

Pro Seniors, Inc.

**Financial Statements with Accompanying Information
September 30, 2016 and 2015, and
Independent Auditors' Report**

PRO SENIORS, INC.
September 30, 2016 and 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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.

**Independent Auditors' Report
(Continued)**

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of 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 21, 2017 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.

Barnes, Dennig & Co., Ltd.

February 21, 2017
Cincinnati, Ohio

PRO SENIORS, INC.

**Statements of Financial Position
September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 128,978	\$ 40,304
Accounts and grants receivable	284,719	91,704
Investments	830,205	762,875
Prepaid expenses	-	14,596
Office furniture and equipment, net of accumulated depreciation of \$48,117 and \$45,272 for 2016 and 2015, respectively	<u>34,775</u>	<u>3,904</u>
Total assets	<u>\$ 1,278,677</u>	<u>\$ 913,383</u>
Liabilities and Net Assets		
Liabilities		
Accrued expenses and other liabilities	\$ 171,421	\$ 126,637
Deferred revenue	<u>4,634</u>	<u>21,177</u>
Total liabilities	<u>176,055</u>	<u>147,814</u>
Net Assets		
Unrestricted	804,879	726,659
Temporarily restricted	<u>297,743</u>	<u>38,910</u>
Total net assets	<u>1,102,622</u>	<u>765,569</u>
Total liabilities and net assets	<u>\$ 1,278,677</u>	<u>\$ 913,383</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Activities
Year Ended September 30, 2016 with Comparative Totals for 2015**

	2016			2015
	Unrestricted	Temporarily Restricted	Total	
Revenues, gains and other support				
Council on Aging of Southwestern Ohio	\$ 378,912	\$ -	\$ 378,912	\$ 372,854
Ohio Legal Assistance Foundation	270,983	406,182	677,165	242,588
United Way Greater Cincinnati	750	125,000	125,750	125,375
City of Cincinnati Ombudsman Program	40,000	-	40,000	20,000
Home Care and Adult Care Facility subsidy	37,646	-	37,646	37,677
Nursing facilities/bed fees	119,087	-	119,087	141,275
Victim of Crimes Assistance	247,330	-	247,330	94,638
Elder Abuse Prevention	22,789	-	22,789	22,789
Pension Rights Project	82,212	-	82,212	79,900
Ohio SMP	346,253	-	346,253	315,913
OMB Support Funds	10,430	-	10,430	17,340
Equal Justice Works	-	-	-	30,750
MyCare Ohio	60,066	-	60,066	49,161
Contributions	103,031	75,000	178,031	81,772
Contributed services	76,512	-	76,512	55,820
Investment return	70,286	-	70,286	(7,082)
Miscellaneous revenues	39,564	-	39,564	19,306
Net assets released from restrictions	347,349	(347,349)	-	-
Total revenues, gains and other support	2,253,200	258,833	2,512,033	1,700,076
Expenses				
Community services	1,729,804	-	1,729,804	1,611,678
Management and general	354,874	-	354,874	378,337
Fundraising	90,302	-	90,302	66,878
Total expenses	2,174,980	-	2,174,980	2,056,893
Change in net assets	78,220	258,833	337,053	(356,817)
Net assets, beginning of year	726,659	38,910	765,569	1,122,386
Net assets, end of year	\$ 804,879	\$ 297,743	\$ 1,102,622	\$ 765,569

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Activities
Year Ended September 30, 2015**

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support			
Council on Aging of Southwestern Ohio	\$ 372,854	\$ -	\$ 372,854
Ohio Legal Assistance Foundation	242,588	-	242,588
United Way Greater Cincinnati	375	125,000	125,375
City of Cincinnati Ombudsman Program	20,000	-	20,000
Home Care and Adult Care Facility subsidy	37,677	-	37,677
Nursing facilities/bed fees	141,275	-	141,275
Victim of Crimes Assistance	94,638	-	94,638
Elder Abuse Prevention	22,789	-	22,789
Pension Rights Project	79,900	-	79,900
Ohio SMP	315,913	-	315,913
OMB Support Funds	17,340	-	17,340
Equal Justice Works	30,750	-	30,750
MyCare Ohio	49,161	-	49,161
Contributions	81,772	-	81,772
Contributed services	55,820	-	55,820
Investment return	(7,082)	-	(7,082)
Miscellaneous revenues	19,306	-	19,306
Net assets released from restrictions	202,180	(202,180)	-
	1,777,256	(77,180)	1,700,076
Expenses			
Community services	1,611,678	-	1,611,678
Management and general	378,337	-	378,337
Fundraising	66,878	-	66,878
	2,056,893	-	2,056,893
Change in net assets	(279,637)	(77,180)	(356,817)
Net assets, beginning of year	1,006,296	116,090	1,122,386
Net assets, end of year	\$ 726,659	\$ 38,910	\$ 765,569

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Functional Expenses
Year Ended September 30, 2016 with Comparative Totals for 2015**

	2016			Total	2015
	Community Services	Management and General	Fundraising		
Salaries and wages	\$ 1,119,810	\$ 208,613	\$ 54,473	\$ 1,382,896	\$ 1,342,323
Employee benefits	285,082	93,106	4,288	382,476	357,868
 Total salaries, wages, and related expenses	 1,404,892	 301,719	 58,761	 1,765,372	 1,700,191
Community and public relations	70,362	-	23,206	93,568	58,109
Donated services	76,512	-	-	76,512	55,820
Office rent	61,984	8,677	-	70,661	70,661
Travel	45,960	256	143	46,359	48,073
Professional services	11,946	26,831	315	39,092	25,408
Office supplies	16,642	5	504	17,151	12,945
Postage	8,010	2,119	1,134	11,263	10,347
Insurance	5,812	2,966	-	8,778	9,028
Telephone	7,114	-	-	7,114	6,893
Reference publications	7,105	-	-	7,105	7,209
Printing and copying	660	65	6,230	6,955	10,019
Investment fees	-	6,068	-	6,068	6,587
Miscellaneous	5	5,448	9	5,462	10,560
Depreciation	4,900	-	-	4,900	8,843
Equipment and equipment maintenance	3,643	405	-	4,048	5,608
Staff training and seminars	3,348	-	-	3,348	4,741
Organization dues	305	315	-	620	4,995
Client representation fees	604	-	-	604	856
	<u>\$ 1,729,804</u>	<u>\$ 354,874</u>	<u>\$ 90,302</u>	<u>\$ 2,174,980</u>	<u>\$ 2,056,893</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Functional Expenses
Year Ended September 30, 2015**

	<u>Community Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 1,064,583	\$ 234,212	\$ 43,528	\$ 1,342,323
Employee benefits	265,275	87,593	5,000	357,868
 Total salaries, wages, and related expenses	 1,329,858	 321,805	 48,528	 1,700,191
Community and public relations	51,155	-	6,954	58,109
Donated services	55,820	-	-	55,820
Office rent	59,409	11,252	-	70,661
Travel	47,931	31	111	48,073
Professional services	3,174	21,464	770	25,408
Office supplies	12,308	206	431	12,945
Postage	6,855	3,216	276	10,347
Insurance	5,812	3,216	-	9,028
Miscellaneous	600	9,770	190	10,560
Printing and copying	427	-	9,592	10,019
Depreciation	8,843	-	-	8,843
Reference publications	7,209	-	-	7,209
Telephone	6,893	-	-	6,893
Investment fees	-	6,587	-	6,587
Equipment and equipment maintenance	5,032	550	26	5,608
Organization dues	4,755	240	-	4,995
Staff training and seminars	4,741	-	-	4,741
Client representation fees	856	-	-	856
	<u>\$ 1,611,678</u>	<u>\$ 378,337</u>	<u>\$ 66,878</u>	<u>\$ 2,056,893</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statements of Cash Flows
Years Ended September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 337,053	\$ (356,817)
Items not requiring (providing) operating activities cash flows:		
Depreciation	4,900	8,843
Net realized and unrealized losses (gains)	(38,921)	47,925
Changes in:		
Accounts and grants receivable	(193,015)	85,128
Prepaid expenses	14,596	(1,542)
Accrued expenses and other liabilities	15,737	5,676
Deferred revenue	(16,543)	21,177
Net cash provided by (used in) operating activities	<u>123,807</u>	<u>(189,610)</u>
Cash flows from investing activities		
Purchases of property and equipment	(6,724)	(396)
Purchases of investments	(11,065)	(150,290)
Proceeds from sale of investments	(17,344)	274,398
Net cash provided by (used in) investing activities	<u>(35,133)</u>	<u>123,712</u>
Net change in cash and cash equivalents	88,674	(65,898)
Cash and cash equivalents, beginning of year	<u>40,304</u>	<u>106,202</u>
Cash and cash equivalents, end of year	<u>\$ 128,978</u>	<u>\$ 40,304</u>
Supplemental cash flows information		
Purchase of equipment included in accounts payable	<u>\$ 29,047</u>	<u>\$ -</u>

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 and principal activities are to advocate through legal means or through public information and education, older persons' rights and benefits in Southwestern Ohio area. The Organization's revenues and other support are derived principally from federal and state grants and its activities are conducted principally in the Southwestern Ohio area.

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 three classes of net assets: unrestricted net assets which have no donor-imposed restriction; temporarily restricted net assets which have donor-imposed restrictions that will expire in the future; and permanently restricted net assets which have donor-imposed restriction which do not expire.

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, 2016 and 2015, 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.

Accounts Receivable

Accounts receivable are stated at the amount billed to clients. Accounts receivable are ordinarily due 30 days after the issuance of an invoice. Accounts past due more than 180 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the client. All accounts receivable at September 30, 2016 and 2015 were considered collectible, thus an allowance for doubtful accounts was not necessary at both September 30, 2016 and 2015.

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 reported at fair value in accordance with current accounting and reporting standards. These standards established a three-level hierarchy for fair value measurements:

- 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 estimates of what market participants would use as fair value.

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

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

Investments and Investment Return (Continued)

Because Level 3 investments are not readily marketable, the estimated fair value is subject to additional uncertainty and the fair value realized upon disposition may vary significantly from the currently reported fair values. Investments are managed by the Finance and Administration Committee with advice and assistance from investment professionals.

Investment return that is initially restricted by donor stipulation restriction is met in the same period are recorded as temporarily restricted and then released from restriction. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted 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 unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same period are recorded as temporarily restricted 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 temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

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.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

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

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. Certain costs have been allocated among the program, management and general and fundraising categories based on the specific identification and other methods.

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 2015 figures have been reclassified to conform to the 2016 presentation.

Subsequent Event Evaluation

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through February 21, 2017, which is the date the financial statements were available to be issued.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 2 INVESTMENTS (CONTINUED)

Investment valuations as of September 30 are summarized as follows:

	2016	2015
Level 1:		
Equity mutual funds	\$ 402,431	\$ 375,495
Fixed income mutual funds	180,424	175,162
Exchange traded funds	238,221	210,954
Money market mutual funds	9,129	1,264
	\$ 830,205	\$ 762,875

There were no valuations using Level 2 or 3 inputs.

Investment return as of September 30 is summarized as follows:

	2016	2015
Interest and dividends	\$ 31,365	\$ 40,843
Net realized and unrealized gains (losses)	38,921	(47,925)
	\$ 70,286	\$ (7,082)

NOTE 3 NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30 are available for the following purposes:

	2016	2015
Elder Justice initiative	\$ 186,899	\$ -
Financial exploitation funding	67,786	-
United Way	31,247	31,247
Veteran's grant	9,336	-
Medicare Part D	2,475	2,475
Equipment and technology upgrade	-	5,188
	\$ 297,743	\$ 38,910

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 3 NET ASSETS

Net Assets Released from Restrictions

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

	<u>2016</u>	<u>2015</u>
Purpose restrictions accomplished:		
Elder Justice initiative	\$ 112,140	\$ -
United Way	125,000	125,438
Veteran's grant	97,807	-
Financial exploitation funding	7,214	75,000
Equipment and technology upgrade	<u>5,188</u>	<u>1,742</u>
	<u>\$ 347,349</u>	<u>\$ 202,180</u>

NOTE 4 OPERATING LEASES

A non-cancellable operating lease for office space expires in 2018. Future minimum lease payments at September 30, 2016 are:

2017	\$ 70,661
2018	<u>35,330</u>
	<u>\$ 105,991</u>

Rental expense for all operating leases was \$70,661 and \$70,661 for 2016 and 2015, respectively.

NOTE 5 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, 2016 and 2015 was \$84,835 and \$78,409, 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.

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

NOTE 5 PENSION LIABILITY (CONTINUED)

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 \$496,000 at January 1, 2016.

At January 1, 2016 (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 \$222,000, based on the Plan's actuarial data and asset value at January 1, 2016. The actual minimum funding requirements for the future will be determined at each anniversary date. The Organization does not currently intend to withdraw from the Plan.

Based on information available to management, the Plan is not subject to any funding improvement or rehabilitation plans and there was no surcharge paid to the Plan by the Organization. Based on information as of January 1, 2016, the year-end of the Plan, contributions made to the Plan represent less than 5% of total contributions received by the Plan.

NOTE 6 RETIREMENT PLAN

On October 1, 2005, the Organization established 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 \$37,549 and \$38,310 in 2016 and 2015, respectively.

NOTE 7 CONCENTRATIONS

GAAP requires disclosure of current vulnerabilities due to concentrations. Three funding sources accounted for approximately 83% and 85% of accounts receivable at September 30, 2016 and 2015, respectively. Additionally, three funding sources accounted for 58% and 58% of total revenues at September 30, 2016 and 2015, respectively.

ACCOMPANYING INFORMATION

PRO SENIORS, INC.

**Schedule of Expenditures of Federal Awards
Year Ended September 30, 2016**

<u>Cluster/ Program</u>	<u>Federal Agency/ Pass Through Entity</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Special Programs for the Aging Title III, Part B- Grants for Supportive Services and Senior Centers	Department of Health and Human Services/ Ohio Department of Aging/ Council on Aging of Southwestern Ohio	93.044	<u>\$ 353,506</u>
Special Programs for the Aging Title VII, Chapter 2- Long term Care, Ombudsman Services for Older Individuals	Department of Health and Human Services/ Ohio Department of Aging/ Council on Aging of Southwestern Ohio	93.042	<u>25,406</u>
Special Programs for the Aging, Title IV and Title II- Discretionary Projects	Department of Health and Human Services	93.048	116,851
Special Programs for the Aging, Title IV and Title II- Discretionary Projects	Department of Health and Human Services	93.048	229,402
Special Programs for the Aging, Title IV and Title II- Discretionary Projects	Department of Health and Human Services/Elder Care of Michigan	93.048	<u>82,212</u>
	Total for CFDA No. 93.048		428,465
Special Programs for the Aging Title VII, Chapter 3 Programs for the Prevention of Elder Abuse, Neglect and Exploitation	Department of Health and Human Services/ Ohio Department of Aging/ Council on Aging of Southwestern Ohio	93.041	<u>22,789</u>
ACA Support for Demonstration Ombudsman Programs Serving Beneficiaries of State Demonstrations to Integrate Care for Medicare-Medicaid	Department of Health and Human Services/ Ohio Department of Aging/ Council on Aging of Southwestern Ohio	93.634	<u>60,066</u>
			<u>\$ 890,232</u>

See notes to Schedule of Expenditures of Federal Awards

PRO SENIORS, INC.

Notes to Schedule of Expenditures of Federal Awards

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*.

Subrecipients

The Organization provided no federal awards to subrecipients.

De Minimis Cost Rate

The Organization has not elected to use the 10% de minimus cost rate.

**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, 2016, 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 21, 2017.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 21, 2017
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, 2016. 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, 2016.

**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 21, 2017
Cincinnati, Ohio

PRO SENIORS, INC.

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2016**

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, 2016**

Reference Number	Summary of Finding	Status
No matters are reportable		