

THE SENIOR MONONGALIANS, INC.

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

SEPTEMBER 30, 2019

INDEX

	Page
Independent Auditor's Report	1-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-17
Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18-19
 SUPPLEMENTARY INFORMTION	
Schedule of Federal and State Grant Expenditures	20-21
Schedule of Functional Expenses by Program	22-23



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, 2019, 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, 2019, 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 12 to the financial statements for the year ended September 30, 2019, The Senior Monongalians, Inc. adopted new accounting guidance ASU Number 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of federal and state grant expenditures and schedule of functional expenses by program are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2020, 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.

Tetric & Bantlett PLLC

Fairmont, West Virginia
February 15, 2020

**THE SENIOR MONONGALIANS, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 626,547
Accounts receivable	<u>100,947</u>
Total current assets	727,494
Capital assets, net	<u>127,499</u>
TOTAL ASSETS	<u>\$ 854,993</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 9,492
Accrued payroll and payroll liabilities	22,225
Accrued compensated absences	17,400
Unearned revenue	<u>8,138</u>
Total liabilities	<u>57,255</u>
Net Assets	
Without donor restrictions	<u>797,738</u>
Total net assets	<u>797,738</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 854,993</u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Net Assets Without Donor Restriction

Support and Revenues:

State grants	\$ 586,370
Federal grants	171,746
Local grants	120,000
Program income	56,027
Fees for service	47,963
Bequest	568,356
Contributions	18,462
Fundraising	7,525
Gain (loss) on disposal of assets	(982)
Other income	4,955
Total support and revenues	<u>1,580,422</u>

Operating Expenses

Program	1,048,239
Management and general	-
Fundraising	733
Total operating expenses	<u>1,048,972</u>

Increase in net assets	531,450
Net assets, beginning of year	<u>266,288</u>
Net assets, end of year	<u>\$ 797,738</u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Wages - program	\$ 468,753	\$ 25,384	\$ -	\$ 494,137
Wages - administrative	-	87,563	-	87,563
Contract labor	95,683	5,760	-	101,443
Rent	17,676	39,213	-	56,889
Program expense	5,930	-	50	5,980
Supplies	75,866	537	-	76,403
Payroll taxes	40,779	8,942	-	49,721
Insurance	19,876	10,603	-	30,479
Utilities and communications	8,743	31,105	-	39,848
Repairs and maintenance	6,571	8,764	-	15,335
Depreciation	22,131	3,087	-	25,218
Medical insurance	5,856	8,881	-	14,737
Vehicle expenses	14,468	-	-	14,468
Travel and training	1,503	323	-	1,826
Professional fees	7,200	-	-	7,200
Office expense and postage	1,946	3,736	-	5,682
Pension expense	1,221	2,596	-	3,817
Equipment	3,314	2,430	-	5,744
Advertising	5,667	82	-	5,749
Dues and subscriptions	-	700	-	700
Interest	-	102	-	102
Licenses and permits	1,885	1,347	100	3,332
Miscellaneous	1,512	548	539	2,599
Total	806,580	241,703	689	1,048,972
Indirect costs	241,659	(241,703)	44	-
Total expenses after allocation of indirect costs	<u>\$ 1,048,239</u>	<u>\$ -</u>	<u>\$ 733</u>	<u>\$ 1,048,972</u>

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALIANS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Cash Flows from Operating Activities

Increase in net assets	\$ 531,450
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	25,218
Loss on disposal of fixed assets	982
(Increase) decrease in:	
Receivables	(9,366)
Prepaid expenses	2,352
Increase (decrease) in:	
Accounts payable	3,393
Accrued payroll and payroll liabilities	3,522
Accrued compensated absences	(1,237)
Unearned revenues	(1,558)
Net cash provided by operating activities	554,756

Cash Flows from Investing Activities

Purchase of capital assets	(65,908)
Net cash (used in) investing activities	(65,908)

Net increase in cash and cash equivalents 488,848

Cash and cash equivalents - beginning of year 137,699

Cash and cash equivalents - end of year \$ 626,547

Supplemental Disclosure of Cash Flows Information

Cash paid during the year for interest \$ 102

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. During 2018, the Organization adopted the provisions of Accounting Standards Updated ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) Presentations 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)

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.

(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 cash flows statement, the Organization considers investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at September 30, 2019. The Organization occasionally maintains cash balances in banks that may exceed federally insured limits. The solvency of the financial institutions is not a concern of management at this time. The Organization has not experienced any losses in such accounts.

(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.

See accompanying notes and independent auditor's report.

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

(e) Property and Equipment

Equipment and vehicles 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 fixed 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 \$25,218 for the year ended September 30, 2019.

(f) 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 \$17,400 at September 30, 2019. Charges to vacation and sick time amounted to \$29,672 during the year ended September 30, 2019.

(g) 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, 2019.

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.

See independent auditor's report.

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

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, 2016 through 2018, which are the years that remain subject to examination by the Internal Revenue Service and various state agencies as of September 30, 2019.

(h) 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.

(i) 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, 2019, reduced by amounts not available for general expenditures within one year:

Financial assets:	
Cash and cash equivalents	\$ 626,547
Accounts receivables	<u>100,947</u>
Financial assets, at year end	<u>727,494</u>
Financial assets available to meet cash needs for general expenditures liabilities, and other obligations within one year	 <u>\$ 727,494</u>

In addition, the Organization maintains a \$75,000 line of credit it can draw upon if needed to meet current obligations.

4. Deposits and Investments

The Organization's deposits and investments are categorized to give an indication of the level of risk assumed by the Organization at September 30, 2019. 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.

See independent auditor's report.

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

Deposits

	<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	\$ 701,039	\$ 250,000	\$ -	\$ 451,039	\$ 626,547

5. Accounts Receivable

Accounts receivable consist of the following at September 30, 2019:

Grants and Contracts	
In-Home Care	\$ 24,981
LIFE	15,189
Title III-B	17,423
Title III-C	32,495
Title III-D	2,419
Title III-E	<u>6,113</u>
Total Grants and Contracts	98,620
Customers	<u>2,327</u>
	<u>\$ 100,947</u>

6. Property and Equipment

Property and equipment at September 30, 2019, consisted of the following:

Equipment	\$ 359,381
Vehicles	<u>245,043</u>
Total property and equipment	604,424
Accumulated depreciation	<u>(476,925)</u>
Property and equipment - net	<u>\$ 127,499</u>

See independent auditor's report.

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

7. Line of Credit

The Organization maintains a \$75,000 line of credit with a local bank. The line bears interest at the rate of prime plus 2%, and is secured by certain corporate assets. The balance at September 30, 2019, was \$0.

8. Operating Lease

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, 2019, was \$55,020.

Future minimum rentals payments are as follows:

For the Year Ending September 30,

2020	\$ 56,165
2021	56,394
2022	56,394
2023	15,129
2024 and years after	<u>1,603</u>
	<u>\$ 185,685</u>

See independent auditor's report.

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

9. Advertising Costs

The Organization expenses advertising costs as incurred. These costs were included in the financial statements amounted to \$5,749 for the year ended September 30, 2019.

10. 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, 2019, the employer match amounted to \$3,817.

11. Functional Expenses

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

See independent auditor's report.

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

12. Recently Issued Accounting Standards

The following accounting pronouncement was recently issued by the FASB:

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*, which changes the current guidance for assets classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. ASU 2016-14 reduces the required number of classes of net assets from three to two: *net assets with donor restrictions* and *net assets without donor restrictions*. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profits to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses is eliminated. In addition to the current required disclosure of the aggregate amount by which endowment funds are underwater, ASU 2016-14 requires not-for-profit entities to disclose the aggregate fair value of such funds as well as the aggregate original gift amounts to be maintained. ASU 2016-14 also requires a NFP to disclose its interpretation of the ability to spend from underwater endowment funds including its policy, and any actions taken during the period, concerning appropriation from underwater endowment funds. All underwater endowment funds will be classified as part of net assets with donor restrictions rather than as a charge to unrestricted net assets as per the current rules. In the absence of explicit donor restrictions, ASU 2016-14 requires not-for-profit entities to use the placed-in-service approach to account for capital gifts. The current option to use the over-time approach has been eliminated. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions will also need to be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. Finally, current standards allow not-for-profit entities to decide whether to present operating cash flows using either the direct method or the indirect method. ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. ASU 2016-14 is effective for annual reporting periods beginning after December 15, 2017. Early adoption is permitted with retrospective application required for all prior periods presented. The Organization has adopted the provisions of ASU 2016-14 and has retrospectively applied this standard to the financial statements as of and for the year ending September 30, 2019.

See independent auditor's report.

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

A summary of the net asset reclassifications driven by the adoption of ASU 2016-14 as of September 30, 2018 follows:

As originally stated:

Net assets, beginning of year:	
Unrestricted	<u>\$ 266,288</u>

As restated:

Net assets, beginning of year:	
Without donor restrictions	<u>\$ 266,288</u>

13. 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, the Board 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.

14. Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, Subsequent Events, the Organization has evaluated subsequent events through February 15, 2020, the date the financial statements were available to be issued.

See independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Senior Monongalians, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, 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 15, 2020.

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) to determine 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 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 determination of financial statement amounts. 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.

Tetrick & Bartlett PLLC

Fairmont, West Virginia
February 15, 2020

THE SENIOR MONONGALLANS, INC.
SCHEDULE OF FEDERAL AND STATE GRANT EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<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 IIIC						
Aging Congregate Nutrition Services for States	Title III-C 1	93.045	\$ 24,245	\$ 39,518	\$ 63,763	
Aging Home-Delivered Nutrition Service for States	Title III-C 2	93.045	<u>61,723</u>	<u>69,388</u>	<u>131,111</u>	
Total Title IIIC			<u>85,968</u>	<u>108,906</u>	<u>194,874</u>	1 and 2
Special Programs for the Aging Title III						
Part B Grants for Supportive Services and Senior Centers (Title III-B)	21635	93.044	53,246	54,104	107,350	
Part D Disease Prevention and Health Promotion Services (Title III-D)	21635	93.043	3,875	-	3,875	
Part E National Family Caregiver Support (Title III-E)	21635	93.052	<u>28,657</u>	<u>1,156</u>	<u>29,813</u>	
Total Special Programs for the Aging			<u>85,778</u>	<u>55,260</u>	<u>141,038</u>	1 and 2

See accompanying notes and independent auditor's report.

THE SENIOR MONONGALLANS, INC.
SCHEDULE OF FEDERAL AND STATE GRANT EXPENDITURES (CONT'D)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Name of Grant</u>	<u>Grant Number</u>	<u>CFDA#</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Passthrough</u>
Other Programs						
LIFE Grant	21602	N/A	\$ -	\$ 214,236	\$ 214,236	1 and 2
Lighthouse	IH1608	N/A	-	109,212	109,212	1
FAIR	IH1608	N/A	-	93,651	93,651	1
SAMS	IH1608	N/A	-	5,105	5,105	1
Total Other Programs			-	422,204	422,204	
TOTALS			<u>\$ 171,746</u>	<u>\$ 586,370</u>	<u>\$ 758,116</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 MONONGALLIANS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	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	\$ 25,717	\$ 1,042	\$ 43,160	\$ 67,126	\$ 19,234	\$ 37,016	\$ 113,371	\$ 113,961
Wages - administrative	-	-	-	-	-	-	-	-
Contract labor	52,992	-	-	1,126	-	41,565	-	-
Rent	-	-	128	14,926	129	-	1,070	949
Program expense	51	2,541	158	537	82	1,523	426	448
Supplies	-	-	32	75,538	25	-	112	122
Payroll taxes	2,247	85	3,679	6,188	1,668	3,156	9,791	9,809
Insurance	1,036	15	1,170	9,200	693	684	2,970	2,891
Utilities and communications	-	-	67	7,466	67	-	547	488
Repairs and maintenance	-	-	93	3,990	63	1,183	425	468
Depreciation	32	-	-	21,942	-	-	-	-
Medical insurance	757	-	77	1,366	48	3,000	252	254
Vehicle expenses	900	-	14	12,203	374	571	187	169
Travel and training	410	-	88	469	31	-	201	214
Professional fees	-	-	-	-	-	7,200	-	-
Office expense and postage	879	185	8	91	3	708	30	34
Pension expense	44	32	123	29	57	169	324	335
Equipment	730	-	34	1,532	23	-	120	135
Advertising	3,409	-	138	1,136	47	-	373	391
Dues and subscriptions	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Miscellaneous	750	-	-	400	-	735	-	-
Total	89,954	3,900	48,969	226,302	22,544	97,510	130,199	130,668
Indirect costs	26,640	1,080	14,339	68,040	6,691	29,302	39,023	39,512
Total expenses after allocation of indirect costs	\$ 116,594	\$ 4,980	\$ 63,308	\$ 294,342	\$ 29,235	\$ 126,812	\$ 169,222	\$ 170,180

See accompanying notes and independent auditor's report.

THE SENIOR MONGALLANS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM (CONTD)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<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	\$ 3,657	\$ 34,041	\$ 44	\$ 10,384	\$ 468,753	\$ 25,384	\$ -	\$ 494,137
Wages - administrative	-	-	-	-	-	87,563	-	87,563
Contract labor	-	-	-	-	95,683	5,760	-	101,443
Rent	-	204	-	270	17,676	39,213	-	56,889
Program expense	7	122	-	35	5,930	-	50	5,980
Supplies	-	30	-	7	75,866	537	-	76,403
Payroll taxes	334	2,897	3	922	40,779	8,942	-	49,721
Insurance	52	906	2	257	19,876	10,603	-	30,479
Utilities and communications	-	106	-	2	8,743	31,105	-	39,848
Repairs and maintenance	-	125	-	224	6,571	8,764	-	15,335
Depreciation	-	-	-	157	22,131	3,087	-	25,218
Medical insurance	-	73	-	29	5,856	8,881	-	14,737
Vehicle expenses	-	48	-	2	14,468	-	-	14,468
Travel and training	-	71	-	19	1,503	323	-	1,826
Professional fees	-	-	-	-	7,200	-	-	7,200
Office expense and postage	-	8	-	-	1,946	3,736	-	5,682
Pension expense	-	87	-	21	1,221	2,596	-	3,817
Equipment	-	45	-	695	3,314	2,430	-	5,744
Advertising	-	82	-	91	5,667	82	-	5,749
Dues and subscriptions	-	-	-	-	-	700	-	700
Interest	-	-	-	-	-	102	-	102
Licenses and permits	-	-	-	-	1,885	1,347	100	3,332
Miscellaneous	-	-	-	475	1,512	548	539	2,599
Total	4,050	38,845	49	13,590	806,580	241,703	689	1,048,972
Indirect costs	1,224	11,736	12	4,060	241,659	(241,703)	44	-
Total expenses after allocation of indirect costs	\$ 5,274	\$ 50,581	\$ 61	\$ 17,650	\$ 1,048,239	\$ -	\$ 733	\$1,048,972

See accompanying notes and independent auditor's report.