

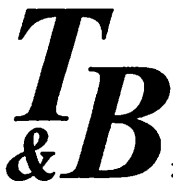
THE SENIOR MONONGALIANS, INC.

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

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Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Senior Monongalians, Inc.
Morgantown, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of The Senior Monongalians, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 financial statements that are free from material misstatement, whether due to fraud or error.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Senior Monongalians, Inc. as of September 30, 2021, 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.

Emphasis of Matter

As described in Note 15 to the financial statements for the year ended September 30, 2021, The Senior Monongalians, Inc. adopted new accounting guidance, ASU No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of federal and state grant expenditures and schedule of functional expenses by program 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 February 1, 2022, on our consideration of The Senior Monongalians, Inc.'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 solely 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 The Senior Monongalians, Inc.'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 The Senior Monongalians, Inc.'s internal control over financial reporting and compliance.

Deluck • Baillod, PLLC

Clarksburg, West Virginia
February 1, 2022

THE SENIOR MONONGALIANS, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS

Current Assets

Cash and cash equivalents	\$ 97,703
Accounts receivable	117,010
Prepaid expenses	<u>10,296</u>
Total current assets	<u>225,009</u>

Non-Current Assets

Capital assets, net	156,455
Investments, at fair value	<u>604,315</u>
Total non-current assets	<u>760,770</u>

TOTAL ASSETS	<u>\$ 985,779</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 13,486
Accrued payroll and payroll liabilities	31,341
Accrued compensated absences	8,969
Unearned revenue	<u>10,099</u>
Total current liabilities	<u>63,895</u>

Net Assets

Without donor restrictions	<u>921,884</u>
Total net assets	<u>921,884</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 985,779</u>
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See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Change in Net Assets Without Donor Restrictions:

Support and Revenues:

State grants	\$ 666,559
Federal grants	223,813
Local grants	120,000
Program income	107,516
Fees for service	58,415
Contributions	1,019
Fundraising	2,475
Gain on disposal of assets	12,500
Investment income	26,926
Other income	128,420
Total support and revenues	<u>1,347,643</u>

Expenses

Program	1,158,383
Management and general	-
Fundraising	<u>63</u>
Total expenses	<u>1,158,446</u>

Increase in net assets	189,197
Net assets, beginning of year	<u>732,687</u>
Net assets, end of year	<u><u>\$ 921,884</u></u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages - program	\$ 504,292	\$ 10,379	\$ -	\$ 514,671
Wages - administrative	-	107,251	-	107,251
Contract labor	46,944	5,989	-	52,933
Rent	18,185	39,491	-	57,676
Program expense	8,959	74	-	9,033
Supplies	139,467	225	-	139,692
Payroll taxes	43,497	10,201	-	53,698
Insurance	24,443	7,109	-	31,552
Utilities and communications	8,485	29,312	-	37,797
Repairs and maintenance	8,815	11,197	-	20,012
Depreciation	32,903	11,902	-	44,805
Medical insurance	12,542	8,571	-	21,113
Vehicle expenses	23,068	-	-	23,068
Travel and training	3,383	-	-	3,383
Professional fees	7,750	750	-	8,500
Office expense and postage	7,502	4,639	-	12,141
Retirement expense	1,368	3,198	-	4,566
Equipment	80	51	-	131
Advertising	3,852	977	-	4,829
Dues and subscriptions	-	519	-	519
Licenses and permits	4,397	25	50	4,472
Miscellaneous	6,426	178	-	6,604
Total	906,358	252,038	50	1,158,446
Indirect costs	252,025	(252,038)	13	-
Total expenses after allocation of indirect costs	<u>\$ 1,158,383</u>	<u>\$ -</u>	<u>\$ 63</u>	<u>\$ 1,158,446</u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Cash Flows from Operating Activities

Increase in net assets	\$ 189,197
Loan forgiveness from Payroll Protection Program	(128,000)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	44,805
Unrealized (gain) on investments	(9,777)
(Increase) decrease in:	
Accounts receivables	(16,228)
Prepaid expenses	2,493
Increase (decrease) in:	
Accounts payable	5,252
Accrued payroll and payroll liabilities	2,434
Accrued compensated absences	(13,783)
Unearned revenues	31
Net cash provided by operating activities	<u>76,424</u>

Cash Flows from Investing Activities

Purchase of capital assets	(99,287)
Purchase of investments	<u>(103,804)</u>
Net cash (used in) investing activities	<u>(203,091)</u>

Net (decrease) in cash and cash equivalents (126,667)

Cash and cash equivalents - beginning of year 224,370

Cash and cash equivalents - end of year \$ 97,703

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations

Organization

The Senior Monongalians, Inc. is a West Virginia nonprofit organization whose mission is to improve the quality of life for Monongalia County senior citizens. The purpose of the Organization is to study and document the needs of the seniors, to encourage, promote and aid in the establishment of programs for seniors, to conduct programs of public education on the problems of aging, to utilize opportunities to establish demonstration programs, and to implement state and local programs for the aging that no other agency is conducting.

The Organization's major programs consist of in-home personal care services, community care, congregate and home delivered meals and transportation services.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Senior Monongalians, Inc. uses the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. The Entity maintains its accounting records and prepares its financial reports in accordance with the grantor funding cycles.

(a) Basis of Presentation

The financial statements are prepared in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2019, the Organization adopted the provisions of Accounting Standards Updated ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Organization's liquidity, financial performance, and cash flows.

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC. NOTES TO FINANCIAL STATEMENTS (CONT'D)

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restriction.

Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Revenue Recognition – Revenue from Exchange Transactions

The Senior Monongalians, Inc. recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Senior Monongalians, Inc. recorded the following exchange transactions revenue in its statement of activities:

Contributions and Grants – The Organization receives contributions and grants from various sources to assist in its operations. This revenue is recognized by the Organization when received.

Program Income – The Organization receives revenue from providing various services to senior citizens under Title III-B, III-D, Title III-E, Life programs, Lighthouse programs and other federal and state programs. This revenue is recognized by the Organization when received.

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

(b) Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

(c) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash and cash equivalents to be cash on hand and deposits with banking institutions, while insured cash accounts are reported separately as investments at their cost which approximates fair value.

(d) Accounts Receivable

Accounts receivables are reported at unpaid balances and represent amounts due for services from customers or costs reimbursements due from federal, state, and local agencies.

No allowance for doubtful accounts has been established as management considers all balances to be collectible. If the reserve method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements.

(e) Capital Assets

Capital assets are stated at cost, or at estimated fair value at the date of the gift if donated. The Organization's policy is to capitalize all expenditures for capital assets in excess of \$500. Maintenance, repairs, and replacements are generally charged to expense as incurred. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Equipment	5-10 years
Vehicles	5-7 years

Depreciation expense amounted to \$44,805 for the year ended September 30, 2021.

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

(f) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values. Realized and unrealized gains and losses are included in the change in net assets as increases or decreases in net assets without donor restrictions unless a donor or law restricts their use.

(g) Compensated Absences

The Organization permits employees to accumulate unused vacation and sick time. Upon termination, any accumulated vacation is paid to the employee. Accrued compensated absences amounted to \$8,969 at September 30, 2021. Charges to vacation and sick time amounted to \$29,700 during the year ended September 30, 2021.

(h) Income Tax Status

The Senior Monongalians, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, therefore, no provision for income taxes has been recorded in these financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of 509(a) of the Internal Revenue Code. There was no unrelated business income during the fiscal year ended September 30, 2021.

The Senior Monongalians, Inc. utilizes Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10 Accounting for Uncertainty in Income Taxes which clarifies the accounting for uncertainty in income taxes. ASC 740-10 prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Management has determined that there are no material uncertain tax positions or unrecognized tax benefits and there is no material impact on the financial statements. In addition, there were no interest or penalties recognized on the statement of activities.

The Organization's ASC 740-10 evaluation was performed for the fiscal years September 30, 2018 through 2021, which are the years that remain subject to examination by the Internal Revenue Service and various state agencies as of September 30, 2021.

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

(i) Public Support and Revenue

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restrictions is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and report in the statement of activities as net assets released from restrictions.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

In addition, a number of volunteers have donated significant amounts of time to the Organization and its programs. These donated services are not reflected in the accompanying financial statements since the activities do not meet the criteria for recognition of contributed services.

(j) Grant Funding

Grant funding is provided in three ways:

1. On a cost reimbursement basis for which the Organization requests reimbursement for monies already spent.
2. On an as-needed basis in which the Organization requests funding that will be utilized in the immediate future. Upon completion of a grant year, any unexpended grant money must be approved for carryover to the next year or returned to the grantor.
3. Certain program funding is received on a unit reimbursement basis, not to exceed the total grant award.

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

3. Liquidity and Funds Available

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. following table reflects the Organization's financial assets as of September 30, 2021, reduced by amounts not available for general expenditures within one year:

Financial assets:	
Cash and cash equivalents	\$ 97,703
Accounts receivables	117,010
Investments	<u>604,315</u>
Financial assets, at year end	<u>819,028</u>
Financial assets available to meet cash needs for general expenditures	
liabilities, and other obligations within one year	<u>\$ 819,028</u>

4. Deposits

The Organization's deposits are categorized to give an indication of the level of risk assumed by the Organization at September 30, 2021. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the Organization or its agent in the Organization's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Organization's name.

Category 3 - Uncollateralized.

	<u>Bank</u> <u>Balance</u>		<u>Category</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>Carrying</u> <u>Amount</u>
Cash	\$ 122,635	\$ 122,635	\$ -	\$ -	\$ 97,703	
Insured cash accounts	<u>11,517</u>	<u>11,517</u>	<u>-</u>	<u>-</u>	<u>11,517</u>	
	<u>\$ 134,152</u>	<u>\$ 134,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,220</u>	

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

5. Accounts Receivable

Accounts receivable consist of the following at September 30, 2021:

Grants and Contracts	
In-Home Care	\$ 31,350
LIFE	27,028
Title III-B	20,373
Title III-C	28,202
Title III-D	1,650
Title III-E	<u>5,516</u>
Total Grants and Contracts	114,119
Customers	<u>2,891</u>
	<u><u>\$ 117,010</u></u>

6. Capital Assets

Capital assets at September 30, 2021, consisted of the following:

Equipment	\$ 390,808
Vehicles	<u>231,132</u>
Total property and equipment	621,940
Accumulated depreciation	<u>(465,485)</u>
Property and equipment - net	<u><u>\$ 156,455</u></u>

7. Investments

Investments, stated at fair value are comprised of the following at September 30, 2021:

	<u>Cost</u>	<u>Fair Value</u>
Insured cash accounts	\$ 11,517	\$ 11,517
Municipal bonds	461,659	470,710
Exchange traded funds:	<u>101,402</u>	<u>122,088</u>
Total investments	<u><u>\$ 574,578</u></u>	<u><u>\$ 604,315</u></u>

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

Investment income consists of the following for the year end September 30, 2021:

Interest and dividend income	\$ 17,149
Net unrealized gain on investments	<u>9,777</u>
Total investment income	<u>\$ 26,926</u>

8. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That 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 the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2. Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- 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.

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

The asset 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 table summarizes the valuation of the financial assets within the fair value hierarchy as of September 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Insured cash accounts	\$ 11,517	\$ -	\$ -	\$ 11,517
Municipal bonds	-	470,710	-	470,710
Exchange traded funds:	<u>122,088</u>	<u>-</u>	<u>-</u>	<u>122,088</u>
Total assets at fair value	<u>\$ 133,605</u>	<u>\$ 470,710</u>	<u>\$ -</u>	<u>\$ 604,315</u>

Insured Cash Accounts: FDIC insured bank deposit sweep accounts. Insured cash accounts are carried at cost which approximates fair value and are classified within Level 1.

Municipal Bonds: Bonds issued by U.S. state and municipality entities or agencies. The fair values of municipal bonds are generally priced by independent pricing services. The pricing services typically use spreads obtained from broker-dealers, trade prices and the new issue market. As the significant inputs used to price the municipal bonds are observable market inputs, municipal bonds are classified within Level 2.

Exchange Traded Funds (ETF): ETFs are a type of index fund bought and sold on a securities exchange. An ETF trades like common stock and represents a fixed portfolio of securities designed to track the performance and dividend yield of a particular domestic or foreign market. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although the lack of liquidity on an ETF could result in it being more volatile. The fair values of ETF's are based on quoted market prices and classified within Level 1.

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

9. Paycheck Protection Program Loan

On April 17, 2020, The Senior Monongalians, Inc. qualified for and received a \$128,000 loan from the Payroll Protection Program. The Payroll Protection Program is authorized under the Small Business Administration 7(a) Loan Program and the CARES Act. The principal of this loan may be reduced or forgiven in accordance with the loan forgiveness provisions of the CARES Act and regulations, or requirements established by the Small Business Administration and the U.S. Treasury. The portion of the loan that is not forgiven is repayable at 1% over a two-year term from the date of the note. The interest rate may only be changed in accordance with SOP 50 10, the CARES Act, or guidance established by the Small Business Administration or the U.S. Treasury. The repayment of any amount not forgiven will be deferred for the first six months following the disbursement of the loan. Principal and interest payments are to begin seven months following the date of the disbursement of the loan. Interest shall continue during the six-month deferment. This loan was forgiven in its entirety on April 5, 2021.

10. Operating Leases

On November 14, 2017, The Senior Monongalians, Inc. entered into a revised lease agreement with GP Mountaineer LLC. The revised lease agreement is for the period January 1, 2018 through December 31, 2022 and calls for monthly rental payments of \$4,585.

On May 29, 2019, The Senior Monongalians, Inc. entered into a lease agreement with Aqua Filter Fresh. The lease agreement is for the period May 29, 2019 through May 29, 2022 and calls for monthly rental payments of \$89.

On October 25, 2019, The Senior Monongalians, Inc. entered into a lease agreement with Hart Office Solutions. The lease agreement is for the period December 1, 2019 through November 30, 2024 and calls for monthly rental payments of \$114.50.

Rental expense for the year ended September 30, 2021, was \$57,676.

Future minimum rentals payments are as follows:

For the Year Ending September 30,

2022	\$ 57,109
2023	15,129
2024	1,374
2025	344
	<u>\$ 73,956</u>

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

11. Advertising Costs

The Organization expenses advertising costs as incurred. These costs were included in the financial statements and amounted to \$4,829 for the year ended September 30, 2021.

12. Retirement Plan

The Organization sponsors a defined contribution retirement plan established under section 403(b) of the Internal Revenue Code. Plan contributions are invested, at the direction of each participant, in one or more of the funding vehicles available to participants under the plan. Plan contributions are held for the exclusive benefit of participants. Benefits are based solely on the amount of the plan contributions to the participants' individual accounts plus any earnings. All benefits under the plan are fully funded. An eligible employee may, on a voluntary basis, begin participation in this plan on the entry date following employment and fulfillment of the following requirements: (1) the completion of one year of service, and (2) the attainment of age 21.

Participants may contribute up to 3% of their salary and the Organization is permitted to match that amount. For the year ended September 30, 2021, the employer match amounted to \$4,566.

13. Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged to each program based on direct expenditures incurred. Expenses related to more than one function are charged to programs and supporting services on the basis of time and expense studies. Indirect costs include those expenses that are not directly identifiable with any one specific function but provide for the overall support and direction of the Organization.

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

14. Concentration of Risk

The Organization receives a substantial amount of its support through federal and state grant awards and fee-for-service programs. In addition, substantially all receivables are from federal and state grants and contracts.

These grants and contracts require the fulfillment of certain conditions as set forth in the grant and contract instruments. Failure to fulfill the conditions could result in the return of the funds to grantors. Although this is a possibility, management deems the contingency remote since, by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants and contracts.

Substantially all service recipients are from the Monongalia County, West Virginia area.

15. Recently Issued Accounting Standards

The following accounting pronouncements were recently issued by the FASB:

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU will supersede most current revenue recognition guidance, including industry-specific guidance. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, which changed the effective dates of ASU 2014-09. For local Agencies, the provisions of ASU 2014-09 are now effective for annual reporting periods beginning after December 31, 2019. Transition to the new guidance may be done using either a full or modified retrospective method. The Organization adopted this standard in the current fiscal year and it had no impact on the current financial statements.

See independent auditor's report.

THE SENIOR MONONGALIANS, INC. NOTES TO FINANCIAL STATEMENTS (CONT'D)

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the consolidated statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the consolidated statement of activities and changes in net assets and the consolidated statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230)*. This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The ASU is effective for all nonpublic business entities for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Organization adopted this standard in the current fiscal year and it had no impact on the current financial statements.

16. COVID

During 2020, the novel coronavirus (COVID-19) outbreak continues to be a public health emergency. There have been mandates from international, federal, state, and local authorities requiring forced closures of various schools, businesses, and other facilities and organizations. In response to this, the U.S. Government has allocated and spent trillions of dollars in economic aid. Should these trends continue, the impact could have a material adverse effect on the Organization's financial position, results of operations, and cash flows.

17. Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, Subsequent Events, the Organization has evaluated subsequent events through February 1, 2022, the date the financial statements were available to be issued.

See independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**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***

To the Board of Directors
The Senior Monongalians, Inc.
Morgantown, West Virginia

We have audited, in accordance with the 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 The Senior Monongalians, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 February 1, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Senior Monongalians, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Senior Monongalians, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Senior Monongalians, Inc.'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Senior Monongalians, Inc.'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 financial statements. 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*.

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.

Detrick A. Powell, Ph.D.

Clarksburg, West Virginia
February 1, 2022

THE SENIOR MONONGALIANS, INC.
SCHEDULE OF FEDERAL AND STATE GRANT EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Name of Grant</u>	<u>Grant Number</u>	<u>AL#</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Passthrough</u>
Nutrition Funding Title IIIC						
Aging Congregate Nutrition Services for States	22135	93.045	\$ 5,339	\$ 1,780	\$ 7,119	
Aging Home-Delivered Nutrition Service for States	22135	93.045	<u>127,590</u>	<u>173,270</u>	<u>300,860</u>	
Total Title IIIC			<u>132,929</u>	<u>175,050</u>	<u>307,979</u>	1 and 2
Special Programs for the Aging Title III						
Part B Grants for Supportive Services and Senior Centers (Title III-B)	22135	93.044	49,058	54,104	103,162	
Part B Grants for Supportive Services and Senior Centers (Title III-B)	CV20211	93.044	9,209	-	9,209	
Part D Disease Prevention and Health Promotion Services (Title III-D)	22135	93.043	3,875	-	3,875	
Part E National Family Caregiver Support (Title III-E)	22135	93.052	<u>28,742</u>	<u>2,053</u>	<u>30,795</u>	
Total Special Programs for the Aging			<u>90,884</u>	<u>56,157</u>	<u>147,041</u>	1 and 2

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
SCHEDULE OF FEDERAL AND STATE GRANT EXPENDITURES (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Name of Grant</u>	<u>Grant Number</u>	<u>AL#</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Passthrough</u>
Other Programs						
LIFE Grant	22102	N/A	\$ -	\$ 154,898	\$ 154,898	1 and 2
LIFE Grant	22202	N/A	-	48,851	48,851	1 and 2
Lighthouse	IH2108	N/A	-	101,432	101,432	1
Lighthouse	IH2208	N/A	-	26,623	26,623	1
FAIR	IH2108	N/A	-	85,781	85,781	1
FAIR	IH2208	N/A	-	13,105	13,105	1
SAMS	IH1608	N/A	-	4,662	4,662	1
Total Other Programs			-	435,352	435,352	
TOTALS			<u>\$ 223,813</u>	<u>\$ 666,559</u>	<u>\$ 890,372</u>	

Federal Awarding Agency:

U.S. Department of Health and Human Services

State Awarding Agency and Pass-Through Agency:

1. West Virginia Bureau of Senior Services
2. Bel-O-Mar Regional Council

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	PROGRAM							
	<u>Title III-B</u>	<u>Title III-D</u>	<u>Title III-E</u>	<u>Title III-C</u>	<u>Medicaid</u>	<u>LIFE</u>	<u>Lighthouse</u>	<u>FAIR</u>
Wages - program	\$ 28,616	\$ (58)	\$ 39,752	\$ 84,876	\$ 25,630	\$ 43,145	\$ 129,331	\$ 111,892
Wages - administrative	-	-	-	-	-	-	-	-
Contract labor	20,288	-	43	2,479	16	22,813	145	130
Rent	-	-	269	10,301	99	-	913	820
Program expense	10	-	33	293	28	1,525	138	129
Supplies	1	-	22	108,742	11	-	110	99
Payroll taxes	2,368	-	3,476	7,529	2,241	3,472	11,250	9,712
Insurance	962	(5)	910	12,116	695	3,041	3,209	2,769
Utilities and communications	-	-	134	5,291	49	-	449	399
Repairs and maintenance	2,420	-	37	4,771	14	1,133	129	117
Depreciation	3,456	-	-	25,704	-	3,695	-	-
Medical insurance	1,457	-	286	1,115	192	3,151	2,690	2,936
Vehicle expenses	271	-	-	22,662	-	132	3	-
Travel and training	-	-	281	329	156	-	1,183	1,081
Professional fees	-	-	-	-	-	7,750	-	-
Office expense and postage	6,803	-	51	118	27	-	228	210
Retirement expense	-	-	119	230	87	12	424	387
Equipment	(918)	-	6	503	2	457	15	11
Advertising	760	1,585	-	213	-	29	-	-
Dues and subscriptions	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	388	-	3,997	-	-
Miscellaneous	15	-	-	896	-	30	-	-
Total	66,509	1,522	45,419	288,556	29,247	94,382	150,217	130,692
Indirect costs	16,719	509	12,292	80,242	8,161	28,621	41,802	36,802
Total expenses after allocation of indirect costs	\$ 83,228	\$ 2,031	\$ 57,711	\$ 368,798	\$ 37,408	\$ 123,003	\$ 192,019	\$ 167,494

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	PROGRAM				Program Totals	Management and General	Fundraising	Total
	SAMS	Community Care	Private Pay	Other Programs				
Wages - program	\$ 2,907	\$ 34,126	\$ (5)	\$ 4,080	\$ 504,292	\$ 10,379	\$ -	\$ 514,671
Wages - administrative	-	-	-	-	\$ -	107,251	-	107,251
Contract labor	-	29	-	1,001	\$ 46,944	5,989	-	52,933
Rent	-	182	-	5,601	\$ 18,185	39,491	-	57,676
Program expense	-	39	-	6,764	\$ 8,959	74	-	9,033
Supplies	-	33	-	30,449	\$ 139,467	225	-	139,692
Payroll taxes	201	2,911	-	337	\$ 43,497	10,201	-	53,698
Insurance	39	891	(3)	(181)	\$ 24,443	7,109	-	31,552
Utilities and communications	-	92	-	2,071	\$ 8,485	29,312	-	37,797
Repairs and maintenance	-	26	-	168	\$ 8,815	11,197	-	20,012
Depreciation	-	-	-	48	\$ 32,903	11,902	-	44,805
Medical insurance	429	286	-	-	\$ 12,542	8,571	-	21,113
Vehicle expenses	-	-	-	-	\$ 23,068	-	-	23,068
Travel and training	-	353	-	-	\$ 3,383	-	-	3,383
Professional fees	-	-	-	-	\$ 7,750	750	-	8,500
Office expense and postage	-	65	-	-	\$ 7,502	4,639	-	12,141
Retirement expense	-	109	-	-	\$ 1,368	3,198	-	4,566
Equipment	-	4	-	-	\$ 80	51	-	131
Advertising	-	-	-	1,265	\$ 3,852	977	-	4,829
Dues and subscriptions	-	-	-	-	\$ -	519	-	519
Licenses and permits	-	-	-	12	\$ 4,397	25	50	4,472
Miscellaneous	-	-	-	5,485	\$ 6,426	178	-	6,604
Total	3,576	39,146	(8)	57,100	906,358	252,038	50	1,158,446
Indirect costs	983	11,073	(2)	14,823	252,025	(252,038)	13	-
Total expenses after allocation of indirect costs	\$ 4,559	\$ 50,219	\$ (10)	\$ 71,923	\$ 1,158,383	\$ -	\$ 63	\$ 1,158,446

See accompanying notes and independent auditor's report.