

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Regular Audit

For The Year Ended September 30, 2017

Fiscal Year Audited Under GAGAS: 2017



Caudill & Associates, CPA, PLLC

3070 Lake Crest Cir-Box 267

Lexington, KY 40513

Member American Institute of Certified Public Accountants
Member American Institute of Certified Public Accountants – Not for Profit Section
Member American Institute of Certified Public Accountants – Government Audit Quality Center

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia
For the Year Ended September 30, 2017

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report on Consolidated Financial Statements and Supplementary Information.....	1
Consolidated Financial Statements:	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Statement of Functional Expenses	6
Schedule of Revenues and Support.....	7
Notes to the Financial Statements.....	8
Supplementary Information:	
Consolidating Schedule – Statement of Financial Position.....	15
Consolidating Schedule – Statement of Activities	16
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>Government Auditing Standards</i>	17



Caudill & Associates, CPA, PLLC

3070 Lake Crest Cir-Box 267
Lexington, KY 40513

Member American Institute of Certified Public Accountants
Member American Institute of Certified Public Accountants – Not for Profit Section
Member American Institute of Certified Public Accountants – Government Audit Quality Center

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jefferson County Council on Aging
Ranson, West Virginia

Report on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Jefferson County Council on Aging, Inc., (a nonprofit organization), as of September 30, 2017, and the related consolidated statement of activities, statement of functional expenses, schedule of revenue and support and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson County Council on Aging, Inc., as of September 30 2017, the results of its operations, the changes in its net assets, the statement of functional expenses, schedule of revenue and support and its cash flows for the year 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 financial statements as a whole. The accompanying detailed consolidated schedule statements of financial position and consolidated schedule statement of activities 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 April 23, 2018 on our consideration of Jefferson County Council on Aging, Inc. 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 Jefferson County Council on Aging's internal control over financial reporting and compliance.

Caudill & Associates, CPA, PLLC

Caudill & Associates, CPA

April 23, 2018

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Statement of Financial Position

September 30, 2017

Assets

Current Assets:

Cash	\$ 208,124
Accounts Receivable	237,129
Total Current Assets	<u>445,253</u>

Long-term Assets:

Net, Property, Plant and Equipment	<u>1,117,727</u>
------------------------------------	------------------

Total Assets	<u>\$ 1,562,980</u>
--------------	---------------------

Liabilities and Net Assets

Current Liabilities:

Accrued Wages and Taxes	<u>25,306</u>
Total Current Liabilities	<u>25,306</u>

Net Assets

Unrestricted	<u>1,537,674</u>
--------------	------------------

Total Liabilities and Net Assets	<u>\$ 1,562,980</u>
----------------------------------	---------------------

See Notes to the Consolidated Financial Statements

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Statement of Activities
For the Year Ended September 30, 2017

Unrestricted Revenue:	
Federal Financial Assistance	\$ 208,536
State Grant Allocations	433,577
Donations	8,665
Contractual Revenues	1,089,358
Project Income	26,581
Interest Income	177
Facilities Rental	100
Miscellaneous	150,695
In-kind Donations	54,183
Total Unrestricted Revenue	<u>1,971,872</u>
Expenses:	
Title III-B	65,026
Title III-C Congregate	112,913
Title III-C Home Delivered	114,067
Title III-D	7,760
Title III-E	17,446
Light House	200,705
Personal Care	723,391
Life	185,393
Administrative and General	602,366
Total Expenses	<u>2,029,067</u>
Decrease in Unrestricted Net Assets	<u>(57,195)</u>
Net Assets, Beginning of Year	
Unrestricted - Restated	<u>1,594,869</u>
Net Assets, End of Year	
Unrestricted	<u>\$ 1,537,674</u>

See Notes to the Consolidated Financial Statements

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Statement of Cash Flows
For the Year Ended September 30, 2017

Cash Flows from Operating Activities:	
Change in net assets	\$ (57,195)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	86,578
(Increase) Decrease in:	
Accounts Receivable	35,239
Increase (Decrease) in:	
Accounts Payable	(14,063)
Accrued Wages and Taxes	<u>(53,080)</u>
Net cash provided by/ (used in) operating activities	<u>(2,521)</u>
Cash Flows from Investing Activities	
Purchase of plant, property and equipment	<u>(7,605)</u>
Net cash used in investing activities	<u>(7,605)</u>
Net increase/(decrease) in cash and cash equivalents	(10,126)
Cash and Cash Equivalents at October 1, 2016	<u>218,250</u>
Cash and Cash Equivalents at September 30, 2017	<u><u>\$ 208,124</u></u>

See the Notes to the Consolidated Financial Statements

JEFFERSON COUNTY COUNCIL ON AGING
Jefferson County, West Virginia

Statement of Functional Expenses
For the Year Ended September 30, 2017

	Title III-C			Title III-D	Title III-E	Light House/Alz Grant	Personal Care	Life	Administrative and General	Total Expenses
	Title III-B	Congregate (C/1 - III-C)	Home Delivered (C/2 - III-C)							
Salaries and Wages	\$ 26,354	\$ 54,272	\$ 37,830	\$ 3,570	\$ 12,993	\$ 182,796	\$ 646,253	\$ 90,084	\$ 168,361	\$ 1,222,513
Fringe Benefits	3,972	5,116	3,441	460	738	17,909	70,554	11,877	58,756	172,823
Travel Reimb	-	-	-	-	-	-	-	1,336	1,577	2,913
Travel Others	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	23,110	2,843	25,953
Printing & Supplies	-	-	-	1,028	3,715	-	949	1,955	10,832	18,479
Repairs and Maintenance	-	-	-	-	-	-	-	-	2,126	2,126
Communications and Utilities	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	42,000	42,000
Other	15,730	925	181	1,243	-	-	5,635	16,025	51,958	91,697
Depreciation	-	-	-	-	-	-	-	-	86,579	86,579
Raw Food	-	37,004	24,660	-	-	-	-	-	-	61,664
Disposables	-	5,621	3,747	-	-	-	-	-	-	9,368
Insurance	6,974	-	-	-	-	-	-	-	-	6,974
Inkind	-	9,975	44,208	-	-	-	-	-	-	54,183
Bad Debts	-	-	-	-	-	-	-	-	-	-
Indirects from grants	11,996	-	-	1,459	-	-	-	41,006	177,334	231,795
Total	\$ 65,026	\$ 112,913	\$ 114,067	\$ 7,760	\$ 17,446	\$ 200,705	\$ 723,391	\$ 185,393	\$ 602,366	\$ 2,029,067

See Notes to the Consolidated Financial Statements

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Schedule of Revenues and Support
For the Year Ended September 30, 2017

	Title III-C			Title III-D	Title III-E	Personal Care	Life	Other	Total Revenues
	Title III-B	Congregate (C/1 - III-C)	Home Delivered (C/2 - III-C)						
Federal Financial Assistance	\$ 41,790	\$74,620	\$ 72,234	\$ 2,446	\$ 17,446	\$ -	\$ -	\$ -	\$ 208,536
State Grant Allocations	21,518	-	-	5,241	-	179,545	181,182	46,091	433,577
Donations	-	-	-	-	-	-	-	8,665	8,665
Contractual Revenues	-	-	-	-	-	1,019,734	-	69,624	1,089,358
Project Income	2,048	23,741	792	-	-	-	-	-	26,581
Interest Income	-	-	-	-	-	-	-	177	177
Facilities Rental	-	-	-	-	-	-	-	100	100
Miscellaneous	-	-	-	-	-	-	-	150,695	150,695
In-kind Donations	-	9,975	44,208	-	-	-	-	-	54,183
Total	\$ 65,356	\$ 108,336	\$ 117,234	\$ 7,687	\$ 17,446	\$ 1,199,279	\$ 181,182	\$ 275,352	\$ 1,971,872

See Notes to the Consolidated Financial Statements

JEFFERSON COUNTY COUNCIL ON AGING
Jefferson County, West Virginia

Notes to the Financial Statements For the Year
Ended September 30, 2017

Note 1 – Summary of Significant Accounting Policies

A. Description of the Entity

The Jefferson County Council on Aging (the Organization), is a nonprofit organization whose purpose is to improve the quality of life for senior citizens in Jefferson County, West Virginia. The Organization studies and documents the needs of seniors citizens, to encourage, promote and aid in the establishment of programs for senior citizens, to conduct programs of public education in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is implementing.

The Organization also operates the Jefferson Center in Jefferson County, West Virginia, which was organized to provide services (including Day-Habilitation, Pre-Vocation and Supported Employment) to clients with Mental Retardation and/or Developmental Disabilities, in a non-residential setting. Operations commenced on or before January 2010.

This summary of significant accounting policies of Jefferson County on Aging is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representation of management, who is responsible for their integrity and objectivity.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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

C. Financial Statement Presentation

The financial statements presented for the year ended September 30, 2017 reflect the provisions of ASC 958, NPO Entities (formerly FASB Statement No 116, *Accounting for Contributions Received and Contributions Made*, and No. 117, *Financial Statements of Non-Profit Organizations*). ASC 958, establishes accounting standards for the treatment of contributions and pledges and requires uniform financial statement classification by not-for-profit organizations of donor imposed restrictions into permanently restricted, temporarily restricted or unrestricted net assets.

JEFFERSON COUNTY COUNCIL ON AGING
Jefferson County, West Virginia

Notes to the Financial Statements For the Year
Ended September 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

D Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

E Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reporting 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.

F Property, Plant and Equipment

Property, plant and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization has adopted a \$1,000 capitalization policy whereby all property, plant and equipment over \$1,000 is depreciated using the straight line method over its estimated useful life. In addition, all property, plant and equipment purchased with grant monies must be used and disposed of in accordance with the grantor agency's policies. Maintenance and repairs are expensed as incurred.

G Income Taxes

The Organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualified 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)(1).

The Financial Accounting Standards Board (FASB) has issued ASC 740-10, *Income Taxes* (formerly FIN 48, *Accounting for Uncertainty in Income Taxes*), which requires entities to disclose known or anticipated positions of income tax uncertainty. The Organization is not aware of any uncertain income tax positions as of April 23, 2018. The Organization could be subject to examination by the Internal Revenue Service or other applicable tax jurisdictions.

JEFFERSON COUNTY COUNCIL ON AGING
Jefferson County, West Virginia

Notes to the Financial Statements For the Year
Ended September 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

H Revenues

Revenues are recognized in the accompanying financial statements as follows:

1. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any 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 in which that support is recognized. 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, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

2. Federal Grants

Grant monies are received on a reimbursement basis; this is utilized from Title III-B, Title III-D, Title III-E, Title III-F, and Title VII grants. Upon completion of a grant year, any unexpected money has to be approved for carryover to the next grant year, but if approval is denied, the money must be returned to the grantor.

Title III-C monies are received on a meal reimbursement basis but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses.

The funds from various funding sources under reimbursement contracts are recognized as revenue in the accounting period in which the grant is earned.

3. Interest Income

Interest income is recognized in the accounting period when it is earned. The Organization maintains funds received from various sources in interest bearing certificates of deposits and savings accounts.

4. Donations

Donations are recognized as unrestricted, restricted or temporarily restricted according to their designation in the period in which they are received.

JEFFERSON COUNTY COUNCIL ON AGING
Jefferson County, West Virginia

Notes to the Financial Statements For the Year
Ended September 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Revenues (Continued)

5. Rental Income

Rental income received from non-related organizations is recognized as revenue in the accounting period in which it is earned.

I. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers cash in operating bank accounts and certificates of deposit with an original maturity date of three months or less as cash.

J. Cost Allocation

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expense include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Note 2 – Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

Protection of Jefferson County Council on Aging's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Deposits – At year end, the carrying amount of Jefferson County Council on Aging deposits was \$208,124 and the bank balance was \$241,045. Of the bank balance, \$250,000 was FDIC insured.

Note 3 – Grants Receivable

Grants receivable is considered collectible in one year. At year end, the Organization had \$67,910 in grants receivable.

JEFFERSON COUNTY COUNCIL ON AGING
Jefferson County, West Virginia

Notes to the Financial Statements For the Year
Ended September 30, 2017

Note 4 – Property, Plant and Equipment

The balance of property, plant and equipment at year end consisted of the following:

Land and Buildings	\$1,228,839
Vehicles	333,728
Equipment, Furniture and Fixtures	<u>347,976</u>
Total	1,910,543
Accumulated Depreciation	<u>(792,816)</u>
Net Property, Plant and Equipment	<u><u>\$1,117,727</u></u>

Note 5 – Capital Lease

In November 2013, The Jefferson County Council on Aging leased office equipment under capital lease expiring in 2019. The asset and liability under capital lease is recorded at the fair market value of the assets. The assets are amortized over their estimated productive lives. Amortization of the assets under capital lease is included in the depreciation expense for fiscal year 2016.

The following is a summary of equipment held under capital lease:

Office Equipment	\$7,812
Accumulated Depreciation	<u>(7,812)</u>
Net	<u><u>\$ 0</u></u>

Future minimum lease payments under capital lease as of September 30, 2017 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2018	3,912
2019	<u>978</u>
Net minimum lease payments	\$ 4,890
Amount representing interest	<u>(2,784)</u>
Present Value of net minimum lease payments	<u><u>\$ 2,106</u></u>

The capital lease provides a purchase option at the end of the lease term. The purchase option is at the price representing the fair market value of the equipment at the expiration of the lease.

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Notes to the Financial Statements For the Year
Ended September 30, 2017

Note 6 – Operating Lease

The Jefferson Center leases space for purposes of its mission statement under the terms of a non-cancelable operating lease. The term of the lease was six years and began in April 2010 and ended in March 2016. The Organization chose to renew for an additional four years. Total rent expense for the year ended September 30, 2017 was \$42,000. The organization decided to exercise the first renewable period which is for two years with an option to renew for an additional two years after the first extension expires.

<u>Year Ending September 30,</u>	<u>Amount</u>
2018	<u>\$42,000</u>
Total Minimum Lease Payments	<u>\$42,000</u>

Note 7 – Retirement Program

The Organization has a 401K through American Funds, which covers substantially all regular employees as of July 1, 2014. The employees may elect to defer any percentage of their compensation each year up to the limit set forth by the Federal Government, up to \$18,000 or \$24,000 for individuals who reach age 50 by a predetermined date. The employer will match the contribution by up to 100% of the employee deferral but will not exceed a match of 5%.

Note 8 – Concentrations

The Organization depends on grants from the federal, state and local sources for its continued existence.

Note 9 – Contingent Liabilities

In the normal course of operations, the Organization receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement, which may arise as the result of these audits is not believed to be material.

Note 10 – Subsequent Events

Consideration of subsequent events for inclusion and disclosure in these financial statements was made through the date of the report, which is the date that the financial statements were available to be issued, and would include all relevant material circumstances and events. No subsequent events were deemed necessary to disclose.

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Notes to the Financial Statements For the Year

Ended September 30, 2017

Note 11 – Prior Period Adjustment

Net Assets, previously reported as of September 30, 2016 has been restated to reflect the effects of properly stating the value of amounts maintained in receivables and payables.

As a result, Unrestricted Assets as of September 30, 2016 has been adjusted as follows:

	Unrestricted Assets
Balance as of September 30, 2016, as previously reported	\$1,650,107
Correction for proper valuation of assets and liabilities	<u>(55,238)</u>
Balance as of September 30, 2016, restated	<u>\$1,594,869</u>

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Consolidating Schedule - Statement of Financial Position
September 30, 2017

Assets	Jefferson Council on Aging	Jefferson Center	Eliminating Entries	Total
Current Assets:				
Cash	\$ 91,849	\$ 116,275	\$ -	\$ 208,124
Accounts Receivable	215,013	22,116	-	237,129
Total Current Assets	<u>306,862</u>	<u>138,391</u>	<u>-</u>	<u>445,253</u>
Long-term Assets:				
Net, Property, Plant and Equipment	<u>1,106,060</u>	<u>11,667</u>	<u>-</u>	<u>1,117,727</u>
Total Assets	<u>\$ 1,412,922</u>	<u>\$ 150,058</u>	<u>\$ -</u>	<u>\$ 1,562,980</u>
Liabilities and Net Assets				
Current Liabilities:				
Accrued Wages and Taxes	\$ 23,803	\$ 1,503	-	\$25,306
Total Current Liabilities	<u>23,803</u>	<u>1,503</u>	<u>-</u>	<u>25,306</u>
Net Assets				
Unrestricted	<u>1,389,119</u>	<u>148,555</u>	<u>-</u>	<u>1,537,674</u>
Total Net Assets	<u>1,389,119</u>	<u>148,555</u>	<u>-</u>	<u>1,537,674</u>
Total Liabilities and Net Assets	<u>\$ 1,412,922</u>	<u>\$ 150,058</u>	<u>\$ -</u>	<u>\$ 1,562,980</u>

See Notes to the consolidated financial statements

JEFFERSON COUNTY COUNCIL ON AGING

Jefferson County, West Virginia

Consolidating Schedule - Statement of Activities

For the Year Ended September 30, 2017

	Jefferson Council on Aging	Jefferson Center	Eliminating Entries	Total
Unrestricted Revenue:				
Federal Financial Assistance	\$ 208,536	\$ -	\$ -	\$ 208,536
State Grant Allocations	433,577	-	-	433,577
Donations	8,284	381	-	8,665
Contractual Revenues	848,441	240,917	-	1,089,358
Project Income	26,581	-	-	26,581
Interest Income	177	-	-	177
Facilities Rental	100	-	-	100
Miscellaneous	118,500	32,195	-	150,695
In-kind Donations	54,183	-	-	54,183
Total Unrestricted Revenue	<u>1,698,379</u>	<u>273,493</u>	<u>-</u>	<u>1,971,872</u>
Expenses:				
Title III-B	65,026	-	-	65,026
Title III-C Congregate	112,913	-	-	112,913
Title III-C Home Delivered	114,067	-	-	114,067
Title III-D	7,760	-	-	7,760
Title III-E	17,446	-	-	17,446
Light House	200,705	-	-	200,705
Personal Care	723,391	-	-	723,391
Life	185,393	-	-	185,393
Administrative and General	344,904	257,462	-	602,366
Total Expenses	<u>1,771,605</u>	<u>257,462</u>	<u>-</u>	<u>2,029,067</u>
Increase/(Decrease) in Unrestricted Net Assets	<u>(73,226)</u>	<u>16,031</u>	<u>-</u>	<u>(57,195)</u>
Net Assets, Beginning of Year				
Unrestricted	<u>1,462,345</u>	<u>132,524</u>	<u>-</u>	<u>1,594,869</u>
Net Assets, End of Year				
Unrestricted	<u>\$ 1,389,119</u>	<u>\$ 148,555</u>	<u>\$ -</u>	<u>\$ 1,537,674</u>

See Notes to the Consolidated Financial Statements



Caudill & Associates, CPA, PLLC

3070 Lake Crest Cir-Box 267
Lexington, KY 40513

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Jefferson County Council on Aging, Inc.
Ranson, West Virginia

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jefferson County Council on Aging, Inc. (a nonprofit organization), which comprise of the statement of financial position, as of September 30, 2017, and the related statements of activities, statement of functional expenses, statement of revenue and support, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 23, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Jefferson County Council on Aging, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jefferson County 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 controls exists when the design or operation does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of internal control deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected in 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 and 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 reasonably assuring whether Jefferson County Council on Aging, Inc's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express 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

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caudill & Associates, CPA

Caudill & Associates, CPA, PLLC
April 23, 2018