

**THE SENIOR MONONGALIANS, INC.**

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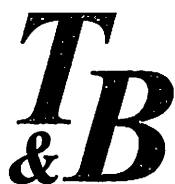
**INDEPENDENT AUDITOR'S REPORT AND  
RELATED FINANCIAL STATEMENTS**

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**SEPTEMBER 30, 2022**

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**Tetrick & Bartlett, PLLC**

**Certified Public Accountants  
Consultants**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinion*

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Senior Monongalians, Inc. as of September 30, 2022, 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.

#### *Basis for Opinion*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Senior Monongalians, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management*

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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Senior Monongalians, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Senior Monongalians, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Senior Monongalians, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

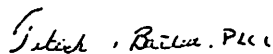
## **Other Matters**

### ***Supplementary 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 May 22, 2023, 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.

 Patrick J. Bricker

Clarksburg, West Virginia  
May 22, 2023

**THE SENIOR MONONGALIANS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2022**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 243,460
Accounts receivable	106,772
Prepaid expenses	<u>8,122</u>
Total current assets	<u>358,354</u>

**Non-Current Assets**

Capital assets, net	147,242
Investments, at fair value	<u>477,522</u>
Total non-current assets	<u>624,764</u>

**TOTAL ASSETS**

\$ 983,118

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 14,191
Accrued payroll and payroll liabilities	37,720
Accrued compensated absences	11,247
Unearned revenue	<u>11,193</u>
Total current liabilities	<u>74,351</u>

**Net Assets**

Without donor restrictions	<u>908,767</u>
Total net assets	<u>908,767</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$ 983,118

See accompanying notes and independent auditor's report.

**THE SENIOR MONONGALIANS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Change in Net Assets Without Donor Restrictions:**

**Support and Revenues:**

State grants	\$ 712,350
Federal grants	244,197
Local grants	120,000
Program income	83,604
Fees for service	43,366
Contributions	104,794
Fundraising	2,197
Gain on disposal of assets	8,083
Investment income	(65,367)
Other income	942
Total support and revenues	<u>1,254,166</u>

**Expenses**

Program	1,261,109
Management and general	6,104
Fundraising	70
Total expenses	<u>1,267,283</u>

(Decrease) in net assets (13,117)

Net assets without donor restrictions - beginning 921,884

Net assets without donor restrictions - ending \$ 908,767

See accompanying notes and independent auditor's report.

**THE SENIOR MONONGALIANS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages - program	\$ 532,689	\$ 112,280	\$ -	\$ 644,969
Contract labor	86,660	-	-	86,660
Rent	18,879	39,472	-	58,351
Program expense	2,996	183	-	3,179
Supplies	184,607	260	-	184,867
Payroll taxes	44,949	8,105	-	53,054
Insurance	30,860	1,485	-	32,345
Utilities and communications	11,825	27,337	-	39,162
Repairs and maintenance	13,479	10,875	-	24,354
Depreciation	43,368	12,161	-	55,529
Medical insurance	13,375	8,906	-	22,281
Vehicle expenses	16,053	-	-	16,053
Travel and training	3,925	37	-	3,962
Professional fees	7,975	-	-	7,975
Office expense and postage	5,437	3,964	-	9,401
Retirement expense	1,272	1,418	-	2,690
Equipment	7,934	322	-	8,256
Dues and subscriptions	-	1,000	-	1,000
Licenses and permits	7,320	50	50	7,420
Miscellaneous	5,746	23	6	5,775
Total	1,039,349	227,878	56	1,267,283
Indirect costs	221,760	(221,774)	14	-
Total expenses after allocation of indirect costs	<u>\$ 1,261,109</u>	<u>\$ 6,104</u>	<u>\$ 70</u>	<u>\$ 1,267,283</u>

See accompanying notes and independent auditor's report.



**THE SENIOR MONONGALIANS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Cash Flows from Operating Activities**

(Decrease) in net assets	\$ (13,117)
Adjustments to reconcile (decrease) in net assets to net cash provided by operating activities:	
Depreciation	55,529
(Gain) on sale of capital assets	(8,083)
Unrealized loss on investments	83,993
(Increase) decrease in:	
Accounts receivables	10,238
Prepaid expenses	2,173
Increase (decrease) in:	
Accounts payable	705
Accrued payroll and payroll liabilities	6,379
Accrued compensated absences	2,278
Unearned revenues	1,095
Net cash provided by operating activities	<u>141,190</u>

**Cash Flows from Investing Activities**

Purchase of capital assets	(64,233)
Proceeds from sale of capital asset	26,000
Sale of investments	42,800
Net cash provided by investing activities	<u>4,567</u>

Net increase in cash and cash equivalents	145,757
Cash and cash equivalents - beginning of year	<u>97,703</u>
Cash and cash equivalents - end of year	<u><u>\$ 243,460</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 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.

**Fundraising Income** – The Organization receives revenue from various fundraising activities. 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 \$55,529 for the year ended September 30, 2022.

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 \$11,247 at September 30, 2022. Charges to vacation and sick time amounted to \$27,960 during the year ended September 30, 2022.

**(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, 2022.

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, 2019 through 2022, which are the years that remain subject to examination by the Internal Revenue Service and various state agencies as of September 30, 2022.

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, 2022, reduced by amounts not available for general expenditures within one year:

Financial assets:	
Cash and cash equivalents	\$ 243,460
Accounts receivables	106,772
Investments	<u>477,522</u>
Financial assets, at year end	<u>827,754</u>

Financial assets available to meet cash needs for general expenditures	
liabilities, and other obligations within one year	<u>\$ 827,754</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, 2022. 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	\$ 257,609	\$ 257,609	\$ -	\$ -	\$ 243,460
Insured cash accounts	<u>6,533</u>	<u>6,533</u>	<u>-</u>	<u>-</u>	<u>6,533</u>
	<u>\$ 264,142</u>	<u>\$ 264,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,993</u>

See independent auditor's report.

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

**5. Receivables**

Receivable consist of the following at September 30, 2022:

<b>Grants and Contracts</b>	
In-Home Care	\$ 37,901
LIFE	11,672
Title III-B	9,721
Title III-C	27,998
Title III-E	3,366
American Rescue Act	<u>12,354</u>
Total Grants and Contracts	103,012
Customers	<u>3,760</u>
	<u><u>\$ 106,772</u></u>

**6. Capital Assets**

Capital assets at September 30, 2022, consisted of the following:

Equipment	\$ 396,840
Vehicles	<u>266,068</u>
Total property and equipment	662,908
Accumulated depreciation	<u>(515,666)</u>
Property and equipment - net	<u><u>\$ 147,242</u></u>

See independent auditor's report.



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

**7. Investments**

Investments, stated at fair value are comprised of the following at September 30, 2022:

	<u>Cost</u>	<u>Fair Value</u>
Insured cash accounts	\$ 6,533	\$ 6,533
Municipal bonds	411,566	372,454
Exchange traded funds:	<u>103,104</u>	<u>98,535</u>
Total investments	<u>\$ 521,203</u>	<u>\$ 477,522</u>

Investment income consists of the following for the year end September 30, 2022:

Interest and dividend income	\$ 18,626
Net unrealized gain on investments	<u>(83,993)</u>
Total investment income	<u>\$ (65,367)</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.

See independent auditor's report.

# THE SENIOR MONONGALIANS, INC.

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

**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.

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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Insured cash accounts	\$ 6,533	\$ -	\$ -	\$ 6,533
Municipal bonds	-	372,454	-	372,454
Exchange traded funds:	<u>98,535</u>	<u>-</u>	<u>-</u>	<u>98,535</u>
Total assets at fair value	<u>\$ 105,068</u>	<u>\$ 372,454</u>	<u>\$ -</u>	<u>\$ 477,522</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.

See independent auditor's report.

# THE SENIOR MONONGALIANS, INC.

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

*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.

### 9. Contract Assets and Contract Liabilities

Contract assets consist of accounts receivable as follows:

Accounts receivable:	
Beginning of year	\$ 117,010
End of year	\$ 106,772

Contract liabilities consist of accounts payable as follows:

Accounts payable:	
Beginning of year	\$ 13,486
End of year	\$ 14,191

### 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, 2023 through December 31, 2027 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, 2023 through May 29, 2026 and calls for monthly rental payments of \$89.

See independent auditor's report.

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

On October 25, 2019, subsequent to the year end, The Senior Monongalians, Inc. entered into a lease agreement with Hart Office Solutions. The lease agreement is for the period December 31, 2019 through December 31, 2024 and calls for monthly rental payments of \$115.

Rental expense for the year ended September 30, 2022, was \$58,351.

Future minimum rentals payments are as follows:

For the Year Ending September 30,

2023	\$ 57,620
2024	57,937
2025	57,423
2026	55,364
2027	55,020
2028	13,755
	<u>\$ 297,119</u>

**11. Advertising Costs**

The Organization expenses advertising costs as incurred. These costs were included in the financial statements and amounted to \$-0- for the year ended September 30, 2022.

**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, 2022, the employer match amounted to \$2,690.

See independent auditor's report.

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

**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.

**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.

See independent auditor's report.

# THE SENIOR MONONGALIANS, INC.

## NOTES TO FINANCIAL STATEMENTS (CONT'D)

### 15. Recently Issued Accounting Standards

The following accounting pronouncements were recently issued by the FASB:

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 prior 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.

See independent auditor's report.

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

**17. Subsequent Events**

In accordance with Accounting Standards Codification (ASC) 855-10, Subsequent Events, the Organization has evaluated subsequent events through May 22, 2023, the date the financial statements were available to be issued.

See independent auditor's report.

**THE SENIOR MONONGALIANS, INC.**  
**SCHEDULE OF FEDERAL AND STATE GRANT EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

<u>Name of Grant</u>	<u>Grant Number</u>	<u>AL#</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Passthrough</u>
<b>Nutrition Funding Title IIIC</b>						
Aging Congregate Nutrition Services for States	22235	93.045	\$ 16,133	\$ 17,558	\$ 33,691	
Aging Home-Delivered Nutrition Service for States	22235	93.045	<u>144,261</u>	<u>166,641</u>	<u>310,902</u>	
Total Title IIIC			<u>160,394</u>	<u>184,199</u>	<u>344,593</u>	1 and 2
<b>Special Programs for the Aging Title III</b>						
Part B Grants for Supportive Services and Senior Centers (Title III-B)	22235	93.044	50,331	56,191	106,522	
Part D Disease Prevention and Health Promotion Services (Title III-D)	22235	93.043	428	-	428	
Part E National Family Caregiver Support (Title III-E)	22235	93.052	<u>33,044</u>	<u>2,360</u>	<u>35,404</u>	
Total Special Programs for the Aging			<u>83,803</u>	<u>58,551</u>	<u>142,354</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 FISCAL YEAR ENDED SEPTEMBER 30, 2022**

<u>Name of Grant</u>	<u>Grant Number</u>	<u>AL#</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Passthrough</u>
<b>Other Programs</b>						
LIFE Grant	22202	N/A	\$ -	\$ 164,318	\$ 164,318	1 and 2
LIFE Grant	22302	N/A	-	42,403	42,403	1 and 2
Lighthouse	IH2208	N/A	-	121,510	121,510	1
Lighthouse	IH2308	N/A	-	51,390	51,390	1
FAIR	IH2208	N/A	-	69,702	69,702	1
FAIR	IH2308	N/A	-	20,494	20,494	1
SAMS	IH1608	N/A	-	(217)	(217)	1
Total Other Programs			-	469,600	469,600	
<b>TOTALS</b>			<u>\$ 244,197</u>	<u>\$ 712,350</u>	<u>\$ 956,547</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, 2022**

	<b>PROGRAM</b>							
	<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	\$ 30,207	\$ 180	\$ 49,572	\$ 93,022	\$ 15,920	\$ 65,523	\$ 158,345	\$ 91,759
Contract labor	42,607			1,565		42,488		
Rent			270	14,927	99	115	913	820
Program expense	10		123	619	40	1,521	388	242
Supplies	893		182	143,238	70	80	561	477
Payroll taxes	2,391	15	4,254	8,219	1,400	5,175	13,427	7,750
Insurance	732	4	1,018	13,023	284	10,447	3,132	1,728
Utilities and communications			272	8,723	158		1,279	972
Repairs and maintenance			32	5,524	12	6,480	110	99
Depreciation	5,415			33,153		4,800		
Medical insurance	1,590		653	302	208	3,249	3,531	3,129
Vehicle expenses	285			15,542		214	6	6
Travel and training		189	455	674	150		1,485	782
Professional fees						7,975		
Office expense and postage	3,699		4	1,050	1	663	11	7
Retirement expense	40		179		57	37	571	317
Equipment	1,739			712		5,483		
Dues and subscriptions								
Licenses and permits				500		6,820		
Miscellaneous	-	-	-	-	-	700	-	-
<b>Total</b>	<b>89,608</b>	<b>388</b>	<b>57,014</b>	<b>340,793</b>	<b>18,399</b>	<b>161,770</b>	<b>183,759</b>	<b>108,088</b>
<b>Indirect costs</b>	<b>18,566</b>	<b>93</b>	<b>12,351</b>	<b>75,139</b>	<b>4,012</b>	<b>33,356</b>	<b>38,520</b>	<b>23,242</b>
<b>Total expenses after allocation of indirect costs</b>	<b>\$ 108,174</b>	<b>\$ 481</b>	<b>\$ 69,365</b>	<b>\$ 415,932</b>	<b>\$ 22,411</b>	<b>\$ 195,126</b>	<b>\$ 222,279</b>	<b>\$ 131,330</b>

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, 2022**

	<b>PROGRAM</b>			<b>Program Totals</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
	<b><u>SAMS</u></b>	<b><u>Community Care</u></b>	<b><u>Other Programs</u></b>				
Wages - program	\$ 3,427	\$ 20,516	\$ 4,218	\$ 532,689	\$ 112,280	\$ -	\$ 644,969
Contract labor				86,660		-	86,660
Rent		182	1,553	18,879	39,472	-	58,351
Program expense		53		2,996	183	-	3,179
Supplies		112	38,994	184,607	260	-	184,867
Payroll taxes	235	1,720	363	44,949	8,105	-	53,054
Insurance	40	362	90	30,860	1,485	-	32,345
Utilities and communications		421		11,825	27,337	-	39,162
Repairs and maintenance		22	1,200	13,479	10,875	-	24,354
Depreciation				43,368	12,161	-	55,529
Medical insurance	444	269		13,375	8,906	-	22,281
Vehicle expenses				16,053		-	16,053
Travel and training		190		3,925	37	-	3,962
Professional fees				7,975		-	7,975
Office expense and postage		2		5,437	3,964	-	9,401
Retirement expense		71		1,272	1,418	-	2,690
Equipment				7,934	322	-	8,256
Dues and subscriptions				-	1,000	-	1,000
Licenses and permits				7,320	50	50	7,420
Miscellaneous	-	-	5,046	5,746	23	6	5,775
Total	4,146	23,920	51,464	1,039,349	227,878	56	1,267,283
Indirect costs	852	5,297	10,332	221,760	(221,774)	14	-
Total expenses after allocation of indirect costs	<u>\$ 4,998</u>	<u>\$ 29,217</u>	<u>\$ 61,796</u>	<u>\$ 1,261,109</u>	<u>\$ 6,104</u>	<u>\$ 70</u>	<u>\$ 1,267,283</u>

See accompanying notes and independent auditor's report.



**Tetrick & Bartlett, PLLC**

**Certified Public Accountants  
Consultants**

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

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, 2022, 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 May 22, 2023.

**Report on 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 or significant deficiencies may exist that were not identified.

### **Report on 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.

*Stacy A. Bowers, PLLC*

Clarksburg, West Virginia  
May 22, 2023