

THE SENIOR MONONGALIANS, INC.

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

SEPTEMBER 30, 2020

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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, 2020, 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, 2020, 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.

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 23, 2021, 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.

Tetrick & Bartlett PLLC

Fairmont, West Virginia

February 23, 2021

THE SENIOR MONONGALIANS, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS

Current Assets	
Cash and cash equivalents	\$ 224,370
Accounts receivable	100,782
Prepaid expenses	<u>12,789</u>
Total current assets	337,941
Non-Current Assets	
Capital assets, net	101,972
Investments, at fair value	<u>490,734</u>
Total non-current assets	<u>592,706</u>
TOTAL ASSETS	<u>\$ 930,647</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 8,234
Accrued payroll and payroll liabilities	28,906
Accrued compensated absences	22,752
Unearned revenue	<u>10,068</u>
Total current liabilities	69,960
Long-Term Liabilities	
Paycheck Protection Program loan	<u>128,000</u>
Total liabilities	197,960
Net Assets	
Without donor restrictions	<u>732,687</u>
Total net assets	<u>732,687</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 930,647</u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Change in Net Assets Without Donor Restrictions:

Support and Revenues:

State grants	\$ 684,347
Federal grants	190,905
Local grants	120,000
Program income	50,918
Fees for service	44,201
Contributions	1,102
Fundraising	2,592
Investment income	10,734
Other income	<u>4,239</u>
Total support and revenues	<u>1,109,038</u>

Expenses

Program	1,173,839
Management and general	-
Fundraising	<u>250</u>
Total expenses	<u>1,174,089</u>

(Decrease) in net assets	(65,051)
Net assets, beginning of year	<u>797,738</u>
Net assets, end of year	<u><u>\$ 732,687</u></u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages - program	\$ 552,281	\$ 35,853	\$ -	\$ 588,134
Wages - administrative	-	85,399	-	85,399
Contract labor	80,277	125	-	80,402
Rent	18,217	39,486	-	57,703
Program expense	5,538	37	-	5,575
Supplies	93,535	514	-	94,049
Payroll taxes	47,396	9,461	-	56,857
Insurance	24,451	9,650	-	34,101
Utilities and communications	7,457	26,180	-	33,637
Repairs and maintenance	8,957	13,291	-	22,248
Depreciation	31,730	4,632	-	36,362
Medical insurance	7,597	9,053	-	16,650
Vehicle expenses	13,108	6	-	13,114
Travel and training	6,435	-	-	6,435
Professional fees	7,425	750	-	8,175
Office expense and postage	2,118	4,869	-	6,987
Retirement expense	1,639	2,815	-	4,454
Equipment	10,220	234	-	10,454
Advertising	5,138	407	-	5,545
Licenses and permits	3,058	5	-	3,063
Miscellaneous	4,389	106	250	4,745
Total	<u>930,966</u>	<u>242,873</u>	<u>250</u>	<u>1,174,089</u>
Indirect costs	<u>242,873</u>	<u>(242,873)</u>	<u>-</u>	<u>-</u>
Total expenses after allocation of indirect costs	<u>\$ 1,173,839</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 1,174,089</u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Cash Flows from Operating Activities	
(Decrease) in net assets	\$ (65,051)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities:	
Depreciation	36,362
Unrealized (gain) on investments	(7,300)
(Increase) decrease in:	
Accounts receivables	165
Prepaid expenses	(12,789)
Increase (decrease) in:	
Accounts payable	(1,258)
Accrued payroll and payroll liabilities	6,681
Accrued compensated absences	5,352
Unearned revenues	<u>1,930</u>
Net cash (used in) operating activities	(35,908)
Cash Flows from Investing Activities	
Purchase of capital assets	(10,835)
Purchase of investments	<u>(483,434)</u>
Net cash (used in) investing activities	(494,269)
Cash Flows from Financing Activities	
Proceeds from Paycheck Protection Program loan	<u>128,000</u>
Net cash provided by financing activities	<u>128,000</u>
Net (decrease) in cash and cash equivalents	(402,177)
Cash and cash equivalents - beginning of year	<u>626,547</u>
Cash and cash equivalents - end of year	<u><u>\$ 224,370</u></u>

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 financial statements of the Organization are prepared on the accrual basis of accounting and accordingly reflect all receivables, payables and other accruals.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

(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.

Net Assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, a receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions - These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

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 \$36,362 for the year ended September 30, 2020.

(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.

See accompanying notes and independent auditor's report.

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

(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 \$22,752 at September 30, 2020. Charges to vacation and sick time amounted to \$29,968 during the year ended September 30, 2020.

(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, 2020.

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, 2017 through 2019, which are the years that remain subject to examination by the Internal Revenue Service and various state agencies as of September 30, 2020.

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)

(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, 2020, reduced by amounts not available for general expenditures within one year:

Financial assets:	
Cash and cash equivalents	\$ 224,370
Accounts receivables	100,782
Investments	<u>490,734</u>
Financial assets, at year end	<u>815,886</u>
Financial assets available to meet cash needs for general expenditures liabilities, and other obligations within one year	<u>\$ 815,886</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, 2020. 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>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Carrying</u> <u>Amount</u>
Cash	\$ 247,206	\$ 247,206	\$ -	\$ -	\$ 224,370
Insured cash accounts	<u>2,342</u>	<u>2,342</u>	-	-	<u>2,342</u>
	<u>\$ 249,548</u>	<u>\$ 249,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,712</u>

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)

5. Accounts Receivable

Accounts receivable consist of the following at September 30, 2020:

Grants and Contracts	
In-Home Care	\$ 25,728
LIFE	16,316
Title III-B	27,737
Title III-C	22,830
Title III-D	1,441
Title III-E	<u>3,131</u>
Total Grants and Contracts	97,183
Customers	<u>3,599</u>
	<u><u>\$ 100,782</u></u>

6. Capital Assets

Capital assets at September 30, 2020, consisted of the following:

Equipment	\$ 370,216
Vehicles	<u>208,797</u>
Total property and equipment	579,013
Accumulated depreciation	<u>(477,041)</u>
Property and equipment - net	<u><u>\$ 101,972</u></u>

7. Investments

Investments, stated at fair value are comprised of the following at September 30, 2020:

	<u>Cost</u>	<u>Fair Value</u>
Insured cash accounts	\$ 2,342	\$ 2,342
Municipal bonds	377,085	387,706
Exchange traded funds:	<u>98,336</u>	<u>100,686</u>
Total investments	<u><u>\$ 477,763</u></u>	<u><u>\$ 490,734</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, 2020:

Interest and dividend income	\$ 4,996
Net unrealized gain on investments	7,300
Less: Investment fees	<u>(1,562)</u>
Total investment income	<u>\$ 10,734</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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Insured cash accounts	\$ 2,342	\$ -	\$ -	\$ 2,342
Municipal bonds	-	387,706	-	387,706
Exchange traded funds:	<u>100,686</u>	<u>-</u>	<u>-</u>	<u>100,686</u>
Total assets at fair value	<u>\$ 103,028</u>	<u>\$ 387,706</u>	<u>\$ -</u>	<u>\$ 490,734</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): ETF's 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 (CONTD)

9. Paycheck Protection Program Loan

On April 17, 2020, the Organization obtained a loan under the Paycheck Protection Program (PPP) in the amount of \$128,000 from Clear Mountain Bank pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The proceeds from the loan must be spent on qualifying expenses as allowed under the CARES Act and matures two years from the date of the loan.

The allowable costs under the PPP include covered payroll costs, mortgage interest on real or personal property, rental obligations on real or personal property, and covered utility costs. Management believes the Organization has used the loan proceeds in accordance with the requirements of the PPP. The Organization elected to account for the PPP loan as debt. As such the amount borrowed under the PPP loan is outstanding as of September 30, 2020. The Organization has not applied for forgiveness at the time of issuance of the financial statements.

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 October 25, 2019, subsequent to year end, 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, 2020, was \$57,703.

Future minimum rentals payments are as follows:

For the Year Ending September 30,

2021	\$	56,394
2022		56,394
2023		15,129
2024		1,374
2025		229
		<u>\$ 129,520</u>

See independent auditor's report.

THE SENIOR MONONGALIANS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)

11. Advertising Costs

The Organization expenses advertising costs as incurred. These costs were included in the financial statements and amounted to \$5,545 for the year ended September 30, 2020.

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, 2020, the employer match amounted to \$4,454.

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 (CONTD)

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. New Accounting Pronouncement

During the year ended September 30, 2020, the Organization adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made for Revenue Transactions. The update assists entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and determining whether a contribution is conditional. There were no significant changes in the financial statements as a result of adopting the new standard.

16. Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, Subsequent Events, the Organization has evaluated subsequent events through February 23, 2021, the date the financial statements were available to be issued.

Subsequent to September 30, 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.

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, 2020, 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 23, 2021.

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.



Fairmont, West Virginia
February 23, 2021

THE SENIOR MONONGALIANS, INC.
SCHEDULE OF FEDERAL AND STATE GRANT EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Name of Grant</u>	<u>Grant Number</u>	<u>CFDA#</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Passthrough</u>
Nutrition Funding Title III C						
Aging Congregate Nutrition Services for States	Title III-C 1	93.045	\$ -	\$ 27,575	\$ 27,575	
Aging Home-Delivered Nutrition Service for States	Title III-C 2	93.045	<u>79,333</u>	<u>115,049</u>	<u>194,382</u>	
Total Title III C			<u>79,333</u>	<u>142,624</u>	<u>221,957</u>	1 and 2
Special Programs for the Aging Title III						
Part B Grants for Supportive Services and Senior Centers (Title III)	21635	93.044	79,474	54,104	133,578	
Part D Disease Prevention and Health Promotion Services (Title II)	21635	93.043	3,208	-	3,208	
Part E National Family Caregiver Support (Title III-E)	21635	93.052	<u>28,890</u>	<u>2,064</u>	<u>30,954</u>	
Total Special Programs for the Aging			<u>111,572</u>	<u>56,168</u>	<u>167,740</u>	1 and 2

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALLIANS, INC.
SCHEDULE OF FEDERAL AND STATE GRANT EXPENDITURES (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Other Programs		\$	-	\$	214,432	\$	214,432	
LIFE Grant	21602							1 and 2
Lighthouse	IH1608				142,252		142,252	1
FAIR	IH1608				123,871		123,871	1
SAMS	IH1608				5,000		5,000	1
Total Other Programs					<u>485,555</u>		<u>485,555</u>	
TOTALS					<u>\$ 190,905</u>		<u>\$ 684,347</u>	<u>\$ 875,252</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, 2020

	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	\$ 29,085	\$ 489	\$ 41,885	\$ 86,815	\$ 16,242	\$ 41,477	\$ 146,394	\$ 137,310
Wages - administrative	-	-	-	-	-	-	-	-
Contract labor	32,354	-	-	1,145	-	46,778	-	-
Rent	-	-	191	14,923	103	-	889	873
Program expense	23	1,846	112	353	36	2,439	343	326
Supplies	8,028	-	31	78,357	11	-	151	34
Payroll taxes	2,439	41	3,601	7,716	1,373	3,400	12,588	11,756
Insurance	1,099	10	1,364	9,276	620	1,182	4,741	4,452
Utilities and communications	-	-	94	6,395	48	-	411	402
Repairs and maintenance	906	-	42	6,538	17	730	146	142
Depreciation	569	-	-	31,004	-	-	-	-
Medical insurance	1,069	-	3	349	-	2,720	1,288	1,561
Vehicle expenses	405	-	9	11,998	153	412	52	48
Travel and training	3,380	-	300	614	90	14	980	888
Professional fees	-	-	-	-	-	7,425	-	-
Office expense and postage	1,949	8	9	65	4	-	39	37
Retirement expense	-	16	189	103	69	-	574	534
Equipment	9,453	-	-	747	-	-	-	-
Advertising	3,849	-	27	929	12	63	124	116
Licenses and permits	-	-	-	400	-	2,658	-	-
Miscellaneous	2,545	-	4	588	2	-	18	18
Total	<u>97,153</u>	<u>2,410</u>	<u>47,861</u>	<u>258,315</u>	<u>18,780</u>	<u>109,298</u>	<u>168,738</u>	<u>158,497</u>
Indirect costs	<u>25,442</u>	<u>607</u>	<u>12,713</u>	<u>67,289</u>	<u>4,938</u>	<u>28,465</u>	<u>44,112</u>	<u>41,394</u>
Total expenses after allocation of indirect costs	<u>\$ 122,595</u>	<u>\$ 3,017</u>	<u>\$ 60,574</u>	<u>\$ 325,604</u>	<u>\$ 23,718</u>	<u>\$ 137,763</u>	<u>\$ 212,850</u>	<u>\$ 199,891</u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>SAMS</u>	<u>Community Care</u>	<u>Private Pay</u>	<u>Other Programs</u>	<u>Program Totals</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages - program	\$ 3,807	\$ 32,816	\$ 363	\$ 15,598	\$ 552,281	\$ 35,853	\$ -	\$ 588,134
Wages - administrative	-	-	-	-	-	85,399	-	85,399
Contract labor	-	-	-	-	80,277	125	-	80,402
Rent	-	235	-	1,003	18,217	39,486	-	57,703
Program expense	-	54	6	-	5,538	37	-	5,575
Supplies	-	18	1	6,904	93,535	514	-	94,049
Payroll taxes	265	2,807	29	1,381	47,396	9,461	-	56,857
Insurance	65	1,095	12	535	24,451	9,650	-	34,101
Utilities and communications	-	107	-	-	7,457	26,180	-	33,637
Repairs and maintenance	-	33	-	403	8,957	13,291	-	22,248
Depreciation	-	-	-	157	31,730	4,632	-	36,362
Medical insurance	360	-	-	247	7,597	9,053	-	16,650
Vehicle expenses	-	31	-	-	13,108	6	-	13,114
Travel and training	-	156	13	-	6,435	-	-	6,435
Professional fees	-	-	-	-	7,425	750	-	8,175
Office expense and postage	-	6	1	-	2,118	4,869	-	6,987
Pension expense	-	111	2	41	1,639	2,815	-	4,454
Equipment	-	-	-	20	10,220	234	-	10,454
Advertising	-	15	3	-	5,138	407	-	5,545
Licenses and permits	-	-	-	-	3,058	5	-	3,063
Miscellaneous	-	4	-	1,210	4,389	106	250	4,745
Total	4,497	37,488	430	27,499	930,966	242,873	250	1,174,089
Indirect costs	1,155	9,774	121	6,863	242,873	(242,873)	-	-
Total expenses after allocation of indirect costs	\$ 5,652	\$ 47,262	\$ 551	\$ 34,362	\$ 1,173,839	\$ -	\$ 250	\$ 1,174,089

See accompanying notes and independent auditor's report.