

Pro Seniors, Inc.

**Financial Statements with Accompanying Information
September 30, 2023 and 2022, and
Independent Auditors' Report**

PRO SENIORS, INC.
September 30, 2023 and 2022
Contents

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 17
Accompanying Information:	
Schedule of Expenditures of Federal Awards	18 - 19
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20 - 21
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance	22 - 24
Schedule of Findings and Questioned Costs	25
Summary Schedule of Prior Audit Findings	26

Independent Auditors' Report

Board of Trustees
Pro Seniors, Inc.
Cincinnati, Ohio

Opinion

We have audited the accompanying financial statements of Pro Seniors, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

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. 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 Pro Seniors, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, 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 Pro Seniors, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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.

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Independent Auditors' Report (Continued)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Pro Seniors, 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 Pro Seniors, 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.

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 23, 2024 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.



Cincinnati, Ohio

February 23, 2024

PRO SENIORS, INC.

**Statements of Financial Position
September 30, 2023 and 2022**

	2023	2022
Assets		
Cash and cash equivalents	\$ 871,334	\$ 593,066
Restricted cash for specified purpose	115,253	107,435
Grants and other receivables	289,191	304,942
Investments	952,997	858,661
Office furniture and equipment, net of accumulated depreciation of \$128,874 and \$106,466 for 2023 and 2022, respectively	45,186	64,013
Right of use assets, net - operating leases	477,065	-
Total assets	\$ 2,751,026	\$ 1,928,117
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 156,123	\$ 139,577
Refundable advances	-	17,858
Lease liabilities - operating leases	483,490	-
Total liabilities	639,613	157,435
Net Assets		
Without donor restrictions	1,996,160	1,663,247
With donor restrictions	115,253	107,435
Total net assets	2,111,413	1,770,682
Total liabilities and net assets	\$ 2,751,026	\$ 1,928,117

See accompanying notes to financial statements

PRO SENIORS, INC.

Statement of Activities
Year Ended September 30, 2023 with Comparative Totals for 2022

	2023		Total	2022
	Without Donor Restrictions	With Donor Restrictions		
Revenues, gains and other support				
Grants and allocations:				
Council on Aging of Southwestern Ohio	\$ 545,232	\$ -	\$ 545,232	\$ 443,636
Ohio Senior Medicare Patrol Project	797,198	-	797,198	503,278
Ohio Access to Justice Foundation	572,710	160,242	732,952	487,989
Ohio Attorney General - Victim of Crimes Assistance	225,130	-	225,130	225,130
Ohio Department of Aging				
State Long-Term Care Ombudsman Grant	297,525	-	297,525	295,861
Ombudsman-Bed Fees Grant	179,646	-	179,646	249,849
MyCare Ohio Ombudsman Grant	64,824	-	64,824	69,573
CARES Act Ombudsman Supplemental Grant	-	-	-	71,716
United Way Greater Cincinnati	-	75,000	75,000	112,863
Pension Rights Project	78,577	-	78,577	78,994
City of Cincinnati Ombudsman Program	-	-	-	10,000
Coronavirus Supplemental Grant	17,000	-	17,000	-
Hamilton County Senior Legal Project Grant	40,310	-	40,310	59,029
OHFA Legal	20,160	-	20,160	-
LASE Legal	20,629	-	20,629	-
ARP Ombudsman	22,860	-	22,860	-
Ohio Supreme Court Grant	13,785	-	13,785	5,225
Total grants and allocations	2,895,586	235,242	3,130,828	2,613,143
Contributions	139,730	100	139,830	192,074
Donated services	60,812	-	60,812	55,010
Investment return, net	94,337	-	94,337	(163,175)
Miscellaneous revenues	40,450	-	40,450	34,639
Paycheck Protection Program loan forgiveness	-	-	-	126,950
Net assets released from restrictions	227,524	(227,524)	-	-
Total revenues, gains and other support	3,458,439	7,818	3,466,257	2,858,641
Expenses				
Community services	2,572,512	-	2,572,512	2,164,532
Management and general	446,038	-	446,038	403,154
Fundraising	106,976	-	106,976	100,641
Total expenses	3,125,526	-	3,125,526	2,668,327
Change in net assets	332,913	7,818	340,731	190,314
Net assets, beginning of year	1,663,247	107,435	1,770,682	1,580,368
Net assets, end of year	<u>\$ 1,996,160</u>	<u>\$ 115,253</u>	<u>\$ 2,111,413</u>	<u>\$ 1,770,682</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Activities
Year Ended September 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Grants and allocations:			
Council on Aging of Southwestern Ohio	\$ 443,636	\$ -	\$ 443,636
Ohio Senior Medicare Patrol Project	503,278	-	503,278
Ohio Access to Justice Foundation	370,652	117,337	487,989
Ohio Attorney General - Victim of Crimes Assistance	225,130	-	225,130
Ohio Department of Aging			
State Long-Term Care Ombudsman Grant	295,861	-	295,861
Ombudsman-Bed Fees Grant	249,849	-	249,849
MyCare Ohio Ombudsman Grant	69,573	-	69,573
CARES Act Ombudsman Supplemental Grant	71,716	-	71,716
United Way Greater Cincinnati	-	112,863	112,863
Pension Rights Project	78,994	-	78,994
City of Cincinnati Ombudsman Program	-	10,000	10,000
Hamilton County Senior Legal Project Grant	59,029	-	59,029
Ohio Supreme Court Grant	5,225	-	5,225
Total grants and allocations	2,372,943	240,200	2,613,143
Contributions	189,084	2,990	192,074
Donated services	55,010	-	55,010
Investment return, net	(163,175)	-	(163,175)
Miscellaneous revenues	34,639	-	34,639
Paycheck Protection Program loan forgiveness	126,950	-	126,950
Net assets released from restrictions	170,767	(170,767)	-
Total revenues, gains and other support	2,786,218	72,423	2,858,641
Expenses			
Community services	2,164,532	-	2,164,532
Management and general	403,154	-	403,154
Fundraising	100,641	-	100,641
Total expenses	2,668,327	-	2,668,327
Change in net assets	117,891	72,423	190,314
Net assets, beginning of year	1,545,356	35,012	1,580,368
Net assets, end of year	\$ 1,663,247	\$ 107,435	\$ 1,770,682

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Functional Expenses
Year Ended September 30, 2023 with Comparative Totals for 2022**

	2023				2022
	Community Services	Management and General	Fundraising	Total	
Salaries and wages	\$ 1,524,304	\$ 277,108	\$ 73,895	\$ 1,875,307	\$ 1,724,937
Employee benefits	284,559	50,918	17,013	352,490	385,615
Total salaries and related	1,808,863	328,026	90,908	2,227,797	2,110,552
Community and public relations	349,680	659	9,817	360,156	151,650
Office rent	79,171	18,776		97,947	74,650
Donated services	60,812	-	-	60,812	55,010
Travel	44,058	1,538	24	45,620	27,743
Professional services	92,202	58,627	140	150,969	86,913
Office supplies	22,484	1,486	3,927	27,897	23,745
Equipment and maintenance	2,526	4,767	-	7,293	16,538
Postage	9,193	82	1,630	10,905	10,449
Insurance	10,117	3,572	-	13,689	9,869
Depreciation	1,914	20,493		22,407	21,284
Telephone	36,198	-	-	36,198	34,093
Reference publications	4,297	-	-	4,297	4,875
Miscellaneous	1,255	6,412	-	7,667	6,900
Professional development	-	540	150	690	4,866
Printing and copying	5,697	-	20	5,717	256
Organization dues	10,499	1,060	360	11,919	5,245
Volunteer expense	33,546	-	-	33,546	23,689
	<u>\$ 2,572,512</u>	<u>\$ 446,038</u>	<u>\$ 106,976</u>	<u>\$ 3,125,526</u>	<u>\$ 2,668,327</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Functional Expenses
Year Ended September 30, 2022**

	<u>Community Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 1,365,562	\$ 289,084	\$ 70,291	\$ 1,724,937
Employee benefits	323,479	43,830	18,306	385,615
 Total salaries and related	 1,689,041	 332,914	 88,597	 2,110,552
 Community and public relations	 141,901	 536	 9,213	 151,650
Office rent	63,317	11,333	-	74,650
Donated services	55,010	-	-	55,010
Travel	27,470	273	-	27,743
Professional services	61,063	25,850	-	86,913
Office supplies	21,683	958	1,104	23,745
Equipment and maintenance	14,099	2,439	-	16,538
Postage	9,465	76	908	10,449
Insurance	6,705	3,164	-	9,869
Depreciation	1,832	19,452	-	21,284
Telephone	34,093	-	-	34,093
Reference publications	4,875	-	-	4,875
Miscellaneous	2,039	4,861	-	6,900
Professional development	4,146	306	414	4,866
Printing and copying	256	-	-	256
Organization dues	3,848	992	405	5,245
Volunteer expense	23,689	-	-	23,689
	<u>\$ 2,164,532</u>	<u>\$ 403,154</u>	<u>\$ 100,641</u>	<u>\$ 2,668,327</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statements of Cash Flows
Years Ended September 30, 2023 and 2022**

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 340,731	\$ 190,314
Adjustments to reconcile change in net assets to net cash from operating activities:		
Cash from operating activities:		
Depreciation	22,407	21,284
Net realized and unrealized (gains) losses on investments	(69,775)	184,666
Paycheck Protection Program loan forgiveness	-	(126,950)
Non-cash lease expense	6,425	-
Changes in:		
Grants and other receivables	15,751	(92,099)
Prepaid expenses	-	520
Accounts payable and accrued expenses	16,546	(266,550)
Refundable advances	(17,858)	(42,241)
Net cash provided by (used in) operating activities	314,227	(131,056)
Cash flows from investing activities		
Purchases of office furniture and equipment	(3,580)	(10,438)
Purchases of investments	(24,561)	(21,481)
Proceeds from sale of investments	-	251,350
Net cash provided by (used in) investing activities	(28,141)	219,431
Net change in cash and cash equivalents and restricted cash and cash equivalents	286,086	88,375
Cash and cash equivalents and restricted cash and cash equivalents, beginning of year	700,501	612,126
Cash and cash equivalents and restricted cash and cash equivalents, end of year	\$ 986,587	\$ 700,501

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, Medicare fraud prevention outreach and education throughout Ohio, and long-term care advocacy in Southwest 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, 2023 and 2022, 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 871,334	\$ 593,066
Restricted cash for specified purpose	<u>115,253</u>	<u>107,435</u>
Total presented in the Statement of Cash Flows	<u>\$ 986,587</u>	<u>\$ 700,501</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)**

Contributions (Continued)

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenues when the conditions are substantially met and the gift becomes unconditional.

Donated Services

Contributions of services are recognized as revenue at their estimated fair value based on current rates for similar professional services 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. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

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.

Leases

The Organization has an operating lease for office space expiring in September 2028. The Organization determines if an arrangement is a lease at inception. Right of use (ROU) assets for operating leases and lease liabilities are included on the statement of financial position.

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

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

Leases (Continued)

ROU assets represents the Organization's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses rates implicit in the lease, if readily available. For leases that do not provide an implicit rate, a risk-free rate based on information available at commencement date is used in determining the present value of lease payments. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization accounts for lease and non-lease components as a single lease component. There may be variability in future lease payments as the amount of the non-lease component is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments was incurred. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization made an accounting policy election that payments under agreements with an initial term of 12 months or less will not be included on the statement of financial position but will be recognized in the statement of activities on a straight-line basis over the term of the agreement. The Organization has elected to apply the short-term lease exception on all classes of underlying assets.

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.

Effect of Adopting New 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.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

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

Effect of Adopting New Accounting Standards (Continued)

Pro Seniors Inc. adopted the standard effective October 1, 2022 and recognized and measured leases existing at, or entered into after October 1, 2022 (the beginning of the period of adoption) through cumulative effect adjustment, with certain practical expedients available. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Lease disclosures for the year ended September 30, 2022 are made under prior lease guidance in FASB ASC 840.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on October 1, 2022 a lease liability of \$39,215, which represents the present value of the remaining operating lease payments, and a right of use asset of \$41,679.

The Organization elected the available practical expedients to account for its existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

Recently Issued Accounting Standard

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly recognized financial assets as well as the increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the fiscal year ending September 30, 2024. 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 23, 2024, which is the date the financial statements were available to be issued.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

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:

	2023	2022
Cash	\$ 871,334	\$ 593,066
Grants and other receivables	289,191	304,942
Investments	952,997	858,661
	\$ 2,113,522	\$ 1,756,669

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.

NOTE 3 INVESTMENTS

Investment valuations as of September 30 are summarized as follows:

	2023	2022
Level 1:		
Equity mutual funds	\$ 230,903	\$ 217,545
Fixed income mutual funds	210,855	89,275
Exchange traded funds	495,317	538,413
Level 2:		
Money market mutual funds	15,922	13,428
	\$ 952,997	\$ 858,661

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.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

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, 2023 and 2022, the Organization had remaining available award balances conditional grants of \$1,054,062 and \$798,646, 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:

	2023	2022
United Way	\$ 56,250	\$ 56,250
Ohio Access to Justice Foundation Program Assistance	51,588	35,973
Rhonda Y. Moore Fellowship	4,940	4,840
Medicare Part D	2,475	2,475
Ohio State Bar Foundation	-	7,897
	<u>\$ 115,253</u>	<u>\$ 107,435</u>

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

	2023	2022
Ohio Access to Justice Foundation FY23 Grant	\$ 94,744	\$ -
United Way	75,000	62,301
Ohio Access to Justice Foundation Veteran's Grant	35,716	35,716
Ohio State Bar Foundation	7,897	4,275
Ohio Access to Justice Foundation - Medicaid (CareSource)	7,500	-
Ohio Access to Justice Foundation - Summer Clerk Internship	6,667	5,000
Ohio Access to Justice Foundation Program Assistance	-	25,000
Ohio Access to Justice Foundation NetDocs Grant	-	23,225
Ohio Access to Justice Foundation SharePoint Grant	-	5,250
City of Cincinnati Funding	-	10,000
	<u>\$ 227,524</u>	<u>\$ 170,767</u>

NOTE 6 LEASES

The Organization has an operating lease for office space with remaining lease terms through September 2028. As of September 30, 2023 the operating lease ROU assets and operating lease liabilities related to those leases were \$477,066 and \$483,490, respectively.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 6 LEASES (CONTINUED)

The components of lease expense were as follows:

Operating lease expense	\$ 97,947
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Other information related to leases was as follows:

Operating cash flows	\$ 86,240
ROU assets modified in exchange for lease obligations	520,303
Weighted average remaining lease terms	5.2 years
Weighted average discount rate	3.52%

Future minimum lease payments under non-cancellable leases as of September 30, 2023 were as follows:

	\$ 101,014
2024	103,034
2025	105,095
2026	107,197
2027	109,341
2028	109,341
Total future minimum lease payments	525,681
Less imputed interest	(42,191)
Lease liabilities	\$ 483,490

Lease disclosures for the year ended September 30, 2022

As the Accounting Standard Codification “(ASC)” 842, *Leases* was adopted during 2023, the Organization is required to disclose information for 2022 in accordance with prior guidance under ASC 840, *Leases*. The Organization leases office space under a noncancelable lease that expires in September 2028. Rent expense for these operating leases was \$74,650 for the year ended September 30, 2022.

Future minimum lease payments at September 30, 2022 were:

	\$ 86,240
2023	101,014
2024	103,034
2025	105,095
2026	107,197
2027	109,341
Thereafter	109,341
	\$ 611,920

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

NOTE 7 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 \$61,070 and \$58,222 in 2023 and 2022, respectively.

NOTE 8 CONCENTRATIONS

For the year ended September 30, 2023, four funding sources accounted for approximately 70% of total revenues and 77% of grant and other receivables. For the year ended September 30, 2022, four funding sources accounted for approximately 65% of total revenues and 82% of grant and other receivables.

NOTE 9 PAYMENT PROTECTION PROGRAM LOANS

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. On January 20, 2022, the Organization received notice that the second Paycheck Protection Program loan received was forgiven in full. The funds were recognized as debt forgiveness income in fiscal year 2022.

NOTE 10 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, 2023. However, the diversification of the Organization's investments among various asset classes 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.

ACCOMPANYING INFORMATION

PRO SENIORS, INC.

**Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Assistance Listing 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	-	32,506
Special Programs for the Aging Title VII, Chapter 3 Programs for the Prevention of Elder Abuse, Neglect and Exploitation	93.041	-	22,711
<i>Pass-through American Rescue Plan Act:</i>			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	-	99,265
<i>Pass-through Ohio Department of Aging:</i>			
Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals	93.634	-	64,824
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	-	20,629
Elder Abuse Prevention Interventions Program	93.747	-	39,860
<i>Direct award:</i>			
Special Programs for the Aging, Title IV and Title II - Discretionary Projects	93.048	-	797,198
<i>Pass-through Elder Care of Michigan:</i>			
Special Programs for the Aging, Title IV and Title II - Discretionary Projects	93.048	-	78,577
Total ALN # 93.048		-	875,775
Total U.S. Department of Health and Human Services		-	1,546,320
U.S. Department of Justice			
<i>Pass-through Ohio Legal Association Foundation:</i>			
Crime Victim Assistance	16.575	-	125,641
<i>Pass-through State Victim Assistance Academy:</i>			
Crime Victim Assistance	16.575	-	30,000
<i>Pass-through Elder Justice Initiative:</i>			
Crime Victim Assistance	16.575	-	69,489
Total ALN # 16.575		-	225,130
<i>Pass-through Board of County Commissioners Hamilton County:</i>			
Community Development Block Grants/Entitlement Grants	14.218	-	40,310
Total U.S. Department of Justice			265,440
Total Expenditures of Federal Awards		\$ -	\$ 1,811,760

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., which comprise the statement of financial position as of September 30, 2023, 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 23, 2024.

Report on 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 were not identified.

Report on 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.

Cincinnati, Ohio
February 23, 2024

**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

Opinion on Each Major Federal Program

We have audited Pro Seniors, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion of Each major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pro Seniors, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pro Seniors, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Pro Seniors, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pro Seniors, Inc.'s compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform

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

Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pro Seniors, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Pro Seniors, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pro Seniors, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Pro Seniors, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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.

Cincinnati, Ohio
February 23, 2024

PRO SENIORS, INC.

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2023**

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
93.048	Special Programs for the Aging, Title IV and Title II – Discretionary Projects

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, 2023**

Reference Number	Summary of Finding	Status
No matters are reportable		