COUNCIL ON AGING, INC.
AND SUBSIDIARY

Independent Auditor's Report
and
Consolidated Financial Statements

For the Years Ended September 30, 2018 and 2017

COUNCIL ON AGING, INC. AND SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Council on Aging, Inc. and Subsidiary
Itmann, West Virginia

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Council on Aging, Inc. (a nonprofit organization) and Subsidiary, which comprise the statement of financial position as of September 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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.

Auditor’s Responsibility (Continued)

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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Council on Aging, Inc. and Subsidiary, as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of program expenses is presented for purposes of additional analysis as required by the West Virginia Bureau of Senior Citizens and is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. The schedule of functional expenses, consolidating statement of financial position, and consolidating statement of activities and changes in net assets are also presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relate 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 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 April 29, 2019, on our consideration of Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council on Aging, Inc.'s internal control over financial reporting and compliance.

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
April 29, 2019

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2018 and 2017

ASSETS	2018	2017
Current assets:		
Cash and cash equivalents	$ 704,792	$ 782,409
Receivables:		
Medicaid	282,073	312,384
Grants	74,040	70,308
Senior service fees	6,108	3,289
Prepaid expenses	29,515	8,725
Total current assets	1,096,528	1,177,115
Assets whose use is limited:		
Debt service fund	23,868	16,875
Investments	252,186	-
	276,054	16,875
Capital assets	2,484,894	2,435,892
Less accumulated depreciation	(285,367)	(201,603)
	2,199,527	2,234,289
Assets under finance lease	84,000	84,000
Less accumulated amortization	(51,620)	(34,399)
	32,380	49,601
Total assets	$ 3,604,489	$ 3,477,880
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 17,925	$ 9,761
Accrued salaries and wages	195,027	203,391
Accrued compensated absences	85,277	87,288
Retirement plan contributions	6,910	16,635
Accrued payroll liabilities	30,035	31,096
Accrued interest payable	3,237	4,018
Deferred revenue	7,816	4,943
Current portion of lease liability	17,585	17,394
Current portion of long-term debt	23,207	22,080
Total current liabilities	387,019	396,606
Lease liability, less current portion	14,795	32,380
Long-term debt, less current portion	1,603,648	1,626,737
Total liabilities	2,005,462	2,055,723
Net Assets:		
Investment in capital assets	605,052	635,073
Net assets without donor restrictions	993,975	787,084
Total net assets	1,599,027	1,422,157
Total liabilities and net assets	$ 3,604,489	$ 3,477,880

See Notes to Consolidated Financial Statements.

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended September 30, 2018 and 2017

	2018	2017
REVENUES AND OTHER SUPPORT:		
Medicaid	$3,674,302	$3,826,456
Federal grants	164,497	167,059
State grants	630,229	647,870
Project income	22,965	25,757
Bus fare and trip ticket revenue	4,621	3,477
Case management	136,752	153,844
Non-medicaid	51,843	46,874
Inter-Project match revenue	11,337	15,085
Other revenue	29,186	29,947
Total revenues and other support	4,725,732	4,916,369
OPERATING EXPENSES:		
Personal care	1,904,123	1,877,814
Title 19 (Homemaker)	1,751,482	1,973,855
TBI	35,656	11,122
Section 5310	57,211	55,170
Title III-B	78,805	86,154
Title III-C-1	41,646	54,021
Title III-C-2	190,170	169,798
Title III-D	2,477	2,756
Title III-E	12,814	16,222
Insurance Benefits Counseling	27,431	19,348
MIPPA	30,353	35,279
SMP	7,695	-
LIFE	60,456	72,122
Lighthouse	149,387	168,223
Fair	39,326	40,263
DOTS	3,387	158
Title III Add'l Funds	-	5,000
Fundraising	218	5,472
All Care Home and Community Services, Inc.	158,558	160,376
Total operating expenses	4,551,195	4,753,153
Operating gain	174,537	163,216
NONOPERATING INCOME (EXPENSES):		
Interest income	2,333	131
Total nonoperating income	2,333	131
Change in net assets	176,870	163,347
Net assets at beginning of year	1,422,157	1,258,810
Net assets at end of year	$1,599,027	$1,422,157

See Notes to Consolidated Financial Statements.

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	$ 176,870	$ 163,347
Depreciation and amortization	100,985	91,254
Adjustments to reconcile increase in net assets		
to cash provided by (used for) operating activities:		
Decrease (Increase) in operating assets:		
Medicaid accounts receivable	30,311	(6,036)
Grants receivable	(3,732)	(24,268)
Senior service fees receivable	(2,819)	(1,288)
Prepaid expenses	(20,790)	7,917
(Decrease) Increase in operating liabilities:		
Accounts payable	8,164	919
Accrued salaries and wages	(8,364)	8,401
Accrued compensated absences	(2,011)	(861)
Retirement plan contributions	(9,725)	7,380
Accrued payroll liabilities	(1,061)	(2,240)
Accrued interest payable	(781)	167
Deferred revenue	2,873	4,943
Net cash provided by operating activities	269,920	249,635
Cash flows from investing activities:		
Increase in assets whose use is limited	(259,179)	(6,986)
Increase in capital assets	(49,002)	(70,953)
Net cash used for investing activities	(308,181)	(77,939)
Cash flows from financing activities:		
Increase in short-term borrowings	1,318	1,617
Decrease in long-term borrowings	(40,674)	(40,344)
Net cash used for financing activities	(39,356)	(38,727)
Net (increase) decrease in cash and cash equivalents	(77,617)	132,969
Cash and cash equivalents, beginning	782,409	649,440
Cash and cash equivalents, ending	$ 704,792	$ 782,409
Supplemental disclosure of cash flow information:		
Cash used for interest payments	$ 57,325	$ 52,595

See Notes to Consolidated Financial Statements.

1 – ORGANIZATION AND NATURE OF OPERATIONS

The Council on Aging, Inc. (The "Council") is a 501(c)3 non-profit organization incorporated in West Virginia whose mission is to serve the senior citizens in their area and improve the quality of life for their clients.

The Council operates Medicaid reimbursement In-Home Care programs and federal and state grants primarily with the U.S. Department of Health and Human Services and State of West Virginia Bureau of Senior Services (“WV BOSS”). Some federal and state grants are passed through to the Council from the Appalachian Area Agency on Aging (the "Agency").

The overall objective of the Title III grant program is to develop a system of coordinated and comprehensive services for older persons - services which will secure and maintain maximum independence and dignity in a home environment for older persons capable of self-care and also remove individual and social barriers to economic and personal independence for older persons.

The objective of the Title IIIB grant program is to provide the elderly with social, outreach, transportation, information and referral services.

Title IIIC is a nutrition program designed to provide older persons with low cost nutritious meals served primarily in a congregate setting. The Title IIIC program also furnishes home delivered meals to the homebound.

Title IIID, the Disease Prevention and Health Promotion Services Section of the Older Americans Act, encompasses twelve (12) broad categories of disease prevention and health promotion services.

Title IIIE, also known as respite, provides information and assistance, and in-home relief to caregivers.

The Division of Public Transit/FTA provides Section 5310 funding to purchase transportation services from the Council to be provided to seniors and individuals with disabilities.

The DOTS program (Dementia-Capable Outreach, Training and Support) is a state sponsored program to increase access to disease appropriate services for individuals with dementia and/or family caregivers and increase the community’s dementia capability.

The Council also receives state funds through WV BOSS in connection with a Health Benefit Information, Counseling, and Assistant Grant (SHIP) SMP and MIPPA, the purpose of which is to help older individuals understand their rights under the Social Security Act, Medicaid Programs, supplemental social security programs and general insurance policies. This information is provided to seniors by a counselor who has general knowledge of these areas.

The Medicaid reimbursement In-Home Care program is a federal/state funded program to allow eligible individuals the assistance necessary to allow them to remain in their homes with minimal outside supervision. These services include personal care, housekeeping, and other assistance.

The Lighthouse program is a state funded program to provide in-home assistance for seniors who do not qualify for other programs.

The FAIR program is a state funded program to provide relief to caregivers who care for individuals with Dementia.

All Care Home and Community Services, Inc. provides case management services for home health clients in Wyoming County and other parts of West Virginia.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of Council on Aging, Inc. and All Care Home and Community Services, Inc., collectively referred to as the "Organization". All significant intercompany accounts and transactions were eliminated in consolidation.

Basis of Accounting

The Organization prepares and maintains their consolidated financial statements and accounts on the accrual basis of accounting, where by revenues are recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

Net Asset Classification

Unrestricted net assets are those whose use by the Organization is not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets are those restricted by donors to be maintained by the Organization in perpetuity. At September 30, 2018 and 2017, the Organization had no temporarily or permanently restricted net assets.

Cash and Cash Equivalents

Cash on hand and deposits with banking institutions are considered cash while short-term investments with an original maturity of not more than three months are considered cash equivalents. The Organization maintains accounts at local banks at which the Federal Deposit Insurance Corporation ("FDIC") insures a maximum of $250,000 per depositor. Balances on deposit sometimes exceed the federally insured limits, however the financial institution has collateralized the remaining balance with securities held by their trust department in the Organization’s name Management believes the credit risk related to these deposits is minimal.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period which the support is received. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are classified as unrestricted net assets.

Compensated Absences

Compensated absences consist of unpaid, accumulated accrued paid time off. The Organization owed $85,277 and $87,288 at September 30, 2018 and 2017, respectively.

Allowance for Doubtful Accounts

Management reviews the Medicaid and grants receivable for uncollectible accounts or amounts billed to Medicaid for reimbursement but not collected due to rejected claims. Therefore, management believes that the receivables presented on the balance sheet are fully collectible, therefore, no allowance for doubtful accounts have been recorded as of September 30, 2018 and 2017.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. See Note 7 for discussion of fair value measurements.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. Property and equipment costing under $25,000 are expensed at the time of purchase rather than being capitalized and depreciated by the straight-line method over its estimated economic life. Expenditures for repairs and maintenance are charged to expense as incurred.

Revenue Recognition

Amounts received from funding agencies under cost-reimbursable grants are recognized as support only to the extent that related expenses have been incurred.

Income Tax Exemption

Under provisions of the Internal Revenue Code, Section 501(c)(3) and the applicable income tax regulations of the State of West Virginia, the Organization is exempt from taxes on income other than unrelated business income. Since the Organization had no net unrelated business income during the year ended September 30, 2018, no provision for income taxes has been made. The Organization's federal income tax returns for 2017, 2016, 2015, and 2014 remain subject to examination by the Internal Revenue Service (IRS).

Donated Goods

Donated noncash assets, such as food items and medical supplies, are recorded at their fair value in the period received and used as other revenue with a corresponding expense.

Estimates

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

Advertising Costs

The Organization expenses advertising costs as incurred. These costs amounted to $17,749 and $18,502 for the years ended September 30, 2018 and 2017, respectively.

New Accounting Pronouncements

On February 25, 2016 the Financial Accounting Standards Board (FASB) issued Leases (Topic: 842): Leases (ASU 2016-02). The objective of ASU 2016-02 is to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The core principle of ASU 2016-02 is the recognition of an asset and liability for leases with a term in excess of 12 months. The effective date for these pronouncements is for fiscal years beginning after December 15, 2020. The Organization has early adopted this pronouncement for the year ended September 30, 2017.

On August 18, 2016 FASB issued Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). The objective of ASU 2016-14 is to improve the current net assets classification requirements and information presented in the financial statements and notes about a not-for-profit entities liquidity, financial performance, and cash flows. The effective date for this pronouncement is for fiscal years beginning after December 15, 2017. Early adoption of this pronouncement is permitted. Management is currently evaluating the impact that this pronouncement will have on the Organization’s financial statements and has elected not to early implement this pronouncement at this time.

3 – DEPOSITS

The Organization's deposits are categorized to give an indication of the level of risk assumed by the Organization at September 30, 2018 and 2017. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Organization or its agent in the Organization's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Organization's name.

Category 3 – Uncollateralized.

2018	Bank Balance	Category 1	Category 2	Category 3	Carrying Amount
Cash	$ 996,498	$ 265,749	$ 730,749	$ -	$ 980,846

2017	Bank Balance	Category 1	Category 2	Category 3	Carrying Amount
Cash	$ 815,014	$ 285,837	$ 529,177	$ -	$ 799,284

4 – RECEIVABLES

Receivables for the years ended September 30, 2018 and 2017, were as follows:

	2018	
Receivables consist of the following:		
Medicaid Personal Care, Waiver, and Case Management		$282,073
Title IIIB	$ 10,015	
Title IIIC	3,958	
Lighthouse	14,392	
FAIR	4,088	
Title IIID	1,737	
Life	18,874	
Title IIIE	4,984	
SHIP/MIPPA/SMP	12,781	
5310 Non-medicaid	3,211	
Total grant receivable		$ 74,040

		2017
Receivables consist of the following:		
Medicaid Personal Care, Waiver, and Case Management		$312,384
Title IIIB	$ 5,369	
Title IIIC	6,025	
Lighthouse	23,164	
FAIR	5,082	
Title IIID	1,369	
Life	19,198	
SHIP/MIPPA/SMP	7,717	
5310 Non-medicaid	2,384	
Total grant receivable		$ 70,308

5 – CAPITAL ASSETS

Capital assets for the years ended September 30, 2018 and 2017, were as follows:

	2018	2017
Land and land rights	$ 104,000	$ 104,000
Building	2,116,381	2,116,381
Equipment	136,985	87,983
Capital improvements	127,528	127,528
	2,484,894	2,435,892
Less accumulated depreciation	(285,367)	(201,603)
	$2,199,527	$2,234,289

6 – INVESTMENTS

Investment income consists of the following for the year ended September 30, 2018:

	2018
Interest income	$ 2,186
Total investment income	$ 2,186

7 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three observable levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted market prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the assets or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any output that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. The following asset was purchased during the year ended September 30, 2018. The methodology reflects the asset held at September 30, 2018. No investments were held at September 30, 2017.

Certificates of deposit: Valued at amortized cost, which approximates fair value.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2018:

	2018	
	Level II	Total
Investment measured at fair value:		
Certificates of deposit	$ 252,186	$ 252,186
	$ 252,186	$ 252,186

8 – FINANCE LEASE

Effective October 1, 2015, the Council early adopted the Financial Accounting Standards Board (FASB) issued Leases (Topic: 842): Leases (ASU 2016-02). Under ASU 2016-02, a lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term.

For finance leases, a lessee is required to do the following:

1. Recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of financial position

2. Recognize interest on the lease liability separately from amortization of the right-of-use asset in the statement of comprehensive income

3. Classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability and variable lease

The Council has a long-term finance lease for the Charleston, West Virginia facility. The non-cancelable, $1,487 per month lease has a term of five years ending July 31, 2020. Under ASU 2016-02, the Council recognized an asset under finance lease (right-of-use asset) of $84,000 for the years ended September 31, 2017 and 2018, and a lease liability of $32,380 and 49,774 for the years ended September 31, 2017 and 2018, respectively.

A summary of annual maturities for the five subsequent year-ends follows:

Year Ending September 30,	
2019	$ 17,585
2020	14,795
	$ 32,380

For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities.

9 – DEBT OBLIGATIONS

On July 22, 2013, the Council obtained a $1,500,000 loan payable to the U.S. Department of Agriculture Rural Development to be used for the renovation of the new Senior Center. The principal and interest shall be paid monthly for a period of 40 years at an interest rate of 3.5%. Each month an additional $581 shall be paid to a reserve account until the amount of $70,560 is accumulated. The reserve is to be used if funds are not available for debt service. Total obligation as of September 30, 2018 is $1,434,493 in principle and $3,026 in accrued interest.

On November 20, 2014, the Council obtained a second $200,000 loan payable to the U.S. Department of Agriculture Rural Development for the completion of the renovation of the new Senior Center. The principal and interest shall be paid monthly for a period of 40 years at an interest rate of 4%. Total obligation as of September 30, 2018 is $192,362 in principle and $211 in accrued interest.

A summary of the annual maturities for the five subsequent year-ends follows:

Year Ending September 30,	
2019	$ 23,207
2020	24,044
2021	25,024
2022	26,746
Thereafter	1,527,834
	$ 1,626,855

10 – LEASE AND RENTAL AGREEMENTS

The Council leased a facility in Welch, West Virginia for $500 per month which was cancelled in December 2017. The Council entered into a new lease with Family Healthcare Physicians, LLC for $800 per month under a cancelable operating term of one year ending January 31, 2019. The Council leased a second facility in Princeton, West Virginia for $1,050 per month under a non-cancelable operating term of one year ending July 31, 2018. The Council renewed this lease under a non-cancelable operating term of one year ending July 31, 2019. Future minimum rental payments for the year ended September 30, 2019 is $13,700 with no further obligations at this time.

11 – RISK CONCENTRATIONS

Substantially all of the Council on Aging, Inc.'s support and revenues are derived from its Medicaid services and from federal and state grants, the loss of which would have a materially adverse effect on the Council on Aging, Inc. During the year ended September 30, 2018, Medicaid revenues, federal and state grants, and other income accounted for approximately seventy-eight percent (78%), seventeen percent (17%) and five percent (5%), respectively, of total support and revenue.

12 – EMPLOYEE BENEFIT PLAN

Effective September 5, 2008, the Council established a 401(k) retirement and savings plan for its employees. The Council made matching contributions of up to 100% of the first 2% of eligible contributions for the years ended September 30, 2018 and 2017. The Board of Directors declined to grant profit sharing for years ended September 30, 2018 and 2017. Total contributions by the Council to the plan for year ended September 30, 2018 and 2017, amounted to $29,468 and $16,749, respectively.

13 – DISCLOSURE OF INTER-PROGRAM TRANSFERS

In order to match appropriate program revenues with program expenses, inter-program entries were recorded to accurately reflect operating results of the programs. For years ending September 30, 2018 and 2017, the Life program received $9,292 and $10,582 in revenues, respectively, for expenses associated with other programs. For years ending September 30, 2018 and 2017, Personal Care matched $1,046 and $673, and Homemaker matched $998 and $822 for expenses of other programs. For the years ended September 30, 2018 and 2017, MIPPA matched $0 and $3,007 for expenses related to SHIP. The inter-program entries to record these matching revenues/expenses per program were as follows:

Program	2018	2017
Medical Transportation	$ 9,292	$ 8,714
SHIP	-	6,370
Lighthouse	755	-
FAIR	1,290	-
	$ 11,337	$ 15,084

14 – CONTINGENCIES

Certain of the Council's programs are primarily funded through federal and state grants. Federal and state grants received for specific purposes are subject to audit and review by granter agencies. Such audits could result in requests for reimbursements to granter agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures, which may ultimately be disallowed by granter agencies, cannot be determined at this time, although Council management believes such amounts, if any, to be immaterial.

On January 1, 2015, the Council revised its employee health insurance policy to allow all full-time employees to receive coverage by paying seventy percent (70%) of premiums. The health plan offers minimum essential coverage however may not be considered affordable for each employee under the Affordable Care Act. Under which case, each full-time employee purchasing health insurance coverage through the State exchange which results in a premium tax credit or cost-sharing reduction will result in a $3,000 annual employer penalty. The number of full-time employees seeking coverage through the exchange or penalty amounts cannot reasonably be estimated at this time.

In March 2014, the Center for Medicare & Medicaid Services (CMS) recognized a provision known as Conflict-free Case Management. States are required to separate case management services from services from service delivery functions. The Council and All Care Home and Community Services, Inc. are currently working on implementing conflict of interest compliance by West Virginia's, January 1, 2020, implementation deadline. The effects on revenue and expenses cannot reasonably be estimated at this time.

15 – SUBSEQUENT EVENTS

The Organization has paid off the second of the two USDA loans subsequent to the year ended September 30, 2018. The balance owed as of September 30, 2018 was $192,362.

Management has considered all other subsequent events through April 29,2019 the date the financial statements were made available.

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

To The Board of Directors
Council on Aging, Inc.

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 the Council on Aging, Inc., (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018 and 2017, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council 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 the Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

Internal Control Over Financial Reporting (Continued)

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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council 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.

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 entity'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 Council on Aging, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
April 29, 2019

SUPPLEMENTARY INFORMATION

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF FINANCIAL POSITION
For the Year Ended September 30, 2018

	2018			
ASSETS	Council on Aging, Inc.	All Care Home and Community Services, Inc.	Eliminations	Total
Current assets:				
Cash and cash equivalents	$ 689,063	$ 15,729	$ -	$ 704,792
Receivables:				
Medicaid, net allowance for doubtful accounts	259,017	23,056	-	282,073
Grants	74,040	-	-	74,040
Senior service fees	6,108	-	-	6,108
Related party	15,618	-	(15,618)	-
Prepaid expenses	29,147	368	-	29,515
Total current assets	1,072,993	39,153	(15,618)	1,096,528
Assets whose use is limited				
Debt service fund	23,868	-	-	23,868
Investments	252,186	-	-	252,186
	276,054	-	-	276,054
Capital assets	2,484,894	-	-	2,484,894
Less accumulated depreciation	(285,367)	-	-	(285,367)
	2,199,527	-	-	2,199,527
Assets under finance lease	84,000	-	-	84,000
Less accumulated depreciation	(51,620)	-	-	(51,620)
	32,380	-	-	32,380
Total assets	$ 3,580,954	$ 39,153	$ (15,618)	$ 3,604,489

See Notes to Consolidated Financial Statements.

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF FINANCIAL POSITION
For the Year Ended September 30, 2018

	2018			
LIABILITIES AND NET ASSETS	Council on Aging, Inc.	All Care Home and Community Services, Inc.	Eliminations	Total
Liabilities:				
Accounts payable	$ 17,925	$ 15,618	$ (15,618)	$ 17,925
Accrued salaries and wages	188,547	6,480	-	195,027
Accrued compensated absences	76,725	8,552	-	85,277
Retirement plan contributions	6,595	315	-	6,910
Accrued payroll liabilities	29,124	911	-	30,035
Accrued interest payable	3,237	-	-	3,237
Deferred revenue	7,816	-	-	7,816
Current portion of lease liability	17,585	-	-	17,585
Current portion of long-term debt	23,207	-	-	23,207
Total current liabilities	370,761	31,876	(15,618)	387,019
Lease liability, less current portion	14,795	-	-	14,795
Long-term debt, less current portion	1,603,648	-	-	1,603,648
Total liabilities	1,989,204	31,876	(15,618)	2,005,462
Unrestricted net assets	1,591,750	7,277	-	1,599,027
Total net assets	1,591,750	7,277	-	1,599,027
Total liabilities and net assets	$ 3,580,954	$ 39,153	$ (15,618)	$ 3,604,489

See Notes to Consolidated Financial Statements.

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF FINANCIAL POSITION
For the Year Ended September 30, 2017

	2017			
ASSETS	Council on Aging, Inc.	All Care Home and Community Services, Inc.	Eliminations	Total
Current assets:				
Cash and cash equivalents	$ 746,578	$ 35,831	$ -	$ 782,409
Receivables:				
Medicaid, net allowance for doubtfull accounts	288,316	24,068	-	312,384
Grants	70,308	-	-	70,308
Senior service fees	3,289	-	-	3,289
Related party	27,866	-	(27,866)	-
Prepaid expenses	8,366	359	-	8,725
Total current assets	1,144,723	60,258	(27,866)	1,177,115
Assets whose use is limited				
Debt service fund	16,875	-	-	16,875
Capital assets	2,435,892	-	-	2,435,892
Less accumulated depreciation	(201,603)	-	-	(201,603)
	2,234,289	-	-	2,234,289
Assets under finance lease	84,000	-	-	84,000
Less accumulated depreciation	(34,399)	-	-	(34,399)
	49,601	-	-	49,601
Total assets	$ 3,445,488	$ 60,258	$ (27,866)	$ 3,477,880

See Notes to Consolidated Financial Statements.

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF FINANCIAL POSITION
For the Year Ended September 30, 2017

	2017			
LIABILITIES AND NET ASSETS	Council on Aging, Inc.	All Care Home and Community Services, Inc.	Eliminations	Total
Liabilities:				
Accounts payable	$ 9,761	$ 27,866	$ (27,866)	$ 9,761
Accrued salaries and wages	196,202	7,189	-	203,391
Accrued compensated absences	77,085	10,203	-	87,288
Retirement plan contributions	15,992	643	-	16,635
Accrued payroll liabilities	30,200	896	-	31,096
Accrued Interest payable	4,018	-	-	4,018
Deferred revenue	4,943	-	-	4,943
Current portion of lease liability	17,394	-	-	17,394
Current portion of long-term debt	22,080	-	-	22,080
Total current liabilities	377,675	46,797	(27,866)	396,606
Lease liability, less current portion	32,380	-	-	32,380
Long-term debt, less current portion	1,626,737	-	-	1,626,737
Total liabilities	2,036,792	46,797	(27,866)	2,055,723
Unrestricted net assets	1,408,696	13,461	-	1,422,157
Total net assets	1,408,696	13,461	-	1,422,157
Total liabilities and net assets	$ 3,445,488	$ 60,258	$ (27,866)	$ 3,477,880

See Notes to Consolidated Financial Statements.

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF ACTIVITIES
For the Year Ended September 30, 2018

	2018			
	Council on Aging, Inc.	All Care Home and Community Services, Inc.	Eliminations	Total
REVENUES AND OTHER SUPPORT:				
Medicaid	$ 3,674,302	$ -	$ -	$ 3,674,302
Federal grants	164,497	-	-	164,497
State grants	630,229	-	-	630,229
Project income	22,965	-	-	22,965
Bus fare and trip ticket revenue	4,621	-	-	4,621
Case management	-	136,752	-	136,752
Non-medicaid	51,843	-	-	51,843
Inter-Project Match Revenue	11,337	-	-	11,337
Other revenue	29,186	-	-	29,186
Total revenues and other support	4,588,980	136,752	-	4,725,732
OPERATING EXPENSES:				
Personal care	1,912,244	-	(8,121)	1,904,123
Title 19 (Homemaker)	1,758,979	-	(7,497)	1,751,482
TBI	35,656	-	-	35,656
Section 5310	57,211	-	-	57,211
Title III-B	78,805	-	-	78,805
Title III-C-1	41,646	-	-	41,646
Title III-C-2	190,170	-	-	190,170
Title III-D	2,477	-	-	2,477
Title III-E	12,814	-	-	12,814
Insurance Benefits Counseling	27,431	-	-	27,431
MIPPA	30,353	-	-	30,353
SMP	7,695	-	-	7,695
LIFE	60,456	-	-	60,456
Lighthouse	149,387	-	-	149,387
Fair	39,326	-	-	39,326
DOTS	3,387	-	-	3,387
Title III Add'l Funds	-	-	-	-
Fundraising	218	-	-	218
All Care Home and Community Services, Inc.	-	158,558	-	158,558
Total operating expenses	4,408,255	158,558	(15,618)	4,551,195
Operating Income (loss)	180,725	(21,806)	15,618	174,537
NONOPERATING INCOME (EXPENSES):				
Interest income	2,329	4	-	2,333
Gain on forgiveness of debt	-	15,618	(15,618)	-
Total nonoperating income	2,329	15,622	(15,618)	2,333
Change in net assets	183,054	(6,184)	-	176,870
Net assets at beginning of year	1,408,696	13,461	-	1,422,157
Net assets at end of year	$ 1,591,750	$ 7,277	$ -	$ 1,599,027

See Notes to Consolidated Financial Statements.

COUNCIL ON AGING, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF ACTIVITIES
For the Year Ended September 30, 2017

	2017			
	Council on Aging, Inc.	All Care Home and Community Services, Inc.	Eliminations	Total
REVENUES AND OTHER SUPPORT:				
Medicaid	$3,826,456	$ -	$ -	$ 3,826,456
Federal grants	167,059	-	-	167,059
State grants	647,870	-	-	647,870
Project income	25,757	-	-	25,757
Bus fare and trip ticket revenue	3,477	-	-	3,477
Case management	-	153,844	-	153,844
Non-medicaid	46,874	-	-	46,874
Inter-Project Match Revenue	15,085	-	-	15,085
Other revenue	27,299	2,648	-	29,947
Total revenues and other support	4,759,877	156,492	-	4,916,369
OPERATING EXPENSES:				
Personal care	1,877,814	-	-	1,877,814
Title 19 (Homemaker)	1,973,855	-	-	1,973,855
TBI	11,122	-	-	11,122
Section 5310	55,170	-	-	55,170
Title III-B	86,154	-	-	86,154
Title III-C-1	54,021	-	-	54,021
Title III-C-2	169,798	-	-	169,798
Title III-D	2,756	-	-	2,756
Title III-E	16,222	-	-	16,222
Insurance Benefits Counseling	19,348	-	-	19,348
MIPPA	35,279	-	-	35,279
LIFE	72,122	-	-	72,122
Lighthouse	168,223	-	-	168,223
Fair	40,263	-	-	40,263
DOTS	158	-	-	158
Title III Add'l Funds	5,000	-	-	5,000
Fundraising	5,472	-	-	5,472
All Care Home and Community Services, Inc.	-	160,376	-	160,376
Total operating expenses	4,592,777	160,376	-	4,753,153
Operating Income (loss)	167,100	(3,884)	-	163,216
NONOPERATING INCOME (EXPENSES):				
Interest income	126	5	-	131
Change in net assets	167,226	(3,879)	-	163,347
Net assets at beginning of year	1,241,470	17,340	-	1,258,810
Net assets at end of year	$1,408,696	$ 13,461	$ -	$ 1,422,157

See Notes to Consolidated Financial Statements.

COUNCIL ON AGING, INC. AND SUBSIDIARY

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2018

	2018								
	Personal Care	Title - 19 Homemaker	TBI	Section 5310	Title III-B	Title III-D	Title III-C-1	Title III-C-2	Insurance Benefit Counseling
Functional Expenses:									
Salaries and wages	$ 1,438,415	$ 1,279,616	$ 30,187	$ 30,477	$ 32,670	$ 924	$ 13,383	$ 60,638	$ 15,175
Payroll taxes	124,246	110,929	2,704	1,938	2,343	72	1,068	4,898	1,075
Fringe benefits	53,306	47,929	862	2,784	2,900	30	808	3,031	1,375
Training and travel	4,095	3,722	128	4,545	9,900	-	80	8,262	319
Legal and accounting	9,693	8,596	-	-	-	-	-	-	-
Food expense	2,935	2,607	-	-	-	-	22,047	66,204	-
Utilities	9,333	8,325	-	297	631	-	105	906	766
Printing and supplies	14,181	12,748	14	-	7	1,332	301	8,070	470
Licenses and taxes	8	7	-	-	66	-	75	225	-
Membership dues	888	788	-	-	-	-	-	-	-
Contracted services	12,699	11,395	57	-	-	-	92	298	-
Insurance expense	-	-	-	4,800	12,000	-	-	3,200	-
Mileage expense	27,328	34,687	997	-	34	-	96	289	2,833
Advertising	1,837	1,645	-	-	-	-	-	-	4,160
Matching expense - general	1,046	998	-	-	-	-	-	-	-
Maintenance	762	701	1	2,062	4,131	-	65	2,531	-
Rent	11,112	9,888	-	-	-	-	-	-	-
Postage	210	190	-	-	-	-	-	-	43
Miscellaneous	19,226	13,226	14	1,720	100	-	22	133	-
Bad debt expense	3,341	1,628	30	-	-	-	-	-	-
Equipment	1,328	1,216	10	4,873	8,586	-	14	42	-
New building	-	-	-	-	-	-	-	-	-
Building capitalization	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	1,591	21,469	-
Interest expense	185	271	-	-	-	-	-	-	-
Amortization expense	9,015	8,380	-	-	-	-	-	-	-
Indirect costs	167,055	199,487	652	3,715	5,437	119	1,899	9,974	1,215
Total functional expenses	$ 1,912,244	$ 1,758,979	$ 35,656	$ 57,211	$ 78,805	$ 2,477	$ 41,646	$ 190,170	$ 27,431

COUNCIL ON AGING, INC. AND SUBSIDIARY

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2018

	2018										
	MIPPA	SMP	Life	Title III-E	Lighthouse	FAIR	DOTS	Title III Add'l Funds	Fundraising	All Care Home and Community Services, Inc.	Total
Functional Expenses:											
Salaries and wages	$ 13,234	$ 6,009	$ 14,728	$ 10,058	$ 117,185	$ 31,666	$ 1,666	$ -	$ -	$ 112,442	$ 3,208,473
Payroll taxes	914	536	1,315	871	10,309	2,759	124	-	-	9,291	275,392
Fringe benefits	960	505	445	250	3,837	963	18	-	-	5,130	125,133
Training and travel	2,063	-	-	16	209	41	1,100	-	-	120	34,600
Legal and accounting	-	-	-	-	-	-	-	-	-	-	18,289
Food expense	-	-	-	-	-	-	161	-	-	-	93,954
Utilities	239	-	-	-	-	-	-	-	-	1,349	21,951
Printing and supplies	1,351	-	9,984	23	291	55	-	-	-	352	49,179
Licenses and taxes	-	-	-	-	-	-	-	-	-	126	507
Membership dues	-	-	-	-	-	-	-	-	-	-	1,676
Contracted services	-	-	-	14	189	39	314	-	-	20	25,117
Insurance expense	-	-	-	-	-	-	-	-	-	2,644	22,644
Mileage expense	664	410	-	57	2,424	46	4	-	-	7,128	76,997
Advertising	10,039	-	68	-	-	-	-	-	-	-	17,749
Matching expense - general	-	-	9,292	-	-	-	-	-	-	-	11,336
Maintenance	-	-	13,870	2	23	4	-	-	-	-	24,152
Rent	-	-	-	-	-	-	-	-	-	-	21,000
Postage	12	-	-	-	-	-	-	-	-	10	465
Miscellaneous	-	-	-	12	158	31	-	-	218	1,722	36,582
Bad debt expense	-	-	-	-	48	-	-	-	-	-	5,047
Equipment	-	-	5,791	1	29	8	-	-	-	1,944	23,842
New building	-	-	49,000	-	-	-	-	-	-	-	49,000
Building capitalization	-	-	(49,000)	-	-	-	-	-	-	-	(49,000)
Depreciation expense	-	-	-	-	-	-	-	-	-	-	23,060
Interest expense	-	-	-	-	-	-	-	-	-	-	456
Amortization expense	-	-	-	-	-	-	-	-	-	-	17,395
Indirect costs	877	235	4,963	1,510	14,685	3,714	-	-	-	16,280	431,817
Total functional expenses	$ 30,353	$ 7,695	$ 60,456	$ 12,814	$ 149,387	$ 39,326	$ 3,387	$ -	$ 218	$ 158,558	$ 4,566,813

COUNCIL ON AGING, INC. AND SUBSIDIARY

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2017

	2017								
	Personal Care	Title - 19 Homemaker	TBI	Section 5310	Title III-B	Title III-D	Title III-C-1	Title III-C-2	Insurance Benefit Counseling
Functional Expenses:									
Salaries and wages	$ 1,420,102	$ 1,466,179	$ 8,039	$ 32,796	$ 37,727	$ 1,760	$ 20,566	$ 53,372	$ 15,033
Payroll taxes	124,840	127,087	705	2,643	3,114	152	1,737	4,531	1,259
Fringe benefits	51,803	53,073	222	3,082	3,270	41	1,254	3,219	1,623
Training and travel	4,880	5,619	146	4,812	9,019	-	116	7,240	163
Legal and accounting	7,965	9,731	-	-	-	-	-	-	-
Food expense	2,253	2,634	-	-	-	-	26,006	63,168	-
Utilities	10,153	11,545	-	501	408	-	-	396	146
Printing and supplies	11,736	14,021	19	7	305	617	653	7,576	21
Licenses and taxes	-	-	-	-	-	-	81	219	-
Membership dues	748	896	-	-	-	-	-	-	-
Contracted services	14,877	17,307	16	-	-	-	61	148	-
Insurance expense	-	-	-	2,700	12,500	-	-	3,200	-
Mileage expense	28,191	39,228	779	24	-	-	67	215	813
Advertising	4,789	5,775	-	34	-	-	-	-	-
Matching expense - general	673	822	-	-	-	-	-	-	-
Maintenance	1,955	2,254	-	1,854	3,397	-	-	2,164	-
Rent	8,684	9,916	-	-	-	-	-	-	-
Postage	24	28	-	-	-	-	-	-	30
Miscellaneous	3,657	3,416	4	5	50	-	102	247	-
Bad debt expense	4,598	1,878	-	-	-	-	-	30	-
Equipment	3,438	4,202	-	2,690	12,020	-	326	794	-
New building	22,533	23,420	-	-	-	-	-	-	-
Building capitalization	(22,533)	(23,420)	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	1,750	13,302	-
Interest expense	337	624	-	-	-	-	-	-	-
Amortization expense	7,706	9,674	-	-	-	-	-	-	-
Indirect costs	164,405	187,946	1,192	4,022	4,344	186	1,302	9,977	260
Total functional expenses	$ 1,877,814	$ 1,973,855	$ 11,122	$ 55,170	$ 86,154	$ 2,756	$ 54,021	$ 169,798	$ 19,348

COUNCIL ON AGING, INC. AND SUBSIDIARY

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2017

	2017									
	MIPPA	Life	Title III-E	Lighthouse	FAIR	DOTS	Title III Add'l Funds	Fundraising	All Care Home and Community Services, Inc.	Total
Functional Expenses:										
Salaries and wages	$18,154	$ 17,162	$ 12,951	$ 134,842	$ 32,207	$ 54	$ -	$ 1,516	$ 114,683	$ 3,387,143
Payroll taxes	1,373	1,521	1,133	11,900	2,884	4	-	120	9,530	294,533
Fringe benefits	1,573	575	312	3,180	793	-	-	46	5,505	129,571
Training and travel	168	-	22	320	65	100	-	-	43	32,713
Legal and accounting	-	-	-	-	-	-	-	-	-	17,696
Food expense	-	-	-	-	-	-	-	183	-	94,244
Utilities	664	-	-	-	-	-	-	-	1,332	25,145
Printing and supplies	656	9,683	19	271	56	-	-	-	3,542	49,182
Licenses and taxes	-	-	-	-	-	-	-	-	15	315
Membership dues	-	-	-	-	-	-	-	-	-	1,644
Contracted services	-	-	19	261	53	-	-	-	-	32,742
Insurance expense	-	-	-	-	-	-	-	-	2,636	21,036
Mileage expense	1,322	-	31	4,262	81	-	-	22	5,507	80,542
Advertising	7,829	-	-	1	-	-	-	-	-	18,428
Matching expense - general	3,007	10,582	-	-	-	-	-	-	-	15,084
Maintenance	-	2,372	-	-	-	-	-	-	-	13,996
Rent	-	-	-	-	-	-	-	-	-	18,600
Postage	63	-	-	-	-	-	-	-	19	164
Miscellaneous	-	-	6	68	21	-	-	3,585	50	11,211
Bad debt expense	-	-	-	152	24	-	-	-	142	6,824
Equipment	200	24,257	-	-	-	-	5,000	-	-	52,927
New building	-	25,000	-	-	-	-	-	-	-	70,953
Building capitalization	-	(25,000)	-	-	-	-	-	-	-	(70,953)
Depreciation expense	-	-	-	-	-	-	-	-	-	15,052
Interest expense	-	-	-	-	-	-	-	-	-	961
Amortization expense	-	-	-	-	-	-	-	-	-	17,380
Indirect costs	270	5,970	1,729	12,966	4,079	-	-	-	17,372	416,020
Total functional expenses	$ 35,279	$ 72,122	$ 16,222	$ 168,223	$ 40,263	$ 158	$ 5,000	$ 5,472	$ 160,376	$ 4,753,153

COUNCIL ON AGING, INC. AND SUBSIDIARY

SCHEDULE OF PROGRAM EXPENDITURES – WEST VIRGINIA BUREAU OF SENIOR CITIZENS
For the Year Ended September 30, 2018

		2018			
Program	Program Year	Expenditures	Federal Revenues	State Revenues	Total Revenues
Lighthouse	July 1, 201 to June 30, 2018	$ 161,066	$ -	$ 195,704	$ 195,704
LIFE	July 1, 2017 to June 30, 2018	$ 182,260	$ -	$ 179,601	$ 179,601
SHIP	April 1, 2017 to March 31, 2018	$ 27,320	$ -	$ 27,000	$ 27,000
MIPPA	October 1, 2017 to Sept. 30, 2018	$ 30,353	$ -	$ 30,000	$ 30,000
FAIR	July 1, 2017 to June 30, 2018	$ 40,649	$ -	$ 47,047	$ 47,047
Title III B	October 1, 2017 to Sept. 30, 2018	$ 70,219	$ 40,128	$ 27,326	$ 67,454
Title III D	October 1, 2017 to Sept. 30, 2018	$ 2,477	$ 2,054	$ 362	$ 2,416
Title III E	October 1, 2017 to Sept. 30, 2018	$ 12,814	$ 10,385	$ 3,706	$ 14,091
Title III C-1	October 1, 2017 to Sept. 30, 2018	$ 41,646	$ 6,521	$ 22,839	$ 29,360
Title III C-2	October 1, 2017 to Sept. 30, 2018	$ 190,170	$ 68,240	$ 90,226	$ 158,466
Section 5310	July 1, 2017 to June 30, 2018	$ 51,144	$ 35,141	$ -	$ 35,141
SMP	June 1, 2017 to May 31, 2018	$ 7,695	$ -	$ 7,600	$ 7,600

BASIS OF PRESENTATION

The accompanying schedules of program expenses of the SHIP/MIPPA, Lighthouse, Fair, LIFE, IIIB, IIID, IIIE, C-1, and Community Partnership programs includes the grant activity of the Council on Aging, Inc. that the West Virginia Bureau of Senior Citizens oversees, and is presented on the accrual basis of accounting. Some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.