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**Hampshire County Committee on Aging, Inc.**

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

**For the Years Ended  
September 30, 2023 and 2022**

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**Hampshire County Committee on Aging, Inc.**  
**TABLE OF CONTENTS**  
**For the Years Ended September 30, 2023 and 2022**

	<u>Page</u>	
<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1-2</b>	
 <b>FINANCIAL STATEMENTS</b>		
Comparative Statement of Financial Position .....	3	
Comparative Statement of Activities .....	4	
Statements of Functional Expenses .....	5	
Comparative Statement of Cash Flows .....	6	
Notes to Financial Statements .....	7-13	
 <b>SUPPLEMENTAL INFORMATION</b>		
Schedule of Expenditures of State Awards .....	14	
 <b>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 <i>Governmental Auditing Standards</i> .....</b>		<b>15-16</b>
<b>SCHEDULE OF FINDINGS AND RESPONSES .....</b>	<b>17</b>	

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying financial statements of Hampshire County Committee on Aging, Inc. (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2023 and 2022, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hampshire County Committee on Aging, Inc., as of September 30, 2023 and 2022, and the statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hampshire County Committee on Aging, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hampshire County Committee on Aging, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### **Supplementary Information**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2024, on our consideration of Hampshire County Committee on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters on pages 15 and 16. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hampshire County Committee on Aging, Inc.'s internal control over financial reporting and compliance.

*Williams & Associates, A.C.*

Elkins, West Virginia  
August 28, 2024

**Hampshire County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION**  
**September 30, 2023 and 2022**

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
<b>Current Assets</b>		
Cash and Equivalents	\$ 539,549	\$ 304,717
Accounts Receivable	63,006	50,158
Grants Receivable	58,542	142,930
Prepaid Expenses	6,349	5,633
Inventory	17,500	16,439
Total Current Assets	<u>684,946</u>	<u>519,877</u>
 <b>Fixed Assets</b>		
Fixed Assets, net	<u>921,294</u>	<u>967,788</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 1,606,240</u></u>	 <u><u>\$ 1,487,665</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 25,880	\$ 30,119
Accrued Payroll and Taxes	56,392	47,107
Deferred Compensation	25,656	18,189
Current Portion of Long-term Debt	3,726	3,896
Total Current Liabilities	<u>111,654</u>	<u>99,311</u>
 <b>Long-Term Liabilities</b>		
Mortgage Payable	<u>180,745</u>	<u>190,465</u>
Total Long-Term Liabilities	<u>180,745</u>	<u>190,465</u>
 Total Liabilities	<u>292,399</u>	<u>289,776</u>
 <b>Net Assets</b>		
Net Assets without Donor Restrictions	<u>1,313,841</u>	<u>1,197,889</u>
 Total Net Assets	<u>1,313,841</u>	<u>1,197,889</u>
 <b>LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 1,606,240</u></u>	 <u><u>\$ 1,487,665</u></u>

See accompanying notes and independent auditor's report.

**Hampshire County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF ACTIVITIES**  
**For the Years Ended September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>REVENUE AND SUPPORT</b>		
Grant Revenues:		
Federal	\$ 21,456	\$ 21,287
Nutrition	328,956	229,525
State	326,146	481,824
Local	1,000	-
Program Service Fees	1,195,654	1,179,935
Project Income	61,949	58,156
Contributions	50,538	46,463
Rental Income	6,000	6,000
Other Income	3,334	921
Interest and Dividends	2	2
<b>TOTAL REVENUE AND SUPPORT</b>	<u>1,995,035</u>	<u>2,024,113</u>
<b>EXPENSES</b>		
Program Service Expenses	1,472,413	1,442,374
Management and General	406,670	359,376
<b>TOTAL EXPENSES</b>	<u>1,879,083</u>	<u>1,801,750</u>
<b>INCREASE(DECREASE) IN NET ASSETS</b>	115,952	222,363
<b>NET ASSETS, Beginning of Year</b>	<u>1,197,889</u>	<u>975,526</u>
<b>NET ASSETS, End of Year</b>	<u><u>\$ 1,313,841</u></u>	<u><u>\$ 1,197,889</u></u>

See accompanying notes and independent auditor's report.

**Hampshire County Committee on Aging, Inc.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended September 30, 2023 and 2022**

**2023**

	Program Services						Management and General	TOTAL
	III-B	III-C	III-D/ III-E	LIFE	Local	Subtotal		
<b>Expenses</b>								
Payroll and Benefits	12,212	206,448		12,464	879,723	1,110,847	167,153	1,278,000
Travel	8,331	2,072		106	24,414	34,923	4,041	38,964
Communications and Utilities						-	53,270	53,270
Office Expense	402					402	22,789	23,191
Professional Fees						-	29,041	29,041
Raw Food		186,690			281	186,971		186,971
Maintenance						-	8,499	8,499
Disposables		31,900			212	32,112		32,112
Interest						-	12,525	12,525
Insurance						-	18,098	18,098
Transportation	732	27,012				27,744		27,744
Other Expenses	80	2,308			77,026	79,414	9,115	88,529
Depreciation						-	82,139	82,139
<b>Program Expenses</b>	21,757	456,430	-	12,570	981,656	1,472,413	406,670	1,879,083
<b>Management and General</b>		55,950		57,401	293,319	406,670	(406,670)	
<b>Total Functional Expenses</b>	21,757	512,380	-	69,971	1,274,975	1,879,083	-	1,879,083

**2022**

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

See accompanying notes and independent auditor's report.

**Hampshire County Committee on Aging, Inc.**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**For the Years Ended September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase(Decrease) in Net Assets	\$ 115,952	\$ 222,363
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	82,139	69,153
(Increase)Decrease in Accounts Receivable	(12,848)	49,819
(Increase)Decrease in Grants Receivable	84,387	(91,607)
(Increase)Decrease in Prepaid Expenses	(716)	(14,839)
(Increase)Decrease in Inventory	(1,061)	964
Increase(Decrease) in Accounts Payable	(4,239)	28,157
Increase(Decrease) in Accrued Wages	9,285	4,669
Increase(Decrease) in Deferred Compensation	<u>7,467</u>	<u>(8,270)</u>
Net cash provided by (used in) operating activities	<u>280,366</u>	<u>260,409</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	<u>(35,644)</u>	<u>(141,846)</u>
Net cash provided by (used in) investing activities	<u>(35,644)</u>	<u>(141,846)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of Long-term Debt	<u>(9,890)</u>	<u>(9,821)</u>
Net cash provided by (used in) financing activities	<u>(9,890)</u>	<u>(9,821)</u>
<b>INCREASE(DECREASE) IN CASH</b>	234,832	108,742
<b>CASH BALANCE, Beginning of Year</b>	<u>304,717</u>	<u>195,975</u>
<b>CASH BALANCE, End of Year</b>	<u><u>\$ 539,549</u></u>	<u><u>\$ 304,717</u></u>
 Supplemental Disclosures of Cash Flows:		
Interest Expense	<u><u>\$ 12,525</u></u>	<u><u>\$ 11,224</u></u>

See accompanying notes and independent auditor's report.



**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2023 and 2022**

**Note 1. Summary of Significant Accounting Policies**

This summary of significant accounting policies of Hampshire County Committee on Aging, Inc., (HCCOA) is presented to assist in understanding the organization's financial statements. These financial statements and notes are the representation of management, who is responsible for their integrity and objectivity. These accounting principles conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Organization

HCCOA is a nonprofit organization formed to improve the quality of life for senior citizens in Hampshire County, WV. HCCOA is funded by various federal and state grant programs as well as program service fees for providing in-home care services through various programs of the WV Department of Health and Human Services.

Basis of Accounting

The financial statements of Hampshire County Committee on Aging, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements of Accounting Standards Codification 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under ASC 958-205, HCCOA is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions (both permanent and temporary).

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

*Net Assets without Donor Restrictions* – These are resources over which the Board of Directors has discretionary control.

*Net Assets with Donor Restrictions*

*Temporarily Restricted* – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of HCCOA and/or with the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

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

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2023 and 2022**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Income Tax Exemption

HCCOA is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3). HCCOA is classified as a publicly supported organization, which is not a private foundation. Accordingly, no provision for income taxes has been reported. HCCOA's Forms 990, *Return of Organization Exempt from Income Tax*, for the last three years remain open to examination by the Internal Revenue Service.

Estimates

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

Cash and Cash Equivalents

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

Accounts and Grants Receivable

Accounts receivable represent amounts owed HCCOA for services provided to clients under contracts with the West Virginia Department of Health and Human Resources – Medicaid Waiver and Community Care Programs, the Veterans Administration, as well as amounts due from private pay clients. As of September 30, 2023 and 2022, all accounts receivable are deemed collectible.

Grants receivable represent amounts invoiced by HCCOA to grantor agencies under the terms of their grant agreements. As of September 30, 2023 and 2022, all grants receivable are deemed collectible.

HCCOA uses the direct write-off method for accounting for bad debts wherein accounts are written off in the period management determines that collection is not probable. Management believes the difference between this method and the allowance method is immaterial.

Prepaid Expenses

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

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2023 and 2022**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Inventory

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

Property and Equipment

HCCOA is currently capitalizing all equipment purchases at cost and all donated equipment at fair market value and is depreciating these costs using the straight-line method over the asset's estimated useful life as follows:

Buildings	39
Land Improvements	10-15
Equipment	5-10

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

Compensated Absences

Amounts owed to employees for earned but unused vacation time are accrued as a liability in the statement of financial position. As of September 30, 2023 and 2022, HCCOA had \$25,656 and \$18,189 in compensated absences, respectively.

Grant Monies

Grant monies are received in three ways:

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

Operating expenditures made against federal and state grants are subject to audit by the Grantor agency. These agencies may subsequently adjust the grant as originally awarded due to their audit findings. Grant revenues for the years ended September 30, 2023 and 2022 were \$657,558 and \$732,636, respectively.

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2023 and 2022**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Revenue Recognition

Contributions are recognized when the donor makes a promise to HCCOA that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. There were no restricted net assets on September 30, 2023 and 2022.

Advertising Costs

HCCOA expenses advertising costs when incurred. Total advertising costs were \$496 and \$628 for the years ended September 30, 2023 and 2022, respectively.

Fair Value of Financial Instruments

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

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

**Note 2. Cash Deposits**

Cash consists of interest and non-interest-bearing checking, savings, and certificate of deposit accounts on deposit in institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. HCCOA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. As of the years ended September 30, 2023 and 2022, all deposits were not fully insured by the FDIC. The balance held at First National Bank was \$510,745 and \$291,217, respectively.

**Note 3. Accounts Receivable**

Accounts receivable consisted of the following as of September 30:

	<u>2023</u>	<u>2022</u>
WV DHHR	\$ 60,914	46,600
Veterans Administration	0	986
Private Pay and Other	2,092	2,572
	<u>\$ 63,006</u>	<u>\$ 50,158</u>

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2023 and 2022**

**Note 4. Grants Receivable**

Grants receivable consisted of the following as of September 30:

	<u>2023</u>	<u>2022</u>
LIFE	\$ 6,869	\$ 76,878
Title IIIB - Federal	2,998	1,619
Title IIIC	26,757	58,483
Title IIID/E	1,704	725
FAIR/Lighthouse	20,214	5,225
	<u>\$ 58,542</u>	<u>\$ 142,930</u>

**Note 5. Property and Equipment**

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

	<u>2023</u>	<u>2022</u>
Land	\$ 214,587	\$ 214,587
Land Improvements	74,407	74,407
Buildings	1,107,886	1,092,186
Equipment	709,074	727,457
Total Fixed Assets	2,105,954	2,108,637
Less accumulated depreciation	(1,184,660)	(1,140,849)
Net property and equipment	<u>\$ 921,294</u>	<u>\$ 967,788</u>

Depreciation expense for years ended September 30, 2023 and 2022 was \$82,139 and \$69,153, respectively.

**Note 6. Mortgage Payable**

Mortgage payable consists of a loan from the Bank of Romney with an original principal amount of \$380,879 due in monthly installments of \$2,105.94 which began on October 19, 2010, bearing an interest rate of 4.92%, and secured by deed of trust on 8.111 acres, more or less, and building and UCC on equipment and furnishings.

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

Future scheduled maturities for years ending September 30 are:

2024	\$ 3,726
2025	3,926
2026	4,242
2027	4,527
2028	4,830
Thereafter	163,220
	<u>\$ 184,471</u>

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2023 and 2022**

**Note 7. Line of Credit**

HCCOA has a line of credit at Bank of Romney, Romney WV, with a limit of \$75,000, secured by the Springfield property. The current interest rate is 4.25%. This line is renewed every 5 years. There was no balance on the line of credit on September 30, 2023 or 2022.

**Note 8. Retirement Plan**

HCCOA sponsors a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. Full-time employees are eligible to participate in the plan. Employee contributions are voluntary and are made on a pretax basis. Currently employer contributions are 9.5% of the employee's earnings. The employer's share of retirement payments for the years ended September 30, 2023 and 2022 was \$29,131 and \$31,408, respectively, and is included in payroll and benefits in the statement of functional expenses.

**Note 9. Donated Services**

HCCOA has a number of volunteers who have donated time and services in carrying out its programs and activities. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services as defined by FASB ASC 958-605 *Not-for-Profit Entities: Recognition Principles*.

**Note 10. Subsequent Events**

Management has evaluated events subsequent to the balance sheet date through August 28, 2024, the date on which the financial statements were available to be issued, for items requiring adjustment or disclosure in these financial statements.

**Note 11. Liquidity and Fund Available**

HCCOA has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following HCCOA's financial assets as of September 30:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and Cash Equivalents	\$539,549	\$304,717
Accounts Receivable	63,006	50,158
Grants Receivable	<u>58,542</u>	<u>142,930</u>
Financial Assets, End of Year	<u>\$661,097</u>	<u>\$497,805</u>
Financial assets available to meet cash needs for general expenditures, liabilities, and other obligations within one year	<u>\$661,097</u>	<u>\$497,805</u>

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

**Hampshire County Committee on Aging, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended September 30, 2023 and 2022**

**Note 12. Support Concentration**

HCCOA receives a significant amount of its support from the West Virginia Department of Health and Human Resources for providing services to the community under the Medicaid Waiver (Title XIX) and personal care programs. Any significant decrease in the level of support received from these programs could have a material effect on the HCCOA's programs and activities.

**Note 13. Contingencies**

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

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

**Note 14. Functional Allocations**

The cost of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, management and general expenses have been allocated among the programs and supporting services benefited.

**Note 15. Total Columns**

The accompanying financial statements reflect totals of all net assets and activities. The totals are shown for memorandum purposes only and do not reflect the elimination of interagency activities using principles of consolidation. Memorandum total columns are not required components of the financial statements and are presented for analytical purposes only.

**Hampshire County Committee on Aging, Inc.**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For the Year Ended September 30, 2023**

	Grant		
	ID #	Term	Expenditures
Direct Programs			
WV Bureau of Senior Services			
Lighthouse	IH2330	7/1/22-6/30/23	\$ 90,711
Lighthouse	IH2430	7/1/23-6/30/24	48,182
FAIR	IH2330	7/1/22-6/30/23	20,628
FAIR	IH2430	7/1/23-6/30/24	9,756
Client Tracking	IH2430	7/1/23-6/30/24	5,000
Total WV Bureau of Senior Services			174,277
Pass-through Programs			
Upper Potomac Area Agency on Aging, Inc.			
Legislative Initiative for the Elderly (LIFE)	22304	7/1/22-6/30/23	87,993
Legislative Initiative for the Elderly (LIFE)	23304	7/1/23-6/30/24	22,866
III-B	22337	10/1/22-9/30/23	21,010
III-C (includes both federal and state funds)	22337	10/1/22-9/30/23	328,956
Total Upper Potomac Area Agency on Aging, Inc.			460,825
WV Senate allocation for kitchen renovations			20,000
TOTAL EXPENDITURES OF STATE AWARDS			\$ 655,102

See accompanying notes and independent auditor's report.



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hampshire County Committee on Aging, Inc (a nonprofit organization), which comprise the comparative statement of financial position as of September 30, 2023 and 2022, the related comparative statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Hampshire County Committee on Aging, Inc's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hampshire County Committee on Aging, Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hampshire County Committee on Aging, Inc's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2023-01 and 2023-02 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hampshire County Committee on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2023-01 and 2023-02.

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

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

### **Purpose of this Report**

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

*Williams & Associates A.C.*

Elkins, West Virginia  
August 28, 2024

**Hampshire County Committee on Aging, Inc.**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended September 30, 2023**

**2023-01 Segregation of Duties**

**This is a recurring finding.**

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

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

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

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

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

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

**2023-02 Bank Balances Exceed FDIC Insurance Limit**

**Criteria:** Bank balances should be maintained so that funds are fully insured by the FDIC.

**Condition:** Bank balances exceed FDIC insurance limit.

**Cause:** Bank balances in one bank exceed the FDIC limit which has resulted in uninsured funds.

**Effect:** Bank deposits exceeding \$250,000 are uninsured, which results in unnecessary risk.

**Recommendation:** We recommend HCCOA request for the bank to either pledge a bond to cover the excess deposits or utilize the IntraFi Network Deposits program to insure all deposited funds.

**Response:** We concur with the finding and recommendation.