

CALHOUN COUNTY COMMITTEE ON AGING, INC.

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

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Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Calhoun County Committee on Aging, Inc.
Grantsville, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Calhoun County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, 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 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 Calhoun County Committee on Aging, Inc. as of September 30, 2018, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of federal and state funds and the notes to the schedule of federal and state funds on pages 13 thru 15 are 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 May 23, 2019 on our consideration of Calhoun 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 solely 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 the effectiveness of Calhoun County Committee on Aging, Inc.'s 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 Calhoun County Committee on Aging, Inc.'s internal control over financial reporting and compliance.

Patrick Bawls, PHA

Clarksburg, West Virginia
May 23, 2019

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018**

ASSETS	
CURRENT ASSETS	
Cash	\$ 9,582
Grants and Contracts Receivable	91,475
Prepaid Expenses	3,679
TOTAL CURRENT ASSETS	<u>104,736</u>
 PROPERTY AND EQUIPMENT	
Property and Equipment	1,352,650
Accumulated Depreciation	(721,247)
NET PROPERTY AND EQUIPMENT	<u>631,403</u>
 OTHER ASSETS	
Certificate of Deposit	<u>129,716</u>
TOTAL ASSETS	<u>\$ 865,855</u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 50,334
Accrued Payroll	20,082
Payroll Taxes and Withholding Payable	9,120
Accrued Vacation	10,008
Line of Credit	35,000
TOTAL CURRENT LIABILITIES	<u>124,544</u>
 LONG-TERM LIABILITIES	
Accrued Vacation	<u>10,009</u>
TOTAL LONG-TERM LIABILITIES	<u>10,009</u>
TOTAL LIABILITIES	134,553
UNRESTRICTED NET ASSETS	<u>731,302</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 865,855</u>

See accompanying notes and independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
SUPPORT			
Medicaid	\$ 263,138	\$ -	\$ 263,138
Title III-C	95,902	-	95,902
LIFE	179,229	-	179,229
Contributions and Fundraising	15,493	-	15,493
Lighthouse	90,226	-	90,226
Fair	16,716	-	16,716
Veterans	27,253	-	27,253
Title III-B	-	39,480	39,480
Title III-E	-	4,284	4,284
Sisters Health Foundation	5,000	-	5,000
SHIP	1,500	-	1,500
Other	1,658	-	1,658
Net Assets Released From			
Donor Restrictions	43,764	(43,764)	-
TOTAL SUPPORT	739,879	-	739,879
 REVENUES			
Program Income	26,164	-	26,164
Gain on Sale of Assets	5,000	-	5,000
Interest Income	1,944	-	1,944
TOTAL REVENUES	33,108	-	33,108
 TOTAL SUPPORT AND REVENUES	772,987	-	772,987
 EXPENSES			
Program Expense:			
Other Programs	351,489	-	351,489
Health Benefits	1,216	-	1,216
LIFE	179,229	-	179,229
Lighthouse	90,226	-	90,226
Title III-B	41,488	-	41,488
Title III-E	4,284	-	4,284
Title III-C - Congregate	69,472	-	69,472
Title III-C - Home Delivered	72,825	-	72,825
Management & General	12,112	-	12,112
Fundraising	10,204	-	10,204
TOTAL EXPENSES	832,545	-	832,545
 CHANGE IN NET ASSETS	(59,558)	-	(59,558)
 BEGINNING UNRESTRICTED NET ASSETS	790,860	-	790,860
 ENDING UNRESTRICTED NET ASSETS	\$ 731,302	\$ -	\$ 731,302

See accompanying notes and independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Program Services				
	Other Programs	SHIP	LIFE	Light- house	Title III-B
Wages & Taxes	\$ 275,225	\$ 1,216	\$ 100,094	\$ 90,226	\$ 35,073
Fringe Benefits	23,018	-	7,013	-	-
Supplies	680	-	8,414	-	-
Repairs & Maintenance	3,277	-	5,018	-	-
Communications & Utilities	8,555	-	28,761	-	-
Other	8	-	-	-	-
Depreciation	26,452	-	-	-	-
Transportation	2,233	-	-	-	6,415
Professional Services	8,040	-	11,899	-	-
Insurance	1,125	-	12,958	-	-
Trips & Supplies	-	-	-	-	-
Taxes & Licenses	81	-	-	-	-
Nutrition Supplies	2,343	-	-	-	-
Rent	-	-	5,072	-	-
Dues & Subscriptions	452	-	-	-	-
	<u>\$ 351,489</u>	<u>\$ 1,216</u>	<u>\$ 179,229</u>	<u>\$ 90,226</u>	<u>\$ 41,488</u>

See accompanying notes and independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Program		Title III-C		Management and General	Fundraising	Totals (Memorandum Only)
	Services						
	Title III-E	Congregate	Home Delivered				
Wages & Taxes	\$ 4,284	\$ 40,787	\$ 27,841	\$ 8,653	\$ -	\$ 583,399	
Fringe Benefits	-	10,929	10,929	882	-	52,771	
Supplies	-	1,554	-	-	-	10,648	
Repairs & Maintenance	-	214	311	-	-	8,820	
Communications & Utilities	-	-	-	-	-	37,316	
Other	-	-	7	-	-	15	
Depreciation	-	-	-	2,577	-	29,029	
Transportation	-	-	6,679	-	-	15,327	
Professional Services	-	-	-	-	-	19,939	
Insurance	-	-	-	-	-	14,083	
Trips & Supplies	-	-	-	-	10,204	10,204	
Taxes & Licenses	-	-	-	-	-	81	
Nutrition Supplies	-	15,724	27,058	-	-	45,125	
Rent	-	-	-	-	-	5,072	
Dues & Subscriptions	-	264	-	-	-	716	
	<u>\$ 4,284</u>	<u>\$ 69,472</u>	<u>\$ 72,825</u>	<u>\$ 12,112</u>	<u>\$ 10,204</u>	<u>\$ 832,545</u>	

See accompanying notes and independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (59,558)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) by Operating Activities:	
Depreciation	29,029
Gain on Sale of Equipment	(5,000)
(Increase) Decrease In:	
Grants and Contracts Receivable	(31,461)
Prepaid Expenses and Deposits	867
Increase (Decrease) In:	
Accounts Payable	32,958
Accrued Vacation	3,710
Accrued Payroll	(2,058)
Payroll Taxes Payable	(829)
Deferred Revenue	(9,378)
NET CASH (USED) BY OPERATING ACTIVITIES	<u>(41,720)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit	15,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>15,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in Certificates of Deposit	(1,928)
Cash Received for Sale of Equipment	5,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>3,072</u>
NET DECREASE IN CASH	(23,648)
CASH - BEGINNING OF PERIOD	<u>33,230</u>
CASH - END OF PERIOD	<u>\$ 9,582</u>

See accompanying notes and independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Entity

The Calhoun County Committee on Aging, Inc. is a non-profit corporation located in Grantsville, West Virginia. The Corporation's operations consist of a variety of social services for the elderly of Calhoun County. The Organization is funded by various federal and state grants and from funds obtained through local fund-raising projects.

Financial Statement Presentation

The Organization has adopted FASB Standards Codification 958, Not-for-Profit Entities. There are no permanently restricted assets as of September 30, 2018.

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions would be 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 would be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Summary of Significant Accounting Policies

Basis of Accounting and Reporting

Calhoun County Committee on Aging, Inc. uses the cash basis of accounting throughout the program year but prepares its annual financial statements on the accrual basis.

Cash

All cash, except for cash on hand, is on deposit with institutions which are insured by the F.D.I.C.

For the purpose of the statement of cash flows, the Organization considers both restricted and unrestricted cash as well as certificates of deposit with an original maturity of three months or less to be cash and cash equivalents.

Cash and equivalents consist of the following:

	Unrestricted Cash	\$	9,582		
	Total Cash	\$	<u>9,582</u>		
<u>Other Assets</u>	<u>Amount</u>		<u>Maturity Date</u>		
Certificate of Deposit	\$ 129,716		11/01/20		

As of September 30, 2018, the organization had overdrawn their main operating account \$25,422. This amount has been included in Accounts Payable.

See independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

The Organization does not maintain an inventory. Supplies are purchased on an as needed basis.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; all fixed assets are capitalized with an original cost of \$500 or more.

Revenue Recognition

Unconditional grants and promises to give are recorded when the grant or promise is made. Conditional grants and promises to give are recorded when the related condition is met. Project income is recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Accrued Annual Leave

Accrued compensated absences are included in these financial statements at the employees' current hourly rate for September 30, 2018.

Functional Expenses

The operating expenses of the Organization have been classified in the Statement of Functional Expenses on a direct basis whenever possible. Other expenses have been allocated based on personnel time worked, space utilized or some other rational allocation method.

Donated Services

Donated services are recognized as contributions in accordance with FASB Standards Codification 958-605, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax – Exempt Status

The Calhoun County Committee on Aging, Inc. has been determined to be an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's Forms 990 US income tax returns for the years ending 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they are filed.

See independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Calhoun County Committee on Aging, Inc. is a not-for-profit organization and is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code of 1986. The Organization owed \$0 in unrelated business income taxes as of September 30, 2018.

Risks and Uncertainties

The majority of the funding for the operation of Calhoun County Committee on Aging, Inc. comes from Medicaid and the Northwestern Area Agency on Aging. A loss of or decrease in this funding could adversely affect the operation of the Organization.

Subsequent Events – Subsequent events have been evaluated through May 23, 2019, which is the date the financial statements were available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or fair market value at date of donation.

Property and equipment consisted of the following at September 30, 2018:

Land & Land Improvements	\$	192,072
Buildings and Additions		872,327
Vehicles		145,934
Equipment & Furniture		142,317
		1,352,650
TOTAL PROPERTY AND EQUIPMENT		
Less, Accumulated Depreciation		(721,247)
NET PROPERTY AND EQUIPMENT	\$	631,403

Property and equipment are depreciated over their useful lives:

Buildings & Additions	7 – 39 Years
Vehicles	5 Years
Equipment & Furniture	5 – 7 Years

NOTE 3 CONCENTRATIONS

The Center receives a majority of their monies from third party reimbursements. Any loss or decrease in this funding could be detrimental to the Organization's ongoing activities.

NOTE 4 ADVERTISING COSTS

The Center expenses advertising costs as they are incurred. Advertising costs totaled \$617 for the year ended September 30, 2018.

See independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

NOTE 5 DEPOSITS AND PREPAID EXPENSES

Deposits and prepaid expenses consist of the following at September 30, 2018:

Prepaid Brickstreet	\$	528
Prepaid Insurance		<u>3,151</u>
TOTAL	\$	<u>3,679</u>

NOTE 6 RETIREMENT SYSTEM

Calhoun County Committee of Aging, Inc. is a member of a 403(b) plan offered by Principal Financial Group. Retirement benefits are available to all employees who have been employed longer than 3 months and are above the age of 18. The plan requires 3% to be withheld out of the employees' wages and the Company will match the contribution. During the September 30, 2018 fiscal year, the Committee had \$5,969 in retirement expense.

NOTE 7 OPERATING LEASES

The Organization had the following leases during the year:

<u>Description</u>	<u>Monthly Payment</u>	<u>Term (in years)</u>	<u>Expires</u>
Copier	\$385.00	5	02/02/22

Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 4,620
2020	4,620
2021	4,620
2022	<u>2,695</u>
Total	<u>\$ 16,555</u>

NOTE 8 GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following:

LIFE	\$	46,942
FAIR		1,302
Title III-B		2,659
Lighthouse		7,424
Veterans Administration		12,064
Medicaid Waiver		7,297
Case Management		1,422
Community Care		<u>12,365</u>
Total grants and contracts	\$	<u>91,475</u>

See independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

NOTE 9 LINE OF CREDIT

In February 2018, Calhoun County Committee of Aging, Inc. entered into a line of credit agreement with Calhoun Banks with an interest rate of 4%. As of September 30, 2018, Calhoun County Committee of Aging, Inc. had drawn \$35,000 worth of funds. The Organization's certificate of deposit serves as collateral.

See independent auditor's report.

**SCHEDULE OF FEDERAL AND
STATE FUNDS**

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>FEDERAL AWARDS</u>				
U.S. Department of Health and Human Services, Administration for Community Living				
Passed through the WV Bureau of Senior Services and Bel-O-Mar Regional Council:				
	Title III-B - Special Programs for the Aging	93.044	21835	\$ 26,502
	Title III-E - National Family Caregiver Support	93.052	21835	4,284
	Title III-C - Special Programs for the Aging - Nutrition Services	93.045	N/A	37,921
	SHIP	93.626	21307	<u>1,500</u>
	TOTAL FEDERAL FUNDS			\$ <u><u>70,207</u></u>

See accompanying notes to schedule of federal and state funds and independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
 SCHEDULE OF FEDERAL AND STATE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>GRANTOR AGENCY</u>	<u>PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
<u>STATE AWARDS</u>				
WV Bureau of Senior Services through the Bel-O-Mar Regional Council:	Title III-B - State	N/A	21835	\$ 12,978
	LIFE	N/A	21902	179,229
	Lighthouse In-Home Services	N/A	IH1801 & IH901	90,226
	Alzheimer's Respite/ Fair	N/A	IH1801 & IH901	16,716
	Title III-C - State	N/A	N/A	<u>57,981</u>
	TOTAL STATE FUNDS			\$ <u><u>357,130</u></u>

See accompanying notes to schedule of federal and state funds and independent auditor's report.

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
NOTES TO THE SCHEDULE OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Federal and State Funds is prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements.

See independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**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**

The Board of Directors
Calhoun County Committee on Aging, Inc.
Grantsville, West Virginia

We have audited, in accordance with the 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 Calhoun County Committee on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, 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 May 23, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Calhoun 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 Calhoun County Committee on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Calhoun 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item #2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calhoun 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*.

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

Calhoun County Committee on Aging, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Calhoun County Committee on Aging, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 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.

Debra K. Bausler, Ph.D.

Clarksburg, West Virginia
May 23, 2019

**CALHOUN COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

#2018-001 Segregation of Duties

Criteria: Analysis of the internal control system indicated a lack of segregation of duties.

Condition: Responsibilities of approval, execution, recording and custody associated with all financial transactions should be distributed among the accounting staff to the highest degree possible.

Cause: The Organization has a limited number of employees who are responsible for the approval, execution, recording and custody associated with all financial transactions. This limits the degree to which these responsibilities can be segregated.

Effect: Because of the lack of segregation of duties, 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: Responsibilities of approval, execution, recording and custody should be distributed among the office staff to the best degree possible. We recommend that management and the Board of Directors provide oversight and independent review functions and to continue exercising due diligence and professional skepticism in relation to the Committee's financial operations.

View of Responsible Officials and Planned Corrective Action: To the extent possible, the Organization has segregated the responsibilities of approval, execution, recording and custody associated with all financial transactions. Any further segregation of duties would not be economically feasible.

Status: This condition was reported as finding #2017-001 in the September 30, 2017 audit report.