

THE SENIOR MONONGALIANS, INC.

Audited Financial Statements

For the Year Ended September 30, 2024

THE SENIOR MONONGALIANS, INC.

AUDITED FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The Senior Monongalians, Inc., (the Organization) which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Senior Monongalians, Inc. as of September 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Senior Monongalians, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter – 2023 Financial Statements

The financial statements of the Organization for the year ended September 30, 2023, were audited by another auditor whose report dated May 23, 2024, expressed a qualified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Senior Monongalians, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Senior Monongalians, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Internal Control Over Financial Reporting

We also have audited, in accordance with auditing standards generally accepted in the United States of America, The Senior Monongalians, Inc.'s internal control over financial reporting as of September 30, 2024, based on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. Our report on internal control over financial reporting dated March 3, 2025, expressed an unmodified opinion.

Other MattersSupplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state awards is presented for the purpose of additional analysis and is 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.

Gray, Griffith & Mays, a.c.

Morgantown, West Virginia
March 3, 2025

THE SENIOR MONONGALIANS, INC.**STATEMENT OF FINANCIAL POSITION**

September 30, 2024

ASSETS

Current assets:	
Cash and cash equivalents	\$ 163,459
Accounts receivable - grants	54,326
Other accounts receivable	30,888
Prepaid expenses	<u>7,733</u>
Total current assets	256,406
Investments, at fair value	490,040
Property and equipment, net	233,253
Right-of-use assets - finance lease	8,224
Right-of-use assets - operating lease	<u>176,383</u>
Total assets	<u><u>\$ 1,164,306</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 21,642
Accrued and withheld liabilities	65,649
Unearned revenue	10,441
Finance lease liabilities, current	1,920
Operating lease liabilities, current	<u>57,720</u>
Total current liabilities	157,372
Finance lease liabilities, noncurrent	6,304
Operating lease liabilities, noncurrent	<u>118,663</u>
Total liabilities	<u>282,339</u>
Net assets:	
Without donor restrictions	<u>881,967</u>
Total net assets	<u>881,967</u>
Total liabilities and net assets	<u><u>\$ 1,164,306</u></u>

See independent auditor's report and notes to financial statements.

THE SENIOR MONONGALIANS, INC.**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

For the Year Ended September 30, 2024

	<u>Without Donor Restriction</u>
Revenue and support:	
Grant revenues, federal	\$ 206,896
Grant revenues, state	776,977
Grant revenues, local	120,000
Fee for service revenue	136,361
Contributions	598
Program income	55,101
Fundraising	5,657
Investment income, net	52,344
Other income	<u>3,482</u>
Total revenue, support and gains	<u>\$ 1,357,416</u>
Expenses and losses:	
Program	\$ 1,290,838
Management and general	38,864
Fundraising	62
Total expenses	<u>1,329,764</u>
Change in net assets	27,652
Net assets, beginning of year	<u>854,315</u>
Net assets, end of year	<u>\$ 881,967</u>

See independent auditor's report and notes to financial statements.

THE SENIOR MONONGALIANS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2024

	Program							
	Title III-B	Title III-C	Title III-D	Title III-E	Medicaid	Veteran Care	LIFE	SAMS
Salaries and wages	\$ 56,872	\$ 184,477	\$ 4,675	\$ 47,726	\$15,948	44,529	\$103,516	\$ 4,371
Payroll taxes and employee benefits	8,534	22,455	536	6,489	2,036	6,409	17,992	990
Travel and training	79	619	700	384	377	617	-	-
Contract labor	17,164	1,245	-	-	-	-	46,468	-
Supplies	28	120,589	-	3	2	5	7,944	-
Office expense and postage	6,174	884	750	29	14	42	3,918	-
Program expense	159	790	312	49	28	85	-	-
Professional fees	-	-	-	-	-	-	8,000	-
License and permits	-	600	-	-	-	-	6,585	-
Dues and subscriptions	-	-	-	-	-	-	-	-
Advertising	1,246	-	-	-	-	-	-	-
Utilities and communication	1,127	23,042	-	3,066	1,361	7,133	3,981	-
Repairs and maintenance	2,287	3,505	-	175	157	1,203	4,088	-
Vehicle expense	5,040	14,582	-	12	48	-	283	-
Rent	965	29,069	-	5,349	1,982	8,550	839	-
Depreciation	13,003	28,102	-	-	-	-	4,800	-
Miscellaneous	-	-	450	2	1	1	-	-
Insurance	1,034	4,739	-	6	-	-	13,085	-
	<u>\$ 113,712</u>	<u>\$ 434,698</u>	<u>\$ 7,423</u>	<u>\$ 63,290</u>	<u>\$21,954</u>	<u>\$ 68,574</u>	<u>\$221,499</u>	<u>\$ 5,361</u>

See independent auditor's report and notes to financial statements.

THE SENIOR MONONGALIANS, INC.**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended September 30, 2024

	Program						Total
	Lighthouse	FAIR	Other Programs	Total Program	Management and General	Fundraising	
Salaries and wages	\$ 153,814	\$103,242	\$ -	\$ 719,170	\$ 5,138	\$ -	\$ 724,308
Payroll taxes and employee benefits	21,604	15,876	-	102,921	470	-	103,391
Travel and training	1,395	746	-	4,917	-	-	4,917
Contract labor	-	-	-	64,877	-	-	64,877
Supplies	8	5	20,621	149,205	388	-	149,593
Office expense and postage	103	64	-	11,978	1,731	-	13,709
Program expense	220	144	-	1,787	-	-	1,787
Professional fees	-	-	-	8,000	250	-	8,250
License and permits	-	-	-	7,185	50	-	7,235
Dues and subscriptions	-	-	-	-	129	-	129
Advertising	-	-	-	1,246	-	-	1,246
Utilities and communication	7,309	6,558	-	53,577	-	-	53,577
Repairs and maintenance	731	679	-	12,825	11,422	-	24,247
Vehicle expense	29	24	-	20,018	-	-	20,018
Rent	11,122	9,993	-	67,869	595	-	68,464
Depreciation	-	-	-	45,905	12,508	-	58,413
Miscellaneous	11	11	-	476	6,183	62	6,721
Insurance	7	11	-	18,882	-	-	18,882
	<u>\$ 196,353</u>	<u>\$137,353</u>	<u>\$ 20,621</u>	<u>\$ 1,290,838</u>	<u>\$ 38,864</u>	<u>\$ 62</u>	<u>\$ 1,329,764</u>

See independent auditor's report and notes to financial statements.

THE SENIOR MONONGALIANS, INC.**STATEMENT OF CASH FLOWS**

For the Year Ended September 30, 2024

Cash flows from operating activities:	
Change in net assets	\$ 27,652
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	59,311
Gain on investment	(36,443)
Change in carrying amount of right-of-use-asset - operating lease	86,039
(Increase) decrease in operating assets:	
Other receivables	12,264
Accounts receivable - grants	(3,640)
Prepaid expenses	(264)
Increase (decrease) in operating liabilities:	
Accounts payable	10,829
Accrued and withheld liabilities	11,859
Unearned revenue	(837)
Lease liabilities	(86,039)
Net cash provided by operating activities	<u>80,731</u>
Cash flows from investing activities:	
Sale of investments	120,000
Purchase of investments	(75,951)
Purchase of fixed assets	(155,343)
Net cash used in investing activities	<u>(111,294)</u>
Cash flows used in financing activities:	
Principal payment on finance lease obligations	(898)
Net decrease in cash and cash equivalents	(31,461)
Cash and cash equivalents, beginning of year	<u>194,920</u>
Cash and cash equivalents, end of year	<u>\$ 163,459</u>
SUPPLEMENTAL DISCLOSURES	
Copier acquired through finance lease	<u>\$ 9,122</u>
Right-of-use assets obtained in exchange for lease liabilities	<u>\$ 262,422</u>

See independent auditor's report and notes to financial statements.

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Senior Monongalians, Inc. (the "Organization"), is a nonprofit organization incorporated under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax exempt organization under Internal Revenue Code Section 501(c)(3). In addition, the Organization has been determined by the Internal Revenue Service to not be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2024.

The Organization was developed to improve the quality of life for senior citizens in Monongalia County, West Virginia. The purpose 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 in the problems of aging, to utilize opportunities to establish demonstration programs, and to implement federal, state, and local programs for the aging that no other agency is implementing.

The Organization is funded primarily by grants awarded under Title III of the Older American's Act and state grant funds through the West Virginia Bureau of Senior Services, some of which are administered by the Bel-O-Mar Regional Council. Additionally, the Organization also receives some funding through third-party reimbursements, specifically the State of West Virginia Medicaid and Waver Program and the Veteran's Administration.

The Organization's significant programs consist of the following:

Title III-B – The objective of the Title IIIB grant program is to provide the elderly with social, outreach, transportation, information, and referral services.

Title III-C – Title III-C is a nutrition program designed to provide older persons with low-cost nutritious meals served in a congregate setting and furnish home delivered meals to the homebound.

Title III-D – Title III-D is part of the Disease Prevention and Health Promotion Services Section of the Older Americans Act, encompasses twelve (12) broad categories of disease prevention and health promotional services.

Title III-E – Title III-E, also known as respite, provides information and assistance, and in-home relief to caregivers.

Medicaid – The Medicaid fee for service In-Home Care program is a federal/state funded program to allow eligible individuals the assistance necessary to allow them to remain in their homes with minimal outside supervision. These services include personal care, housekeeping, and other assistance.

Veteran Care/SAMS – Senior Monongalians is approved by the VA to provide a variety of in-home services to veterans and survivors of veterans.

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2024

LIFE – The LIFE program is a state-funded program designed to provide additional outreach services to the elderly citizens.

Lighthouse – The Lighthouse Program is designed to assist those seniors who need assistance with activities of daily living in their homes, but whose income or assets disqualify them for Medicaid services.

FAIR – The FAIR Alzheimer's Respite Program provides a break for family caregivers and socialization for the care recipient by offering a sitter/companion type service to relieve the caregiver.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investment instruments purchased with a maturity of six months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values. Realized and unrealized gains and losses are included in the change in net assets as increases or decreases in net assets without donor restrictions unless a donor or law restricts their use.

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

Grants and Accounts Receivable

Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Grants receivable and related revenues are recorded when expenses applicable to grants have been incurred. Grant receivables consist primarily of receivables from federal and state agencies and are deemed to be fully collectible, and management has determined no allowance is necessary at September 30, 2024.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization follows the practice of capitalizing such assets over their estimated useful life if the recorded cost or fair value per unit exceeds \$500.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets: 5 to 10 years for vehicles and equipment and 40 years for leasehold improvements. In addition, all property and equipment purchased with grant monies must be used in accordance with the grantor agency's policies. Maintenance, repairs, and minor improvements and replacements are charged to operating expense as incurred.

Revenue and Revenue Recognition

Revenue from Exchange Transactions

The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transaction revenue in its statements of activities and changes in net assets for the year ended September 30, 2024.

Fee for Service Revenue - The Organization received Medicaid Waiver income and Veteran Administration income for billable client in-home services and recognized these fees and income when earned. The transaction price is based on standard charges for care. Price concessions are not material to the financial statements.

Program Income - The Organization received program income from members on a donation basis to support the Organization's ability to provide meals to senior citizens. This revenue is recognized by the Organization when received. The Organization also received program fee revenue on a reimbursement basis in which the funds are requested based upon expenditures made from providing various in-home services to senior citizens under the FAIR and Lighthouse state programs. This revenue is recognized by the Organization when received.

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

Federal, State, and Local Grant Revenue

Grant funds are received on a reimbursement basis in which the Organization requests monies based upon expenditures made; this is utilized for Title III-B, Title III-D, Title III-E, and local grants. Upon completion of a grant year, any unexpended grant funds have to be approved for carryover. Some funds are received on an as need basis in which the Organization requests monies that it feels it will need in the immediate future. Any unexpended funds must be returned to grantor.

Title III-C funds are received on a meal reimbursement basis, but not to exceed the total grant award. Upon completion of the grant year, any expended monies are restricted for future Title III-C program operating expenses.

Donated Services

The members of the Board of Directors receive no fees for performing their duties as members, officers, or special committee members. However, no revenues or expenses have been recognized in these financial statements in relation to such volunteer services.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue, and expenditures during the reporting period. Actual results could differ from those estimates. Significant estimates used in the accompanying financial statements include management's estimate of the net realizable value of accounts receivable. Accordingly, this estimate is subject to change in the near term and those fluctuations could be significant.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified by the Internal Revenue Service as other than a private foundation. The Organization's Department of the Treasury information returns are subject to examination, generally for three years after the filing date.

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Advertising Expense

The Organization expenses advertising costs as incurred and is nominal.

Compensated Absences

The organization permits employees to accumulate unused vacation and sick time. Upon termination, any accumulated vacation is paid to the employee.

New Accounting Pronouncements

Effective October 1, 2023, The Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842 Accounting Standards Update (ASU) 2016-02, Leases. ASC 842 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases, except for those with a lease term of twelve months or less. Leases are classified as either finance leases or operating leases. The Organization has elected to record in its financial statements the effect of FASB ASC 842 as of the beginning of the year of adoption, which is October 1, 2022. Accordingly, the Organization has recognized the right-of-use assets and lease liabilities measured under FASB ASC 842 in its statement of financial position.

Leases (Topic 842) Discount Rate for Lessees That Are Not Public Business Entities (ASU-2021-09) – Topic 842 currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases.

The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. The Organization has elected the risk-free election as of October 1, 2023.

2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

Cash and cash equivalents	\$ 163,459
Accounts receivable	85,214
Investments	<u>490,040</u>
Total	<u>\$ 738,713</u>

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

The Organization manages its liquidity and reserves following three guiding principles: operating with in a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization forecasts its future cash flows and monitors its liquidity consistently.

3 – RETIREMENT PROGRAM

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 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, 2024, the employer match amounted to \$3,148.

4 – GRANT RECEIVABLES AND CONCENTRATION

Grant receivables consisted of the following at September 30, 2024:

LIFE Grant	\$ 14,412
Title III-B Grant	13,734
Title III-C Grant	23,060
Title III-E Grant	<u>3,120</u>
Total accounts receivable - grants	<u>\$ 54,326</u>

The Organization receives a substantial amount of its support from the Federal and State governments. A significant reduction in the level of this support, if this were to occur, may have a negative effect on the Organization's activities. Additionally, under the terms of Federal and State contracts and grants, periodic audits are required, and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursement to the grantor agency. Management believes disallowances, if any, will be immaterial.

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2024:

Furniture and equipment	\$ 430,756
Business vehicles	425,716
Construction in progress	2,754
	<u>859,226</u>
Accumulated depreciation	<u>(625,973)</u>
	<u>\$ 233,253</u>

6 – OPERATING AND FINANCING LEASES

The Organization leases their operating facility at the Mountaineer Mall under operating lease and a copier machine under financing lease. All leased assets are located at their main operating facility in Morgantown, WV. The Organization includes in the determination of right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Organization's operating lease provides for future minimum annual rental payments.

The weighted-average discount rate is based on the risk-free rate. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to this class of assets.

The lease payments used to determine the lease liability and right-of-use asset include residual value guarantees we are probable of paying at the termination of the lease term.

Details of right-of-use assets and lease liabilities as of September 30, 2024 is as follows:

Lease Assets - Classification in Statement of Financial Position

Right-of-use asset, operating lease	\$ 176,383
Right-of-use asset, finance lease	7,733
	<u>184,116</u>

Lease Liabilities - Classification in Statement of Financial Position

Operating lease liability	\$ 176,383
Finance lease liability	8,224
	<u>\$ 184,607</u>

Lease Cost

Operating lease cost	\$ 57,720
Finance lease cost	\$ 1,920

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Cash Flow Items

<u>Cash paid for amounts included in the measurement of lease liabilities</u>	
Operating cash flows from operating leases	\$ 86,039
Financing cash flows from operating leases	\$ 898
<u>Right-of-use assets obtained in exchange for lease liabilities</u>	
Operating lease	\$ 262,422
Finance lease	\$ 9,122

Weighted-Average Information

Weighted-average remaining lease term in years	3.27
Weighted-average discount rate	3.94%

Future Minimum Lease Payments

September 30,	
2025	\$ 59,634
2026	59,634
2027	59,634
2028	<u>16,914</u>
Total lease payments	195,816
Less interest	<u>(11,700)</u>
Present value of lease liabilities	<u>\$ 184,116</u>

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

7 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investment income consists of the following for the year ended September 30, 2024:

Interest and dividend income	\$ 18,720
Net unrealized gain on investments	36,443
Investment fees	<u>(2,819)</u>
Investment income, net	<u>\$ 52,344</u>

The framework for measuring fair value 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). Valuation techniques maximize the use of observable inputs. The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are quoted (unadjusted) in active market prices for identical assets or liabilities that the Organization can access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs that are unobservable inputs for the asset or liability.

The following is a description of the valuation methodologies used for assets measured at fair value.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income: Valued using a market approach based on yields currently available on comparable securities of issuers with similar credit ratings.

Short-term investments: The fair value of the money market funds and certificates of deposit are based on amortized cost or original cost, plus accrued interest.

THE SENIOR MONONGALIANS, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

Assets measured at fair value on a recurring basis consist of the following:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income	\$ -	\$411,354	\$ -	\$ 411,354
Equities	67,352	-	-	67,352
Short-term investments	-	11,334	-	11,334
	<u>\$67,352</u>	<u>\$422,688</u>	<u>-</u>	<u>\$ 490,040</u>

8 – CONTINGENT LIABILITIES

In the normal course of operations, the Organization receives grant funds from various Federal, State and Local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the grant. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

9 – SUBSEQUENT EVENTS

The Organization's management has evaluated events and transactions occurring after September 30, 2024 through the date of the Auditor's Report, which is the release date. No significant events were noted requiring adjustments to or disclosure in the financial statements.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Senior Monongalians, Inc., (a non-profit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated March 3, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 over financial reporting was for the limited purpose described in the preceding paragraph 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 Organization'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 entity'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 Senior Monongalians, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gray, Griffith & Mays, a.c.

Morgantown, West Virginia
March 3, 2025

SUPPLEMENTARY INFORMATION

THE SENIOR MONONGALIANS, INC.

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended September 30,2024

<u>State Agency/Pass-through Agency</u>	<u>Grant No.</u>	<u>Revenue Recognized</u>	<u>Expenditures Recognized</u>
West Virginia Bureau of Senior Services (BOSS)			
State Discretionary Grant - Lighthouse In-Home Care	IH2408	\$ 138,780	\$ 138,780
State Alzheimer's Respite Care Grant - FAIR In-Home Care	IH2408	104,567	104,567
State Discretionary Grant - Lighthouse In-Home Care	IH2508	14,946	14,946
State Alzheimer's Respite Care Grant - FAIR In-Home Care	IH2508	12,704	12,704
		<u>270,997</u>	<u>270,997</u>
Mountaineer Food Bank			
Posey Perry Emergency Food Fund - FY23	N/A	<u>20,611</u>	<u>20,611</u>
West Virginia Bureau of Senior Services passed through the Bel-O-Mar Regional Council			
Governor Jim Justice Grant Award	N/A	70,751	70,751
Grants for supportive services - Title III-B	22435	44,332	44,332
Grants for supportive services - Title III-C-1	22435	45,521	45,521
Grants for supportive services - Title III-C-2	22435	113,087	113,087
State Legislative Initiatives for the Elderly (LIFE)	22402	164,301	164,301
State Legislative Initiatives for the Elderly (LIFE)	22502	47,377	47,377
		<u>485,369</u>	<u>485,369</u>
Total State Awards and Expenditures		<u>\$ 776,977</u>	<u>\$ 776,977</u>

THE SENIOR MONONGALIANS, INC.**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS**

For the Year Ended September 30, 2024

1 – BASIS OF PRESENTATION

The schedule of expenditures of state awards includes the state grant activity of The Senior Monongalians, Inc. under programs of the state government for the year ended September 30, 2024. Because this schedule presents only a selected portion of operations of The Senior Monongalians, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of The Senior Monongalians, Inc.

Expenditures reported on the schedule are reported on the accrual basis of accounting.