
Other Revenues											
Program Service Fees								171,247	171,247		171,247
Project Income		28,852						-	28,852		28,852
Rental Income, net								93,676	93,676		93,676
Contributions								12,200	12,200		12,200
Interest Income								501	501		501
Net Gain(Loss) on Disposal of Assets								(180)	(180)		(180)
Other Income								28,036	28,036		28,036
Total Other Revenues	-	28,852	-	-	-	-	-	305,480	334,332	-	334,332
Total Revenue & Support	42,334	216,014	837	2,313	7,000	164,622	121,101	328,480	882,701	-	882,701
Expenses											
Payroll & Benefits	15,156	116,234		2,695	6,718	124,311	53,598	148,989	467,701	152,889	620,590
Printing & Supplies		2,577						4,056	6,633	7,420	14,053
Communications & Utilities									-	21,633	21,633
Transportation/Mileage		10,291						4,727	87,299	102,317	102,317
Professional Fees								60	60	8,997	9,057
Raw Food		48,308						10,667	58,975		58,975
Repairs & Maintenance		13,223							13,223	4,273	17,496
Training								2,064	2,064		2,064
Insurance									-	19,288	19,288
Other		8,194	985		297			5,935	15,411	300	15,711
Depreciation									-	22,596	22,596
Indirect Expenses	7,150	24,872		1,037		44,977	59,869	99,491	237,396	(237,396)	-
Total Expenses	22,306	223,699	985	3,732	7,015	169,288	118,194	358,561	903,780	-	903,780
Change in Net Assets Before Income Taxes	20,028	(7,685)	(148)	(1,419)	(15)	(4,666)	2,907	(30,081)	(21,079)	-	(21,079)

The accompanying notes are an integral part of these financial statements

Hardy County Committee on Aging, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL & STATE AWARDS
For the Fiscal Year Ended September 30, 2015

	Grant Identification Number	Expenditures
FEDERAL:		
U.S. Department of Health and Human Services:	93.044	\$ 26,423
Administration on Aging		
Special Programs for the Aging Title III Part B		
Grants for Supportive Services and Senior Centers		
Administration on Aging	93.043	837
Special Programs for the Aging Title III Part D		
Disease Prevention and Health Promotion Services		
Administration on Aging	93.052	2,313
Special Programs for the Aging Title III Part E		
National Family Caregiver Support		
Administration on Aging	93.045	131,283
Special Programs for othe Aging Title III Part C		
Nutrition Services (includes expenditures of state awards)		
Administration for Children & Families	93.626	7,000
SHIP		
<i>Total Expenditures of Federal Awards</i>		\$ 167,856
STATE:		
LIFE	7/1/15-6/30/16	2016 \$ 32,288
LIFE	7/1/14-6/30/15	2015 144,692
Lighthouse	7/1/15-6/30/16	2016 39,624
Lighthouse	7/1/14-6/30/15	2015 83,376
FAIR	7/1/15-6/30/16	2016 11,543
FAIR	7/1/14-6/30/15	2015 30,079
WV Lottery		23,000
III-B		15,911
<i>Total Expenditures of State Awards</i>		\$ 380,513
TOTAL EXPENDITURES OF FEDERAL & STATE AWARDS		\$ 548,369

The notes are an integral part of these financial statements.

Williams & Associates, A.C.

204 Davis Ave., PO Box 2727
Elkins, WV 26241
Phone: 304-637-9110
Fax: 304-637-9006

Certified Public Accountant

40 East Main Street
Buckhannon, WV 26201
Phone: 304-473-0007
Fax: 304-473-0009

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Hardy County Committee on Aging, Inc.
Moorefield, WV 26836

We have audited the financial statements of the Hardy County Committee on Aging, Inc. (a non-profit organization) as of and for the year ended September 30, 2015, and have issued a report thereon dated June 21, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Hardy County Committee on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an object of my audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Hardy County Committee on Aging, Inc., in a separate letter dated June 21, 2016, and included in this audit report on page 19.

Internal Control Over Financial Reporting

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

internal control components does not reduce to a relatively low level the risk that misstatements in an amount that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting in its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Hardy County Committee on Aging, Inc., in a separate letter dated June 21, 2016, and included in this audit report on page 19.

This report is intended solely for the information and use of the board of directors, management, and West Virginia Bureau of Senior Services and is not intended to be and should not be used by anyone other than these specified parties.

Williams & Associates, A.C.

Elkins, West Virginia

June 21, 2016

Williams & Associates, A.C.

204 Davis Ave., PO Box 2727
Elkins, WV 26241
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MANAGEMENT LETTER

To the Board of Directors
Hardy County Committee on Aging, Inc.
Moorefield, West Virginia

Our audit on the financial statements of Hardy County Committee on Aging, Inc., for the year ended September 30, 2015, highlighted areas where we would like to make recommendations which would improve the internal control, accounting procedures, and internal financial information of the Organization. Since our audit was not designed to include a complete review of all systems, procedures and controls, the following comments and recommendations should not be considered to be all inclusive of the areas where improvements may be necessary.

Segregations of Duties

During our audit we noted that two people perform most of the accounting and financial duties. As a result, many aspects of internal accounting control which rely upon an adequate segregation of duties are for all practical purposes missing in the Hardy County Committee on Aging, Inc. We recognize that the Organization is not large enough to make the employment of additional staff for the purpose of segregating duties practicable from a financial standpoint, but we are required, under our professional responsibilities, to describe the situation.

After you have had the opportunity to review these comments and recommendations, we would be pleased to discuss those points that you desire. We would like to thank your staff for their assistance in performing the audit and the Board of Directors for the opportunity to serve Hardy County Committee on Aging, Inc.

Williams & Associates, A.C.

Elkins, West Virginia
June 21, 2016