

WIRT COUNTY COMMITTEE ON AGING, INC

Financial Statements

September 30, 2017

WIRT COUNTY COMMITTEE ON AGING, INC
FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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**INDEPENDENT AUDITORS'S REQUIRED COMMUNICATIONS WITH THE
BOARD OF DIRESTORS AND MANAGEMENT UNDER AUDITING STANDARDS
GENERALLY
ACCEPTED IN THE UNITED STATES OF AMERICA.**

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

We have audited the financial statements of the Wirt County Committee on Aging, Inc., for the year ended September 30, 2017 and have issued our report there on dated May 9, 2018 which was qualified for not capitalizing fixed assets purchased with grant funds. Professional standards require that w provide you with the following information related to our audit.

Our Responsibility Under United States Generally Accepted Auditing Standards

As stated in we engagement letter dated January 7, 2018 our responsibility as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me.

As part of our audit, we considered the internal control of the Wirt County Committee on Aging, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Wirt County Committee on Aging, Inc., are described in the footnotes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2017. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We reviewed management's estimates of the net book value of property and equipment and accrued liabilities, and the process used to estimate these asset and liabilities, and the process used to estimate these asset and liability accounts appear reasonable in relation to the financial statements as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Organization's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Organization, either individually or in the aggregate, indicate matters that could have a significant effect on the Organization's financial reporting process.

In addition, the attached schedule summarizes corrected and uncorrected misstatements of the financial statements. Management has determined that any uncorrected misstatements, whether reported or not reported on the schedule, would be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be a significant statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion", on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require that consulting accountant to check with me to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of a counting principals and auditing standards, with management each year prior to retention as the Organization's auditor. However, these discussions occurred in the normal course of our professional relationship and our response was not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

This information in intended solely for the use of the Board of Directors and management of the Wirt County Committee of Aging, Inc., as is not intended to be and should not be used by anyone other than these specified parties.



Altman and Associates, PLLC

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2017

ASSETS

Current assets:

Cash and cash equivalents	\$ 31,305
Accounts and grants receivable	69,371
Total Current Assets	<u>\$ 100,676</u>

Property and equipment

Vehicles	\$ 66,232
Building improvements	41,891
Total property and equipment	108,123
Less accumulated depreciation	<u>(100,766)</u>
Net property and equipment	\$ 7,357
Total Assets	<u><u>\$ 108,033</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:

Line of credit	\$ 44,123
Accounts payable	3,999
Accrued wages	20,705
Accrued vacation payable	9,893
Payroll taxes payable	<u>1,859</u>
Total current liabilities	<u>\$ 80,579</u>

Total Liabilities	<u>\$ 80,579</u>
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Net assets (deficit)

Unrestricted	\$ 27,454
Temporarily restricted	-
Permanently restricted	-
Total net assets	<u>\$ 27,454</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 108,033</u></u>
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The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenue and Reclassifications:				
Federal grant awards	\$ 46,172	-	-	\$ 46,172
State grant awards	607,400	-	-	607,400
Project income	44,083	-	-	44,083
Medicaid	152,396	-	-	152,396
Community partnership grants	-	-	-	-
Legislative initiative/elderly	-	-	-	-
Other income	121,230	-	-	121,230
Total Support & revenue before reclassifications	\$ 971,281	-	-	\$ 971,281
Reclassifications:				
Net assets released from restrictions				
Total support, revenue and reclassifications	\$ 971,281	-	-	\$ 971,281
 Expenses:				
Program expenses:				
Personal Care	\$ 411,198	-	-	\$ 411,198
Nutrition	92,741	-	-	92,741
Transportation	37,701	-	-	37,701
Adult day care	36,161	-	-	36,161
Other programs	275,759	-	-	275,759
Total program expenses	\$ 853,560	-	-	\$ 853,560
 Supporting services:				
Management and general	\$ 97,162	-	-	\$ 97,162
Total expenses	\$ 950,722	-	-	\$ 950,722
 Change in net assets	 \$ 20,559	 -	 -	 \$ 20,559
 Net assets, beginning of the year	 \$ 6,895	 -	 -	 \$ 6,895
 Net assets, end of the year	 \$ 27,454	 -	 -	 \$ 27,454

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF FUNCTIONAL EXPENSES
SEPTEMBER 30, 2017

	Personal Care	Nutrition	Transportation	Day Care	Other Programs	Total Program Expenses
Personnel	\$ 278,176	\$ 33,637	\$ 28,746	\$ 23,128	\$ 101,148	\$ 464,835
Fringe benefits	38,102	5,025	4,204	3,794	11,013	62,138
Travel and training	10,060	200	552	-	9,765	20,577
Occupancy	-	-	-	-	20,165	20,165
Equipment	-	774	-	-	-	774
Food and disposable supplie.	-	41,468	-	13	-	41,481
Fuel-automobiles	-	-	1,857	-	14,157	16,014
Insurance	-	-	-	-	42,741	42,741
Other program costs	84,860	11,637	2,342	8,485	65,210	172,534
Supplies	-	-	-	741	5,475	6,216
Auto parts & maintenance	-	-	-	-	3,104	3,104
Professional fees	-	-	-	-	442	442
Depreciation	-	-	-	-	2,539	2,539
Total expenses	\$ 411,198	\$ 92,741	\$ 37,701	\$ 36,161	\$ 275,759	\$ 853,560

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2017

Cash flows from operating activities:

Change in net assets \$ 20,559

Adjustments to reconcile change in net assets
to net cash provided by operating activities:

Depreciation 2,539

(Increase) decrease in assets:

Accounts receivable (20,119)

Increase (decrease) in liabilities:

Accounts payable (1,635)

Accrued payroll 70

Accrued vacation payable (688)

Payroll taxes payable 615

Net cash provided by operating activities \$ 1,341

Cash flows from financing activities:

Repayment of line of credit 10,176

Net cash used in financing activities 10,176

Increase (decrease) in cash and cash equivalents \$ 11,517

Cash and cash equivalents, beginning of year 19,788

Cash and cash equivalents, end of year \$ 31,305

Supplemental cash flow disclosures:

Cash paid for:

Income taxes

Interest Expense \$ 1,800

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-PERSONAL CARE
SEPTEMBER 30, 2017

Schedule 1

	Title III B	Title III D	Title III E	Medicaid	Waiver	Lighthouse	FAIR	VA Funds	Totals
Support and revenue									
Federal grant awards	\$ 33,148	\$ -	\$ 2,263	\$ -	\$ -	\$ -	\$ -	\$ 10,761	\$ 46,172
State grant awards	9,256	-	240	-	-	161,175	54,354	-	225,025
Project income	858	-	-	-	-	16,067	4,379	-	21,304
Medicaid	-	-	-	44,871	107,525	-	-	-	152,396
Medication management	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
Total support & revenue	\$ 43,262	\$ -	\$ 2,503	\$ 44,871	\$ 107,525	\$ 177,242	\$ 58,733	\$ 10,761	\$ 444,897
Expenses:									
Personnel	\$ 910	\$ -	\$ -	\$ 32,947	\$ 74,721	\$ 124,974	\$ 37,641	\$ 6,983	\$ 278,176
Fringe Benefits	-	-	-	3,791	10,984	17,050	5,398	879	38,102
Travel and Training	-	-	-	9,942	-	-	-	118	10,060
Occupancy	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Food and disposable supplies	-	-	-	-	-	-	-	-	-
Fuel-automobiles	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Other program costs	-	-	-	695	-	-	-	-	695
Supplies	-	-	-	-	-	-	-	-	-
Auto parts & maintenance	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Total direct expenses	\$ 910	\$ -	\$ -	\$ 47,375	\$ 85,705	\$ 142,024	\$ 43,039	\$ 7,980	\$ 327,033
Indirect cost allocation	-	-	-	8,479	24,563	37,406	11,752	1,965	84,165
Matching funds, transfers	-	-	-	-	-	-	-	-	-
Total expenses	910	-	-	55,854	110,268	179,430	54,791	9,945	411,198
Net income (loss)	\$ 42,352	\$ -	\$ 2,503	\$ (10,983)	\$ (2,743)	\$ (2,188)	\$ 3,942	\$ 816	\$ 33,699

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-NUTRITION PROGRAMS
SEPTEMBER 30, 2017

	Title C-1	Title C-2	Totals
Support and revenue			
Federal grant awards	\$ -	\$ -	\$ -
State grant awards	24,639	\$ 55,269	\$ 79,908
Overserving	-	-	-
Project income	11,017	6,638	17,655
Other Income	-	-	-
Total support & revenue	<u>\$ 35,656</u>	<u>\$ 61,907</u>	<u>\$ 97,563</u>
Expenses:			
Personnel	\$ 7,851	\$ 25,786	\$ 33,637
Fringe benefits	1,661	3,364	5,025
Travel and Training	65	135	200
Occupancy	-	-	-
Equipment	774	-	774
Food and disposable supplies	13,277	28,191	41,468
Fuel-automobiles	-	-	-
Insurance	-	-	-
Other program costs	400	-	400
Supplies	-	-	-
Auto parts & maintenance	-	-	-
Professional fees	-	-	-
Depreciation	-	-	-
Total direct expenses	<u>\$ 24,028</u>	<u>\$ 57,476</u>	<u>\$ 81,504</u>
Indirect cost allocation	\$ 2,626	\$ 8,611	\$ 11,237
Matching funds, transfers			
Total Expenses	<u>\$ 26,654</u>	<u>\$ 66,087</u>	<u>\$ 92,741</u>
Net program income (loss)	<u>\$ 9,002</u>	<u>\$ (4,180)</u>	<u>\$ 4,822</u>

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-TRANSPORTATION PROGRAMS
SEPTEMBER 30, 2017

	Transport.	Totals
Support and revenue:		
Grant revenue	\$ -	\$ -
State grant awards	49,074	49,074
Project Income	4,982	4,982
Legislative initiative/elderly	-	-
Other revenues	-	-
Total support and revenue	<u>\$ 54,056</u>	<u>\$ 54,056</u>
Expenses		
Personnel	28,746	28,746
Fringe Benefits	4,204	4,204
Travel and training	552	552
Occupancy	-	-
Equipment	-	-
Food and Disposable supplies	-	-
Fuel-automobiles	1,857	1,857
Insurance	-	-
Other program costs	-	-
Supplies	-	-
Auto parts & maintenance	-	-
Professional fees	-	-
Depreciation	-	-
Total direct expenses	<u>\$ 35,359</u>	<u>\$ 35,359</u>
Indirect cost allocation	2,342	2,342
Matching finance transfers	-	-
Total Expenses	<u>\$ 37,701</u>	<u>\$ 37,701</u>
Net Program income (loss)	<u>\$ 16,355</u>	<u>\$ 16,355</u>

The accompanying notes are an integral part of the financial statements

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-ADULT DAY CARE PROGRAMS
SEPTEMBER 30, 2017

	Adult Day Care	Totals
Support and revenue		
Adult day care revenue	\$ 142	\$ 142
Federal grant awards III B & III E	-	-
Total support & revenue	<u>\$ 142</u>	<u>\$ 142</u>
Expenses:		
Personnel	\$ 23,128	\$ 23,128
Fringe benefits	3,794	3,794
Travel and Training	-	-
Occupancy	-	-
Equipment	-	-
Food and disposable supplies	13	13
Fuel-automobiles	-	-
Insurance	-	-
Other program costs	-	-
Supplies	741	741
Auto parts & maintenance	-	-
Professional fees	-	-
Depreciation	-	-
Total direct expenses	<u>\$ 27,676</u>	<u>\$ 27,676</u>
Indirect cost allocation	8,485	8,485
Matching funds transfers	-	-
Total expenses	<u>36,161</u>	<u>36,161</u>
Net program income (loss)	<u>\$ (36,019)</u>	<u>\$ (36,019)</u>

The accompanying notes are an integral part of the financial statements

Schedule 5

WIRT COUNTY COMMITTEE ON AGING, INC
STATEMENT OF SUPPORT, REVENUE AND EXPENSES-OTHER PROGRAMS
SEPTEMBER 30, 2017

	General Fund	Health	Life	Totals
Support and revenue:				
Federal grant awards				
State grant awards	\$ 33,028	\$ 1,500	\$ 218,865	\$ 253,393
Community partnership grants	-	-	-	-
Legislative initiative/elderly	-	-	-	-
Other revenues	121,230	-	-	121,230
Total support and revenue	<u>\$ 154,258</u>	<u>\$ 1,500</u>	<u>\$ 218,865</u>	<u>\$ 374,623</u>
Expenses				
Personnel	\$ 19,512	\$ 315	\$ 81,321	\$ 101,148
Fringe Benefits	304	64	10,645	11,013
Travel and training	9,765	-	-	9,765
Occupancy	20,165	-	-	20,165
Equipment	-	-	-	-
Food and Disposable supplies	-	-	-	-
Fuel-automobiles	-	-	14,157	14,157
Insurance	42,741	-	-	42,741
Other program costs	38,663	-	3,040	41,703
Supplies	5,475	-	-	5,475
Auto parts & maintenance	2,111	-	993	3,104
Professional fees	442	-	-	442
Depreciation	2,539	-	-	2,539
Total direct expenses	<u>\$ 141,717</u>	<u>\$ 379</u>	<u>\$ 110,156</u>	<u>\$ 252,252</u>
Indirect cost allocation	-	142	23,365	23,507
Matching finance transfers	-	-	-	-
Total Expenses	<u>\$ 141,717</u>	<u>\$ 521</u>	<u>\$ 133,521</u>	<u>\$ 275,759</u>
Net Program income (loss)	<u>\$ 12,541</u>	<u>\$ 979</u>	<u>\$ 85,344</u>	<u>\$ 98,864</u>

The accompanying notes are an integral part of the financial statements

ASSETS	2017	2016	
Current assets:			
Cash and cash equivalents	31,305	19,788	(11,517)
Accounts and grants receivable	69,371	49,252	-20,119
Prepaid insurance	<u>100,676</u>	<u>0</u>	-100676
Total Current Assets		<u>69,040.00</u>	69040
Property and equipment	66,232		
Vehicles	41,891	66232	24341
Building improvements	108,123	41891	-66232
Total property and equipment	<u>(100,766)</u>	108123	208889
Less accumulated depreciation	<u>7,357</u>	<u>-98,277</u>	-105634
Net property and equipment	<u>108,033</u>	9846	-98187
Total Assets		<u>78,886.00</u>	78886
LIABILITIES AND NET ASSETS			
Current liabilities:			
Line of credit	44,123	33947	10,176
Accounts payable	3,999	5,634	-1,635
Accrued wages	20,705	20,635	70
Accrued vacation payable	9,893	10,581	-688
Payroll taxes payable	<u>1,859</u>	<u>1,245</u>	614
Total current liabilities		<u>72,042</u>	-72,042
Total Liabilities	<u>1,859</u>	<u>72042</u>	-72,042
			0
Net assets (deficit)			0
Unrestricted	27,454	91060	-63,606
Temporarily restricted			0
Permanently restricted	<u>27,454</u>		27,454
Total net assets		91060	-91,060
	<u>29,313</u>		29,313
TOTAL LIABILITIES AND NET ASSETS	<u>94,896</u>	<u>163102</u>	-68,206

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Independent Auditor's Report

Wirt County Committee on Aging, Inc.
Elizabeth, West Virginia

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Wirt County Committee on Aging, Inc. (a non-profit organization) which comprise the statement of financial position as of September 30, 2017, and related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates 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.

Basis for Qualified Opinion

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

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Wirt County Committee on Aging, Inc. as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 8-14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 10, 2018, on our consideration of the Organizations internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.



John J. Altman, Jr. CPA
Altman and Associates, PLLC
June 19, 2017

WIRT COUNTY COMMITTEE ON AGING, INC.
Notes to Financial Statements

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities- The purpose of Wirt County Committee on Aging, Inc., (a not-for-profit organization) is to study the social service needs of Wirt County and its contiguous counties; and to unify senior citizens into an organization dedicated to working for a common goal of promoting life and health, honor and dignity to citizens 55 years of age and older in Wirt County, West Virginia.

Basis of Accounting- The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally in the United States of America with the exception that the Organization does not capitalize and depreciate the cost of long-lived property and equipment.

Basis of Presentation- The Organization has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, an organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

- Unrestricted net assets- Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets- Net assets subject to donor –imposed stipulations that may or will by met either by actions of the organization and/or passage of time.
- Permanently restricted net assets- Net assets subject to donor imposed stipulations that they be maintained permanently by the organization. Generally, the donors of the assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

Contributions- All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

Contributed Property and Equipment- Contributed property and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, then the contributions are recorded as temporarily restricted support. In the absence of such stipulations, contributions of property and equipment are unrestricted support.

Cash and Cash Equivalents- For purposes of the Statements of Cash Flows, Wirt County Committee on Aging, Inc., considers all highly-liquid investments purchased with maturities of three months or less to be cash and cash equivalents.

Advertising- It is policy of Wirt County Committee of Aging, Inc. to expense all advertising costs as incurred. There were no advertising costs incurred during the audit period.

Functional expenses- The Organization allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated according to their natural classifications.

Inventory- Inventory, if any, consists of raw food and supplies and is stated at the lower of cost or market determined by the first-in-first-out method.

Income Tax Status- The organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization that is not a private foundation under Section 509(a) (2).

For the year ended September 30, 2017, the Organization has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management represents that the Organization is no longer subject to taxes through income tax examination for years prior to 2013.

Property and Equipment- All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments are expensed during the year of purchase. This policy is not in accordance with accounting principles generally accepted in the United States of America which require that all acquisitions of property and equipment be capitalized and depreciated over the estimated useful life of the assets. The independent auditor's report has been qualified to reflect this departure from accounting principles generally accepted in the United States of America.

Fair Value of Financial Instruments- Wirt County on Aging, Inc. has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at September 30, 2017 does not differ materially from the aggregate carrying values of its financial instruments recorded in accompanying statements of financial position. The estimated fair value of all financial instruments has been determined by the organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop that estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

USE OF 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATIONS OF RISK DISCLOSURE

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

ACCOUNTS AND GRANTS RECEIVABLE

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

LINE OF CREDIT

The Organization obtained a \$60,000 line of credit from Wesbanco Bank. The line of credit is due on demand with interest at Wall Street Prime plus 1% (6.0% at September 30, 2017) This line of credit is secured by accounts receivable. At September 30, 2017, the outstanding balance was \$ 44,123.

Interest Expense paid during the year ended September 30, 2017 totaled \$1,800.

ACCRUED ANNUAL LEAVE

Accrued annual leave includes all obligations for vacation leave at the current rate of employee pay. Employees vest in earned but unused vacation leave up to a maximum of 120 hours. At September 30, 2017 the liability for accrued annual leave totaled \$9,893.

RETIREMENT PLAN

The Organization maintains a retirement plan under Internal Revenue Code Section 403(b). Under the plan employees are permitted to defer a portion of their salaries to be contributed to the retirement plan. Currently, there are no matching provisions for the Organization.

RISK MANAGEMENT

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

EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 9, 2018 the date which the financial statements were available to be issued.

**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
Wirt County Committee on Aging, Inc.

We have audited the financial statements of the Wirt County Committee on Aging, Inc. (a nonprofit organization) as of and for the year ended September 30, 2017, and have issued our report thereon dated May 10, 2018. 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.

Internal Control over Financial Reporting

Management of the Wirt County Committee on Aging, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Wirt County Committee on Aging Inc.'s internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial standards, but not for the purpose of expressing an opinion on the effectiveness of the Wirt County Committee on Aging Inc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assignment functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. I did not identify any deficiencies in control over financial reporting that I consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies in internal control over financial reporting. (2014-1). 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.

Compliance and Other Matters

As part of obtaining assurance about whether Wirt County Committee on Aging, Inc.'s financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 my audit, and accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reporting under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

**WIRT COUNTY COMMITTEE ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2017**

STATUS OF PRIOR YEAR FINDINGS:

Finding Number 2017-001

Significant Deficiency (Repeat of Prior Year Finding 2013-2015)

Capitalization of Assets Purchased with Grant Funds:

For grant reporting purposes, the Organization has elected to expense all capital assets purchased with grant funds rather than recording them as an asset on the statement of financial position and depreciating them over their useful lives.

Management Response: We have elected to expense property and equipment purchased with grant funds in order to more closely track expenditures made with grant funds. We recognize that this is not in accordance with generally accepted accounting principles. However, due to the reconciliation required to comply with GAAP and the fact that we have limited accounting resources, we do not feel it is economically feasible to change our process of expensing property and equipment when purchased. We accept the fact that our auditor has qualified our audit opinion due to this departure from generally accepted accounting principles and our funding sources understand the reasoning behind our decision not to capitalize these equipment purchases.