

Midland County  
Council on Aging  
Midland, MI



SENIOR SERVICES  
Better Living Starts Here

Year Ended  
September 30,  
2017

Financial  
Statements and  
Supplementary  
Information

# MIDLAND COUNTY COUNCIL ON AGING

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**INDEPENDENT AUDITORS' REPORT**

February 13, 2018

To the Board of Directors  
Midland County Council on Aging  
Midland, Michigan

We have audited the accompanying financial statements of *Midland County Council on Aging*, a Michigan not-for-profit corporation, which comprise the statement 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.

*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 the financial statements that are free from material misstatement, whether due to fraud or error.

*Independent Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor 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 *Midland County Council on Aging* as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



# MIDLAND COUNTY COUNCIL ON AGING

## Statement of Financial Position September 30, 2017

<b>Assets</b>	
Cash and cash equivalents	\$ 1,828,500
Investments	7,650,224
Accounts receivable:	
Region VII Area Agency on Aging	53,132
Customer	86,472
Other	4,773
Promise to give	600,000
Inventory	23,062
Prepaid expenses	70,038
Property and equipment, net	<u>4,232,823</u>
<b>Total assets</b>	<b><u>\$ 14,549,024</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 60,005
Accrued payroll, vacation and sick pay	129,095
Client deposits	5,508
Unearned revenue	<u>5,813</u>
<b>Total liabilities</b>	<b><u>200,421</u></b>
<b>Net assets</b>	
Unrestricted:	
Investment in property and equipment	4,232,823
Board designated	8,962,042
Undesignated	<u>499,991</u>
<b>Total unrestricted</b>	<b><u>13,694,856</u></b>
Temporarily restricted:	
Sanford Building Project	600,039
Coleman Center	2,743
Charles Campbell	11,842
HH Dow	15,154
Advanced Care Planning	15,895
Meals on Wheels of America	<u>8,074</u>
<b>Total temporarily restricted</b>	<b><u>653,747</u></b>
<b>Total net assets</b>	<b><u>14,348,603</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 14,549,024</u></b>

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

# MIDLAND COUNTY COUNCIL ON AGING

## Statement of Activities

For the Year Ended September 30, 2017

	Unrestricted	Temporarily Restricted	Total
Support, revenues, and gains			
Midland County Millage	\$ 3,407,356	\$ -	\$ 3,407,356
Grants:			
Older Americans Act	-	332,837	332,837
Nutritional Services Incentive Program (NSIP)	-	128,079	128,079
Other grants through Area Agency on Aging (AAA)	-	74,565	74,565
Office of Services to the Aging (OSA)	-	125,065	125,065
Program income	1,031,616	-	1,031,616
United Way	-	75,538	75,538
Interest and investment income	169,007	-	169,007
Unrealized investment gain	614,217	-	614,217
Private contributions and grants	16,872	652,929	669,801
Other revenue	233,827	-	233,827
Total support, revenues, and gains	5,472,895	1,389,013	6,861,908
Net assets released from restrictions	798,177	(798,177)	-
Total support, revenue, gains, and reclassifications	6,271,072	590,836	6,861,908
Expenses			
Program services:			
Access	1,448,144	-	1,448,144
In home	368,991	-	368,991
Nutrition	1,153,237	-	1,153,237
Adult day	942,322	-	942,322
Other	182,041	-	182,041
Total program services	4,094,735	-	4,094,735
Supporting services:			
Management and general	948,719	-	948,719
Computer network	2,148	-	2,148
Building occupancy	94,487	-	94,487
Fund Development	48,817	-	48,817
Total supporting services	1,094,171	-	1,094,171
Total expenses	5,188,906	-	5,188,906
Change in net assets	1,082,166	590,836	1,673,002
Net assets, beginning of year	12,612,690	62,911	12,675,601
Net assets, end of year	\$ 13,694,856	\$ 653,747	\$ 14,348,603

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

# MIDLAND COUNTY COUNCIL ON AGING

## Statement of Functional Expenses

For the Year Ended September 30, 2017

	Program Services					
	Access	In Home	Nutrition	Adult Day	Other	Total
Salaries and related expenses						
Salaries	\$ 685,360	\$ 282,549	\$ 489,397	\$ 509,788	\$ 84,238	\$ 2,051,332
Payroll taxes and insurance	57,088	27,821	42,777	42,449	6,917	177,052
Employee benefits - health and retirement	100,035	23,338	71,933	88,915	9,001	293,222
<b>Total salaries and related expenses</b>	<b>842,483</b>	<b>333,708</b>	<b>604,107</b>	<b>641,152</b>	<b>100,156</b>	<b>2,521,606</b>
Other expenses						
Professional services and fees	33,111	1,513	-	4,340	26,966	65,930
Supplies	56,935	958	56,821	17,259	17,328	149,301
Communications	26,482	826	1,475	4,961	840	34,584
Rent	14,400	-	-	-	-	14,400
Travel and vehicle expense	77,539	24,139	64,217	858	6,340	173,093
Repair and maintenance	17,127	-	-	5,226	-	22,353
Conferences and meetings	2,898	769	494	4,878	-	9,039
Assistance	15,800	-	-	-	-	15,800
Food	1,103	-	417,530	9,132	-	427,765
Utilities	24,088	-	-	-	-	24,088
Other	120,482	2,525	-	1,642	13,142	137,791
<b>Total other expenses</b>	<b>389,965</b>	<b>30,730</b>	<b>540,537</b>	<b>48,296</b>	<b>64,616</b>	<b>1,074,144</b>
<b>Total expenses before allocations and depreciation</b>	<b>1,232,448</b>	<b>364,438</b>	<b>1,144,644</b>	<b>689,448</b>	<b>164,772</b>	<b>3,595,750</b>
Allocations:						
Occupancy and network	116,668	3,965	35,235	82,482	10,998	249,348
Food and labor	-	-	(36,965)	36,965	-	-
Depreciation	99,028	588	10,323	133,427	6,271	249,637
<b>Total expenses</b>	<b>\$ 1,448,144</b>	<b>\$ 368,991</b>	<b>\$ 1,153,237</b>	<b>\$ 942,322</b>	<b>\$ 182,041</b>	<b>\$ 4,094,735</b>

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

Supporting Services					
Management and General	Computer Network	Building Occupancy	Fund Development	Total	Total
\$ 441,017	\$ 17,026	\$ 110,599	\$ 33,979	\$ 602,621	\$ 2,653,953
35,218	1,379	10,527	2,745	49,869	226,921
70,906	2,045	15,903	3,400	92,254	385,476
547,141	20,450	137,029	40,124	744,744	3,266,350
57,164	6,141	51,810	-	115,115	181,045
27,498	124	10,430	3,046	41,098	190,399
10,346	-	1,182	365	11,893	46,477
-	-	-	-	-	14,400
1,461	2	474	584	2,521	175,614
1,833	27	17,369	-	19,229	41,582
1,830	-	110	2,236	4,176	13,215
-	-	-	-	-	15,800
-	-	373	-	373	428,138
-	-	100,803	-	100,803	124,891
39,569	17,761	6,149	322	63,801	201,592
139,701	24,055	188,700	6,553	359,009	1,433,153
686,842	44,505	325,729	46,677	1,103,753	4,699,503
35,330	(44,505)	(241,982)	1,809	(249,348)	-
-	-	-	-	-	-
226,547	2,148	10,740	331	239,766	489,403
\$ 948,719	\$ 2,148	\$ 94,487	\$ 48,817	\$ 1,094,171	\$ 5,188,906

# MIDLAND COUNTY COUNCIL ON AGING

## Statement of Cash Flows

For the Year Ended September 30, 2017

Cash flows from operating activities	
Change in net assets	\$ 1,673,002
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	489,403
Loss on disposal of property and equipment	101,254
Unrealized gain on investments	(614,217)
Changes in operating assets and liabilities which provided (used) cash:	
Accounts receivable	11,169
Inventory	8,711
Prepaid expenses	2,053
Accounts payable	6,810
Accrued payroll, vacation and sick pay	(8,948)
Client deposits	(1,164)
Unearned revenue	(2,225)
Net cash provided by operating activities	<u>1,665,848</u>
Cash flows from investing activities	
Purchase of investments	(1,073,181)
Purchases of property and equipment	(104,418)
Net cash used in investing activities	<u>(1,177,599)</u>
Cash flows used in financing activities	
Promise to give for capital projects	<u>(600,000)</u>
Net decrease in cash and cash equivalents	(111,751)
Cash and cash equivalents, beginning of year	<u>1,940,251</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,828,500</u></u>

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



# MIDLAND COUNTY COUNCIL ON AGING

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activity

Midland County Council on Aging (the “Council”) was organized as a not-for-profit organization for the purpose of providing information on services and programs available to older adults. The Council also determines the needs of older adults, informs the public of those needs, performs general advocacy, and develops and coordinates programs and projects to meet the needs of the older adults of Midland County, Michigan.

Funding for the Council is received through a property tax, United Way allocation, program income, contributions and various grants, including the Region VII Area Agency on Aging (“Agency”) under Title III. The Council has an agreement with the Agency whereby the Council agrees to obtain a specified percentage of local matching revenue to qualify for funding.

Descriptions of the various programs are as follows:

**Access Services** - Includes information, referral, transportation and care coordination services and provides clients with an avenue to other community services.

**In Home Services** - Encompasses such services as homemaking, personal care and respite services provided to clients within their own homes.

**Nutrition Services** - Provides well-balanced meals to older adults at Council centers or delivered to clients’ homes.

**Seasons Adult Day Services** - Provides a warm and secure daytime environment that enhances the cognitive, social, and emotional needs of those with Alzheimer’s disease and related illnesses, while providing respite for family caregivers.

**Other Services** - These services include caregiver training, marketing, home repair, handyman services, fitness center and education resource development.

#### Basis of Presentation

The Council reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted net assets result from donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements. Permanently restricted net assets result from donor-imposed restrictions that require the related assets to be maintained in perpetuity. At September 30, 2017, the Council had no permanently restricted net assets.

#### Cash and Cash Equivalents

The Council considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

# MIDLAND COUNTY COUNCIL ON AGING

## Notes to Financial Statements

### Concentration of Credit Risk

The Council maintains all of its cash, cash equivalents and certificates of deposit balances in four financial institutions located in Midland, Michigan. The balances are collateralized or insured by the U.S. Government and the Federal Deposit Insurance Corporation up to \$250,000 per institution. At September 30, 2017, the Council's total bank balance of \$1,854,678 was fully insured. Management believes the Council is not exposed to any significant interest rate or other financial risk on these deposits.

### Investments

Investments are reported at their fair values as determined by quoted market prices. Realized gains and losses on sales of investments are determined using the average cost method. Unrealized investment gains and losses are included in the change in unrestricted net assets.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

### Accounts Receivable

Accounts receivable consists of amounts due from Region VII Area Agency on Aging and from clients for services provided and are stated at the amount management expects to collect from outstanding balances. Based on their assessment of the credit history with clients having outstanding balances and current relationships with them, management has concluded that realized losses on balances outstanding at year-end will not be significant, and thus no allowance is required.

### Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data such as the Council's own data. The Council utilizes fair value measurements to record fair value adjustments to its investments securities and to determine fair value disclosures. These assets are recorded at fair value on a recurring basis. For further discussion on Fair Value Measurements, refer to Note 2.

### Income Taxes

The Council is a not-for-profit organization, exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and exempt from similar state and local taxes, and is classified as an organization other than a private foundation, as described in section 509(a). Although the Council was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income." Such income, pursuant to the Internal Revenue Code and related regulations, includes investment income such as interest received from sources other than directly from the service.

The Council analyzes its filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. The Council also treats interest and penalties attributable to income taxes, and reflects any charges for such, to the extent they arise, as a component of its management and general expenses.

# MIDLAND COUNTY COUNCIL ON AGING

## Notes to Financial Statements

The Council has evaluated its income tax filing positions for the years 2014 through 2017, the years which remain subject to examination by major tax jurisdiction as of September 30, 2017. The Council concluded that there are no significant uncertain tax positions requiring recognition in the Council's financial statements. The Council does not expect the total amount of unrecognized tax benefits ("UTB") (e.g., tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next 12 months. The Council does not have any amounts accrued for interest penalties related to UTBs at September 30, 2017, and it is not aware of any claims for such amounts by federal or state income tax authorities.

### Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met.

### Inventory

Inventory consists of items for the Council's Nutrition Services program and is stated at cost, determined by first-in, first-out method.

### Property and Equipment and Depreciation

Property and equipment are stated at cost. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management reviews these assets to determine whether carrying values have been impaired.

The Council follows the practice of capitalizing all expenses for land, buildings, and equipment in excess of \$1,000; donated property and equipment are capitalized at estimated fair value at date of the donation.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 40 years.

The Council holds title to all property and equipment presented in the financial statements, although certain property and equipment has been funded by County, State and Federal sources.

The land at 4700 Dublin Avenue is being leased from the City of Midland for an annual rent of one dollar, through August 28, 2050, self-renewing every 5 years thereafter for an additional term of 25 years. The fair value of the land has not been determined.

### Revenue Recognition

Program income is recognized as services are rendered.

County voted millage revenues are recognized on a monthly basis as allocations are received from Midland County, which approximates the amount levied.

Grant revenue is recognized and earned when actual expenditures are incurred which meet the specific terms of each grant.

Investment income is recognized as earned.

# MIDLAND COUNTY COUNCIL ON AGING

## Notes to Financial Statements

### Restricted and Unrestricted Revenue and Support

Contributions, including unconditional promises to give are recorded when received, as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose for restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

### Donated Services

No amounts have been reflected in the accompanying financial statements for donated services, as these services do not meet the criteria for recognition in the financial statements. The Council pays for most services requiring specific expertise. However, many individuals volunteer significant amounts of time in the Council's program services.

### Functional Allocation of Expenses

Salaries and related expenses are allocated to the various programs and supporting services based on staff time spent on particular functions. Direct costs are allocated, where possible, to specific functions. Occupancy costs for the Dublin Avenue Building are allocated to applicable programs based on square footage.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the year. Actual results could differ from those estimates.

### Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to September 30, 2017, the most recent statement of financial position presented herein, through February 13, 2018, the date these financial statements were available to be issued. No such significant events or transactions have been identified.

# MIDLAND COUNTY COUNCIL ON AGING

## Notes to Financial Statements

### 2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market that the Council has the ability to access.

Level 2: Inputs to the valuation methodology include:

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

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

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

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

The following is a description of the valuation methodologies used for certain assets recorded at fair value at September 30, 2017.

Certificates of deposit: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. All such investments are considered Level 2.

Mutual funds: Fair value measurement for the Council's mutual funds are based upon quoted prices for identical instruments traded in active markets; accordingly, all such investments are considered Level 1.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# MIDLAND COUNTY COUNCIL ON AGING

## Notes to Financial Statements

The table below presents the recorded amount of assets measured at fair value on a recurring basis as of September 30, 2017.

	Level 1	Level 2	Total
Investments			
Mutual funds	\$ 5,568,349	\$ -	\$ 5,568,349
Certificates of deposit	-	2,081,875	2,081,875
Total investments	<u>\$ 5,568,349</u>	<u>\$ 2,081,875</u>	<u>\$ 7,650,224</u>

### 3. PROMISES TO GIVE

At September 30, 2017, promises to give consisted of \$600,000 from the Herbert H. and Grace A. Dow Foundation to construct a new Sanford Senior Center, and develop an inter-generational park and recreation area collaboration with Jerome Township. The total amount is to be received in two payments of \$300,000 in December 2017 and December 2018. This is multi-year pledge has not been discounted as management has determined the discount amount to be insignificant as of September 30, 2017.

### 4. PROPERTY AND EQUIPMENT, NET

Property and equipment and related accumulated depreciation as of September 30, 2017, are as follows:

Land	\$ 430,169
Buildings	7,949,116
Equipment	707,186
Software	46,008
Furniture and fixtures	746,461
Vehicles	<u>482,808</u>
Total	10,361,748
Less accumulated depreciation	<u>(6,128,925)</u>
Property and equipment, net	<u>\$ 4,232,823</u>

Depreciation expense charged to operations for the year ended September 30, 2017 amounted to \$489,403.

### 5. NET ASSETS DESIGNATIONS

Portions of net assets are segregated for future use, and are, therefore, not considered available for current appropriation or expenditure. Board designations of unrestricted net assets indicate the Council's tentative plans for use of financial resources in a future period.

Board designated net assets at September 30, 2017, are designated for the following purposes:

Future building maintenance	\$ 4,845,923
Care management program match for out of county services	82,424
Strategic initiative reserve	100,000
Operations reserve	2,417,000
Future bus for Seasons Adult Day Care	7,500
Sanford building project	1,500,000
Copier purchase	<u>9,195</u>
Total	<u>\$ 8,962,042</u>

# MIDLAND COUNTY COUNCIL ON AGING

## ■ Notes to Financial Statements

### 6. COUNTY VOTED MILLAGE

The voted maximum allowable millage of .9000 mills is effective for the period of January 1, 2014 to December 31, 2017. The current levy as of September 30, 2017 is .9000 mills. The property tax revenue and related expenses are subject to review and audit by the County of Midland. The levy for the next fiscal year, September 30, 2018, will be .8500 mills.

### 7. FEDERAL AND STATE GRANTS

The Council has received various federal and state grants through the Region VII Area Agency on Aging and Office of Services to the Aging, which are subject to review and audit by the grantor agencies. While such audits could generate expenditure disallowance under terms of the grants, management believes that any disallowed expenditures, if any, and required grant reimbursements would not be material.

### 8. OPERATING LEASES

The Council rents office space and other facilities under various agreements which are accounted for as operating leases. All lease agreements are cancelable with either ninety (90) or sixty (60) days notice. Net rental expense was \$14,400 for the year ended September 30, 2017.

### 9. RETIREMENT PLAN

The Council maintains a deferred compensation plan qualifying under Internal Revenue Code Section 401(k). The 401(k) plan covers employees who have completed one year of service with a minimum of 1,000 hours per year. Employees are permitted to contribute into the retirement plan up to a maximum determined by the Internal Revenue Code. The Council makes contributions based on a percentage of eligible wages as defined in the plan. Employer contributions for the year ended September 30, 2017, were \$132,633.



**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

February 13, 2018

To the Board of Directors  
Midland County Council on Aging  
Midland, Michigan

We have audited the financial statements of *Midland County Council on Aging* as of and for the year ended September 30, 2017, and have issued our report thereon dated February 13, 2018, which expressed an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Rehmann Robson LLC".



## SUPPLEMENTARY INFORMATION

# MIDLAND COUNTY COUNCIL ON AGING

## Schedule of Functional Expenses - Access Services For the Year Ended September 30, 2017

	Volunteers and Community Outreach	Newspaper	Transportation
Salaries and related expenses			
Salaries	\$ 51,221	\$ 28,544	\$ 66,908
Payroll taxes and insurance	4,087	2,333	5,407
Employee benefits - health and retirement	10,672	2,997	10,225
<b>Total salaries and related expenses</b>	<b>65,980</b>	<b>33,874</b>	<b>82,540</b>
Other expenses			
Professional services and fees	100	-	-
Supplies	2,183	14,403	1,590
Communications	489	10,861	3,790
Rent	-	-	-
Travel and vehicle expense	5,555	19	45,732
Repair and maintenance	-	-	-
Conferences and meetings	185	-	-
Assistance	-	-	-
Food	-	-	1,103
Utilities	-	-	-
Other	4,825	72	966
<b>Total other expenses</b>	<b>13,337</b>	<b>25,355</b>	<b>53,181</b>
<b>Total expenses before allocations and depreciation</b>	<b>79,317</b>	<b>59,229</b>	<b>135,721</b>
Allocations:			
Occupancy and network	1,930	3,884	28,660
Depreciation	288	288	46,224
<b>Total expenses</b>	<b>\$ 81,535</b>	<b>\$ 63,401</b>	<b>\$ 210,605</b>

See independent auditors' report on supplementary information.



Care Coordination	Dining and Activities Centers	Total Access Services
\$ 421,950	\$ 116,737	\$ 685,360
34,725	10,536	57,088
<u>73,146</u>	<u>2,995</u>	<u>100,035</u>
<u>529,821</u>	<u>130,268</u>	<u>842,483</u>
13,739	19,272	33,111
2,895	35,864	56,935
6,137	5,205	26,482
-	14,400	14,400
25,108	1,125	77,539
-	17,127	17,127
2,485	228	2,898
15,800	-	15,800
-	-	1,103
-	24,088	24,088
<u>1,329</u>	<u>113,290</u>	<u>120,482</u>
<u>67,493</u>	<u>230,599</u>	<u>389,965</u>
597,314	360,867	1,232,448
20,496	61,698	116,668
<u>3,766</u>	<u>48,462</u>	<u>99,028</u>
<u>\$ 621,576</u>	<u>\$ 471,027</u>	<u>\$ 1,448,144</u>

# MIDLAND COUNTY COUNCIL ON AGING

## Schedule of Functional Expenses - Nutrition Services For the Year Ended September 30, 2017

	Dining Center Lunches	Meals on Wheels	Total Nutrition Services
Salaries and related expenses			
Salaries	\$ 192,089	\$ 297,308	\$ 489,397
Payroll taxes and insurance	16,425	26,352	42,777
Employee benefits - health and retirement	32,002	39,931	71,933
<b>Total salaries and related expenses</b>	<b>240,516</b>	<b>363,591</b>	<b>604,107</b>
Other expenses			
Supplies	11,962	44,859	56,821
Communications	682	793	1,475
Travel and vehicle expense	4,250	59,967	64,217
Conferences and meetings	244	250	494
Food	127,970	289,560	417,530
<b>Total other expenses</b>	<b>145,108</b>	<b>395,429</b>	<b>540,537</b>
<b>Total expenses before allocations and depreciation</b>	<b>385,624</b>	<b>759,020</b>	<b>1,144,644</b>
Allocations:			
Occupancy and network	10,712	24,523	35,235
Food and labor	(39,953)	2,988	(36,965)
Depreciation	3,345	6,978	10,323
<b>Total expenses</b>	<b>\$ 359,728</b>	<b>\$ 793,509</b>	<b>\$ 1,153,237</b>

See independent auditors' report on supplementary information.

# MIDLAND COUNTY COUNCIL ON AGING

## Schedule of Functional Expenses - Other Services For the Year Ended September 30, 2017

	Caregiver Training	Marketing	Home Repair
Salaries and related expenses			
Salaries	\$ 16,806	\$ 12,568	\$ -
Payroll taxes and insurance	1,319	1,024	-
Employee benefits - health and retirement	3,057	1,437	-
<b>Total salaries and related expenses</b>	<b>21,182</b>	<b>15,029</b>	<b>-</b>
Other expenses			
Professional services and fees	40	3,802	21,500
Supplies	-	1,664	-
Communications	200	44	-
Travel and vehicle expense	45	15	-
Other	548	11,169	-
<b>Total other expenses</b>	<b>833</b>	<b>16,694</b>	<b>21,500</b>
<b>Total expenses before allocations and depreciation</b>	<b>22,015</b>	<b>31,723</b>	<b>21,500</b>
Allocations:			
Occupancy and network	1,632	435	-
Depreciation	-	-	-
<b>Total expenses</b>	<b>\$ 23,647</b>	<b>\$ 32,158</b>	<b>\$ 21,500</b>

See independent auditors' report on supplementary information.



Handyman Services	Fitness Center	Education Resource Development	Total Other Services
\$ -	\$ -	\$ 54,864	\$ 84,238
-	-	4,574	6,917
-	-	4,507	9,001
-	-	63,945	100,156
-	-	1,624	26,966
14,356	-	1,308	17,328
14	44	538	840
3,875	-	2,405	6,340
52	470	903	13,142
18,297	514	6,778	64,616
18,297	514	70,723	164,772
-	2,644	6,287	10,998
-	-	6,271	6,271
<u>\$ 18,297</u>	<u>\$ 3,158</u>	<u>\$ 83,281</u>	<u>\$ 182,041</u>

MIDLAND COUNTY COUNCIL ON AGING

Combining Schedule of Assets and Liabilities  
 Federal/State Grant Funds  
 September 30, 2017

	Title IIIB Funds	Title IIIC-1 and Title IIIC-2 Funds	Title IIIE Funds
<b>Assets</b>			
Accounts receivable:			
Region VII Area Agency on Aging	\$ 10,070	\$ 11,204	\$ 43
<b>Liabilities</b>			
Accounts payable	\$ 10,070	\$ 11,204	\$ 43

See independent auditors' report on supplementary information.



Care Management Funds	NSIP Funds	Adult Day Care Funds	HCFA - TCM Funds	Total Federal/ State Grant Funds
<u>\$ 7,997</u>	<u>\$ 10,761</u>	<u>\$ 5,754</u>	<u>\$ 7,303</u>	<u>\$ 53,132</u>
<u>\$ 7,997</u>	<u>\$ 10,761</u>	<u>\$ 5,754</u>	<u>\$ 7,303</u>	<u>\$ 53,132</u>



# MIDLAND COUNTY COUNCIL ON AGING

## Combining Schedule of Revenues, Expenses and Changes in Net Assets

Federal/State Grant Funds

For the Year Ended September 30, 2017

	Title IIIB Funds	Title IIIC-1 and Title IIIC-2 Funds	Title IIIE Funds
<b>Revenues</b>			
Federal/State	\$ 101,386	\$ 231,451	\$ 19,220
Federal - NSIP	-	78,574	-
Program income	3,863	118,770	50
Targeted case management	-	-	-
Local match	11,264	25,717	2,136
Other resources	45,183	21,948	660
<b>Total revenues</b>	<b>161,696</b>	<b>476,460</b>	<b>22,066</b>
<b>Expenses</b>			
Salaries	110,561	129,818	14,206
Fringe benefits	23,534	23,213	4,404
Travel	8,180	28,080	-
Supplies	284	28,366	2,127
Occupancy	5,705	26,085	829
Communications	710	-	-
Other	12,722	1,000	500
Food	-	239,898	-
<b>Total expenses</b>	<b>161,696</b>	<b>476,460</b>	<b>22,066</b>
<b>Change in net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditors' report on supplementary information.



Care Management Funds	Adult Day Care Funds	Total Federal/ State/Local Grant Funds
\$ 125,065	\$ 55,345	\$ 532,467
-	-	78,574
21	-	122,704
18,386	-	18,386
13,896	6,150	59,163
4,682	2,597	75,070
<u>162,050</u>	<u>64,092</u>	<u>886,364</u>
110,908	45,808	411,320
28,238	7,820	87,229
12,292	-	48,552
1,473	4,322	36,596
1,524	6,142	40,285
2,028	-	2,738
5,587	-	19,835
-	-	239,898
<u>162,050</u>	<u>64,092</u>	<u>886,475</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# MIDLAND COUNTY COUNCIL ON AGING

## Schedule of Revenues and Expenses - Budget and Actual

Title IIIB - Transportation, Case Coordination and Support,  
Homemaking, and Respite Care  
For the Year Ended September 30, 2017

	Transportation		
	Budget	Actual	Actual Over (Under) Budget
<b>Revenues</b>			
Federal/State	\$ 14,001	\$ 13,997	\$ (4)
Program income	200	20	(180)
Local match	1,556	1,555	(1)
Other resources	15,929	16,114	185
<b>Total revenues</b>	<u>\$ 31,686</u>	<u>\$ 31,686</u>	<u>\$ -</u>
<b>Expenses</b>			
Salaries	\$ 10,901	\$ 10,901	\$ -
Fringe benefits	3,379	3,379	-
Travel	562	562	-
Supplies	200	200	-
Occupancy	3,212	3,212	-
Communications	710	710	-
Other	12,722	12,722	-
<b>Total expenses</b>	<u>\$ 31,686</u>	<u>\$ 31,686</u>	<u>\$ -</u>

See independent auditors' report on supplementary information.



Case Coordination and Support			Homemaking		
Budget	Actual	Actual Over (Under) Budget	Budget	Actual	Actual Over (Under) Budget
\$ 33,635	\$ 33,635	\$ -	\$ 38,316	\$ 38,316	\$ -
100	31	(69)	300	2,791	2,491
3,737	3,737	-	4,257	4,257	-
23,300	23,369	69	5,463	2,972	(2,491)
<u>\$ 60,772</u>	<u>\$ 60,772</u>	<u>\$ -</u>	<u>\$ 48,336</u>	<u>\$ 48,336</u>	<u>\$ -</u>
\$ 44,062	\$ 44,062	\$ -	\$ 39,193	\$ 39,193	\$ -
13,659	13,659	-	4,477	4,477	-
1,305	1,305	-	4,153	4,153	-
-	-	-	84	84	-
1,746	1,746	-	429	429	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 60,772</u>	<u>\$ 60,772</u>	<u>\$ -</u>	<u>\$ 48,336</u>	<u>\$ 48,336</u>	<u>\$ -</u>

continued...

# MIDLAND COUNTY COUNCIL ON AGING

## Schedule of Revenues and Expenses - Budget and Actual

Title IIIB - Transportation, Case Coordination and Support,  
Homemaking, and Respite Care  
For the Year Ended September 30, 2017

	Respite Care		
	Budget	Actual	Actual Over (Under) Budget
<b>Revenues</b>			
Federal/State	\$ 15,438	\$ 15,438	\$ -
Program income	800	1,021	221
Local match	1,715	1,715	-
Other resources	2,949	2,728	(221)
<b>Total revenues</b>	<b>\$ 20,902</b>	<b>\$ 20,902</b>	<b>\$ -</b>
<b>Expenses</b>			
Salaries	\$ 16,405	\$ 16,405	\$ -
Fringe benefits	2,019	2,019	-
Travel	2,160	2,160	-
Supplies	-	-	-
Occupancy	318	318	-
Communications	-	-	-
Other	-	-	-
<b>Total expenses</b>	<b>\$ 20,902</b>	<b>\$ 20,902</b>	<b>\$ -</b>

See independent auditors' report on supplementary information.



Total Title IIIB		
Budget	Actual	Actual Over (Under) Budget
\$ 101,390	\$ 101,386	\$ (4)
1,400	3,863	2,463
11,265	11,264	(1)
<u>47,641</u>	<u>45,183</u>	<u>(2,458)</u>
<u>\$ 161,696</u>	<u>\$ 161,696</u>	<u>\$ -</u>
\$ 110,561	\$ 110,561	\$ -
23,534	23,534	-
8,180	8,180	-
284	284	-
5,705	5,705	-
710	710	-
<u>12,722</u>	<u>12,722</u>	<u>-</u>
<u>\$ 161,696</u>	<u>\$ 161,696</u>	<u>\$ -</u>

concluded

# MIDLAND COUNTY COUNCIL ON AGING

**Schedule of Revenues and Expenses - Budget and Actual**  
 Title IIIC - Congregate Meals and Home Delivered Meals  
 For the Year Ended September 30, 2017

	Congregate Meals		
	Budget	Actual	Actual Over (Under) Budget
<b>Revenues</b>			
Federal/State	\$ 56,292	\$ 56,292	\$ -
Federal - NSIP	17,761	20,075	2,314
Program income	30,340	32,846	2,506
Local match	6,255	6,255	-
Other resources	8,022	3,202	(4,820)
<b>Total revenues</b>	<u>\$ 118,670</u>	<u>\$ 118,670</u>	<u>\$ -</u>
<b>Expenses</b>			
Salaries	\$ 41,132	\$ 41,132	\$ -
Fringe benefits	7,098	7,098	-
Travel	-	-	-
Supplies	2,627	2,627	-
Occupancy	9,465	9,465	-
Other	-	-	-
Food	58,348	58,348	-
<b>Total expenses</b>	<u>\$ 118,670</u>	<u>\$ 118,670</u>	<u>\$ -</u>

See independent auditors' report on supplementary information.



Home Delivered Meals			Total Title IIIC Funds		
Budget	Actual	Actual Over (Under) Budget	Budget	Actual	Actual Over (Under) Budget
\$ 175,159	\$ 175,159	\$ -	\$ 231,451	\$ 231,451	\$ -
58,455	58,499	44	76,216	78,574	2,358
82,150	85,924	3,774	112,490	118,770	6,280
19,462	19,462	-	25,717	25,717	-
22,564	18,746	(3,818)	30,586	21,948	(8,638)
<u>\$ 357,790</u>	<u>\$ 357,790</u>	<u>\$ -</u>	<u>\$ 476,460</u>	<u>\$ 476,460</u>	<u>\$ -</u>
\$ 88,686	\$ 88,686	\$ -	\$ 129,818	\$ 129,818	\$ -
16,115	16,115	-	23,213	23,213	-
28,080	28,080	-	28,080	28,080	-
25,739	25,739	-	28,366	28,366	-
16,620	16,620	-	26,085	26,085	-
1,000	1,000	-	1,000	1,000	-
181,550	181,550	-	239,898	239,898	-
<u>\$ 357,790</u>	<u>\$ 357,790</u>	<u>\$ -</u>	<u>\$ 476,460</u>	<u>\$ 476,460</u>	<u>\$ -</u>



# MIDLAND COUNTY COUNCIL ON AGING

**Schedule of Revenues and Expenses - Budget and Actual**  
 Title III E - Caregiver Training  
 For the Year Ended September 30, 2017

	Budget	Actual	Actual Over (Under) Budget
<b>Revenues</b>			
Federal/State	\$ 19,220	\$ 19,220	\$ -
Program income	50	50	-
Local match	2,136	2,136	-
Other resources	660	660	-
<b>Total revenues</b>	<b>\$ 22,066</b>	<b>\$ 22,066</b>	<b>\$ -</b>
<b>Expenses</b>			
Salaries	\$ 14,206	\$ 14,206	\$ -
Fringe benefits	4,404	4,404	-
Supplies	2,127	2,127	-
Occupancy	829	829	-
Other	500	500	-
<b>Total expenses</b>	<b>\$ 22,066</b>	<b>\$ 22,066</b>	<b>\$ -</b>

See independent auditors' report on supplementary information.

# MIDLAND COUNTY COUNCIL ON AGING

**Schedule of Revenues and Expenses - Budget and Actual**  
 State Funds - Care Management  
 For the Year Ended September 30, 2017

	Budget	Actual	Actual Over (Under) Budget
<b>Revenues</b>			
Federal/State	\$ 125,065	\$ 125,065	\$ -
Program income	-	21	21
Targeted case management revenue	17,000	18,386	1,386
Local match	13,896	13,896	-
Other resources	12,772	4,682	(8,090)
<b>Total revenues</b>	<b>\$ 168,733</b>	<b>\$ 162,050</b>	<b>\$ (6,683)</b>
<b>Expenses</b>			
Salaries	\$ 111,689	\$ 110,908	\$ (781)
Fringe benefits	29,299	28,238	(1,061)
Travel	13,000	12,292	(708)
Supplies	3,100	1,473	(1,627)
Occupancy	1,624	1,524	(100)
Communications	2,000	2,028	28
Other	8,021	5,587	(2,434)
<b>Total expenses</b>	<b>\$ 168,733</b>	<b>\$ 162,050</b>	<b>\$ (6,683)</b>

See independent auditors' report on supplementary information.

# MIDLAND COUNTY COUNCIL ON AGING

## Schedule of Revenues and Expenses - Budget and Actual

State Funds - Adult Day Care

For the Year Ended September 30, 2017

	Budget	Actual	Actual Over (Under) Budget
<b>Revenues</b>			
Federal/State	\$ 55,345	\$ 55,345	\$ -
Program income	150	-	(150)
Local match	6,150	6,150	-
Other resources	2,497	2,597	100
<b>Total revenues</b>	<b>\$ 64,142</b>	<b>\$ 64,092</b>	<b>\$ (50)</b>
<b>Expenses</b>			
Salaries	\$ 45,808	\$ 45,808	\$ -
Fringe benefits	7,820	7,820	-
Supplies	4,372	4,322	(50)
Occupancy	6,142	6,142	-
<b>Total expenses</b>	<b>\$ 64,142</b>	<b>\$ 64,092</b>	<b>\$ (50)</b>

See independent auditors' report on supplementary information.

# MIDLAND COUNTY COUNCIL ON AGING

## Schedule of Unit Costs For the Year Ended September 30, 2017

	Transportation	Sanford Meals on Wheels
Program expenses (including depreciation)	\$ 210,605	\$ 202,647
General and administrative expense allocation	46,777	56,738
Sanford Center / Kitchen Expense Allocation	-	58,009
Nutrition Management Expense Allocation	-	42,444
	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 257,382</u>	<u>\$ 359,838</u>
Units	<u>183,029</u>	<u>38,257</u>
Cost per unit	<u>\$ 1.41</u>	<u>\$ 9.41</u>
	Per Mile Driven	Per Meal

See independent auditors' report on supplementary information.