



Certified Public Accountants, A.C.

**MASON COUNTY ACTION GROUP, INC.
Regular Audit
For the Years Ended September 30, 2017 and 2016**

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MASON COUNTY ACTION GROUP, INC.

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INDEPENDENT AUDITOR'S REPORT

April 30, 2018

Mason County Action Group, Inc.
PO Box 12
Point Pleasant, WV 25550

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of **Mason County Action Group, Inc.**, (a non-profit organization) (the Organization) which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities, functional expenses 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mason County Action Group, Inc. as of September 30, 2017 and 2016, 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of support, revenues and expenses, and schedule of federal and state awards (pages 12-17) 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 30, 2018, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

MASON COUNTY ACTION GROUP, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2017 AND 2016

	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 142,547	\$ 121,656
Accounts receivable, net	167,488	156,419
Inventory	3,675	4,250
Prepaid expenses	9,817	16,760
Total current assets	323,527	299,085
Property and equipment:		
Land	6,800	6,800
Buildings	135,804	135,804
Equipment	126,665	126,665
Vehicles	143,388	143,388
Leasehold improvements	139,661	139,661
Total property & equipment	552,318	552,318
Less accumulated depreciation	(416,434)	(372,825)
Net property & equipment	135,884	179,493
Total assets	\$ 459,411	\$ 478,578
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 15,208	\$ 10,456
Accrued payroll and related taxes	47,246	47,495
Accrued annual leave	60,959	22,533
Due to funding sources	-	1,194
Total current liabilities	123,413	81,678
Total liabilities	123,413	81,678
Net assets:		
Unrestricted	335,998	396,900
Total net assets	335,998	396,900
Total liabilities and net assets	\$ 459,411	\$ 478,578

The accompanying notes are an integral part of the financial statements.

MASON COUNTY ACTION GROUP, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
Support and Revenue:		
Federal grant awards	\$ 159,549	\$ 148,141
Other grants and fees	1,294,525	1,309,164
Program income	51,201	47,950
Fundraising	8,050	7,838
In-kind revenues	28,996	29,260
Other income	30,596	35,215
Total support and revenue	1,572,917	1,577,568
Expenses:		
Program expenses:		
In-Home services	995,854	1,180,507
Senior Services	97,641	253,600
Nutrition	265,631	13,534
Transportation	11,057	117,780
Total program expenses	1,370,183	1,565,421
Supporting services:		
Management and general	261,904	61,042
Fundraising	1,732	1,121
Total supporting services	263,636	62,163
Total expenses	1,633,819	1,627,584
Change in net assets	(60,902)	(50,016)
Net assets, beginning of year	396,900	446,916
Net assets, end of year	\$ 335,998	\$ 396,900

The accompanying notes are an integral part of the financial statements.

MASON COUNTY ACTION GROUP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	IN - HOME SERVICES	SENIOR SERVICES	NUTRITION	TRANSPORTATION	TOTAL PROGRAM EXPENSES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL MGMT/GENERAL FUNDRAISING	TOTAL EXPENSES
EXPENSES									
SALARIES & BENEFITS	\$ 931,148	\$ 24,255	\$ 122,121	\$ 8,191	\$ 1,085,715	\$ 168,159	\$ -	\$ 168,159	\$ 1,253,874
OFFICE SUPPLIES, PRINTING & POSTAGE	8,898	4,124	895	550	14,467	3,047	-	3,047	17,514
UTILITIES	8,638	18,739	2,309	354	30,040	8,934	-	8,934	38,974
TRAVEL AND MEETINGS	23,521	345	-	-	23,866	2,440	-	2,440	26,306
REPAIRS & MAINTENANCE	1,081	157	420	252	1,910	4,555	-	4,555	6,465
FUEL & MAINTENANCE	548	6,796	1,764	770	9,878	1,157	-	1,157	11,035
FOOD, DISPOSABLES, ETC.	-	-	115,798	-	115,798	-	-	-	115,798
LEGAL & PROFESSIONAL	-	-	-	-	-	7,768	-	7,768	7,768
IN-KIND MATCH	3,571	6,344	19,081	-	28,996	-	-	-	28,996
DEPRECIATION	-	-	-	-	-	43,609	-	43,609	43,609
OTHER COSTS	18,449	36,881	3,243	940	59,513	22,235	1,732	23,967	83,480
TOTAL EXPENSES	\$ 995,854	\$ 97,641	\$ 265,631	\$ 11,057	\$ 1,370,183	\$ 261,904	\$ 1,732	\$ 263,636	\$ 1,633,819

The accompanying notes are an integral part of the financial statements.

**MASON COUNTY ACTION GROUP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	IN - HOME SERVICES	NUTRITION	TRANSPORTATION	SENIOR SERVICES	TOTAL PROGRAM EXPENSES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL EXPENSES
EXPENSES								
SALARIES & BENEFITS	\$ 909,339	\$ 95,901	\$ 7,605	\$ 11,244	\$ 1,024,089	\$ -	\$ -	\$ 1,024,089
OFFICE SUPPLIES, PRINTING & POSTAGE	13,433	-	-	275	13,708	353	-	14,061
UTILITIES	6,523	-	-	30,178	36,701	3,961	-	40,662
TRAVEL AND MEETINGS	187	-	-	307	494	147	-	641
FUEL & MAINTENANCE	-	-	1,303	-	1,303	622	-	1,925
FOOD, DISPOSABLES, ETC.	-	118,661	-	-	118,661	-	-	118,661
INSURANCE	-	-	-	4,620	4,620	14	-	4,634
IN-KIND MATCH	3,571	19,345	-	6,344	29,260	-	-	29,260
DEPRECIATION	-	-	-	-	-	49,912	-	49,912
OTHER COSTS	38,367	-	3,009	62,099	103,475	6,033	1,121	110,629
TOTAL DIRECT EXPENSES	971,420	233,907	11,917	115,067	1,332,311	61,042	1,121	1,394,474
INDIRECT COSTS	209,087	19,693	1,617	2,713	233,110	-	-	233,110
TOTAL EXPENSES	\$ 1,180,507	\$ 253,600	\$ 13,534	\$ 117,780	\$ 1,565,421	\$ 61,042	\$ 1,121	\$ 1,627,584

The accompanying notes are an integral part of the financial statements.

MASON COUNTY ACTION GROUP, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (60,902)	\$ (50,016)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	43,609	49,913
(Increase) decrease in:		
Accounts receivable	(11,069)	(4,631)
Inventory	575	515
Prepaid expenses and deposits	6,943	(7,372)
Increase (decrease) in:		
Accounts payable	4,752	(10,200)
Accrued payroll and related taxes	(249)	(4,845)
Accrued annual leave	38,426	3,853
Due to funding source	(1,194)	-
Net cash used by operating activities	20,891	(22,784)
Increase (decrease) in cash and cash equivalents	20,891	(22,784)
Cash and cash equivalents, beginning of year	121,656	144,439
Cash and cash equivalents, end of year	\$ 142,547	\$ 121,656

The accompanying notes are an integral part of the financial statements.

MASON COUNTY ACTION GROUP, INC.
Notes to the Financial Statements
For the Years Ended September 30, 2017 and 2016

NOTE 1: NATURE OF OPERATIONS

The mission of Mason County Action Group, Inc. (the Organization) is to provide services to low income individuals and families in Mason County, WV. The Organization also operates three senior citizens centers throughout Mason County.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are reported in the year earned. Costs and expenses are charged against revenues in the year to which the cost is applicable.

Basis of Presentation

The Organization has adopted the provisions Financial Accounting Standards Codification 958-205 (FASC 958-205), *Not-for-Profit Entities, Presentation of Financial Statements*. Under FASC 958-205, an organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

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

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions.

Contributed Property and Equipment

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

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Advertising

It is the policy of the Organization to expense all advertising costs as incurred. Advertising expense for the years ended September 30, 2017 and 2016 was \$0 and \$0, respectively.

MASON COUNTY ACTION GROUP, INC.
Notes to the Financial Statements (Continued)
For the Years Ended September 30, 2017 and 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Inventory

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

Income Tax Status

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

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Organization, and has concluded that as of September 30, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Organization's Federal Return of Organization Exempt from Income Tax (federal Form 990) for 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Property and Equipment

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Computer and office equipment	3 to 10
Furniture and fixtures	5 to 10
Buildings	27.5

Depreciation expense for the years ended September 30, 2017 and 2016 was \$43,609 and \$49,912, respectively.

MASON COUNTY ACTION GROUP, INC.
Notes to the Financial Statements (Continued)
For the Years Ended September 30, 2017 and 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable consist of private pay, Medicaid and grants. The Organization determines an allowance for uncollectable receivables based on historical activity.

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 196,008	\$184,940
Allowance for uncollectable accounts	<u>(28,521)</u>	<u>(28,251)</u>
Accounts receivable, net	<u>\$ 167,488</u>	<u>\$156,419</u>

NOTE 3: CONCENTRATION OF RISK

The Organization maintains its cash at two financial institutions located in Point Pleasant, West Virginia. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2017 and 2016, the Organization's entire cash balance was collateralized.

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

NOTE 4: LINE OF CREDIT

The Organization entered into a line of credit arrangement with a local financial institution. Outstanding balances are payable on demand and accrue interest at 5.25% for 2017. The note is secured by all assets of the Organization. As of September 30, 2017, there were no outstanding balances.

Interest expense paid during the year ended September 30, 2017 and 2016 totaled \$0 and \$0, respectively.

MASON COUNTY ACTION GROUP, INC.
Notes to the Financial Statements (Continued)
For the Years Ended September 30, 2017 and 2016

NOTE 5: ACCRUED ANNUAL LEAVE

Accrued annual leave includes all obligations for vacation leave at the current rate of employee pay. Employees vest in earned but unused vacation leave up to maximum of 120 hours. At September 30, 2017 and 2016 the liability for accrued annual leave totaled \$60,959 and \$22,533, respectively.

NOTE 6: CONTINGENT LIABILITIES

The Organization's programs are generally funded by 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 reimbursements 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, although management believes such amounts, if any, to be immaterial.

NOTE 7: RISK MANAGEMENT

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

NOTE 8: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 30, 2018, the date which the financial statements were available to be issued, and has determined that no material subsequent events have occurred.

MASON COUNTY ACTION GROUP, INC.
SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - IN-HOME PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	CASE MANAGEMENT	HOMEMAKER	PERSONAL CARE	TITLE III B PERSONAL CARE/ HOMEMAKER	TITLE III E IN-HOME RESPITE	LIGHTHOUSE	FAIR	LIFE LIGHTHOUSE FAIR III B PC & HM	VETERANS	PRIVATE PAY IN-HOME	TOTAL
SUPPORT & REVENUE											
FEDERAL GRANT	\$ -	\$ -	\$ -	\$ 13,118	\$ 10,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,830
STATE GRANT	20,192	414,127	415,536	2,219	-	132,246	36,000	54,926	16,390	-	1,091,636
IN-KIND	-	-	-	-	3,571	-	-	-	-	-	3,571
PROGRAM INCOME	-	-	-	-	-	16,827	6,633	-	-	(209)	23,251
OTHER INCOME	-	-	-	-	-	-	-	-	-	-	-
TOTAL SUPPORT & REVENUE	20,192	414,127	415,536	15,337	14,283	149,073	42,633	54,926	16,390	(209)	1,142,288
EXPENSES											
SALARIES & BENEFITS	16,436	319,460	327,765	6,820	7,126	175,347	62,598	-	15,228	368	931,148
OFFICE SUPPLIES, PRINTING & POSTAGE	772	1,931	3,110	-	-	1,914	1,028	-	143	-	8,898
UTILITIES	649	1,896	2,900	-	-	1,737	1,152	-	304	-	8,638
TRAVEL AND MEETINGS	-	8,377	9,432	86	-	4,105	1,293	-	166	62	23,521
REPAIRS & MAINTENANCE	73	235	369	-	-	240	134	-	30	-	1,081
FUEL AND MAINTENANCE	-	222	326	-	-	-	-	-	-	-	548
IN-KIND	-	-	-	-	3,571	-	-	-	-	-	3,571
OTHER EXPENSES	1,172	4,543	6,956	-	-	3,571	2,037	-	170	-	18,449
TOTAL EXPENSES	19,102	336,664	350,858	6,906	10,697	186,914	68,242	-	16,041	430	995,854
TRANSFER (IN)/OUT	-	-	-	(718)	-	(35,404)	(18,804)	54,926	-	-	-
TOTAL EXPENSES, NET TRANSFERS	19,102	336,664	350,858	6,188	10,697	151,510	49,438	54,926	16,041	430	995,854
NET INCOME (LOSS)	\$ 1,090	\$ 77,463	\$ 64,678	\$ 9,149	\$ 3,586	\$ (2,437)	\$ (6,805)	\$ -	\$ 349	\$ (639)	\$ 146,434

MASON COUNTY ACTION GROUP, INC.
SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - NUTRITION PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	TITLE III C 1	TITLE III C 2	LIFE III C 1 & III C 2	TOTAL
SUPPORT & REVENUE				
FEDERAL GRANT	\$ 40,453	\$ 64,914	\$ -	\$ 105,367
STATE GRANT	30,969	46,454	48,975	126,398
IN-KIND	7,632	11,449	-	19,081
PROGRAM INCOME	9,123	18,374	-	27,497
DONATIONS	790	20,746	-	21,536
TOTAL SUPPORT & REVENUE	88,967	161,937	48,975	299,879
EXPENSES				
SALARIES AND BENEFITS	50,580	71,541	-	122,121
OFFICE SUPPLIES, PRINTING & POSTAGE	354	541	-	895
UTILITIES	1,701	608	-	2,309
REPAIRS & MAINTENANCE	250	170	-	420
FOOD, DISPOSABLES	48,981	66,817	-	115,798
FUEL & MAINTENANCE	-	1,764	-	1,764
IN-KIND	7,632	11,449	-	19,081
OTHER EXPENSES	2,214	1,029	-	3,243
TOTAL EXPENSES	111,712	153,919	-	265,631
TRANSFER (IN)/OUT	(9,938)	(39,037)	48,975	-
TOTAL EXPENSES, NET TRANSFERS	101,774	114,882	48,975	265,631
NET INCOME (LOSS)	\$ (12,807)	\$ 47,055	\$ -	\$ 34,248

MASON COUNTY ACTION GROUP, INC.
SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - TRANSPORTATION PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	III B TRANSPORTATION	TOTAL
SUPPORT & REVENUE		
FEDERAL GRANT	\$ 2,350	\$ 2,350
STATE GRANT	8,376	8,376
IN-KIND	-	-
PROGRAM INCOME	331	331
OTHER INCOME	-	-
TOTAL SUPPORT & REVENUE	11,057	11,057
EXPENSES		
SALARIES AND BENEFITS	8,191	8,191
OFFICE SUPPLIES, PRINTING & POSTAGE	550	550
UTILITIES	354	354
REPAIR & MAINTENANCE	252	252
FUEL & MAINTENANCE	770	770
OTHER COSTS	940	940
TOTAL EXPENSES	11,057	11,057
TRANSFER (IN)/OUT	-	-
TOTAL EXPENSES, NET TRANSFERS	\$ 11,057	\$ 11,057
NET INCOME (LOSS)	-	-

MASON COUNTY ACTION GROUP, INC.
SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - SENIOR SERVICE PROGRAMS
FOR THE YEAR SEPTEMBER 30, 2017

	TITLE III B - SR SVCS	TITLE III D	LIFE	SHIP/SMP	TOTAL
SUPPORT & REVENUE					
FEDERAL GRANT	\$ 18,109	\$ 2,392	\$ -	\$ 7,500	\$ 28,001
STATE GRANT	2,032	144	65,939	-	68,115
IN-KIND	5,922	422	-	-	6,344
PROGRAM INCOME	-	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL SUPPORT & REVENUE	26,063	2,958	65,939	7,500	102,460
EXPENSES					
SALARIES & BENEFITS	19,562	2,137	-	2,556	24,255
OFFICE SUPPLIES, PRINTING & POSTAGE	219	174	3,685	46	4,124
UTILITIES	-	-	18,700	39	18,739
TRAVEL & MEETINGS	-	180	149	16	345
REPAIRS & MAINTENANCE	150	-	-	7	157
FUEL & MAINTENANCE	-	-	6,796	-	6,796
IN-KIND	5,922	422	-	-	6,344
OTHER EXPENSES	210	45	36,609	17	36,881
TOTAL EXPENSES	26,063	2,958	65,939	2,681	97,641
TRANSFER (IN)/OUT	-	-	-	-	-
TOTAL EXPENSES, NET TRANSFERS	26,063	2,958	65,939	2,681	97,641
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ 4,819	\$ 4,819

MASON COUNTY ACTION GROUP, INC.
SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - MANAGEMENT & GENERAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL
SUPPORT & REVENUE			
STATE GRANTS	\$ -	\$ -	\$ -
FUNDRAISING	-	8,050	8,050
DONATIONS	8,913	-	8,913
OTHER INCOME	270	-	270
TOTAL SUPPORT & REVENUE	9,183	8,050	17,233
EXPENSES			
SALARIES & BENEFITS	168,159	-	168,159
OFFICE SUPPLIES, PRINTING & POSTAGE	3,047	-	3,047
UTILITIES	8,934	-	8,934
TRAVEL AND MEETINGS	2,440	-	2,440
REPAIRS & MAINTENANCE	4,555	-	4,555
FUEL & MAINTENANCE	1,157	-	1,157
LEGAL & PROFESSIONAL	7,768	-	7,768
DEPRECIATION	43,609	-	43,609
OTHER COSTS	22,235	1,732	23,967
TOTAL EXPENSES	261,904	1,732	263,636
TRANSFER (IN)/OUT	-	-	-
TOTAL EXPENSES, NET TRANSFERS	261,904	1,732	263,636
NET INCOME (LOSS)	\$ (252,721)	\$ 6,318	\$ (246,403)

MASON COUNTY COMMUNITY ACTION GROUP, INC.
SCHEDULE OF FEDERAL AND STATE AWARDS
SEPTEMBER 30, 2017 AND 2016

GRANTOR	CFDA NUMBER	TERM	FEDERAL AWARD	STATE AWARD	TOTAL		IN-KIND MATCH	TOTAL AWARD	TOTAL EXPENSES
					FEDERAL & STATE AWARD				
METRO AREA AGENCY ON AGING									
TITLE III B	93.044	10/01/2016 - 09/30/2017	\$ 33,578	\$ 12,627	\$ 46,205	\$ 5,922	\$ 52,127	\$ 44,026	
TITLE III C	93.045	10/01/2016 - 09/30/2017	108,190	77,423	185,613	19,081	204,694	201,871	
TITLE III D	93.043	10/01/2016 - 09/30/2017	2,392	144	2,536	422	2,958	2,958	
TITLE III E	93.052	10/01/2016 - 09/30/2017	10,712	-	10,712	3,571	14,283	14,283	
LIFE		07/01/2016 - 06/30/2017	-	174,712	174,712	-	174,712	174,712	
LIFE		07/01/2017 - 06/30/2018	-	180,712	180,712	-	180,712	10,575	
LIGHTHOUSE & FAIR IN HOME		07/01/2016 - 06/30/2017	-	158,077	158,077	-	158,077	158,077	
LIGHTHOUSE & FAIR IN HOME		07/01/2017 - 06/30/2018	-	148,077	148,077	-	148,077	60,736	
TOTAL			\$ 154,872	\$ 751,772	\$ 906,644	\$ 28,996	\$ 935,640	\$ 667,238	



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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

April 30, 2018

Mason County Action Group, Inc.
PO Box 12
Point Pleasant, WV 25550

To the Board of Directors:

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 **Mason County Action Group, Inc.**, (a non-profit organization) (the Organization), which comprise the statements of financial position as of September 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 30, 2018.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

We noted a certain matter not requiring inclusion in this report that we reported to the Organization's management in a separate letter dated April 30, 2018.

Purpose of This Report

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



Perry and Associates
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MANAGEMENT LETTER

April 30, 2018

Mason County Action Group
PO Box 12
Point Pleasant, WV 25550

To the Board of Trustees:

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the financial statements of **Mason County Action Group, Inc.**, (the Organization), as of and for the year ended September 30, 2017 and have issued our report thereon dated April 30, 2018.

Government Auditing Standards also requires that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance and significant deficiencies in internal controls. We have issued the required report dated April 30, 2018, for the year ended September 30, 2017.

We are also submitting for your consideration the following comment on the Organization's compliance with applicable laws and regulations and on its internal controls. This comment reflects matters that, while in our opinion do not represent a material instance of noncompliance or a significant deficiency in internal controls, we believe represents a matter for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendation suggested below. However, this comment reflects our continuing desire to assist your government. If you have any questions or concerns regarding this comment, please do not hesitate to contact us.

NONCOMPLIANCE

1. Capital Asset Policy

The Organization should develop and implement written policies and procedures for identifying and recording capital assets. This policy should, at a minimum: define capital assets; establish capitalization thresholds (which may vary depending on the type of asset), useful lives, method of depreciation, and methods to be used in tracking capital asset additions and disposals; outline procedures for assigning assets to programs, and identifying the information which must be maintained for each asset for reporting in the Organization's financial statements.

Per CFR (Code of Federal Regulations) Section 200

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NONCOMPLIANCE (CONTINUED)

1. Capital Asset Policy (Continued)

200.12 Capital Assets

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

(a) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and

(b) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

200.13 Capital Expenditures

Capital expenditures means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

The Organization's Board approved a new cost allocation plan in which the cost of equipment, furniture, computers, and computer software are allocated directly to grants or programs if readily available. Costs for these items that benefit more than one grant or program will be allocated to those programs as based on the ratio of each grant's or program's administrative staff to the total of all such administrative staff. Also included in the new cost allocation plan is the organization's new policy on depreciation expense which states that depreciated equipment and other items in past years will remain on the depreciation schedule until the depreciation is expended and will no longer depreciate equipment or items when the equipment or items are acquired and expended in the same year. These policy changes are not in accordance with *Generally Accepted Accounting Principles*.

We recommend the Organization develop and implement written capital asset policies, procedures and depreciation in accordance with *Generally Accepted Accounting Principles*. This will ensure that similar transactions are treated consistently, accounting principles used are proper, records are produced in the form desired by management, and that amounts recorded on the Organization's financial statements are complete and accurate.

This comment is intended for the information and use of the Organization Board of Trustees, management and others within the Organization and are not intended to be and should not be used by anyone other than these specified parties.



Perry & Associates

Certified Public Accountants, A.C.
Marietta, Ohio