

Pro Seniors, Inc.

**Financial Statements with Accompanying Information
September 30, 2020 and 2019, and
Independent Auditors' Report**

PRO SENIORS, INC.
September 30, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2021 on our consideration of Pro Seniors, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pro Seniors, Inc.'s internal control over financial reporting and compliance.



February 25, 2021
Cincinnati, Ohio

PRO SENIORS, INC.

**Statements of Financial Position
September 30, 2020 and 2019**

	2020	2019
Assets		
Cash and cash equivalents	\$ 577,386	\$ 256,939
Grants and other receivables	101,987	223,252
Investments	1,070,943	1,015,504
Prepaid expenses	500	-
Office furniture and equipment, net of accumulated depreciation of \$80,001 and \$63,772 for 2020 and 2019, respectively	81,762	31,827
Total assets	<u>\$ 1,832,578</u>	<u>\$ 1,527,522</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 206,517	\$ 188,041
Refundable advances	20,823	5,035
Paycheck Protection Program loan	308,800	-
Total liabilities	<u>536,140</u>	<u>193,076</u>
Net Assets		
Without donor restrictions	1,262,530	1,311,212
With donor restrictions	33,908	23,234
Total net assets	<u>1,296,438</u>	<u>1,334,446</u>
Total liabilities and net assets	<u>\$ 1,832,578</u>	<u>\$ 1,527,522</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

Statement of Activities
Year Ended September 30, 2020 with Comparative Totals for 2019

	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019
Revenues, gains and other support				
Grants and allocations:				
Council on Aging of Southwestern Ohio	\$ 442,245	\$ -	\$ 442,245	\$ 407,534
Ohio SMP	291,326	-	291,326	350,832
Ohio Access to Justice Foundation	305,996	78,571	384,567	404,070
Victim of Crimes Assistance	401,493	-	401,493	429,146
Bed fees	91,033	-	91,033	148,066
United Way Greater Cincinnati	-	84,800	84,800	84,800
MyCare Ohio	56,604	-	56,604	106,206
Pension Rights Project	73,416	-	73,416	89,755
OMB Support Funds	-	-	-	38,683
City of Cincinnati Ombudsman Program	30,000	-	30,000	40,000
State long-term care - ombudsman	161,092	-	161,092	37,405
OMB Americorps	-	-	-	10,998
Total grants and allocations	1,853,205	163,371	2,016,576	2,147,495
Contributions	142,722	1,250	143,972	124,341
Contributed services	59,268	-	59,268	79,725
Investment return, net	56,381	-	56,381	35,298
Miscellaneous revenues	56,869	-	56,869	34,872
Net assets released from restrictions	153,947	(153,947)	-	-
Total revenues, gains and other support	2,322,392	10,674	2,333,066	2,421,731
Expenses				
Community services	1,750,044	-	1,750,044	1,805,183
Management and general	532,591	-	532,591	471,656
Fundraising	88,439	-	88,439	87,606
Total expenses	2,371,074	-	2,371,074	2,364,445
Change in net assets	(48,682)	10,674	(38,008)	57,286
Net assets, beginning of year	1,311,212	23,234	1,334,446	1,277,160
Net assets, end of year	<u>\$ 1,262,530</u>	<u>\$ 33,908</u>	<u>\$ 1,296,438</u>	<u>\$ 1,334,446</u>

See accompanying notes to financial statements

PRO SENIORS, INC.
Statement of Activities
Year Ended September 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Grants and allocations:			
Council on Aging of Southwestern Ohio	\$ 407,534	\$ -	\$ 407,534
Ohio SMP	350,832	-	350,832
Ohio Access to Justice Foundation	361,624	42,446	404,070
Victim of Crimes Assistance	429,146	-	429,146
Bed fees	148,066	-	148,066
United Way Greater Cincinnati	-	84,800	84,800
MyCare Ohio	106,206	-	106,206
Pension Rights Project	89,755	-	89,755
OMB Support Funds	38,683	-	38,683
City of Cincinnati Ombudsman Program	40,000	-	40,000
State long-term care - ombudsman	37,405	-	37,405
OMB Americorps	10,998	-	10,998
Total grants and allocations	2,020,249	127,246	2,147,495
Contributions	124,341	-	124,341
Contributed services	79,725	-	79,725
Investment return, net	35,298	-	35,298
Miscellaneous revenues	34,872	-	34,872
Net assets released from restrictions	126,999	(126,999)	-
Total revenues, gains and other support	2,421,484	247	2,421,731
Expenses			
Community services	1,805,183	-	1,805,183
Management and general	471,656	-	471,656
Fundraising	87,606	-	87,606
Total expenses	2,364,445	-	2,364,445
Change in net assets	57,039	247	57,286
Net assets, beginning of year	1,254,173	22,987	1,277,160
Net assets, end of year	<u>\$ 1,311,212</u>	<u>\$ 23,234</u>	<u>\$ 1,334,446</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Functional Expenses
Year Ended September 30, 2020 with Comparative Totals for 2019**

	2020				
	Community Services	Management and General	Fundraising	Total	2019
Salaries and wages	\$ 1,195,590	\$ 293,851	\$ 69,010	\$ 1,558,451	\$ 1,419,495
Employee benefits	261,382	179,746	13,418	454,546	474,402
 Total salaries and related	 1,456,972	 473,597	 82,428	 2,012,997	 1,893,897
 Community and public relations	 52,818	 -	 3,326	 56,144	 81,405
Office rent	64,037	10,613	-	74,650	70,917
Donated services	59,268	-	-	59,268	79,725
Travel	18,249	814	76	19,139	69,470
Professional services	11,711	26,761	-	38,472	80,368
Office supplies	20,796	174	1,489	22,459	10,407
Equipment and maintenance	15,751	545	-	16,296	9,895
Postage	5,543	617	1,025	7,185	10,673
Insurance	6,091	3,014	-	9,105	10,157
Depreciation	6,567	9,662	-	16,229	8,660
Telephone	11,876	-	-	11,876	8,728
Reference publications	5,194	-	-	5,194	5,238
Miscellaneous	(46)	5,057	-	5,011	10,759
Professional development	3,390	600	75	4,065	4,097
Printing and copying	980	35	20	1,035	2,873
Organization dues	2,670	1,102	-	3,772	6,125
Volunteer expense	8,177	-	-	8,177	-
Client representation fees	-	-	-	-	1,051
	<u>\$ 1,750,044</u>	<u>\$ 532,591</u>	<u>\$ 88,439</u>	<u>\$ 2,371,074</u>	<u>\$ 2,364,445</u>

See accompanying notes to financial statements

PRO SENIORS, INC.

**Statement of Functional Expenses
Year Ended September 30, 2019**

	<u>Community Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 1,105,767	\$ 250,169	\$ 63,559	\$ 1,419,495
Employee benefits	<u>303,290</u>	<u>163,134</u>	<u>7,978</u>	<u>474,402</u>
Total salaries and related	1,409,057	413,303	71,537	1,893,897
Community and public relations	71,228	-	10,177	81,405
Office rent	60,612	10,305	-	70,917
Donated services	79,725	-	-	79,725
Travel	68,530	749	191	69,470
Professional services	56,123	24,137	108	80,368
Office supplies	9,320	26	1,061	10,407
Equipment and maintenance	9,810	85	-	9,895
Postage	7,272	1,514	1,887	10,673
Insurance	6,869	3,288	-	10,157
Depreciation	1,661	6,999	-	8,660
Telephone	8,728	-	-	8,728
Reference publications	5,238	-	-	5,238
Miscellaneous	-	10,429	330	10,759
Professional development	3,790	307	-	4,097
Printing and copying	544	14	2,315	2,873
Organization dues	5,625	500	-	6,125
Client representation fees	<u>1,051</u>	<u>-</u>	<u>-</u>	<u>1,051</u>
	<u><u>\$ 1,805,183</u></u>	<u><u>\$ 471,656</u></u>	<u><u>\$ 87,606</u></u>	<u><u>\$ 2,364,445</u></u>

See accompanying notes to financial statements

PRO SENIORS, INC.

Statements of Cash Flows
Years Ended September 30, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ (38,008)	\$ 57,286
Adjustments to reconcile change in net assets to net		
Cash from operating activities:		
Depreciation	16,229	8,660
Net realized and unrealized gains	(29,281)	(1,935)
Changes in:		
Grants and other receivables	121,265	(119,813)
Prepaid expenses	(500)	25,323
Accounts payable and accrued expenses	18,476	39,407
Refundable advances	15,788	(8,145)
Net cash provided by operating activities	<u>103,969</u>	<u>783</u>
Cash flows from investing activities		
Purchases of office furniture and equipment	(66,164)	(10,282)
Purchases of investments	(28,153)	(34,665)
Proceeds from sale of investments	1,995	2,043
Net cash used in investing activities	<u>(92,322)</u>	<u>(42,904)</u>
Cash flows from financing activities		
Proceeds from issuance of Payment Protection		
Program loan	308,800	-
Net cash provided by financing activities	<u>308,800</u>	<u>-</u>
Net change in cash and cash equivalents	320,447	(42,121)
Cash and cash equivalents, beginning of year	<u>256,939</u>	<u>299,060</u>
Cash and cash equivalents, end of year	<u><u>\$ 577,386</u></u>	<u><u>\$ 256,939</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 is to enhance the independence and quality of life of Ohio seniors by empowering them, by protecting their interests and by facilitating their access to resources. The Organization's activities include the provision of legal advocacy and education throughout Ohio, as well as long-term care advocacy in Southwestern Ohio. The Organization's revenues and other support are derived principally from federal and state grants.

Financial Statement Presentation

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

Fair Value Measurements

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

Cash and Cash Equivalents

The Organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. At September 30, 2020 and 2019, 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.

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.

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

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

Investment and Investment Return (Continued)

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. Absent explicit donor stipulations for the long-lived assets must be held, expirations of donor restrictions when the donated or acquired 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.

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.

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

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

Income Taxes

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

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

Functional Allocation of Expenses

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

Use of Estimates

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

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the calendar year ending September 30, 2022. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Effect of Adopting New Accounting Standard

In 2020, the Organization adopted Financial Accounting Services Board ("FASB") Accounting Standards Updated (ASU) 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarified and improved previous guidance about whether a transfer of assets is a contribution or an exchange transaction. The standard clarified how an entity determined whether a resource provider is receiving commensurate value in return for the resources transferred. The standard also required an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of assets transferred or a right of release of a promisor's obligation to transfer assets. The ASU has been applied using the modified prospective basis for all grants and contracts that were completed as of October 1, 2019.

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

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

Subsequent Event Evaluation

In preparing its financial statements, the Organization has evaluated events subsequent to the statement of financial position date through February 25, 2021, which is the date the financial statements were available to be issued.

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:

	2020	2019
Cash	\$ 577,386	\$ 256,939
Grants and other receivables	101,987	223,252
Investments	1,070,943	1,015,504
	<u>\$ 1,750,316</u>	<u>\$ 1,495,695</u>

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

NOTE 3 INVESTMENTS

Investment valuations as of September 30 are summarized as follows:

	2020	2019
Level 1:		
Equity mutual funds	\$ 350,425	\$ 440,345
Fixed income mutual funds	109,022	247,636
Exchange traded funds	602,554	311,714
Level 2:		
Money market mutual funds	8,942	15,809
	<u>\$ 1,070,943</u>	<u>\$ 1,015,504</u>

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

PRO SENIORS, INC.

**Notes to Financial Statements
(Continued)**

NOTE 3 INVESTMENTS (CONTINUED)

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

There were no valuations using Level 3 inputs.

NOTE 4 CONDITIONAL CONTRIBUTIONS

The Organization has numerous grants for which the grantor agencies' promise to give are conditioned upon the Organization incurring certain qualifying expenses under the grant programs. At September 30, 2020 and 2019, the Organization had remaining available award balances conditional grants of \$595,341 and \$414,641, 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:

	2020	2019
United Way	\$ 30,183	\$ 8,569
Medicare Part D	2,475	2,475
Ohio Access to Justice Foundation Program Assistance	-	4,765
Rhonda Y. Moore Fellowship	1,250	-
Ohio Access to Justice Foundation Discretionary NF discharge	-	7,425
	<u>\$ 33,908</u>	<u>\$ 23,234</u>

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

	2020	2019
United Way	\$ 63,186	\$ 95,524
Ohio Access to Justice Foundation Discretionary NF Discharge	32,425	17,575
Ohio Access to Justice Foundation Program Assistance	4,765	13,900
Ohio Access to Justice Foundation Veteran's Grant	53,571	-
	<u>\$ 153,947</u>	<u>\$ 126,999</u>

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

NOTE 6 OPERATING LEASES

The Organization leases office space under a noncancelable lease that expires in March 2023. Rent expense for this operating lease for the years ended September 30, 2020 and 2019 was \$74,650 and \$70,917, respectively.

Future minimum lease payments at September 30, 2020 were:

2021	\$	74,650
2022		74,650
2023		<u>37,325</u>
	\$	<u><u>186,625</u></u>

NOTE 7 PENSION LIABILITY

The Organization participates in the Pension Plan for Employees of United Way of Greater Cincinnati, Inc. and Affiliated Agencies (Plan) (EIN: 31-0537502; Plan No. 333). This defined benefit plan is administered by the United Way, which allocates pension plan costs based on the ratio of the aggregate salaries of participating employees of the Organization to the total salaries of all employees of the agencies included in the Plan. Because of the nature of the Plan, it is treated as a multi-employer pension plan under GAAP. The Plan is currently funded through payments to the United Way. Pension costs for the years ended September 30, 2020 and 2019 was \$167,580 and \$159,547, respectively.

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

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

The plan is frozen as of December 31, 2004.

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

4. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
5. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
6. If the Organization chooses to stop participating in its multi-employer plan, the Organization may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. This amount approximated \$609,000 at January 1, 2020.

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

NOTE 7 PENSION LIABILITY (CONTINUED)

At January 1, 2020 (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 \$407,000, based on the Plan's actuarial data and asset value at January 1, 2020. In 2021 the Organization will be required to contribute \$168,000 to the Plan. 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, 2020, the year-end of the Plan, contributions made to the Plan represent more than 5% of total contributions received by the Plan.

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution 401(k) plan covering substantially all employees. The Board of Trustees annually determines the amount, if any, of the Organization's contributions to the Plan. Pension expense for this Plan was \$49,455 and \$44,196 in 2020 and 2019, respectively.

NOTE 9 CONCENTRATIONS

GAAP requires disclosure of current vulnerabilities due to concentrations. For the year ended September 30, 2020, four funding sources accounted for approximately 65% of total revenues in and 91% of grant and other receivables. For the year ended September 30, 2019, five funding sources accounted for approximately 77% of total revenues and 69% of grant and other receivables.

NOTE 10 PAYMENT PROTECTION PROGRAM LOAN

On May 4, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program (the "Program"), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security's Act, from a qualified lender (the "PPP Lender"), for an aggregate principal amount of \$308,800 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.00% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP loan at a rate of 1.00% per annum, and commencing in December 2020 principal and interest payments will be required through the maturity date in May 2022. In the case that all the PPP Loan is not forgiven, future minimum annual maturities will be \$222,125 in 2021 and \$86,675 in 2022. Future annual maturities are subject to change if part or all of PPP Loan is forgiven. The terms of the PPP Loan provide the customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default. The outstanding balance for this long-term debt was \$308,800 as of September 30, 2020.

PRO SENIORS, INC.

Notes to Financial Statements (Continued)

NOTE 11 RISKS AND UNCERTAINTIES

The Organization's investments consist of funds noted in Note 3 above. Investment securities are exposed to various risks, such as credit, market, and interest rate. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at September 30, 2020. However, the diversification of the Organization's investments among various asset class should mitigate the impact of any adverse changes on any one asset class. Investments are managed by the Board of Trustees with advice and assistance from investment professionals.

NOTE 12 COVID-19 PANDEMIC

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

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

ACCOMPANYING INFORMATION

PRO SENIORS, INC.

**Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Passed Through to Subrecipients	Federal Expenditures
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	\$ -	\$ 390,744
Special Programs for the Aging Title VII, Chapter 2 Long Term Care, Ombudsman Services for Older Individuals	93.042	-	28,712
Special Programs for the Aging Title VII, Chapter 3 Programs for the Prevention of Elder Abuse, Neglect and Exploitation	93.041	-	22,789
<i>Pass-through Ohio Department of Aging:</i>			
ACA Support for Demonstration Ombudsman Programs Serving Beneficiaries of State Demonstrations to Integrate Care for Medicare-Medicaid	93.634	-	57,513
<i>Direct award:</i>			
Special Programs for the Aging, Title IV and Title II - Discretionary Projects	93.048	-	291,326
<i>Pass-through Elder Care of Michigan:</i>			
Special Programs for the Aging, Title IV and Title II - Discretionary Projects	93.048	-	73,416
Total CFDA # 93.048		-	364,742
Total U.S. Department of Health and Human Services		-	864,500
U.S. Department of Justice			
<i>Pass-through Ohio Legal Association Foundation:</i>			
Crime Victim Assistance	16.575	-	211,113
<i>Pass-through State Victim Assistance Academy:</i>			
Crime Victim Assistance	16.575	-	30,083
<i>Pass-through Elder Justice Initiative:</i>			
Crime Victim Assistance	16.575	-	160,297
Total U.S. Department of Justice		-	401,493
Total Expenditures of Federal Awards		\$ -	\$ 1,265,993

See notes to Schedule of Expenditures of Federal Awards

PRO SENIORS, INC.

Notes to Schedule of Expenditures of Federal Awards

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

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

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

Board of Trustees
Pro Seniors, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pro Seniors, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pro Seniors, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pro Seniors, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pro Seniors, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 25, 2021
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, 2020. 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, 2020.

**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.



February 25, 2021
Cincinnati, Ohio

PRO SENIORS, INC.

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2020**

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
16.575	Crime Victim Assistance

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, 2020**

Reference Number	Summary of Finding	Status
No matters are reportable		