

TAYLOR COUNTY SENIOR CITIZENS, 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
Taylor County Senior Citizens, Inc.
Grafton, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Taylor County Senior Citizens, 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 of 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 Taylor County Senior Citizens, 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 2 to the financial statements for the year ended September 30, 2021, Taylor County Senior Citizens, Inc. adopted new accounting guidance ASU Number 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 accompanying schedule of federal funds and schedule of state funds and notes to the schedule of federal and state funds on pages 18 through 20 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 27, 2022, on our consideration of Taylor County Senior Citizens, 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 Taylor County Senior Citizens, 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 Taylor County Senior Citizens, Inc.'s internal control over financial reporting and compliance.

J. Patrick Bartlett, CPA

Clarksburg, West Virginia
May 27, 2022

TAYLOR COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS

Current Assets

Cash	\$ 245,795
Accounts receivable	88,541
Grants receivable	<u>180,072</u>
Total current assets	<u>514,408</u>

Property and Equipment

Property and Equipment	1,064,603
Accumulated depreciation	<u>(691,785)</u>
Total property and equipment	<u>372,818</u>

TOTAL ASSETS

\$ 887,226

LIABILITIES AND NET ASSETS

Current Liabilities

Note payable (current portion)	\$ 11,119
Accounts payable	7,815
Accrued compensation and taxes	<u>34,630</u>
Total current liabilities	<u>53,564</u>

Long-Term Liabilities

Note payable (net of current portion)	<u>30,917</u>
Total long-term liabilities	<u>30,917</u>

Total liabilities

84,481

Net Assets

Without donor restrictions	<u>802,745</u>
Total net assets	<u>802,745</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 887,226

See accompanying notes and independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Changes in Net Assets Without Donor Restrictions

Revenues and Support

Federal financial assistance	\$ 144,545	
State grant allocations	359,676	
Local income	148,851	
Medicaid	389,333	
Veteran's Affairs	108,695	
Community service program	<u>126,233</u>	\$ 1,277,333

Expenses

Program expenses	940,395	
Management and general	<u>130,197</u>	<u>1,070,592</u>

Change in net assets without donor restrictions	206,741
Net assets without donor restrictions - beginning - restated	<u>596,004</u>
Net assets without donor restrictions - ending	<u>\$ 802,745</u>

See accompanying notes and independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Program Expenses</u>									
	<u>Title</u>	<u>Title</u>	<u>Title</u>	<u>In-Home Services</u>			<u>Community</u>	<u>Total</u>	<u>Management</u>	<u>Total</u>
	<u>III-B</u>	<u>III-E</u>	<u>III-C</u>	<u>Fair</u>	<u>Lighthouse</u>	<u>Life</u>	<u>Service</u>	<u>Program</u>	<u>and</u>	<u>Expenses</u>
Salaries and related expenses	\$ 67,452	\$ 6,075	\$ 87,400	\$ 19,170	\$ 95,066	\$ 139,757	\$ 346,066	\$ 760,986	\$ 46,295	\$ 807,281
Food purchases	-	-	44,099	-	-	-	-	44,099	-	44,099
Occupancy	4,475	-	7,770	-	-	3,779	3,755	19,779	-	19,779
Travel and vehicle operations	6,951	218	-	2,221	10,909	434	18,894	39,627	170	39,797
Repairs and maintenance	-	-	3,810	-	-	13,706	-	17,516	-	17,516
Professional fees	-	-	-	-	-	10,608	-	10,608	3,005	13,613
Insurance	-	-	-	-	-	10,984	-	10,984	-	10,984
Supplies	1,367	-	12,555	-	-	3,871	3,988	21,781	-	21,781
Depreciation	-	-	-	-	-	-	-	-	39,956	39,956
Operating expenses	-	-	-	-	-	-	-	-	40,770	40,770
Miscellaneous	2,370	-	10,009	-	-	-	2,636	15,015	1	15,016
Total expenses	\$ 82,615	\$ 6,293	\$ 165,643	\$ 21,391	\$ 105,975	\$ 183,139	\$ 375,339	\$ 940,395	\$ 130,197	\$ 1,070,592

See accompanying notes and independent auditor's report.

TAYLOR COUNTY SENIOR CITIZENS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Cash Flows from Operating Activities	
Change in net assets	\$ 206,741
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	39,956
(Increase) decrease in:	
Accounts receivable	(12,332)
Grants receivable	(91,685)
Prepaid expenses	5,512
Increase (decrease) in:	
Accounts payable	5,671
Accrued compensation and taxes	<u>(23,618)</u>
Net cash provided by operating activities	\$ 130,245
Cash Flows from Financing Activities	
Proceeds from long-term borrowing	67,030
Repayment of long-term borrowing	<u>(36,505)</u>
Net cash provided by financing activities	30,525
Cash Flows from Capital and Related Financing Activities	
Acquisition of property and equipment	<u>(69,961)</u>
Net cash (used in) capital and related financing activities	<u>(69,961)</u>
Net increase in cash	90,809
Cash at beginning of year	<u>154,986</u>
Cash at end of year	<u>\$ 245,795</u>
Supplemental Disclosure of Cash Flows Information	
Cash paid during the year for interest	<u>\$ 362</u>

See accompanying notes and independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Entity

The Taylor County Senior Citizens, Inc. is a non-profit corporation located in Grafton, West Virginia. The Organization's operations consist of a variety of social services for the elderly of Taylor County. The Organization is funded by various federal and state grants and from funds obtained through local fund-raising projects.

Financial Statement 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 2018, the Organization adopted the provisions for 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.

Furthermore, the financial statements of the Organization have been prepared in accordance with generally accepted accounting principles. 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 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.

See independent auditor's report.

TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies:

Basis of Accounting and Reporting

Taylor County Senior Citizens, Inc. prepares its annual financial statements on the accrual basis of accounting.

Cash

All cash accounts are with F.D.I.C. insured institutions. For the purpose of the statement of cash flows, the Organization considers both restricted and unrestricted cash as well as short-term, highly liquid investments which are convertible into cash within ninety (90) days of purchase to be cash and cash equivalents. The Organization does not have a policy regarding collateralization with regards to their repurchase agreements, although it is a treasury management agreement.

Cash and equivalents consist of the following:

Unrestricted Cash	\$ <u>245,795</u>
Total Cash	\$ <u>245,795</u>

Inventories

The Organization does not maintain an inventory. Supplies are purchased on an as needed basis.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; all fixed assets are capitalized with an original cost of \$500 or more.

See independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Unconditional grants and promises to give are recorded when the grant or promise is made. Conditional grants and promises to give are recorded when the related condition is met. Project income is recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donor-imposed restrictions that are fulfilled in the same period they are received are recorded as unrestricted support.

Grants and Contracts

Support received under grants and contracts with the State of West Virginia and other government agencies that require revenues to be billed down is recorded as public support when the related direct costs are incurred. Grants and contracts receivable represent amounts due for expenditures incurred prior to year-end.

Functional Expenses

The operating expenses of the Organization have been classified in the Statement of Functional Expenses on a direct basis whenever possible. Other expenses have been allocated based on personnel time worked, space utilized or some other rational allocation method.

Donated Services

Donated services are recognized as contributions in accordance with FASB Standards Codification 958-605, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 DESCRIPTION OF ENTITY, FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax – Exempt Status

The Taylor County Senior Citizens, Inc. has been determined to be an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's Forms 990 US income tax returns for the years ending 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they are filed.

Income Taxes

The Taylor County Senior Citizens, Inc. is a not-for-profit organization and is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code of 1986. The Organization owed \$0 in unrelated business income taxes as of September 30, 2021.

Risks and Uncertainties

The majority of the funding for the operation of Taylor County Senior Citizens, Inc. comes from federal and state grants. A loss of or decrease in this funding could adversely affect the operation of the Organization.

Subsequent Events – Subsequent events have been evaluated through May 27, 2022, which is the date the financial statements were available to be issued.

NOTE 2 ACCOUNTING PRONOUNCEMENTS ADOPTED

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of this new guidance is that "an entity should 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." During August 2015, FASB further amended this guidance and issued ASU No. 2015-14, *Revenue from Contracts with Customers*. These new standards address the timing of reporting revenues from contracts with customers and related disclosures. In 2020, the FASB delayed the effective date for nonpublic companies and not-for-profit organizations that have not yet applied the revenue recognition standard to do so for annual reporting periods beginning after December 15, 2019. The adoption of this standard did not have a material effect on the Organization's financial statements.

See independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or fair market value at date of donation.

Property and equipment consisted of the following at September 30, 2021:

Buildings	\$ 657,943
Kitchen equipment	37,629
Office equipment	75,347
Sign	2,261
Vehicles	<u>291,423</u>
Total property and equipment	1,064,603
Less: accumulated depreciation	<u>(691,785)</u>
Net property and equipment	<u>\$ 372,818</u>

Property and equipment are depreciated over their useful lives:

Building	10 – 20 years
Kitchen equipment	5 years
Office equipment	5 – 7 years
Vehicles	5 years
Sign	10 years

Depreciation expense was \$39,956 for the fiscal year ended September 30, 2021.

NOTE 4 CONCENTRATIONS

The Organization receives a majority of their monies from third party reimbursements. Any loss or decrease in this funding could be detrimental to the Organization's ongoing activities.

NOTE 5 ADVERTISING COSTS

The Organization expenses advertising costs as they are incurred.

See independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 6 GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following:

LIFE	\$	14,565
Title III - B		1,425
Title III - C		13,850
Veterans Administration		11,423
Medicaid and Medicaid Waiver		125,041
In Home Services		<u>13,768</u>
 Total grants and contracts	 \$	 <u>180,072</u>

NOTE 7 FAIR VALUE MEASUREMENTS

FASB Standards Codification 820, Fair Value Measurements and Disclosures, establishes a 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 Accounting Standards Codifications 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:

- i. Quoted prices for similar assets or liabilities in active markets;
- ii. Quoted prices for identical or similar assets or liabilities in inactive markets;
- iii. Inputs other than quoted prices that are observable for the asset or liability;
- iii. 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.

See independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021.

Money Market Funds: Valued using the amortized cost, in accordance with rules under the Investment Company Act of 1940.

Common Stock: Valued at the most recent repurchase of outstanding shares as treasury stock.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

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

The following table sets forth by level, within the fair value hierarchy, the Organization's financial assets at fair value on a recurring basis as of September 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Checking Accounts	\$ <u>245,795</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>245,795</u>
Total Assets at Fair Value	\$ <u>245,795</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>245,795</u>

See independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 8 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date. The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2021
Cash	\$ 245,795
Grants and Contracts Receivable	180,072
Property Tax Receivable	<u>88,541</u>
Total financial assets available within one year	\$ <u>514,408</u>

NOTE 9 PROPERTY TAXES

The residents of Taylor County passed an excess levy a portion of which is to support the Taylor County Senior Citizens Center. The levy expires in 2024.

NOTE 10 LONG-TERM DEBT

First Community Bank

4.20% installment obligation; dated July 14, 2021; payable in monthly installments of \$528; maturing July 14, 2027; secured by a vehicle \$ 9,280

Future debt retirement based on current financing arrangements is as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 6,062	\$ 274	\$ 6,336
2023	<u>3,218</u>	<u>40</u>	<u>3,258</u>
Total	\$ <u>9,280</u>	\$ <u>314</u>	\$ <u>9,594</u>

See independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 10 LONG-TERM DEBT (CONTINUED)

First Community Bank

4.20% installment obligation; dated July 14, 2021; payable in monthly
Installments of \$528; maturing July 14, 2027; secured by a vehicle \$ 32,756

Future debt retirement based on current financing arrangements is as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 5,057	\$ 1,279	\$ 6,336
2023	5,273	1,063	6,336
2024	5,499	837	6,336
2025	5,735	601	6,336
2026	5,980	356	6,336
2027	<u>5,212</u>	<u>101</u>	<u>5,313</u>
Total	<u>\$ 32,756</u>	<u>\$ 4,237</u>	<u>\$ 36,993</u>

Total future debt retirement based on current financing arrangements is as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 11,119	\$ 1,553	\$ 12,672
2023	8,491	1,103	9,594
2024	5,499	837	6,336
2025	5,735	601	6,336
2026	5,980	356	6,336
2027	<u>5,212</u>	<u>101</u>	<u>5,313</u>
Total	<u>\$ 42,036</u>	<u>\$ 4,551</u>	<u>\$ 46,587</u>

See independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 11 RESTATEMENT OF NET ASSETS

It was determined that the beginning net assets without donor restrictions required restatement as follows:

Net assets without donor restrictions as previously stated	\$ 537,418
Restatement: Understatement of grants and contracts receivable	<u>58,586</u>
Net assets without donor restrictions beginning as restated	\$ <u>596,004</u>

NOTE 12 SUBSEQUENT EVENTS - COVID-19

The spread of the novel coronavirus (COVID-19) has severely impacted many local economies around the world. In many countries, businesses and organizations are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and financial institutions have responded with monetary and fiscal interventions to try to stabilize economic conditions. The organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial net position and changes in net position as of and for the year ended September 30, 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and financial responses remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial net position and results of the organization for future periods.

See independent auditor's report.

SCHEDULE OF FEDERAL AND STATE FUNDS

**TAYLOR COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Federal Grantor Program</u>	<u>Federal Assistance Listing Number</u>	<u>Financial Awards Recognized</u>
<i>U.S. Department of Health and Human Services</i>		
Title III - B	93.044	\$ 32,160
Title III - E	93.052	8,595
Title III - C Nutrition	93.045	<u>103,790</u>
 Total Federal Funds		 <u>\$ 144,545</u>

See accompanying notes to the schedule and independent auditor's report.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<i>West Virginia Bureau of Senior Services</i> <u>Through the Upper Potomac Area Agency on Aging:</u>	<u>Financial</u> <u>Awards</u> <u>Recognized</u>
LIFE	\$ 189,699
Lighthouse	126,134
Fair	16,970
State Matching Funds	23,873
MIPPA	<u>3,000</u>
Total State Funds	<u>\$ 359,676</u>

See accompanying notes to the schedule and independent auditor's report.

TAYLOR COUNTY SENIOR CITIZENS, INC.
NOTES TO THE SCHEDULES OF FEDERAL AND STATE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Federal Funds and Schedule of State Funds are prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements.

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***

The Board of Directors
Taylor County Senior Citizens, Inc.
Grafton, 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 Taylor County Senior Citizens, 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 May 27, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Taylor County Senior Citizens, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Taylor County Senior Citizens, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Taylor County Senior Citizens, 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.

**TAYLOR COUNTY SENIOR CITIZENS, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

#2021-001 Segregation of Duties

Criteria: Analysis of the internal control system indicated a lack of segregation of duties in certain areas of the accounting process.

Condition: Responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals.

Cause: Responsibilities of approval, execution, recording and custody have been distributed among the office staff to the best degree possible; however, complete segregation of duties is not economically feasible given the limited office staff employed.

Effect: Because of the lack of segregation duties in certain accounting areas, internal control elements do not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We recommend that management and the Board of Director's continue to provide oversight and independent review functions and exercise due diligence and professional skepticism in relation to the Organization's financial operations.

View of Responsible Officials and Planned Corrective Action: This has been a finding each year of the audit and one that we are unable to correct due to the nature of the non-profit and not able to resolve due to the fact that it is not economically feasible at this time.

Status: This condition was reported in the prior year as audit finding #2020-001.