

**SENIOR CENTER RESOURCES
AND PUBLIC TRANSIT, INC.**

FINANCIAL STATEMENTS
&
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2019

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Delta County Municipal Utility District

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Delta County Municipal Utility District ("District") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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. Those standards require that I 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, I 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.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Delta County Municipal Utility District as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

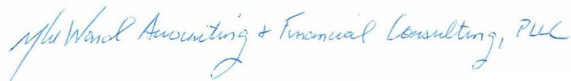
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, Schedule of Employer Contributions – TDCRS, and Schedule of Changes in Net Position Liability and Related Ratios, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delta County Municipal Utility District's basic financial statements. The introductory section, supplemental schedules required by the Texas Commission on Environmental Quality, statistical tables, and supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, supplemental schedules required by the Texas Commission on Environmental Quality, statistical section and supplemental information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Mike Ward Accounting & Financial Consulting, PLLC".

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas
November 10, 2020



BASIC FINANCIAL STATEMENTS

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT,
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2019**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 897,154
Due from Contracting Agencies	370,893
Prepaid Expenses	17,681
Total Current Assets	<u>1,285,728</u>

Non-current Assets:

Restricted Cash	<u>13,337</u>
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Capital Assets:

Non-depreciable Asset:	
Land	<u>25,201</u>
Depreciable Assets:	
Buildings	2,936,837
Equipment	818,829
Vehicles	2,010,864
Accumulated Depreciation	<u>(3,341,135)</u>
Depreciable Assets, net	<u>2,425,395</u>
Total Fixed Assets, net	<u>2,450,596</u>
Total Non-current Assets	<u>2,463,933</u>

Total Assets	<u><u>3,749,661</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accrued Liabilities	<u>37,780</u>
Total Current Liabilities	<u>37,780</u>

Total Liabilities	<u>37,780</u>
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Net Assets:

Net assets with Restrictions	13,337
Net assets without Restrictions	<u>3,698,544</u>
Total Net Assets	<u>3,711,881</u>

Total Liabilities and Net Assets	<u><u>\$ 3,749,661</u></u>
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The accompanying notes are an integral part of this financial statement.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2019

	<u>Without</u> <u>Restrictions</u>	<u>With</u> <u>Restrictions</u>	<u>Total</u>
Support and Revenues:			
Federal Financial Assistance	\$ 1,027,377	\$ -	\$ 1,027,377
State Financial Assistance	538,377	-	538,377
Program Income	158,806	-	158,806
Hunt Memorial Hospital District	45,977	-	45,977
United Way	11,119	-	11,119
Intergovernmental Support	135,297	-	135,297
Public Donations	390	-	390
In-Kind Donations	114,246	-	114,246
Interest Income	1,523	-	1,523
Miscellaneous Income	35,878	-	35,878
Unrestricted Support and Revenues	<u>2,068,990</u>	<u>-</u>	<u>2,068,990</u>
Expenses			
Program Services:			
Aging Programs	583,613	-	583,613
Transportation Programs	1,395,609	-	1,395,609
Supporting Services:			
Administration Costs	345,205	-	345,205
Total Expenses	<u>2,324,427</u>	<u>-</u>	<u>2,324,427</u>
Net Increase (Decrease) in Net Assets	(255,437)	-	(255,437)
Net Assets, October 1	3,953,981	13,337	3,967,318
Net Assets, September 30	<u>\$ 3,698,544</u>	<u>\$ 13,337</u>	<u>\$ 3,711,881</u>

The accompanying notes are an integral part of this financial statement.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

Expenses	Program Services			Support Services	Total 2019 Expenses
	Aging Programs	Transportation Programs	Total	Administration Expenses	
Salaries and Employee Benefits	\$ 214,465	\$ 702,341	\$ 916,806	\$ 274,609	\$ 1,191,415
Travel	948	2,313	3,261	81	3,342
Food Costs	189,949	-	189,949	-	189,949
Supplies	2,231	4,208	6,439	-	6,439
Utilities	11,206	28,586	39,792	-	39,792
Automobile Expense	24,044	192,493	216,537	60,232	276,769
Insurance	15,463	86,185	101,648	-	101,648
Center Maintenance	3,180	4,304	7,484	-	7,484
Operations	67,019	40	67,059	-	67,059
Professional Fees	5,753	23,013	28,766	-	28,766
Marketing	792	689	1,481	-	1,481
Human Resources	1,882	9,516	11,398	-	11,398
Communications	-	40,269	40,269	-	40,269
Office Expenses	2,840	26,561	29,401	-	29,401
Other Operating Costs	2,362	4,988	7,350	-	7,350
Expenses before Depreciation and In Kind Expenses	542,134	1,125,506	1,667,640	334,922	2,002,562
In Kind Expense	12,927	101,319	114,246	-	114,246
Depreciation	28,552	168,784	197,336	10,283	207,619
Total Expenses	\$ 583,613	\$ 1,395,609	\$ 1,979,222	\$ 345,205	\$ 2,324,427
Functional Expense Percentages	25.11%	60.04%	85.15%	14.85%	100%

The accompanying notes are an integral part of this financial statement.

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019**

	2019
Cash Flows from Operating Activities:	
Change in Net Assets	\$ (255,437)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	207,619
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	64,118
(Increase) Decrease in Prepaid Expenses	61,992
Increase (Decrease) in Accounts Payable	-
Increase (Decrease) in Accrued Expenses	5,910
Net Cash Provided by Operating Activities	84,202
Cash Flows from Capital Activities:	
Purchases of Vehicles and Equipment	(14,703)
Net Cash Used by Capital Activities	(14,703)
Net Increase in Cash, Cash Equivalents, and Restricted Cash	69,499
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	840,992
Cash, Cash Equivalents, and Restricted Cash at End of Year *	\$ 910,491
Supplemental Cash Flow Information:	
Non-Cash Contributions Received: In-kind	\$ 114,246

* See Note C for a reconciliation of cash, cash equivalents, and restricted cash

The accompanying notes are an integral part of this financial statement.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE A – FINANCIAL REPORTING ENTITY

Senior Center Resources and Public Transit, Inc. (the “Center”) was chartered as an organization other than a private foundation under the laws of the State of Texas. The center was formed in 1976 to provide transportation and nutrition and supporting aging services to the residents of Hunt County, Texas.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements of the Center have been prepared utilizing the accrual basis of accounting. Contributions are recorded when received unless susceptible to accrual. The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management estimates.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 was adopted during the current fiscal year and the pronouncement had no effect on the prior year, but changed the asset classification requirements and other information presented within the current year financial statements and related current year notes with the goal of improving information to donors, grantors, creditors, and other users of the organization’s financial statements.

Classification of Net Assets

Net assets are classified based on the presence or absence of outside imposed restrictions. Net assets are comprised of two groups as follows:

Net assets without restrictions

Amounts that are not subject to usage restrictions based on member or other imposed restrictions. This class also includes assets previously restricted where restrictions have expired or have been met.

Net assets with restrictions

Assets subject to usage limitations based on member or other imposed restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met over the passage of time or by actions of the organization. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without restrictions unless otherwise specifically required to be included as restricted net assets by the member or by applicable law.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited using a combination of both payroll time and direct expense allocations.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values as of September 30, 2019. The Center considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents. For purposes of the Statement of Cash Flows, the Center consolidates cash and cash equivalents with restricted cash.

Receivables

The Center believes that sufficient detail of receivable balances is provided in the notes to the financial statements to avoid the obscuring of significant components by aggregation. Management has evaluated the necessity of providing for an allowance for doubtful accounts and has concluded that no such allowance is required as of September 30, 2019.

Revenue Recognition

Grants – Support received under grant contract agreements with various federal and state agencies are recorded as revenue when the related costs are incurred. Grant amounts receivable at September 30, 2019 represents amounts due for expenses incurred prior to year end.

Contributions – Contributions received from the public, corporations, intercounty agencies, and local governments are recognized as support when received and are reported as net assets without restrictions.

In-Kind Donations – The Center receives ongoing in-kind donations for municipal facilities provided for congregant meal service and certain vehicle maintenance items, such as oil changes and tire rotations. All donations are recorded as valued by the donor, which values most closely approximate the arms length purchase price for the items or facilities received.

Recognition of Donor Restrictions – Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with restrictions depending on the nature of the restriction. When a restriction expires, restricted net assets are reclassified to net assets without restrictions. As of September 30, 2019, net assets with restrictions total \$13,337, and are held for future facility capital improvements.

Income Taxes

The Center operates under Section 501(c) (3) of the Internal Revenue Code and is generally exempt from federal, state, and local income taxes. Accordingly, no provision for income taxes is included in the financial statements. The Center is classified as an organization other than a private foundation.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording depreciation. It is at least reasonably possible that the significant estimates used will change within the next year.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets and Accumulated Depreciation

Expenditures for property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service or as instructed by the donor.

The Center defines capital assets as those with an individual cost of \$5,000 or more and a useful life exceeding three years. Property and equipment are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset – Class</u>	<u>Estimated Life</u>
Buildings	40 Years
Furniture & Equipment	5-7 Years
Vehicles	5 Years

Description of Programs

Aging Services:

The Center provides the following service to senior citizens age sixty and over with priority given to low income minorities, as addressed in the Older American Act. The objective of these programs is to enhance the participants' overall quality of life.

Congregate Meals Program – Meals meeting one-third of the required daily nutrition requirements are provided at specified nutrition sites.

Home Delivered Meals – Home delivered meals are provided to home bound eligible participants. These meals meet one-third of the required daily nutrition requirements.

Transportation – Transportation is provided to nutrition sites, medical appointments and essential shopping for eligible individuals.

Senior Center Operations – A multi-purpose center is available to help senior citizens deal with various issues affecting their daily life such as health screening, advocacy, information, and insurance benefits counseling.

Case Management – The Center provides a need assessment, along with the development of a plan of care for helping individuals maintain independent living at home. The Center also provides for assistance in obtaining medications, equipment or treatment not otherwise attainable by the participant. In addition, the Center makes arrangements for minor repairs or modifications to homes

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Description of Programs (cont'd)

necessary for health considerations or to adjust to a new disability.

Preventive Health – The Center makes referrals to the Area Agency on Aging for medical supplies, residential repairs, medical equipment, or prescriptions that cannot be obtained by any other means.

Transportation Services:

Section 5311 Rural Public Transit

This program provides daily public transportation with the origin and destination within the service area of Hunt County. Weekly transportation is provided as needed within a 55-mile radius.

Title XIX - Medical Transportation

Eligible participants are approved by Medicaid Central Dispatch for the provision of non-emergency medical transportation within Hunt County. Limited service is also provided to counties contiguous to Hunt County.

Financial Instruments

The carrying values of the Center's financial instruments (receivables, checking and money market accounts, certificates of deposit, accounts payable and accrued expenses) approximate fair market value due to their relatively short maturities. These values all qualify as Level 1 inputs in accordance with FAS no. 157.

Compensated Absences

Employees of the Center are entitled to paid vacation and sick leave, depending upon length of service. The Center's policy is to record the cost of compensated time off when approved and paid to the employees. This liability was determined to be immaterial during the current year.

Risk Management

The Center is exposed to various risks of loss related to collisions, theft of, damage to and destruction of assets, injuries to employees, errors and omissions, and natural disasters. During fiscal year 2019, the Center contracted for commercial insurance to cover these liabilities. There were no settlements exceeding insurance coverage during this time period.

Accounting Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Such estimates and assumptions primarily relate to valuations as of the date of the financial statements. Accordingly, actual results could differ from these estimates and assumptions. The methods used in making accounting estimates are believed by management to be reasonable and have been consistently applied.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Liquidity

At September 30, 2019, the Center had approximately \$1,300,000 in current assets available to meet the needs for general operating expenditures. These assets consist of approximately \$900,000 in cash and cash equivalents, approximately \$370,000 of accounts receivable. None of these financial assets are subject to contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the Center in the next twelve months.

The Center manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. In general, the Center maintains sufficient financial assets on hand to meet 12 months of normal operating expenditures.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE C - CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same amounts within the statement of cash flows.

	9/30/2019
Cash and cash equivalents	\$ 897,154
Restricted cash	13,337
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	\$ 910,491

NOTE D - INVESTMENTS

Investments, when applicable, are stated at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At year-end, the Center had no investments subject to the fair value hierarchy established by generally accepted accounting principles. For investments in local government pools, the reported value of the pool is the same as the fair value of the pool shares.

NOTE E - FIXED ASSETS

The following is a summary of property and equipment and the related accumulated depreciation as of September 30, 2019:

	Beginning Balances	Additions	Decreases	Ending Balances
Non-Depreciated				
Capital Assets:				
Land	\$ 25,201	\$ -	\$ -	\$ 25,201
	25,201	-	-	25,201
Depreciable Assets:				
Buildings and Improvements	2,922,134	14,703	-	2,936,837
Machinery & Equipment	818,829	-	-	818,829
Vehicles	2,010,863	-	-	2,010,863
	5,751,826	14,703	-	5,766,529
Total Fixed Assets	5,777,027	14,703	-	5,791,730
Less accumulated depreciation for:				
Buildings and Improvements	(865,073)	(73,289)	-	(938,362)
Machinery & Equipment	(790,070)	(12,654)	-	(802,724)
Vehicles	(1,478,371)	(121,677)	-	(1,600,048)
Total Accumulated Depreciation	(3,133,514)	(207,620)	-	(3,341,134)
Total Capital Assets being Depreciated, net	2,618,312	(192,917)	-	2,425,395
Capital Assets, net	\$ 2,643,513	\$ (192,917)	\$ -	\$ 2,450,596

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE E - FIXED ASSETS (cont'd)

TxDOT holds title to all vehicles used in the public transportation program as their funding was at least partially used to purchase the vehicles in question. By holding title to these vehicles, TxDOT retains the right to control the sale of the vehicles and also can transfer the vehicles to another Texas transportation authority should the vehicles be idled by the current location. This right has not been exercised by TxDOT for any vehicles used by the Center either in the past or during the current fiscal year. Management believes its purchase and usage policy is such that TxDOT will not find it necessary to do so.

NOTE F - DUE FROM CONTRACTING AGENCIES

As of September 30, 2019, the Center had the following amounts due from contracting agencies:

	2019
North Central Texas Council of Governments	\$ 188,065
Texas Department of Transportation - State 5311	76,583
Texas Department of Transportation - Federal 5311	106,245
Total	\$ 370,893

Since all receivables are from state and local agencies, the Center does not record an allowance for doubtful accounts.

NOTE G - FEDERAL AND STATE FINANCIAL ASSISTANCE

Following is a summary of federal and state financial assistance by contracting source for September 30, 2019:

	September 30, 2019		
	Federal	State	Total
North Central Texas			
Council of Governments	\$ 506,349	\$ -	\$ 506,349
Texas Department of Transportation	521,028	413,568	934,596
Texas Department of H & HS	-	67,074	67,074
Texas Department of Agriculture	-	57,735	57,735
Totals	\$ 1,027,377	\$ 538,377	\$ 1,565,754

NOTE H - ECONOMIC DEPENDENCY

The Center receives a majority of its revenue through grants and contracts with the North Central Texas Council of Governments, the Texas Department of Human Services, and the Texas Department of Transportation. In addition, the majority of the Center's receivables are due from these agencies (see note F).

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE I - CONTRIBUTIONS

Contributions of volunteer hours and mileage are recorded as contributions in the period the services is received and as a corresponding expense within the same period. These services are referred to as "In Kind Donations." The value of volunteer hours and mileage has been recorded based on the Center's recommended per hour and per mile rate. Following is a summary of the value of these contributions as of September 30, 2019.

In-Kind Donations	9/30/2019
Volunteer Hours	\$ 31,185
Other In-Kind Donations	83,061
Total In-Kind Donations	<u>\$ 114,246</u>

NOTE J - OPERATING LEASES

The Center has an operating lease for office equipment. The lease was a 60 month lease at a cost of \$105 a month. The minimum lease commitments as of September 30, 2019 are as follows:

FYE September 30	
2020	\$ 1,260
Total	<u>\$ 1,260</u>

NOTE K - CUSTODIAL CREDIT RISK

The Center maintains cash balances at financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Amounts in excess of the FDIC insurance were fully collateralized by securities held in the Center's name by the financial institution beginning in January, 2014. It also maintained pledged security for all of its certificates of deposit via a C.D.A.R.S Deposit Placement Agreement for all of fiscal year 2019. The Center has never experienced any losses relating to cash deposits and believes it is not exposed to any significant credit risk to cash.

NOTE L - CONCENTRATION OF CREDIT RISK

The Center concentrates its services within the Hunt County region of Texas, which is a requirement for receiving some of the government financial assistance. As with any operation concentrated in a specific region, a risk exists that the Center would be affected by economic events contained in or including this geographic region.

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE M - PENSION PLAN

The Center adopted a 401(k) Plan in 2007 and all employees who have been employed by the Center for at least one year and are at least 21 years of age are eligible to participate in the plan. The Center contributes to the plan based on a budgeted amount. The employee directs the investments within their respective account. The Center's pension expense was \$48,895 in 2019.

NOTE N - LITIGATION

The Center is party to various legal proceedings arising in the ordinary course of business. Management, based on the Board's opinion, believes the Center has adequate legal defenses and/or insurance coverage for each of these proceedings and does not believe they will materially alter the Center's financial position.

NOTE O - SUBSEQUENT EVENTS

The Center has evaluated all events and transactions that occurred after September 30, 2019 through September 23, 2020, the date the financial statements were available for issuance, and concluded that no material subsequent events occurred that were considered reportable.

COMPLIANCE SECTION

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2019

Federal Grantor Pass Through Grantor Program Title	CFDA Number	Grant Number	Program Expenditures
FEDERAL GRANTS			
U.S. Department of Transportation			
Passed through Texas Department of Transportation:			
Formula Grants for Rural Areas*	20.509	51018021918	458,427
Total passed through U.S. Department of Transportation			458,427
Passed through North Central Council of Governments:			
Transit Services Program Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	701906	62,601
Total Transit Services Program Cluster			62,601
Total passed through North Central Council of Governments:			62,601
Total Department of Transportation			521,028
U.S. Department of Health and Human Services			
Passed through North Central Texas Council of Governments:			
Aging Cluster:			
Special Programs for the Aging III-B Supporting Services	93.044	300818-19	144,250
Special Programs for the Aging III-C Nutrition	93.045	302718-19	362,099
Total Aging Program Cluster			506,349
Total passed through North Central Texas Council of Governments			506,349
Total U.S. Department of Health and Human Services			506,349
Total Federal Grant Awards			1,027,377

* Denotes Major Program

SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2019

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) included the federal award activity of Senior Center Resources and Public Transportation, Inc's ("Center") under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

B. Summary of Significant Accounting Policies

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

C. Indirect Cost Rate

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

D. Program Costs/Matching Contribution

The amounts shown as current year expenses represent only the federal grant portion of the program cost. Entire program cost, including the Center's portion, may be more than shown.

E. There were no subrecipients during the current year

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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

Independent Auditor's Report

To the Board of Directors
Senior Center Resources and Public Transit, Inc.
4912 Lee Street
Greenville, Texas 75401

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Senior Center Resources and Public Transit, Inc. (a nonprofit organization), which comprise the statement of financial positions as of September 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated September 23, 2020.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Senior Center Resources and Public Transit, 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Senior Center Resources and Public Transit Inc.'s ("Center") internal control. Accordingly, I do not express an opinion on the effectiveness of the Center'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 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.

My 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.

Compliance and other Matters

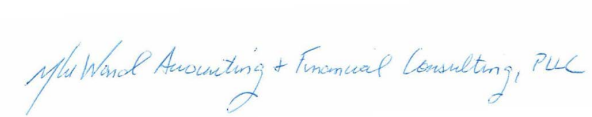
As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of my testing of internal control and compliance and the results of this 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.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Mike Ward Accounting & Financial Consulting, PLLC". The signature is written in a cursive style.

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas
September 23, 2020

Mike Ward Accounting & Financial Consulting, PLLC

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mward@mikewardcpa.com

Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Senior Center Resources and Public Transit, Inc.
4912 Lee Street
Greenville, Texas 75401

Report on Compliance for Each Major Federal Program

I have audited Senior Center Resources and Public Transit, Inc.'s ("Center") compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Center's major federal programs for the year ended September 30, 2019. The Center'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

My responsibility is to express an opinion on compliance for each of the Center's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 the Center's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination on the Center's compliance.

Opinion on Each Major Federal Program

In my opinion, the Senior Center Resources and Public Transit, 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 years ended September 30, 2019.

Other Matters

The results of my auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Uniform Guidance.

Report on Internal Control over Compliance

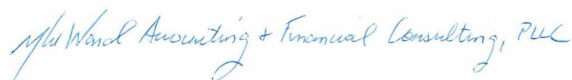
Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 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, I do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of 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 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.

My consideration of internal control over compliance was for the limited purpose as 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.

Respectfully Submitted,



Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas
September 23, 2020

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified No

Deficiencies identified that are not considered to be material weaknesses No

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 2 CFR section 200.516(a) reported in this Schedule? No

Major Federal Programs:

U.S. Department of Transportation Formula Grants for Rural Areas, CFDA 20.509

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

Auditee qualified as low risk auditee? No

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Section II – Findings and Questioned Costs Related to Financial Statements

None

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Section III - Findings and Questioned Costs Related to Federal Awards

None

**SENIOR CENTER RESOURCES AND PUBLIC TRANSIT, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

None