

COALFIELD COMMUNITY  
ACTION PARTNERSHIP, INC.

FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION

YEARS ENDED APRIL 30, 2018 AND 2017

AND

INDEPENDENT AUDITOR'S REPORTS

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Coalfield Community Action Partnership, Inc.  
Williamson, West Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Coalfield Community Action Partnership, Inc. (CCAP), which comprise the statements of financial position as of April 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.

### ***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 audits. We conducted our audits 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 of 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 CCAP as of April 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 financial statements as a whole. The accompanying supplemental Schedule of Federal, State and Other Support, Expenditures, and Changes in Net Assets, the Schedules of Grant Support, Revenue and Expenditures Compared to Grant Budgets, and the Schedule of State Awards are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 October 16, 2018, on our consideration of CCAP'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 the effectiveness of CCAP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCAP's internal control over financial reporting and compliance.



Charleston, West Virginia  
October 16, 2018

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 APRIL 30, 2018 AND 2017

ASSETS		
	2018	2017
Current assets		
Cash and cash equivalents	\$ 189,685	\$ 274,217
Grants receivable	812,544	890,652
Other receivables	91,346	86,496
Prepaid expenses	15,108	23,898
Total current assets	1,108,683	1,275,263
Fixed assets		
Property and equipment, net	3,152,659	2,796,828
Total assets	\$ 4,261,342	\$ 4,072,091
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 204,665	\$ 520,092
Accrued salaries and benefits	282,210	237,282
Accrued retirement payable	45,867	30,402
Accrued annual leave	95,685	89,372
Current maturities of long-term debt	46,192	44,047
Refundable advances	42,025	342,934
Total current liabilities	716,644	1,264,129
Noncurrent liabilities		
Other post employment benefits (OPEB)	-	2,226,601
Long-term debt, less current maturities	478,920	521,235
Total noncurrent liabilities	478,920	2,747,836
Total liabilities	1,195,564	4,011,965
Net assets		
Unrestricted net assets	3,065,778	60,126
Total liabilities and net assets	\$ 4,261,342	\$ 4,072,091

The Accompanying Notes Are An Integral  
 Part Of These Financial Statements

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED APRIL 30, 2018 AND 2017

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	<u>2018</u>	<u>2017</u>
Changes in unrestricted net assets		
Support and revenue		
Federal direct and pass-through grant revenue	\$ 6,329,250	\$ 6,135,779
State grant revenue	1,974,014	1,876,145
Donated services, use of facilities, and other	1,147,799	1,896,574
Food reimbursements	118,191	127,503
Program income	101,593	130,617
Other income	<u>90,387</u>	<u>1,229</u>
Total support and revenue	<u>9,761,234</u>	<u>10,167,847</u>
Expenses		
Salaries and wages	3,627,680	3,583,401
Fringe benefits	1,545,002	1,540,115
Donated services, use of facilities, and other	1,147,799	1,896,574
Consumable supplies	60,470	326,745
Travel	117,688	114,320
Training	111,685	112,738
Vehicles and equipment	21,190	9,267
Repairs and maintenance	156,776	198,813
Contractual and consultants	41,914	17,372
Telephone and utilities	234,399	216,856
Operating expenses	327,410	275,411
Insurance	103,566	94,029
Occupancy	84,427	90,328
Transportation	83,186	75,722
Meals	253,187	258,371
Indirect costs	695,069	639,710
Other expenses	<u>174,079</u>	<u>109,047</u>
Total operating expenses	<u>8,785,527</u>	<u>9,558,819</u>
Operating income	975,707	609,028
Non-operating increase (decrease) in net assets		
Depreciation expense	(196,656)	(113,165)
Change in other post employment benefits (OPEB) liability	<u>2,226,601</u>	<u>(130,809)</u>
CHANGE IN UNRESTRICTED NET ASSETS	3,005,652	365,054
Net assets (deficiency), beginning of year	<u>60,126</u>	<u>(304,928)</u>
Net assets, end of year	<u>\$ 3,065,778</u>	<u>\$ 60,126</u>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED APRIL 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ 3,005,652	\$ 365,054
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	196,656	113,165
(Gain) loss on disposal of assets	85,746	-
(Increase) decrease in operating assets		
Grants receivable	78,108	(272,523)
Other receivables	(4,850)	(25,792)
Prepaid expenses	8,790	(1,869)
Increase (decrease) in liabilities		
Accounts payable	(315,427)	391,843
Accrued salaries and benefits	44,928	(8,060)
Accrued retirement payable	15,465	(3,611)
Accrued annual leave	6,313	9,276
Refundable advances	(300,909)	(152,713)
Other post employment benefits	<u>(2,226,601)</u>	<u>130,809</u>
Net cash provided (used) by operating activities	<u>593,871</u>	<u>545,579</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(638,233)</u>	<u>(605,694)</u>
Net cash provided (used) by investing activities	<u>(638,233)</u>	<u>(605,694)</u>
Cash flows from financing activities		
Payments on long-term debt	<u>(40,170)</u>	<u>(42,704)</u>
Net cash provided (used) by financing activities	<u>(40,170)</u>	<u>(42,704)</u>
Net increase (decrease) in cash and cash equivalents	(84,532)	(102,819)
Cash and cash equivalents, beginning of year	<u>274,217</u>	<u>377,036</u>
Cash and cash equivalents, end of year	<u>\$ 189,685</u>	<u>\$ 274,217</u>
Supplemental Disclosures of Cash Flows Information		
Cash paid for interest	<u>\$ 33,754</u>	<u>\$ 34,095</u>

The Accompanying Notes Are An Integral  
 Part Of These Financial Statements

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**NATURE OF OPERATIONS** - Coalfield Community Action Partnership, Inc. (CCAP) is a nonprofit community action agency located in Williamson, West Virginia created to provide services to low income individuals, families and the elderly primarily in Mingo and surrounding counties in West Virginia. During the fiscal years ended April 30, 2018 and 2017, CCAP was also responsible for the Head Start Program in Mingo and McDowell Counties, West Virginia as well as the Weatherization Programs in Boone, Clay, Kanawha, and Mingo Counties, and the Senior Programs in Mingo County. Additionally, CCAP was responsible for the Title III Nutrition and In-Home Care Programs in Southern Wayne County. CCAP is funded primarily through grants and other agreements with the federal and state government.

**UNRESTRICTED NET ASSETS** - Unrestricted net assets are comprised of funds whose use is limited only to the extent that CCAP's by-laws limit the activities of CCAP. Contributions with donor-imposed restrictions that are met in the same year in which the contribution is recognized are reported as changes in unrestricted net assets.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ACCOUNTS RECEIVABLE** - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through bad debt expense. Management has evaluated all accounts receivable and determined that no allowance for uncollectible accounts is needed.

**REVENUE RECOGNITION** - Contributions and grants with donor imposed conditions are reported as revenue when qualifying expenses have been incurred or other conditions have been met. Cash received but not yet expended for these conditional grants is recorded as refundable advances. Use of this cash is restricted to the purposes of the grant contribution. Unrestricted grants and contributions are recorded as revenue in the period received.

**PROPERTY AND EQUIPMENT** - Property and equipment with a cost of \$1,000 or more are capitalized at cost and depreciated over the estimated useful lives of the assets. Useful lives are 5 to 7 years for office equipment and vehicles, and 7 to 39 years for land improvements, buildings, and building renovations. Contributed assets are recorded at estimated fair value at date of donation.

**OPERATING INCOME** - Operating income includes all support and revenue less operating expenses. Depreciation expense and other post employment benefits are not included as operating income or expenses.



NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**CONTRIBUTED SERVICES AND SPACE** - Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. Contributed services which are recognized are valued at the estimated cost that would have been incurred by CCAP to purchase similar services. Donated space is valued at the estimated fair rental value.

**CONTRIBUTIONS** - Contribution income is recognized in the period in which CCAP received restricted or unrestricted assets or unconditional promises of future donations. Contribution income is classified as increases in unrestricted, temporarily restricted or permanently restricted net assets based on the existence or absence of such restrictions. Unconditional promises to give that are to be collected within one year are recorded at fair value less any reserve for uncollectable promises, as estimated by management. Unconditional promises to give that are collectible in excess of one year are recorded at their discounted net present value and recorded up to the date.

**INCOME TAXES** - CCAP is a nonprofit corporation classified under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes derived from its nonprofit activities. For the year ended April 30, 2018, management believes that CCAP has no material uncertain tax positions to be accounted for in the financial statements. As of April 30, 2018, tax years ending on or after April 30, 2015 remain subject to examination.

**CASH AND CASH EQUIVALENTS** - For purposes of the statements of cash flows, CCAP considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

**INVENTORY** - Inventory is considered immaterial and, therefore, is charged to expense in the period during which it is purchased instead of being recognized as an asset and being expensed as it is used.

**ADVERTISING COSTS** - Advertising costs are expensed as incurred. Total advertising costs for the years ended April 30, 2018 and 2017 were \$1,391 and \$3,354, respectively.

**SUBSEQUENT EVENTS** - In preparing these financial statements, CCAP has evaluated events and transactions for potential recognition or disclosure through October 16, 2018, the date the financial statements were issued.

NOTE 2 -- CASH AND CASH EQUIVALENTS

Federal Deposit Insurance Corporation (FDIC) coverage is \$250,000 for accounts. CCAP maintains the cash balance in their account above this amount; however, CCAP obtains collateral from the bank to secure their deposits. The balance in CCAP's accounts at April 30, 2018 was fully FDIC insured or collateralized.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED APRIL 30, 2018 AND 2017

NOTE 3 -- PROPERTY AND EQUIPMENT

A summary of property and equipment at April 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 162,115	\$ 162,115
Land Improvements	165,398	143,608
Buildings	2,766,778	2,489,042
Vehicles & equipment	<u>3,939,412</u>	<u>3,748,668</u>
	7,033,703	6,543,433
Less: Accumulated depreciation	<u>(3,881,044)</u>	<u>(3,746,605)</u>
Property and equipment	<u>\$ 3,152,659</u>	<u>\$ 2,796,828</u>

NOTE 4 -- REFUNDABLE ADVANCES

Refundable advances, which consist of grant funds received by CCAP but not yet expended for qualifying expenses, is comprised of the following at April 30, 2018 and 2017:

<u>Description</u>	<u>2018</u>	<u>2017</u>
Board of Education Collaborative Revenue to be used for Head Start related projects	\$ -	\$ 292,110
Energy Express	-	11,760
In-home care	<u>42,025</u>	<u>39,064</u>
Total	<u>\$ 42,025</u>	<u>\$ 342,934</u>

NOTE 5 -- CONCENTRATIONS OF CREDIT RISK

CCAP provides various services to the elderly and low income individuals on a third-party reimbursement basis. CCAP bills the various funding sources in accordance with contractual agreements without requiring collateral or any other security. Grants and other receivables have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been set up as the amount is not considered material.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED APRIL 30, 2018 AND 2017

NOTE 6 -- FUNCTIONAL EXPENSES

CCAP incurred expenditures in the conduct of the following programs for the year ended April 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Head Start Program: CCAP provides comprehensive education activities to eligible Pre-Kindergarten students.	\$ 6,089,664	\$ 6,946,292
Weatherization Program: CCAP provides services to reduce the energy costs of low-income families, particularly the elderly, people with disabilities, and children, by improving the energy efficiency of their homes.	1,313,384	1,090,667
Title III Programs: This includes programs for older Americans and covers social support activities including case management, transportation, assessments, etc.	337,672	351,309
Child and Adult Care Food Program: This program is funded by the Department of Education and the USDA and provides reimbursement for providing meals and care to children.	84,802	147,577
CSBG program: CCAP provides emergency assistance to low-income, disabled, or elderly individuals and families and supports other agency programs as needed.	258,534	228,214
Personal Care programs: CCAP provides an in-home care program, funded by the Medicaid program that makes personal assistance available to eligible adults.	631,064	699,223
Other programs that benefit children, senior citizens and families:	<u>708,640</u>	<u>701,231</u>
Total Expenditures	9,423,760	10,164,513
Depreciation expense under GAAP	196,656	113,165
Less: Purchased capitalized assets	(638,233)	(605,694)
Other post retirement benefits (OPEB) expense	-	130,809
Total expenses	<u>\$ 8,982,183</u>	<u>\$ 9,802,793</u>

NOTE 7 -- RETIREMENT PLANS

West Virginia Public Employees Retirement System - CCAP is a participating employer in the West Virginia Public Employees Retirement System (PERS). This is a cost sharing, multi-employer public employee retirement system which covers employees of the state of West Virginia and various other governmental and non-profit entities. Under this plan, all full-time employees contribute 4.5% of their salary. Effective July 1, 2015 the employee contribution increased to 6% for new hires. Additionally, the organization contributes 12.0% of the employee's salary through June 30, 2017. Effective July 1, 2017, employer contribution rates were decreased to 11.0%. Trend information showing the progress of the system in accumulating sufficient assets to pay benefits when due is presented in their annual financial report. Copies can be obtained from the State.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED APRIL 30, 2018 AND 2017

NOTE 7 -- RETIREMENT PLANS (Continued)

West Virginia Retiree Health Benefits Trust Fund - CCAP participates in the West Virginia Retiree Health Benefits Trust Fund (RHBT) to provide certain other post employment benefits (OPEB). RHBT is a cost-sharing, multiple-employer defined benefits post-employment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). RHBT provides medical benefits to eligible retired employees of participating employers. Eligibility is primarily established through participation in certain defined benefit plans. RHBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust (RHBT), 601 57<sup>th</sup> Street, SE, Suite 2, Charleston, WV 25304-2345 or <https://peia.wv.gov>.

Funded Status of plans - The funded status of each plan as of the most recent actuarial valuation date, is as follows (total plan assets and accumulated benefit obligation dollar amounts in thousands):

Pension Fund	Total Plan Assets (in thousands)	Accumulated Benefit Obligation (in thousands)	Percentage Funded	Paid Contributions of CCAP		
				2018	2017	2016
PERS	\$5,888,558	\$6,615,406	> 80%	\$254,672	\$246,534	\$291,381
RHBT	\$ 823,911	\$3,282,900	< 65%	\$162,660	\$164,844	\$156,627

RHBT/OPEB Liability - All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee’s premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees’ premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB unfunded accumulated benefit obligation.

For 2017, total OPEB expense consisted of amounts currently due to fund the “pay as you go” retiree subsidy and additional amounts billed to participating employers for their portion of the overall plan’s Annual Required Contribution (ARC). The “pay as you go” amounts are included with fringe benefits in the accompanying Statements of Activities. The amounts billed from the RHBT for the ARC are not required to be paid by the participating employers. OPEB costs are accrued based upon invoices received from PEIA based upon actuarially determined amounts. In accordance with professional standards, such amounts billed but unpaid were recorded as expenses with a liability for the cumulative amounts billed but unpaid.

For 2018, the RHBT changed its method of accounting based on new Government Accounting Standards. In conjunction with this change, the RHBT ceased billing participating employers for their portions of the ARC, and also withdrew/forgave all prior unpaid and outstanding ARC billings. As a result, CCAP is no longer required by professional standards to record a liability for its unpaid ARC billings or for its allocated portion of the plan’s unfunded accumulated benefit obligation. The amount of OPEB liability no longer required to be recorded by professional standards was \$2,226,601. This amount is reflected as a non-operating increase in net assets during the year ended April 30, 2018.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED APRIL 30, 2018 AND 2017

NOTE 7 -- RETIREMENT PLANS (Continued)

For 2017, the annual amount of the ARC billings is identified separately in the Statements of Activities as a non-operating decrease in net assets. Following is a summary of OPEB expense for the years ended April 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Current "pay as you go" amounts	\$ 162,660	\$ 164,844
Amounts billed for the ARC	-	130,809
	\$ 162,660	\$ 295,653

At April 30, 2017, the liability related to OPEB cost was \$2,226,601, which represented the unpaid ARC billings from RHBT. As of the year ended April 30, 2018 there was one retiree receiving these benefits.

At April 30, 2018, the unfunded accumulated benefit obligation allocated by RHBT to CCAP was \$1,903,230. Since all unpaid prior ARC billings have been withdrawn/forgiven, and it is not considered probable that CCAP will withdraw from the plan and be required to make any payments in excess of the "pay as you go" amounts for their allocated portion of the unfunded accumulated benefit obligation, this amount is not required to be recorded as a liability by CCAP.

The West Virginia Legislature has passed legislation to provide alternate funding sources for the RHBT/OPEB unfunded accumulated benefit obligation. In addition, the PEIA Finance Board imposed limits on the retiree subsidy currently provided for PEIA premiums for retirees. Future increases in the subsidy will be limited to no more than 3% per year. These actions are expected to ultimately fund the full accumulated benefit obligation.

Other - CCAP also sponsors a defined contribution pension plan for those employees who are not eligible to participate in the West Virginia Public Employees Retirement System. Contributions to the plan for 2018 and 2017 were \$7,736 and \$15,521, respectively.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED APRIL 30, 2018 AND 2017

NOTE 8 -- DONATED SERVICES, USE OF FACILITIES, AND OTHER

During the years ended April 30, 2018 and 2017, CCAP received donated services from unpaid volunteers, the use of facilities without charge and other donated items. Such amounts have been recorded as revenue and expenses or capitalized assets by the following programs in the accompanying financial statements:

	2018		
	Volunteer Labor	Other	Total
Head Start	\$ 491,123	\$ 587,516	\$ 1,078,639
Title IIIB	42,693	-	42,693
Title III-C1	6,194	-	6,194
Title III-C2	7,835	-	7,835
Title IIID	761	-	761
Title IIIE	11,677	-	11,677
Total	\$ 560,283	\$ 587,516	\$ 1,147,799
	2017		
	Volunteer Labor	Other	Total
Head Start	\$ 1,292,850	\$ 502,775	\$ 1,795,625
Title IIIB	53,244	-	53,244
Title III-C1	15,574	-	15,574
Title III-C2	19,825	-	19,825
Title IIID	610	-	610
Title IIIE	9,014	17	9,031
Emergency Solutions	-	2,665	2,665
Total	\$ 1,391,117	\$ 505,457	\$ 1,896,574

NOTE 9 -- CONTINGENT LIABILITIES

CCAP's programs are generally funded from federal, state, and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED APRIL 30, 2018 AND 2017

NOTE 10 -- LONG-TERM DEBT

Long-term debt consisted of the following at April 30:

	<u>2018</u>	<u>2017</u>
Note payable to a bank bearing interest at 5.5% per annum with monthly payments of principal and interest of \$3,286 through March 2027, secured by land, land improvements, and building.	\$ 279,689	\$ 299,473
Note payable to bank bearing interest at 5.5% per annum with monthly payments of \$2,875 through June 2027, secured by land, land improvements, and building.	<u>245,423</u>	<u>265,809</u>
	525,112	565,282
Less current maturities of long-term debt	<u>(46,192)</u>	<u>(44,047)</u>
	<u>\$ 478,920</u>	<u>\$ 521,235</u>

Total interest expense for the years ended April 30, 2018 and 2017 was \$33,754 and \$34,095, respectively.

Following is a summary of long-term debt maturities as of April 30, 2018. This summary includes both loan agreements.

<u>Year Ended April 30,</u>	<u>Amount</u>
2019	\$ 46,192
2020	48,797
2021	51,550
2022	54,457
2023	57,529
Thereafter	<u>266,587</u>
	<u>\$ 525,112</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED APRIL 30, 2018 AND 2017

NOTE 11 -- OPERATING LEASES

CCAP leases various facilities for its Head Start and Senior programs under operating leases expiring in various years through 2028. Total rent expense charged to operations during the fiscal years ended April 30, 2018 and 2017 was \$82,917 and \$90,328, respectively. As of April 30, 2018, the future annual rental commitments are as follows:

<u>Year Ended April 30,</u>	<u>Amount</u>
2019	\$ 70,540
2020	29,440
2021	20,040
2022	17,240
2023	8,061
Thereafter	<u>26,269</u>
	<u>\$ 171,590</u>



**SUPPLEMENTAL INFORMATION**

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 SCHEDULE OF FEDERAL, STATE AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS  
 YEAR ENDED APRIL 30, 2018

Federal Grantor	Department of Health and Human Services										Department of Energy	
	West Virginia Bureau of Senior Services					West Virginia Department of Health and Human Resources					West Virginia Office of Economic Opportunity	
Program Title	Head Start/USDA	Title IIIB Senior Citizens	Title IIC-1 Nutrition Services	Title IIC-2 Nutrition Services	Title IID Preventative Health	Title IIIE Caregiver	SHIP	MIECHV	CSBG	DHHR Weatherization	DOE Weatherization	Weatherization APCO DSM
<u>Support and Revenue</u>												
Federal, including pass-through State, including pass-through	\$ 4,399,436	\$ 25,497	\$ 48,175	\$ 95,410	\$ 2,610	\$ 5,483	\$ 4,984	\$ 61,123	\$ 246,694	\$ 813,269	\$ 408,081	\$ -
Donated services, use of facilities, and other	-	34,879	18,091	31,704	156	1,845	-	-	-	-	-	167,023
Food reimbursements	1,078,639	42,693	6,194	7,835	761	11,677	-	-	-	-	-	-
Program income	80,219	-	-	-	-	-	-	-	-	10,038	-	-
Other income	2,655	-	413	83	-	-	-	-	-	-	-	-
Total support and revenue	5,564,285	103,069	72,873	135,032	3,527	19,005	4,984	61,123	246,694	823,307	408,081	167,023
<u>Expenditures</u>												
Salary and wages	2,126,998	33,177	14,142	26,635	-	9,529	3,360	18,936	117,153	277,604	209,565	51,318
Fringe benefits	1,004,492	10,693	1,135	6,652	-	-	1,024	4,527	42,230	117,366	101,660	20,921
Donated services, use of facilities, and other	1,078,639	42,693	6,194	7,835	761	11,677	-	-	-	-	-	-
Consumable supplies	138,889	375	5,418	5,511	-	-	-	18,766	3,657	9,933	83	-
Travel	57,313	1,034	30	-	-	8	-	2,706	9,469	67	-	-
Training	96,620	-	1,101	-	-	-	237	6,122	3,368	1,800	-	-
Vehicles and equipment	13,715	-	-	-	1,995	-	-	-	11,947	59,725	-	-
Repairs and maintenance	121,686	-	1,236	1,946	-	-	-	4,865	5,231	9,674	4,999	-
Consultant/contractual	22,990	-	-	-	-	-	-	75	2,460	16,275	-	-
Telephone and utilities	152,378	2,122	1,424	2,137	-	-	-	1,441	9,252	14,719	1,308	-
Operating expenses	14,680	-	-	-	-	-	-	-	810	112,190	55,403	83,249
Insurance	72,980	-	-	5,036	-	-	-	-	5,610	11,045	3,374	-
Occupancy	43,300	2,715	3,375	375	-	-	-	-	-	18,698	2	-
Transportation	45,651	-	2,409	4,341	-	-	-	93	858	20,522	5,665	626
Meals	120,162	8,959	13,221	79,896	-	-	-	-	-	-	-	-
Other	53,261	739	636	723	168	-	-	-	14,058	2,185	7	-
Subtotal	5,163,754	102,507	50,321	141,087	2,924	21,214	4,621	57,531	226,103	671,803	382,066	156,114
Allocation of indirect costs	408,867	6,314	2,966	4,956	-	2,283	605	3,592	22,701	61,239	28,426	11,168
Direct allocation of building depreciation	8,604	-	-	3,100	-	-	-	-	9,730	2,355	213	-
Total expenditures	5,581,225	108,821	53,287	149,143	2,924	23,497	5,226	61,123	258,534	735,397	410,705	167,282
Total support and revenue over expenditures	(16,940)	(5,752)	19,586	(14,111)	603	(4,492)	(242)	-	(11,840)	87,910	(2,624)	(259)
Depreciation expense under GAAP	-	-	-	-	-	-	-	-	-	-	-	-
Purchased capitalized assets	-	-	-	-	-	-	-	-	-	-	-	-
Other post retirement benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in (out)	-	-	-	-	-	-	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ (16,940)</b>	<b>\$ (5,752)</b>	<b>\$ 19,586</b>	<b>\$ (14,111)</b>	<b>\$ 603</b>	<b>\$ (4,492)</b>	<b>\$ (242)</b>	<b>\$ -</b>	<b>\$ (11,840)</b>	<b>\$ 87,910</b>	<b>\$ (2,624)</b>	<b>\$ (259)</b>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 SCHEDULE OF FEDERAL, STATE AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS (Continued)  
 YEAR ENDED APRIL 30, 2018

Federal Grantor	N/A	Department of Veterans Affairs	N/A					
<b>State Grantor</b>	West Virginia Bureau of Senior Services							
	N/A							
<b>Pass-Through Grantor</b>	WV Community Action Partnerships							
	N/A							
Program Title	LIFE	In Home Services	Respite	Lighthouse	SSVF	Board of Education	Other	Totals
<u>Support and Revenue</u>								
Federal, including pass-through	\$ -	\$ -	\$ -	\$ -	\$ 218,488	\$ -	\$ -	\$ 6,329,250
State, including pass-through	230,564	609,543	24,619	168,968	-	649,915	36,707	1,974,014
Donated services, use of facilities, and other	-	-	-	-	-	-	-	1,147,799
Food reimbursements	-	-	-	-	-	11,738	26,234	118,191
Program income	-	24,065	-	-	-	30,213	34,126	101,593
Other income	-	-	-	-	-	86,936	115	90,387
Total support and revenue	230,564	633,608	24,619	168,968	218,488	778,802	97,182	9,761,234
<u>Expenditures</u>								
Salary and wages	90,171	406,880	16,657	99,125	83,419	39,309	3,702	3,627,680
Fringe benefits	40,469	113,372	4,743	25,754	41,170	8,794	-	1,545,002
Donated services, use of facilities, and other	-	-	-	-	-	-	-	1,147,799
Consumable supplies	4,048	2,702	-	131	1,089	-	-	190,602
Travel	443	12,367	-	11,638	20,758	-	1,855	117,688
Training	796	835	-	-	540	-	266	111,685
Vehicles and equipment	335	-	-	-	996	3,421	-	92,134
Repairs and maintenance	11,625	-	-	-	-	423,599	9,072	593,933
Consultant/contractual	5	-	-	-	-	109	-	41,914
Telephone and utilities	42,350	4,310	-	-	2,151	807	-	234,399
Operating expenses	750	2,049	-	-	58,279	-	-	327,410
Insurance	4,500	700	-	-	321	-	-	103,566
Occupancy	15,312	650	-	-	-	-	-	84,427
Transportation	234	-	-	-	-	1,035	1,752	83,186
Meals	8,098	50	-	-	-	22,801	-	255,187
Other	2,854	5,122	210	251	991	92,874	-	174,079
Subtotal	221,990	549,037	21,610	136,899	209,714	592,749	16,647	8,728,691
Allocation of indirect costs	17,674	78,048	3,164	18,927	15,673	492	7,974	695,069
Direct allocation of building depreciation	305	3,979	-	-	512	-	(28,798)	-
Total expenditures	239,969	631,064	24,774	155,826	225,899	593,241	(4,177)	9,423,760
Total support and revenue over expenditures	(9,405)	2,544	(155)	13,142	(7,411)	185,561	101,359	337,474
Depreciation expense under GAAP	-	-	-	-	-	-	(196,656)	(196,656)
Purchased capitalized assets	-	-	-	-	-	-	638,233	638,233
Other post retirement benefits (OPEB)	-	-	-	-	-	-	2,226,601	2,226,601
Transfer in (out)	-	1,071	-	-	-	(253,839)	252,768	-
INCREASE (DECREASE) IN NET ASSETS	\$ (9,405)	\$ 3,615	\$ (155)	\$ 13,142	\$ (7,411)	\$ (68,278)	\$ 3,022,305	\$ 3,005,652

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
HEAD START - AWARD NUMBER 03CH3486-02-03  
GRANT PERIOD MAY 1, 2017 TO APRIL 30, 2018

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal/pass-through grant revenue	\$ 4,537,034	\$ 4,399,434	\$ 137,600
In-kind contributions	1,054,379	1,569,762	(515,383)
Other income	-	1,000	(1,000)
USDA revenue	<u>80,220</u>	<u>80,246</u>	<u>(26)</u>
Total support and revenue	<u>5,671,633</u>	<u>6,050,442</u>	<u>(378,809)</u>
Expenses			
Salaries and wages	2,219,747	2,126,406	93,341
Fringe benefits	1,046,272	1,004,368	41,904
In-kind contributions	1,054,379	1,569,762	(515,383)
Consumable supplies	142,827	142,827	-
Travel	57,124	57,124	-
Training	85,727	85,727	-
Repairs and maintenance	127,521	127,521	-
Telephone and utilities	153,721	153,721	-
Operating expenses	13,899	13,899	-
Occupancy	51,404	51,404	-
Meals	111,670	111,735	(65)
Transportation	45,476	45,476	-
Vehicles and equipment	13,715	13,715	-
Contractual	23,762	23,762	-
Insurance	61,913	61,913	-
Indirect costs	410,186	408,792	1,394
Other expenses	<u>52,290</u>	<u>52,290</u>	<u>-</u>
Total expenses	<u>5,671,633</u>	<u>6,050,442</u>	<u>(378,809)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 OLDER AMERICANS ACT - TITLE III-B, III-D, AND III-E - GRANT NUMBER 21736  
 GRANT PERIOD OCTOBER 1, 2016 TO SEPTEMBER 30, 2017

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal/pass-through grant revenue	\$ 55,453	\$ 55,446	\$ 7
State grant revenue	30,514	30,515	(1)
In-kind contributions	<u>11,837</u>	<u>53,512</u>	<u>(41,675)</u>
Total support and revenue	<u>97,804</u>	<u>139,473</u>	<u>(41,669)</u>
Expenses			
Salaries and wages	40,771	40,771	-
Fringe benefits	15,631	15,631	-
In-kind contributions	11,843	53,512	(41,669)
Consumable supplies	455	455	-
Travel	999	999	-
Telephone and utilities	10,585	10,585	-
Occupancy	7,615	7,615	-
Vehicles and equipment	2,598	2,598	-
Indirect costs	7,139	7,139	-
Other expenses	<u>168</u>	<u>168</u>	<u>-</u>
Total expenses	<u>97,804</u>	<u>139,473</u>	<u>(41,669)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 LEGISLATIVE INITIATIVES FOR THE ELDERLY (LIFE) - GRANT NUMBER 21703  
 GRANT PERIOD JULY 1, 2016 TO JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
State grant revenue	\$ 207,931	\$ 207,931	\$ -
Total support and revenue	<u>207,931</u>	<u>207,931</u>	<u>-</u>
Expenses			
Salaries and wages	81,915	81,915	-
Fringe benefits	38,417	38,417	-
Consumable supplies	4,423	4,423	-
Travel	1,407	1,407	-
Repairs and maintenance	9,542	9,542	-
Telephone and utilities	30,302	30,302	-
Operating expenses	1,298	1,298	-
Insurance	8,855	8,855	-
Occupancy	13,144	13,144	-
Vehicles & Equipment	600	600	-
Indirect costs	15,083	15,083	-
Other expenses	2,945	2,945	-
Total expenses	<u>207,931</u>	<u>207,931</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 LIGHTHOUSE IN-HOMES CARE - GRANT NUMBER IH1723  
 GRANT PERIOD JULY 1, 2016 TO JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
State grant revenue	\$ 176,112	\$ 176,112	\$ -
Total support and revenue	<u>176,112</u>	<u>176,112</u>	<u>-</u>
Expenses			
Salaries and wages	114,049	114,049	-
Fringe benefits	30,425	30,425	-
Travel	10,842	10,842	-
Training	360	360	-
Indirect costs	20,209	20,209	-
Other expenses	<u>227</u>	<u>227</u>	<u>-</u>
Total expenses	<u>176,112</u>	<u>176,112</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
ALZHEIMER'S RESPITE CARE - FAIR - GRANT NUMBER IH1723  
GRANT PERIOD JULY 1, 2016 TO JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
State grant revenue	\$ 43,873	\$ 43,873	\$ -
Total support and revenue	<u>43,873</u>	<u>43,873</u>	<u>-</u>
 Expenses			
Salaries and wages	29,692	29,692	-
Fringe benefits	8,032	8,032	-
Travel	375	375	-
Training	404	404	-
Indirect costs	5,195	5,195	-
Other expenses	<u>175</u>	<u>175</u>	<u>-</u>
Total expenses	<u>43,873</u>	<u>43,873</u>	<u>-</u>
 Increase (decrease) in net assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>



COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
COMMUNITY SERVICES BLOCK GRANT- GRANT NUMBER 17CSBG-F03  
GRANT PERIOD JANUARY 1, 2017 TO DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
State grant revenue	\$ 233,090	\$ 233,090	\$ -
Total support and revenue	<u>233,090</u>	<u>233,090</u>	<u>-</u>
Expenses			
Salaries and wages	110,785	110,785	-
Fringe benefits	39,220	39,220	-
Consumable supplies	4,055	4,055	-
Travel	2,890	2,890	-
Training	458	458	-
Vehicles and equipment	11,947	11,947	-
Repairs and maintenance	5,207	5,207	-
Telephone and utilities	9,058	9,058	-
Operating expenses	2,648	2,648	-
Insurance	5,675	5,675	-
Occupancy	9,280	9,280	-
Transportation	326	326	-
Indirect costs	19,874	19,874	-
Other expenses	<u>11,667</u>	<u>11,667</u>	<u>-</u>
Total expenses	<u>233,090</u>	<u>233,090</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 WEATHERIZATION DHHR GRANT - GRANT NUMBER DHHRWX1602  
 GRANT PERIOD OCTOBER 1, 2016 TO DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
State grant revenue	\$ 850,000	\$ 850,000	\$ -
Program income	-	14,507	(14,507)
Total support and revenue	<u>850,000</u>	<u>864,507</u>	<u>(14,507)</u>
Expenses			
Salaries and wages	342,081	352,681	(10,600)
Fringe benefits	129,009	131,022	(2,013)
Consumable supplies	8,687	8,687	-
Training	5,240	5,240	-
Repairs and maintenance	9,169	9,169	-
Telephone and utilities	15,104	15,104	-
Operating expenses	154,702	154,702	-
Insurance	19,633	19,633	-
Occupancy	21,084	21,084	-
Transportation	16,333	16,333	-
Vehicles & Equipment	59,363	59,363	-
Travel	2,447	2,447	-
Contractual	75	75	-
Indirect costs	64,883	66,777	(1,894)
Other expenses	2,190	2,190	-
Total expenses	<u>850,000</u>	<u>864,507</u>	<u>(14,507)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
WEATHERIZATION DOE GRANT - GRANT NUMBER DOEWX1602  
GRANT PERIOD JULY 1, 2016 TO JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
State grant revenue	\$ 280,204	\$ 280,204	\$ -
Total support and revenue	<u>280,204</u>	<u>280,204</u>	<u>-</u>
Expenses			
Salaries and wages	129,588	129,588	-
Fringe benefits	77,726	77,726	-
Consumable supplies	1,131	1,131	-
Repairs and maintenance	1,566	1,566	-
Telephone and utilities	3,690	3,690	-
Operating expenses	30,586	30,586	-
Insurance	288	288	-
Occupancy	7,457	7,457	-
Transportation	5,065	5,065	-
Indirect costs	22,984	22,984	-
Other expenses	122	122	-
Travel	1	1	-
Total expenses	<u>280,204</u>	<u>280,204</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 SCHEDULE OF STATE AWARDS  
 YEAR ENDED APRIL 30, 2018

<u>Grantor Name/Program Title</u>	<u>Grant/ Fund Account Number</u>	<u>Award Amount</u>	<u>Receivable (Refundable) 4/30/2017</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Receivable (Refundable) 4/30/2018</u>
WV Bureau of Senior Services:						
In Home Service Funds	IH1723	\$ 183,460	\$ 17,796	\$ 38,868	\$ 21,072	\$ -
In Home Service Funds	IH1823	164,460	-	83,077	102,745	19,668
In Home Service Funds	IH1760	35,000	-	5,726	5,726	-

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED APRIL 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services				
Head Start	93.600	N/A	\$ 4,399,436	\$ -
Passed through WVSC Metro Area Agency on Aging Aging Cluster				
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	21736, 21836	25,497	-
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	21836	143,585	-
Aging Cluster total			<u>169,082</u>	<u>-</u>
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services	93.043	21736, 21836	2,610	-
National Family Caregiver Support, Title III, Part E	93.052	21736, 21836	5,483	-
Passed through WV Office of Economic Opportunity				
Low-Income Home Energy Assistance	93.568	DHHRWX1602	491,871	-
Low-Income Home Energy Assistance	93.568	DHHRWX1702	260,760	-
Low-Income Home Energy Assistance	93.568	17NHEP-F03	8,468	-
Low-Income Home Energy Assistance	93.568	18NHEP-F03	52,170	-
Community Services Block Grant	93.569	17CSBG-F03	170,871	-
Community Services Block Grant	93.569	18CSBG-F03	65,823	-
Community Services Block Grant	93.569	17CSBG-DT03	10,000	-
Passed through WV Bureau of Senior Services Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations				
	93.779	N/A	4,984	-
Passed through WV Department of Health and Human Resources Maternal, Infant, and Early Childhood Home Visiting Program				
	93.870	G170882	61,123	-
U.S. Department of Energy				
Passed through WV Office of Economic Opportunity Weatherization Assistance for Low-Income Persons				
	81.042	DOEWX1702	408,081	-
U.S. Department of Agriculture, Food and Nutrition Service				
Passed through WV Department of Education, Office of Child Nutrition Child and Adult Food Care Program				
	10.558	N/A	80,219	-
Summer Food Service Program	10.559	N/A	26,234	-
U.S. Department of Veterans Affairs				
Passed through West Virginia Community Action Partnerships, Inc. VA Supportive Services for Veteran Families Program				
	64.033	N/A	218,488	-
Total Expenditures of Federal Awards			<u>\$ 6,435,703</u>	<u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED APRIL 30, 2018

NOTE 1 -- BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of CCAP under programs of the Federal government for the year ended April 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CCAP, it is not intended to and does not present the financial position and changes in net position of CCAP.

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 -- INDIRECT COST RATE

CCAP has not elected to use the 10% de minimis indirect cost rate allowed under Section 200.414 of the Uniform Guidance.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
AUDITEE'S SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED APRIL 30, 2018

Program	Findings/Noncompliance	Questioned Cost
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There were no prior year Single Audit findings.



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

Board of Directors  
Coalfield Community Action Partnership, Inc.  
Williamson, West Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Coalfield Community Action Partnership, Inc. (CCAP), which comprise the statement of financial position as of April 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 16, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CCAP'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 CCAP's internal control. Accordingly, we do not express an opinion on the effectiveness of CCAP'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2018-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CCAP's financial statements are free of 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*.

### **CCAP's Response to Findings**

CCAP's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. CCAP's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



Charleston, West Virginia  
October 16, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE

Board of Directors  
Coalfield Community Action Partnership Inc.  
Williamson, West Virginia

**Report on Compliance for Each Major Federal Program**

We have audited Coalfield Community Action Partnership Inc.'s (CCAP's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CCAP's major federal programs for the year ended April 30, 2018. CCAP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and other terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of CCAP's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CCAP's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CCAP's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, CCAP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2018.

### **Report on Internal Control Over Compliance**

Management of CCAP is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CCAP's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness CCAP's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charleston, West Virginia  
October 16, 2018

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?            yes   X   no

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?   X   yes            none reported

Noncompliance material to financial statements noted?            yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?            yes   X   no

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?            yes   X   none reported

Type of auditor's report issued on compliance for major  
programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported  
in accordance with section .717(a) of Uniform Guidance?            yes   X   no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between Type A and  
Type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   yes            no

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2018

SECTION II

FINANCIAL STATEMENT

FINDINGS SECTION

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED APRIL 30, 2018

**2018-001 FINANCIAL REPORTING**

- Criteria:** Management of CCAP is responsible for establishing an internal control structure that reduces to an acceptable level the risk of errors and fraud occurring and not being detected. CCAP is also responsible for having a financial management system in place to account for the receipt and expenditure of grant and other funds and prepare accurate financial reports. Further, CCAP is responsible for keeping up-to-date records for property and equipment and ensuring that all disposals are removed from this schedule in a timely manner.
- Condition:** Certain year end accruals were not recorded. Additionally, our review of the detail property records indicated that several assets that had been disposed of in previous years had not been removed from the records.
- Context:** Total assets, liabilities, net assets, revenues, and expenses of CCAP are \$4.3 million, \$1.2 million, \$3.1 million, \$9.8 million, and \$8.8 million, respectively. The impact of the accrual and fixed asset adjustments to assets, liabilities, revenues, and expenses was \$135 thousand, \$85 thousand, \$216 thousand, and \$165 thousand, respectively.
- Cause:** CCAP's procedures relating to recording and reconciling their property records and recording year end accruals were not effective.
- Effect:** The financial statements required audit adjustments in order to be presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- Recommendation:** We recommend that CCAP work to ensure that all year end accruals are properly reflected in the general ledger. Additionally, we recommend that a regular reconciliation be performed, reviewed, and approved between the physical inventory and the detail property records maintained by CCAP.
- Views of Responsible Officials:** *We agree with the findings and will take the necessary corrective actions as noted in the corrective action plan attached.*

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2018

SECTION III

FEDERAL AWARD FINDINGS  
AND QUESTIONED COSTS SECTION

None

*Coalfield  
Community Action Partnership, Inc.*

1626 West 3rd Avenue  
P.O. Box 1406  
Williamson, West Virginia 25661  
**Phone (304) 235-1701**  
**FAX (304) 235-1706**  
[www.coalfieldcap.org](http://www.coalfieldcap.org)

Corrective Action Plan

Condition:

Certain year end accruals were not recorded. Additionally, our review of the detailed property records indicated that several assets that had been disposed of in previous years had not been removed from the records.

Management Response:

Certain year end accruals that were prepared after the initial draft of the Trial Balance were not initially shared with the audit firm. These entries were provided to the audit firm prior to the completion of the audit and are reflected in the Financial Statements for April 30, 2018. Closer attention will be paid in the future so that information is shared more timely.

The assets in question were primarily related to leasehold improvements completed at the old administration offices. These items were not removed from the fixed asset listing after we moved to our new location in July 2012. In addition to removing these assets, a thorough review of all fixed assets is being conducted to ensure all records are accurate.

*Tim Salmons*