

THE SENIOR MONONGALIANS, INC.

Audited Financial Statements
and Additional Information

For The Years Ended
September 30, 2010 and 2009

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GUTHRIE, BELCZYK & ASSOCIATES, P.C.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
THE SENIOR MONONGALIANS, INC.
Morgantown, West Virginia

We have audited the accompanying statements of financial position of **THE SENIOR MONONGALIANS, INC.** (a nonprofit organization) as of September 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with United States generally accepted auditing standards 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with United States generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2011, 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, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of grant funding and functional expenses by program on pages 18 through 21 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.

Guthrie, Belczyk & Associates, P.C.

Washington, Pennsylvania
April 12, 2011

THE SENIOR MONONGALIANS, INC.
 Statements of Financial Position
 September 30, 2010 and 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 24,227	\$ 85,128
Receivables	99,950	89,196
Prepaid expenses	<u>6,167</u>	<u>3,442</u>
<u>Total Current Assets</u>	130,344	177,766
<u>PROPERTY AND EQUIPMENT</u> - net	<u>114,633</u>	<u>151,498</u>
<u>TOTAL ASSETS</u>	<u>\$ 244,977</u>	<u>\$ 329,264</u>

<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Line of credit	\$ 0	\$ 70,981
Accounts payable	24,580	89,194
Accrued payroll and payroll liabilities	37,798	38,441
Accrued compensated absences	<u>14,579</u>	<u>11,882</u>
<u>Total Current Liabilities</u>	76,957	210,498
<u>NET ASSETS</u>		
Temporarily restricted net assets	3,050	0
Unrestricted net assets	<u>164,970</u>	<u>118,766</u>
<u>Total Net Assets</u>	<u>168,020</u>	<u>118,766</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 244,977</u>	<u>\$ 329,264</u>

See the accompanying notes to the financial statements.

THE SENIOR MONONGALIANS, INC.

Statements of Activities

for the years ended
September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>UNRESTRICTED NET ASSETS</u>		
Support and Revenues:		
State grants	\$ 551,841	\$ 559,874
Fees for service	349,582	452,562
Federal grants	259,158	257,683
Local grants	82,500	110,000
Program income	77,397	77,896
Fundraising	22,846	16,447
Gain on disposal of asset	7,509	0
Other income	<u>1,454</u>	<u>3,379</u>
<u>Total Support and Revenues</u>	1,352,287	1,477,841
 <u>OPERATING EXPENSES</u>		
Program	1,289,982	1,222,935
Management and general	3,406	91,560
Fundraising	<u>12,695</u>	<u>6,837</u>
<u>Total Operating Expenses</u>	<u>1,306,083</u>	<u>1,321,332</u>
<u>Increase in Unrestricted Net Assets</u>	46,204	156,509
 <u>TEMPORARILY RESTRICTED NET ASSETS</u>		
Grants received	<u>3,050</u>	<u>0</u>
<u>INCREASE IN NET ASSETS</u>	49,254	156,509
Net assets (deficit) - beginning of year	<u>118,766</u>	<u>(37,743)</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 168,020</u>	<u>\$ 118,766</u>

See the accompanying notes to the financial statements.

THE SENIOR MONONGALIANS, INC.

Statement of Functional Expenses

for the year ended
September 30, 2010

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Wages and salaries	\$ 700,876	\$ 102,516	\$ 0	\$ 803,392
Supplies	72,679	1,108	2,596	76,383
Contract labor	69,746	4,208	0	73,954
Payroll taxes	61,517	8,022	0	69,539
Rent	0	51,420	0	51,420
Utilities and communications	685	38,786	0	39,471
Medical insurance	29,632	3,877	0	33,509
Professional fees	0	32,923	0	32,923
Depreciation	12,698	19,552	0	32,250
Other insurance	20,877	7,295	0	28,172
Travel and training	17,697	1,107	0	18,804
Office expense and postage	2,136	5,516	0	7,652
Vehicle expense	7,594	0	0	7,594
Repairs and maintenance	2,515	1,922	14	4,451
Printing and reproduction	1,400	3,024	0	4,424
Pension expense	2,168	1,753	0	3,921
Interest	243	1,267	889	2,399
Dues and subscriptions	0	375	0	375
Equipment	30	308	0	338
Miscellaneous	8,197	1,280	5,635	15,112
<u>Total</u>	1,010,690	286,259	9,134	1,306,083
Indirect costs	279,292	(282,853)	3,561	0
<u>TOTAL EXPENSES AFTER ALLOCATION OF INDIRECT COSTS</u>	\$ 1,289,982	\$ 3,406	\$ 12,695	\$ 1,306,083

See the accompanying notes to the financial statements.

THE SENIOR MONONGALIANS, INC.

Statement of Functional Expenses

for the year ended
September 30, 2009

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Wages and salaries	\$ 779,982	\$ 64,189	\$ 0	\$ 844,171
Supplies	63,851	3,367	846	68,064
Payroll taxes	66,902	7,735	0	74,637
Rent	10,454	36,488	0	46,942
Utilities and communications	15,120	24,693	0	39,813
Medical insurance	28,109	2,427	0	30,536
Professional fees	216	31,222	0	31,438
Depreciation	23,533	2,542	136	26,211
Other insurance	45,360	3,944	0	49,304
Travel and training	19,703	2,915	0	22,618
Office expense and postage	659	10,086	0	10,745
Vehicle expense	15,579	0	0	15,579
Repairs and maintenance	5,587	7,789	0	13,376
Printing and reproduction	8,203	11,907	0	20,110
Pension expense	574	4,069	0	4,643
Interest	161	9,038	0	9,199
Dues and subscriptions	179	2,099	0	2,278
Equipment	19	91	0	110
Employee relations	1,152	1,577	0	2,729
Miscellaneous	352	3,197	5,280	8,829
<u>Total</u>	1,085,695	229,375	6,262	1,321,332
Indirect costs	137,240	(137,815)	575	0
<u>TOTAL EXPENSES AFTER ALLOCATION OF INDIRECT COSTS</u>	<u>\$ 1,222,935</u>	<u>\$ 91,560</u>	<u>\$ 6,837</u>	<u>\$ 1,321,332</u>

See the accompanying notes to the financial statements.

THE SENIOR MONONGALIANS, INC.

Statements of Cash Flows

for the years ended
September 30, 2010 and 2009

Increase (Decrease) in Cash

	<u>2010</u>	<u>2009</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase in net assets	\$ 49,254	\$ 156,509
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	32,250	26,211
Gain on disposal of assets	(7,509)	0
(Increase) Decrease in:		
Receivables	(10,754)	(57,973)
Prepaid expenses	(2,725)	7,196
Increase (Decrease) in:		
Accounts payable	(64,614)	8,920
Accrued payroll and payroll liabilities	(643)	3,095
Accrued compensated absences	<u>2,697</u>	<u>(27,688)</u>
<u>Cash Flows Provided by (Used in) Operating Activities</u>	(2,044)	116,270
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of fixed assets	(11,876)	(68,337)
Proceeds from sale of fixed assets	<u>24,000</u>	<u>0</u>
<u>Cash Flows Provided by (Used in) Investing Activities</u>	12,124	(68,337)
<u>CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES:</u>		
Proceeds from (payments on) line of credit	<u>(70,981)</u>	<u>5,089</u>

See the accompanying notes to the financial statements.

THE SENIOR MONONGALIANS, INC.

Statements of Cash Flows (Continued)

for the years ended
September 30, 2010 and 2009

Increase (Decrease) in Cash

	<u>2010</u>	<u>2009</u>
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	(60,901)	53,022
Cash and cash equivalents - beginning of year	<u>85,128</u>	<u>32,106</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 24,227</u>	<u>\$ 85,128</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:

Cash paid during the year for interest	<u>\$ 2,399</u>	<u>\$ 9,199</u>
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See the accompanying notes to the financial statements.

THE SENIOR MONONGALIANS, INC.

Notes to the Financial Statements

September 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Method of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

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, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

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, 2010 and 2009.

THE SENIOR MONONGALIANS, INC.

Notes to the Financial Statements

September 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

The accompanying financial statements are presented in accordance with United States generally accepted accounting principles. As such, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the existence or absence of donor-imposed restrictions. In addition, the Organization is required to present a statement of cash flows.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is received. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Receivables

Financial instruments that potentially subject the Organization to credit risk consist principally of various grants receivable from federal, state and local governments and miscellaneous receivables from individuals located primarily in Monongalia County, West Virginia.

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.

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

THE SENIOR MONONGALIANS, INC.

Notes to the Financial Statements

September 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

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 \$32,250 and \$26,211 for the years ended September 30, 2010 and 2009, respectively.

Income Taxes

THE SENIOR MONONGALIANS, INC. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Code Section 509(a). Donors are entitled to deductions from income tax for contributions made to **THE SENIOR MONONGALIANS, INC.** in accordance with these regulations.

There was no unrelated business income during the years ended September 30, 2010 and 2009.

Donated Services

Donated services are reflected in the financial statements at the estimated fair value of the services received. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. There were no donated services recorded for the years ended September 30, 2010 and 2009.

Functional Allocation of Expenses

The costs of providing the programs and supporting functions have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services.

THE SENIOR MONONGALIANS, INC.

Notes to the Financial Statements

September 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. These costs amounted to \$3,089 and \$13,469 for the years ended September 30, 2010 and 2009, respectively.

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.

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 \$14,579 and \$11,882 at September 30, 2010 and 2009.

Fair Value Measurement

The Organization applies the provisions of Accounting Standards Codification (ASC) 820-10 for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Organization adopted ASC 820-10 for the fiscal year beginning October 1, 2008. The adoption of ASC 820-10 had no impact on the Organization's financial position, results of operations, or cash flows.

THE SENIOR MONONGALIANS, INC.

Notes to the Financial Statements

September 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855-10, *Subsequent Events*, THE SENIOR MONONGALIANS, INC. has evaluated subsequent events through the date of the independent auditor's report, the date the financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENT

The Organization's financial instruments consist of cash and cash equivalents, receivables, accounts payable, line of credit, and other current liabilities. The recorded values of cash and cash equivalents, receivables, accounts payable and other current liabilities approximate fair value based on their short-term nature.

The recorded value of the line of credit approximates fair value, as the interest rate approximates market rates.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2010 and 2009, consisted of the following:

	<u>2010</u>	<u>2009</u>
Equipment	\$ 304,314	\$ 292,438
Vehicles	<u>119,015</u>	<u>166,278</u>
<u>Total Property and Equipment</u>	423,329	458,716
Accumulated Depreciation	<u>(308,696)</u>	<u>(307,218)</u>
<u>Property and Equipment - net</u>	<u>\$ 114,633</u>	<u>\$ 151,498</u>

THE SENIOR MONONGALIANS, INC.

Notes to the Financial Statements

September 30, 2010 and 2009

NOTE 4 - 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, 2010 and 2009, was \$0 and \$70,981.

NOTE 5 - OPERATING LEASE

The Organization has a 10 year revocable lease for office and program space. This agreement required monthly payments in the original amount of \$3,480 through December 2008 with annual increases of approximately 10% through December 2017. Rental expense for the years ended September 30, 2010 and 2009, was \$49,197 and \$44,820, respectively.

During the fiscal year ended September 30, 2009, the Organization entered into a four (4) year lease for office equipment. This lease requires monthly payments of approximately \$185 through March 2013.

Future minimum rental payments are as follows:

For the Year	
<u>Ending September 30</u>	
2011	\$ 57,335
2012	\$ 62,868
2013	\$ 67,683
2014	\$ 73,146
2015	\$ 79,957
2016 - 2018	\$ 209,028

THE SENIOR MONONGALIANS, INC.

Notes to the Financial Statements

September 30, 2010 and 2009

NOTE 6 - 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 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 (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 years ended September 30, 2010 and 2009, the employer match amounted to \$3,921 and \$4,643, respectively.

NOTE 7 - CONCENTRATION OF RISK

The Organization receives a substantial amount of its support through federal and state grant awards and fee-for-service programs through the West Virginia Department of Health and Human Resources.

Grants and contracts require the fulfillment of certain conditions as set forth in the grant 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.

REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



GUTHRIE, BELCZYK & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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**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 the financial statements of **THE SENIOR MONONGALIANS, INC.** (a nonprofit organization) as of and for the year ended September 30, 2010, and have issued our report thereon dated April 12, 2011. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered **THE SENIOR MONONGALIANS, INC.'s** internal control over financial reporting as a basis for designing our audit procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Internal Control over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **THE SENIOR MONONGALIANS, INC.**'s financial statements are free of 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*.

This report is intended solely for the information and use of the board of directors, management and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Guthrie, Belczyk & associates, P.C.

Washington, Pennsylvania
April 12, 2011

THE SENIOR MONONGALIANS, INC.

Schedule of Prior Year Findings

for the year ended
September 30, 2010

Prior Year Finding 09-01 Segregation of Duties

The size of the Organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties.

Current Year Status

There has been significant improvement in the internal control process relating to segregation of duties. New data input and review procedures have been implemented that allow for better controls over the financial reporting process. In addition, management and the Board of Directors remain actively involved in the financial affairs of the Organization and provide appropriate oversight and independent review functions. We therefore no longer consider this to be a significant deficiency in internal control.

Prior Year Finding 09-02 Financial Statement Preparation

The Organization's staff does not possess the necessary experience or reference materials to prepare financial statements, including disclosures, in accordance with United States generally accepted accounting principles. Because there has been significant improvement in the accounting staff's ability to maintain the general ledger in a manner that more readily lends itself to financial statement preparation, we consider this finding to be a significant deficiency but not a material weakness.

Current Year Status

During the fiscal year ended September 30, 2010, the Organization's staff improved their financial reporting capabilities to the point that they are now capable of preparing financial statements, including disclosures, with minimal outside assistance.

THE SENIOR MONONGALIANS, INC.

Schedule of Prior Year Findings (Continued)

for the year ended
September 30, 2010

Finding 09-03 Allocation of Indirect Costs

United States generally accepted accounting principles and grant compliance require the allocation of indirect costs to programs and supporting functions. As such, Organizations are required to apply a reasonable method for allocating these expenses among the various programs and functions. Although **THE SENIOR MONONGALIANS, INC.** complied with this methodology for the fiscal year ended September 30, 2009, the allocation was not performed on a regular and timely basis. For this reason we consider this to be a significant deficiency but not a material weakness.

Current Year Status

During the fiscal year ended September 30, 2010, indirect costs were allocated to the programs on a regular and timely basis.

Prior Year Finding 09-04 Adjustments to Records

For the fiscal year ended September 30, 2009, we proposed a number of adjustments to the Organization's financial records in order to prepare financial statements in accordance with United States generally accepted accounting principles. The adjustments included entries related to fixed assets and depreciation and customer revenue and receivables and certain payables. Because of the overall impact of these adjustments on the financial statements of the Organization, we consider this finding to be a significant deficiency and a material weakness in the Organization's internal control.

Current Year Status

We proposed no material adjusting entries to the Organization's financial records for the fiscal year ended September 30, 2010.

THE SENIOR MONONGALIANS, INC.

Schedule of Grant Funding

for the year ended
September 30, 2010

<u>NAME OF GRANT</u>	<u>Grant Number</u>	<u>CFDA #</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Passthrough</u>
<u>Nutrition Funding Title IIIC</u>						
Aging Congregate Nutrition Services for States	Title III C 1	93.045	\$ 148,641	\$ 0	\$ 148,641	1 and 2
Aging Home-Delivered Nutrition Services for States	Title III C 2	93.045	<u>10,317</u>	<u>0</u>	<u>10,317</u>	
<u>Total Federal</u>			158,958	0	158,958	
LIFE Grant		Not applicable	<u>0</u>	<u>207,086</u>	<u>207,086</u>	
<u>Total Nutrition Funding</u>			158,958	207,086	366,044	
<u>Special Programs for the Aging Title III</u>						
Part B Grants for Supportive Services and Senior Centers	Title III B	93.044	61,417	53,524	114,941	1 and 2
Part D Disease Prevention and Health Promotion Services	Title III D	93.043	2,812	393	3,205	
Part D Disease Prevention and Health Promotion Services - Medication Management	Title III D-MM	93.043	1,028	0	1,028	
Part E National Family Caregiver Support	Title III E	93.052	<u>26,024</u>	<u>0</u>	<u>26,024</u>	
<u>Total Special Programs for the Aging</u>			91,281	53,917	145,198	
SHIP Health Benefits	SH21127	93.779	8,050	0	8,050	1

THE SENIOR MONONGALIANS, INC.

Schedule of Grant Funding (Continued)

for the year ended
September 30, 2010

	<u>Grant Number</u>	<u>CFDA #</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Passthrough</u>
Lighthouse	21049	Not applicable	0	155,760	155,760	1 and 2
Fair	21049	Not applicable	0	71,815	71,815	
Transportation	21049	Not applicable	<u>0</u>	<u>21,263</u>	<u>21,263</u>	
			0	248,838	248,838	
Community Partnership		Not applicable	0	42,000	42,000	
Elder Abuse	2932	93.041	<u>869</u>	<u>0</u>	<u>869</u>	1 and 2
			<u>\$ 259,158</u>	<u>\$ 551,841</u>	<u>\$ 810,999</u>	

Federal Awarding Agency:
State Awarding Agency and
Pass-through Agency:

U.S. Department of Health and Human Services
1. West Virginia Bureau of Senior Services
2. Bel-O-Mar Regional Council

THE SENIOR MONONGALIANS, INC.

Schedule of Functional Expenses by Program

for the year ended
September 30, 2010

	PROGRAM								
	ELDER ABUSE	SHIP	COMMUNITY CARE	MEDICAID	TITLE III-B	TITLE III-E	TITLE III-D	TITLE III-C	LIFE
Wages and salaries	\$ 0	\$ 4,734	\$ 9,051	\$ 259,968	\$ 39,344	\$ 24,538	\$ 2,684	\$ 70,683	\$ 106,332
Supplies	0	0	0	220	0	0	0	72,237	0
Contract labor	0	0	0	0	39,104	0	0	0	19,092
Payroll taxes	0	414	819	23,219	3,335	1,920	213	6,249	8,985
Rent	0	0	0	0	0	0	0	0	0
Utilities and communications	0	0	0	0	0	0	0	152	533
Medical insurance	0	200	195	7,292	3,714	2,559	276	2,326	7,967
Professional fees	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	12,698	0
Other insurance	0	34	228	6,533	537	236	38	1,330	7,528
Travel and training	836	0	234	10,469	0	0	0	0	0
Office expenses and postage	0	0	0	35	1,328	3	0	205	14
Vehicle expenses	0	0	0	0	0	0	0	2,527	5,067
Repairs and maintenance	0	0	0	35	0	0	0	2,480	0
Printing and reproduction	0	0	0	992	32	33	0	0	0
Pension expense	0	14	1	349	0	0	2	381	1,244
Interest	0	0	0	0	0	0	0	156	70
Dues and subscriptions	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	30
Miscellaneous	161	0	0	1,034	0	10	1,001	635	3,005
Total	997	5,396	10,528	310,146	87,394	29,299	4,214	172,059	159,867
Indirect costs	261	1,414	3,350	91,094	22,903	7,678	1,106	45,090	41,895
TOTAL EXPENSES AFTER ALLOCATION OF INDIRECT COSTS	<u>\$ 1,258</u>	<u>\$ 6,810</u>	<u>\$ 13,878</u>	<u>\$ 401,240</u>	<u>\$ 110,297</u>	<u>\$ 36,977</u>	<u>\$ 5,320</u>	<u>\$ 217,149</u>	<u>\$ 201,762</u>

Note: Certain expenditures have been capitalized in accordance with United States generally accepted accounting principles and are therefore not included in the above schedule.

In addition, certain expenses listed above may have been funded with program or other income and may, therefore, exceed the federal and state grant revenue.

THE SENIOR MONONGALIANS, INC.

Schedule of Functional Expenses by Program (Continued)

for the year ended
September 30, 2010

	PROGRAM					TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
	COMMUNITY PARTNERSHIP	LIGHTHOUSE	TRANSPORT- ATION	FAIR	OTHER PROGRAMS				
Wages and salaries	\$ 0	\$ 114,013	\$ 5,483	\$ 58,075	\$ 5,971	\$ 700,876	\$ 102,516	\$ 0	\$ 803,392
Supplies	0	222	0	0	0	72,679	1,108	2,596	76,383
Contract labor	2,940	0	8,610	0	0	69,746	4,208	0	73,954
Payroll taxes	0	10,117	479	5,209	558	61,517	8,022	0	69,539
Rent	0	0	0	0	0	0	51,420	0	51,420
Utilities and communications	0	0	0	0	0	685	38,786	0	39,471
Medical insurance	0	3,445	295	1,363	0	29,632	3,877	0	33,509
Professional fees	0	0	0	0	0	0	32,923	0	32,923
Depreciation	0	0	0	0	0	12,698	19,552	0	32,250
Other insurance	0	2,751	174	1,386	102	20,877	7,295	0	28,172
Travel and training	0	5,248	0	910	0	17,697	1,107	0	18,804
Office expenses and postage	106	443	0	2	0	2,136	5,516	0	7,652
Vehicle expenses	0	0	0	0	0	7,594	0	0	7,594
Repairs and maintenance	0	0	0	0	0	2,515	1,922	14	4,451
Printing and reproduction	0	343	0	0	0	1,400	3,024	0	4,424
Pension expense	0	148	0	29	0	2,168	1,753	0	3,921
Interest	0	0	17	0	0	243	1,267	889	2,399
Dues and subscriptions	0	0	0	0	0	0	375	0	375
Equipment	0	0	0	0	0	30	308	0	338
Miscellaneous	0	325	0	36	1,990	8,197	1,280	5,635	15,112
Total	3,046	137,055	15,058	67,010	8,621	1,010,690	286,259	9,134	1,306,083
Indirect costs	798	39,364	3,946	18,134	2,259	279,292	(282,853)	3,561	0
TOTAL EXPENSES AFTER ALLOCATION OF INDIRECT COSTS	\$ 3,844	\$ 176,419	\$ 19,004	\$ 85,144	\$ 10,880	\$ 1,289,982	\$ 3,406	\$ 12,695	\$ 1,306,083

Note: Certain expenditures have been capitalized in accordance with United States generally accepted accounting principles and are therefore not included in the above schedule.

In addition, certain expenses listed above may have been funded with program or other income and may, therefore, exceed the federal and state grant revenue.