

Pro Seniors, Inc.

**Financial Statements with Accompanying Information
September 30, 2021 and 2020, and
Independent Auditors' Report**

PRO SENIORS, INC.
September 30, 2021 and 2020

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Independent Auditors' Report

Board of Trustees
Pro Seniors, Inc.
Cincinnati, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Pro Seniors, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Pro Seniors, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Independent Auditors' Report (Continued)

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022 on our consideration of Pro Seniors, 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 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 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 Pro Seniors, Inc.'s internal control over financial reporting and compliance.



February 25, 2022
Cincinnati, Ohio

PRO SENIORS, INC.

**Statements of Financial Position
September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 577,114	\$ 543,478
Restricted cash for specified purpose	35,012	33,908
Grants and other receivables	212,843	101,987
Investments	1,273,196	1,070,943
Prepaid expenses	520	500
Office furniture and equipment, net of accumulated depreciation of \$99,687 and \$80,001 for 2021 and 2020, respectively	<u>74,859</u>	<u>81,762</u>
Total assets	<u>\$ 2,173,544</u>	<u>\$ 1,832,578</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 406,127	\$ 206,517
Refundable advances	60,099	20,823
Paycheck Protection Program loan	<u>126,950</u>	<u>308,800</u>
Total liabilities	<u>593,176</u>	<u>536,140</u>
Net Assets		
Without donor restrictions	1,545,356	1,262,530
With donor restrictions	<u>35,012</u>	<u>33,908</u>
Total net assets	<u>1,580,368</u>	<u>1,296,438</u>
Total liabilities and net assets	<u>\$ 2,173,544</u>	<u>\$ 1,832,578</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Activities
Year Ended September 30, 2021 with Comparative Totals for 2020**

	2021		Total	2020
	Without Donor Restrictions	With Donor Restrictions		
Revenues, gains and other support				
Grants and allocations:				
Council on Aging of Southwestern Ohio	\$ 443,536	\$ -	\$ 443,536	\$ 442,245
Ohio Senior Medicare Patrol Project	335,526	-	335,526	291,326
Ohio Access to Justice Foundation	195,372	115,718	311,090	384,567
Ohio Attorney General - Victim of Crimes Assistance	327,079	-	327,079	401,493
Ohio Department of Aging				
State Long-Term Care Ombudsman Grant	295,091	-	295,091	161,092
Ombudsman-Bed Fees Grant	83,463	-	83,463	91,033
MyCare Ohio Ombudsman Grant	85,231	-	85,231	56,604
CARES Act Ombudsman Supplemental Grant	9,397	-	9,397	-
United Way Greater Cincinnati	-	75,726	75,726	84,800
Pension Rights Project	91,413	-	91,413	73,416
City of Cincinnati Ombudsman Program	40,000	-	40,000	30,000
Hamilton County Senior Legal Project Grant	44,705	-	44,705	10,956
Ohio Supreme Court Grant	4,896	-	4,896	1,095
	<u>1,955,709</u>	<u>191,444</u>	<u>2,147,153</u>	<u>2,028,627</u>
Contributions	140,015	2,720	142,735	143,972
Contributed services	66,481	-	66,481	59,268
Investment return, net	202,329	-	202,329	56,381
Miscellaneous revenues	108,423	-	108,423	44,818
Paycheck Protection Program loan forgiveness	308,800	-	308,800	-
Net assets released from restrictions	193,060	(193,060)	-	-
	<u>2,974,817</u>	<u>1,104</u>	<u>2,975,921</u>	<u>2,333,066</u>
Expenses				
Community services	1,921,000	-	1,921,000	1,750,044
Management and general	675,566	-	675,566	532,591
Fundraising	95,425	-	95,425	88,439
	<u>2,691,991</u>	<u>-</u>	<u>2,691,991</u>	<u>2,371,074</u>
Change in net assets				
	282,826	1,104	283,930	(38,008)
Net assets, beginning of year				
	1,262,530	33,908	1,296,438	1,334,446
Net assets, end of year				
	<u>\$ 1,545,356</u>	<u>\$ 35,012</u>	<u>\$ 1,580,368</u>	<u>\$ 1,296,438</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Activities
Year Ended September 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Grants and allocations:			
Council on Aging of Southwestern Ohio	\$ 442,245	\$ -	\$ 442,245
Ohio Senior Medicare Patrol Project	291,326	-	291,326
Ohio Access to Justice Foundation	305,996	78,571	384,567
Ohio Attorney General - Victim of Crimes Assistance	401,493	-	401,493
Ohio Department of Aging			
State Long-Term Care Ombudsman Grant	161,092	-	161,092
Ombudsman-Bed Fees Grant	91,033	-	91,033
MyCare Ohio Ombudsman Grant	56,604	-	56,604
United Way Greater Cincinnati	-	84,800	84,800
Pension Rights Project	73,416	-	73,416
City of Cincinnati Ombudsman Program	30,000	-	30,000
Hamilton County Senior Legal Project Grant	10,956	-	10,956
Ohio Supreme Court Grant	1,095	-	1,095
Total grants and allocations	1,865,256	163,371	2,028,627
Contributions	142,722	1,250	143,972
Contributed services	59,268	-	59,268
Investment return, net	56,381	-	56,381
Miscellaneous revenues	44,818	-	44,818
Net assets released from restrictions	153,947	(153,947)	-
Total revenues, gains and other support	2,322,392	10,674	2,333,066
Expenses			
Community services	1,750,044	-	1,750,044
Management and general	532,591	-	532,591
Fundraising	88,439	-	88,439
Total expenses	2,371,074	-	2,371,074
Change in net assets	(48,682)	10,674	(38,008)
Net assets, beginning of year	1,311,212	23,234	1,334,446
Net assets, end of year	\$ 1,262,530	\$ 33,908	\$ 1,296,438

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Functional Expenses
Year Ended September 30, 2021 with Comparative Totals for 2020**

	2021			Total	2020
	Community Services	Management and General	Fundraising		
Salaries and wages	\$ 1,284,721	\$ 256,131	\$ 70,921	\$ 1,611,773	\$ 1,558,451
Employee benefits	310,868	370,907	16,222	697,997	454,546
 Total salaries and related	 1,595,589	 627,038	 87,143	 2,309,770	 2,012,997
 Community and public relations	 71,450	 -	 5,238	 76,688	 56,144
Office rent	66,469	8,181	-	74,650	74,650
Donated services	66,481	-	-	66,481	59,268
Travel	10,026	53	47	10,126	19,139
Professional services	17,101	18,040	-	35,141	38,472
Office supplies	16,156	260	1,469	17,885	22,459
Equipment and maintenance	8,301	8	-	8,309	16,296
Postage	9,223	52	778	10,053	7,185
Insurance	6,702	3,344	-	10,046	9,105
Depreciation	8,607	11,078	-	19,685	16,229
Telephone	14,809	-	-	14,809	11,876
Reference publications	4,528	-	-	4,528	5,194
Miscellaneous	(71)	4,562	35	4,526	5,011
Professional development	2,854	2,275	-	5,129	4,065
Printing and copying	217	-	715	932	1,035
Organization dues	7,139	675	-	7,814	3,772
Volunteer expense	15,419	-	-	15,419	8,177
	<u>\$ 1,921,000</u>	<u>\$ 675,566</u>	<u>\$ 95,425</u>	<u>\$ 2,691,991</u>	<u>\$ 2,371,074</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Functional Expenses
Year Ended September 30, 2020**

	<u>Community Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 1,195,590	\$ 293,851	\$ 69,010	\$ 1,558,451
Employee benefits	261,382	179,746	13,418	454,546
 Total salaries and related	 1,456,972	 473,597	 82,428	 2,012,997
 Community and public relations	 52,818	 -	 3,326	 56,144
Office rent	64,037	10,613	-	74,650
Donated services	59,268	-	-	59,268
Travel	18,249	814	76	19,139
Professional services	11,711	26,761	-	38,472
Office supplies	20,796	174	1,489	22,459
Equipment and maintenance	15,751	545	-	16,296
Postage	5,543	617	1,025	7,185
Insurance	6,091	3,014	-	9,105
Depreciation	6,567	9,662	-	16,229
Telephone	11,876	-	-	11,876
Reference publications	5,194	-	-	5,194
Miscellaneous	(46)	5,057	-	5,011
Professional development	3,390	600	75	4,065
Printing and copying	980	35	20	1,035
Organization dues	2,670	1,102	-	3,772
Volunteer expense	8,177	-	-	8,177
	<u>\$ 1,750,044</u>	<u>\$ 532,591</u>	<u>\$ 88,439</u>	<u>\$ 2,371,074</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statements of Cash Flows
Years Ended September 30, 2021 and 2020**

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 283,930	\$ (38,008)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	19,685	16,229
Net realized and unrealized gains on investments	(183,499)	(29,281)
Paycheck Protection Program loan forgiveness	(308,800)	-
Changes in:		
Grants and other receivables	(110,856)	121,265
Prepaid expenses	(20)	(500)
Accounts payable and accrued expenses	199,610	18,476
Refundable advances	39,276	15,788
Net cash provided by (used in) operating activities	(60,674)	103,969
Cash flows from investing activities		
Purchases of office furniture and equipment	(12,782)	(66,164)
Purchases of investments	(18,754)	(28,153)
Proceeds from sale of investments	-	1,995
Net cash used in investing activities	(31,536)	(92,322)
Cash flows from financing activities		
Proceeds from issuance of Paycheck Protection Program loan	126,950	308,800
Net cash provided by financing activities	126,950	308,800
Net change in cash and cash equivalents and restricted cash and cash equivalents	34,740	320,447
Cash and cash equivalents and restricted cash and cash equivalents, beginning of year	577,386	256,939
Cash and cash equivalents and restricted cash and cash equivalents, end of year	\$ 612,126	\$ 577,386

See accompanying notes to financial statements

PRO SENIORS, INC.

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Pro Seniors, Inc. (the "Organization") is a not-for-profit corporation whose mission is to enhance the independence and quality of life of Ohio seniors by empowering them, by protecting their interests and by facilitating their access to resources. The Organization's activities include the provision of legal advocacy and education throughout Ohio, as well as long-term care advocacy in Southwestern Ohio. The Organization's revenues and other support are derived principally from federal and state grants.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions which are available for use in general operations and not subject to donor restrictions; and net asset with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Fair Value Measurements

GAAP has established a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

Cash and Cash Equivalents

The Organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. At September 30, 2021 and 2020, cash equivalents consisted primarily of money market accounts. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Cash and Cash Equivalents (Continued)

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within the Statement of Financial Position that total the same amount presented in the Statement of Cash Flows.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 577,114	\$ 543,478
Restricted cash for specified purpose	<u>35,012</u>	<u>33,908</u>
Total cash and cash equivalents and restricted cash and cash equivalents presented in the Statement of Cash Flows	<u>\$ 612,126</u>	<u>\$ 577,386</u>

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividends, interest and realized and unrealized gains and losses on investments carried at fair value.

Investments are managed by investment professionals with oversight from the Finance and Administration Committee.

Investment return that is initially restricted by donor stipulation and for which will be satisfied in the same year is included in net assets with donor restrictions and then released from restriction. Other investment return is reflected in the statements of activities as with donor restrictions or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Office Furniture and Equipment

Office furniture and equipment are recorded at cost, and depreciated on a straight-line basis over the estimated useful life of each asset. The cost of maintenance and repairs is expensed as incurred while significant improvements are capitalized.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue with donor restrictions and net assets with donor restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same period are recorded as revenue with donor restrictions and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue with donor restrictions and net assets with donor restrictions.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skill possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contribution revenue recognized from contributed services consisted of ombudsman and legal services.

Government Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Ohio state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Form 990 is subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Expenses have been classified based upon the actual direct expenditures and cost allocations. The most significant allocations are salaries and related expenses, which were allocated based upon estimates of time spent by Organization personnel.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain 2020 figures were reclassified to conform to the 2021 presentation.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the calendar year ending September 30, 2023. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Subsequent Event Evaluation

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through February 25, 2022, which is the date the financial statements were available to be issued. The pension plan described in Note 7 was terminated in December 2021.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 577,114	\$ 543,478
Grants and other receivables	212,843	101,987
Investments	<u>1,273,196</u>	<u>1,070,943</u>
	<u>\$ 2,063,153</u>	<u>\$ 1,716,408</u>

The Organization regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting significant revenue to cover general expenditures during that period. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 3 INVESTMENTS

Investment valuations as of September 30 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Level 1:		
Equity mutual funds	\$ 267,742	\$ 350,425
Fixed income mutual funds	108,122	109,022
Exchange traded funds	672,021	602,554
Level 2:		
Money market mutual funds	<u>225,311</u>	<u>8,942</u>
	<u>\$ 1,273,196</u>	<u>\$ 1,070,943</u>

Fair values of equity mutual funds, fixed income mutual funds and exchange traded funds are determined by reference to quoted market prices available in an active market. Equity mutual funds, fixed income mutual funds and exchange traded funds are categorized as using Level 1 inputs.

Fair values for money market mutual funds are estimated using the net asset value ("NAV") of shares held at year end and are categorized as using Level 2 inputs.

There were no valuations using Level 3 inputs.

NOTE 4 CONDITIONAL CONTRIBUTIONS

The Organization has numerous grants for which the grantor agencies' promise to give are conditioned upon the Organization incurring certain qualifying expenses under the grant programs. At September 30, 2021 and 2020, the Organization had remaining available award balances conditional grants of \$790,478 and \$595,341, respectively. These award balances are not recognized as assets and will be recognized as revenue as the conditions are met, generally as qualifying expenses are incurred.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Ohio Access to Justice Foundation Program Assistance	\$ 25,000	\$ -
United Way	5,687	30,183
Medicare Part D	2,475	2,475
Rhonda Y. Moore Fellowship	<u>1,850</u>	<u>1,250</u>
	<u>\$ 35,012</u>	<u>\$ 33,908</u>

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2021</u>	<u>2020</u>
United Way	\$ 100,224	\$ 63,186
Ohio Access to Justice Foundation Discretionary NF Discharge	-	32,425
Ohio Access to Justice Foundation Program Assistance	-	4,765
Ohio Access to Justice Foundation - Medicaid (CareSource)	50,000	-
Ohio Access to Justice Foundation - Summer Clerk Internship	5,000	-
Ohio State Bar Foundation	2,120	-
Ohio Access to Justice Foundation Veteran's Grant	35,716	53,571
	<u>\$ 193,060</u>	<u>\$ 153,947</u>

NOTE 6 OPERATING LEASES

The Organization leases office space under a noncancelable lease that expires in March 2023. The Organization also leases office equipment under a lease that expires in August 2025. Rent expense for these operating lease for the years ended September 30, 2021 and 2020 was \$74,650 and \$74,650, respectively.

Future minimum lease payments at September 30, 2021 were:

2022	\$ 76,384
2023	39,059
2024	1,734
2025	1,734
	<u>\$ 118,911</u>

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

NOTE 7 PENSION LIABILITY

The Organization participates in the Pension Plan for Employees of United Way of Greater Cincinnati, Inc. and Affiliated Agencies (Plan) (EIN: 31-0537502; Plan No. 333). This defined benefit plan is administered by the United Way, which allocates pension plan costs based on the ratio of the aggregate salaries of participating employees of the Organization to the total salaries of all employees of the agencies included in the Plan. Because of the nature of the Plan, it is treated as a multi-employer pension plan under GAAP. The Plan is currently funded through payments to the United Way. Pension costs for the years ended September 30, 2021 and 2020 was \$377,094 and \$167,580, respectively.

The amount of the monthly benefit to be paid for life is based on one of the following:

1. A monthly life annuity equal to 2.6% of final average monthly earnings less 0.65% of social security final average compensation up to covered compensation, multiplied by years of credited service up to 25 years;
2. A monthly life annuity equal to 1.75% of final average monthly earnings less 0.50% social security final average compensation up to covered compensation, multiplied by years of credited service up to 25 years;
3. 0.75% of final average monthly earnings multiplied by years of service up to 25 years.

The plan is frozen as of December 31, 2004.

The risks of participating in a multiemployer plan are different from single-employer plans in the following aspects:

4. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
5. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
6. If the Organization chooses to stop participating in its multi-employer plan, the Organization may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. This amount approximated \$530,000 at January 1, 2021.

At January 1, 2021 (Plan's valuation date), the Plan was over 80% funded and Pro Seniors' potential liability for future years due to the underfunding has been estimated at approximately \$359,000 based on the Plan's actuarial data and asset value at January 1, 2021. In 2022 the Organization will be required to contribute \$143,000 to the Plan.

Subsequent to year end, the plan was terminated and all plan liabilities were settled through lump sum pay outs and the purchase of annuities. In order to fund the settlement, the Organization is required to contribute an additional \$251,350 to the plan based on pension plan settlement information provided by the United Way of Greater Cincinnati. This final payment is included in accounts payable and accrued expenses on the statement of financial position as of September 30, 2021. It is expected that the Organization will have no further obligations to the plan after this payment is made.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution 401(k) plan covering substantially all employees. The Board of Trustees annually determines the amount, if any, of the Organization's contributions to the Plan. Pension expense for this Plan was \$57,434 and \$49,455 in 2021 and 2020, respectively.

NOTE 9 CONCENTRATIONS

For the year ended September 30, 2021, five funding sources accounted for approximately 63% of total revenues and 77% of grant and other receivables. For the year ended September 30, 2020, four funding sources accounted for approximately 65% of total revenues and 91% of grant and other receivables.

NOTE 10 PAYMENT PROTECTION PROGRAM LOANS

On May 4, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program (the "Program"), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security's Act, from a qualified lender (the "PPP Lender"), for an aggregate principal amount of \$308,800 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.00% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan was forgiven by the SBA in July 2021 and recorded as debt forgiveness income in 2021.

On March 3, 2021, the Organization qualified for and received a second loan pursuant to the Paycheck Protection Program (the "Program"), for an aggregate principal amount of \$126,950 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.00% per annum, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. The Organization intends to apply for forgiveness of the PPP Loan. To the extent that all or part of the PPP Loan is not forgiven, commencing on August 2022 the Organization will be required to pay monthly principal and interest payments through the maturity date in March 2026. In the case that all the PPP Loan is not forgiven, future minimum annual maturities will be as follows as of September 30, 2021:

2022	\$	12,680
2023		34,765
2024		35,115
2025		35,467
2026		<u>8,923</u>
Total	\$	<u><u>126,950</u></u>

Future annual maturities are subject to change if part or all of PPP loan is forgiven. The outstanding balance for this long-term debt was \$126,950 as of September 30, 2021.

Subsequent to year end, on January 20, 2022, the Organization received notice that the second Paycheck Protection Program loan received was forgiven in full. The funds will be recognized as debt forgiveness income in fiscal year 2022.

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

NOTE 11 RISKS AND UNCERTAINTIES

The Organization's investments consist of funds noted in Note 3 above. Investment securities are exposed to various risks, such as credit, market, and interest rate. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at September 30, 2021. However, the diversification of the Organization's investments among various asset class should mitigate the impact of any adverse changes on any one asset class. Investments are managed by the Board of Trustees with advice and assistance from investment professionals.

NOTE 12 COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-screening quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization's operating and financial results will depend on future developments, including the duration and spread of the outbreak within the market in which the Organization operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

ACCOMPANYING INFORMATION

PRO SENIORS, INC.

**Schedule of Expenditures of Federal Awards
Year Ended September 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
<i>Pass-through Council on Aging of Southwestern Ohio:</i>			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	\$ -	\$ 390,750
Special Programs for the Aging Title VII, Chapter 2 Long Term Care, Ombudsman Services for Older Individuals	93.042	-	39,394
Special Programs for the Aging Title VII, Chapter 3 Programs for the Prevention of Elder Abuse, Neglect and Exploitation	93.041	-	22,789
<i>Pass-through Ohio Department of Aging:</i>			
ACA Support for Demonstration Ombudsman Programs Serving Beneficiaries of State Demonstrations to Integrate Care for Medicare-Medicaid	93.634	-	84,322
<i>Direct award:</i>			
Special Programs for the Aging, Title IV and Title II - Discretionary Projects	93.048	-	334,235
<i>Pass-through Elder Care of Michigan:</i>			
Special Programs for the Aging, Title IV and Title II - Discretionary Projects	93.048	-	91,413
Total CFDA # 93.048		-	425,648
Total U.S. Department of Health and Human Services		-	962,903
U.S. Department of Justice			
<i>Pass-through Ohio Legal Association Foundation:</i>			
Crime Victim Assistance	16.575	-	190,844
<i>Pass-through State Victim Assistance Academy:</i>			
Crime Victim Assistance	16.575	-	29,983
<i>Pass-through Elder Justice Initiative:</i>			
Crime Victim Assistance	16.575	-	106,252
Total U.S. Department of Justice		-	327,079
U.S. Department of Justice			
<i>Pass-through Board of County Commissioners Hamilton County:</i>			
Community Development Block Grants/Entitlement Grants	14.218	-	44,706
Total Expenditures of Federal Awards		\$ -	\$ 1,334,688

See notes to Schedule of Expenditures of Federal Awards

PRO SENIORS, INC.

Notes to Schedule of Expenditures of Federal Awards

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pro Seniors, Inc. ("the Organization") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

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 GOVERNMENT AUDITING STANDARDS

Board of Trustees
Pro Seniors, Inc.

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 Pro Seniors, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pro Seniors, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pro Seniors, Inc.'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 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 Pro Seniors, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 GOVERNMENT AUDITING STANDARDS (CONTINUED)

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.

Barnes, Dennig & Co., Ltd.

February 25, 2022
Cincinnati, Ohio

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

Board of Trustees
Pro Seniors, Inc.

Report on Compliance for Each Major Federal Program

We have audited Pro Seniors, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pro Seniors, Inc.'s major federal programs for the year ended September 30, 2021. Pro Seniors, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Pro Seniors, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pro Seniors, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Pro Seniors, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Pro Seniors, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE (CONTINUED)**

Report on Internal Control over Compliance

Management of Pro Seniors, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Pro Seniors, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pro Seniors, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Barnes, Dennig & Co., Ltd.

February 25, 2022
Cincinnati, Ohio

PRO SENIORS, INC.

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2021**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None noted

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? _____ Yes X No

Identification of Major Programs

CFDA No.	Name of Federal Programs or Clusters
93.044	Special Programs for the Aging Title III, Part B Grants for Supportive Services & Senior Centers

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II – Financial Statement Findings

No matters are reportable

Section III – Federal Award Findings and Questioned Costs

No matters are reportable

PRO SENIORS, INC.

**Summary Schedule of Prior Audit Findings
Year Ended September 30, 2021**

Reference Number	Summary of Finding	Status
No matters are reportable		