

**PENINSULA AGENCY ON AGING**  
**FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**Independent Auditors' Report**

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**TO THE BOARD OF DIRECTORS  
PENINSULA AGENCY ON AGING, INC.  
NEWPORT NEWS, VIRGINIA**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the government-type activities and each major fund information of Peninsula Agency on Aging, Inc. as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Peninsula Agency on Aging, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the government activities and each major fund information of Peninsula Agency on Aging, Inc., as of September 30, 2024, and the changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit 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 *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Peninsula Agency on Aging, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principle***

As described in Note 1 to the financial statement, in 2024, the Agency adopted new accounting guidance, GASB No. 100, Accounting Changes and Error Corrections. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Peninsula Agency on Aging, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Peninsula Agency on Aging, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Peninsula Agency on Aging, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents 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. We 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 inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Peninsula Agency on Aging, Inc.'s basic financial statements. The other supplementary information and 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*, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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 January 23, 2025 on our consideration of Peninsula Agency on Aging 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 solely 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 the effectiveness of Peninsula Agency on Aging, Inc.'s 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 Peninsula Agency on Aging, Inc.'s internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia  
January 23, 2025

**PENINSULA AGENCY ON AGING, INC.**  
**Management's Discussion and Analysis**  
**September 30, 2024**

The management of the Peninsula Agency on Aging, Inc. (PAA) offers readers of our financial statements the following narrative overview and analysis of our financial activities for the year ended September 30, 2024.

**Overview of the Financial Statements**

This report consists of government-wide statements, fund financial statements, and notes to the financial statements. The first two statements are condensed and present a government-wide view of PAA's finances. Within this view, all PAA operations are categorized and reported as governmental activities. Governmental activities include client support services, nutrition services, family caregiver services and all other PAA programs.

These government-wide statements are designed to be more corporate-like in that assets are capitalized and depreciated rather than expensed as in the fund statements. The fund financial statements focus on governmental funds. The governmental fund statements do not capitalize assets. Capital assets are expensed when purchased. The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding PAA's financial condition.

The Management's Discussion and Analysis (MD & A) presents a more in-depth look at the agency's fiscal performance over time. The MD & A includes the following elements:

- **Summary of Financial Performance** - gives a broad overview of the agency's five year performance.
- **Statement of Net Position** - focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of PAA's assets, liabilities, and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities are reported on the accrual basis of accounting.
- **Statement of Activities** - focuses on the gross and net costs of PAA's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- **Future Outlook** - outlines management's outlook for the next fiscal year.

## Summary of Financial Performance

Below is a summary of financial performance data for the year ending September 30, 2024:

| Peninsula Agency on Aging           |              |              | Financial Health Dashboard |              |              |
|-------------------------------------|--------------|--------------|----------------------------|--------------|--------------|
| Revenues                            | FYE 2020     | FYE 2021     | FYE 2022                   | FYE 2023     | FYE 2024     |
| <b>Total Revenue</b>                | \$ 4,067,391 | \$ 4,673,124 | \$ 5,284,562               | \$ 6,049,463 | \$ 6,188,755 |
| Growth Rate                         | 1.76%        | 14.89%       | 13.08%                     | 14.47%       | 2.30%        |
| <b>Revenue Sources (% of Total)</b> |              |              |                            |              |              |
| Federal/State                       | 68.42%       | 70.34%       | 75.41%                     | 71.13%       | 59.72%       |
| Local Governments                   | 8.29%        | 3.87%        | 3.19%                      | 2.31%        | 2.99%        |
| Program and Other Revenue           | 3.38%        | 2.36%        | 1.45%                      | 0.02%        | 0.39%        |
| Grants & Other Contributions        | 13.44%       | 13.34%       | 14.61%                     | 19.75%       | 24.44%       |
| In-Kind                             | 6.48%        | 0.00%        | 5.34%                      | 7.31%        | 6.38%        |
| Expenses                            | FYE 2020     | FYE 2021     | FYE 2022                   | FYE 2023     | FYE 2024     |
| <b>Total Expenses</b>               | \$ 4,026,795 | \$ 4,553,370 | \$ 5,215,250               | \$ 6,068,022 | \$ 5,724,256 |
| Growth Rate                         | -1.31%       | 13.08%       | 14.54%                     | 16.35%       | -5.67%       |
| <b>Personnel Expenses</b>           | \$ 2,081,441 | \$ 1,842,272 | \$ 2,055,860               | \$ 2,438,475 | \$ 2,438,475 |
| Growth Rate                         | 3.33%        | -11.49%      | 11.59%                     | 18.61%       | 0.00%        |
| Percent of Total Expenses           | 51.69%       | 40.46%       | 39.42%                     | 40.19%       | 42.60%       |
| Profitability                       | FYE 2020     | FYE 2021     | FYE 2022                   | FYE 2023     | FYE 2024     |
| Change in Unrestricted Net Position | 38.86%       | 46.66%       | 21.63%                     | 48.61%       | 176.27%      |
| As % of Expenses                    | -1.01%       | -2.12%       | -0.75%                     | 0.31%        | -8.11%       |
| Change in Fund Balance              | 366.96%      | -61.12%      | 13.70%                     | 20.91%       | 27.31%       |

Agency administrative costs totaled \$421,859 or 7.37% of total expenses.

## Statement of Net Position

A condensed version of the Statement of Net Position at September 30 is as follows:

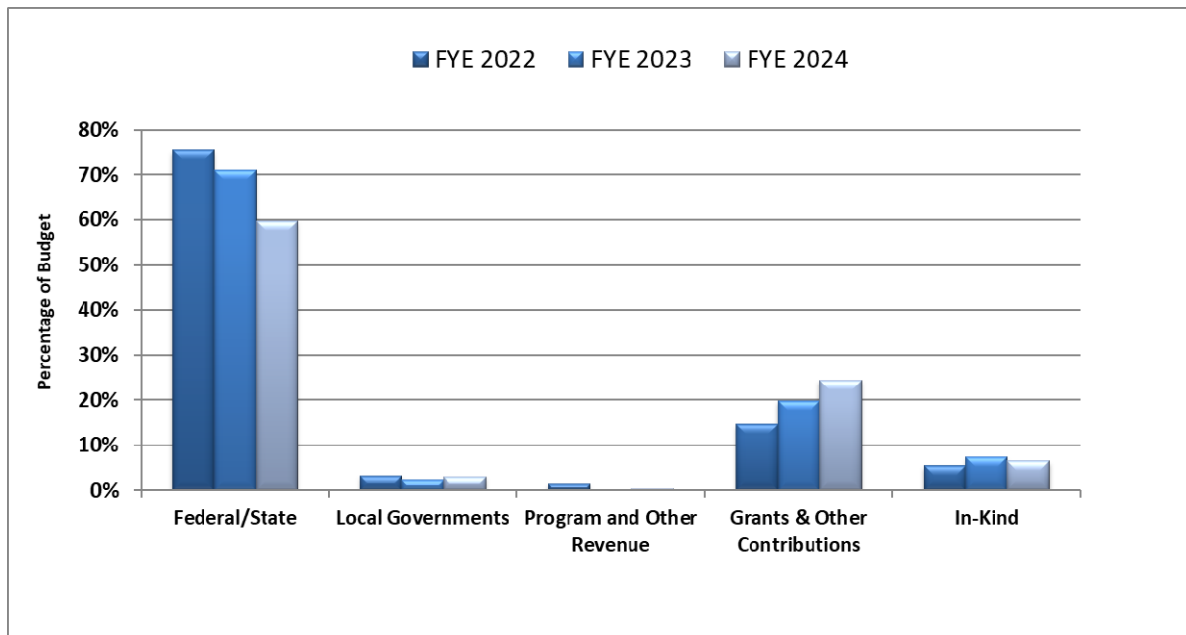
|                                    | 2024                | 2023                |
|------------------------------------|---------------------|---------------------|
| Current and other assets           | \$ 1,437,600        | \$ 1,557,715        |
| Capital assets                     | 1,283,504           | 1,160,919           |
| Total assets                       | <u>\$ 2,721,104</u> | <u>\$ 2,718,634</u> |
| Liabilities                        | \$ 1,495,233        | \$ 1,957,262        |
| Net position:                      |                     |                     |
| Net Investment in capital assets   | 550,608             | 259,540             |
| Restricted - Endowment             | -                   | 257,413             |
| Unrestricted                       | 675,263             | 244,419             |
| Total liabilities and net position | <u>\$ 2,721,104</u> | <u>\$ 2,718,634</u> |

## Statement of Activities

The Statement of Activities shows the revenue funding sources by type and amount of funds received. A condensed version of the Statement of Activities at September 30 is as follows:

|                                                     | 2024                | 2023                |
|-----------------------------------------------------|---------------------|---------------------|
| Program Revenues                                    |                     |                     |
| Operating grants and contributions                  | \$ 5,756,917        | \$ 6,048,090        |
| Capital grants and contributions                    | 407,497             | -                   |
| Charges for services                                | 14,751              | 25,332              |
| Gain on forgiveness of paycheck protection act loan | -                   | -                   |
| Unrestricted revenue from use of money and property | 9,590               | 8,836               |
| Gain (loss) on disposal of capital assets           | -                   | (32,795)            |
| Total revenue                                       | <u>\$ 6,188,755</u> | <u>\$ 6,049,463</u> |
| Program expenses                                    |                     |                     |
| Health and welfare                                  | \$ 5,701,392        | \$ 6,040,575        |
| Interest on long-term debt                          | 22,864              | 27,447              |
| Total expenses                                      | <u>\$ 5,724,256</u> | <u>\$ 6,068,022</u> |
| Change in net position                              | <u>\$ 464,499</u>   | <u>\$ (18,559)</u>  |

The chart below shows the agency's funding by source, with a 3 year comparison, as identified on the Statement of Revenues, Expenditures and Change in Fund Balance:



PAA is an area agency on aging designated by the Older Americans Act. Federal funds are obligated by law and distributed to the State Unit on Aging for distribution by a formula approved by the federal government. State general funds and match funds are also distributed by a formula used by the state unit to allocate funds to each of the 25 area agencies on aging. Ninety percent (90%) of these funds are designated for the provision of specific services and limits the agency's overall flexibility.

To leverage the restrictions placed on state and federal funds, the agency solicits support from other sources. The agency is directly supported by the six local governments in the service area. Funds from the different local governments are requested annually. In addition to local funding, the agency receives funds from the United Way, general contributions, program income (funds received from clients receiving services), grants, interest, in-kind (value of services provided by PAA volunteers) and actively pursues other lines of business to generate discretionary revenues.

Expenditures are the usual and customary liabilities incurred by an area agency on aging. As a human service organization, focused on serving the needs of clients, the majority of PAA's expenses are in payroll and fringe. Care Coordinators, Home Delivered Meals Coordinators, Van Drivers and Dining Center Supervisors interact with clients on a one to one basis. Administration and management salaries and expenses are also included in program expenses. Contracts are used to provide personal care services, disease prevention and health promotion activities, adult daycare services and limited transportation to our clients. Food expenses are the contractor's cost to provide meals for distribution to homebound elders or dining centers. PAA also serves as the fiscal agent for the Peninsula Task Force on Aging.

## **Future Outlook**

PAA looks forward to continuing fiscal stability in Fiscal Year (FY) 2025, as the organization launches the first phase of its updated strategic plan. However, demand for services is expected to continue to outpace available resources.

During FY 2024, PAA reinstated wait lists for core services funded under the Older Americans Act (OAA). These wait lists have grown significantly and reflect the growing demand for services, a trend driven by an increasing number of adults aging into the service population. With OAA funding projected to remain relatively flat through FY 2026 and the reauthorization of the OAA pending, PAA anticipates wait lists will continue to grow. In response, the agency is taking a cautious "wait and see" approach to federal funding while prioritizing the expansion of revenue-generating activities to address increasing need.

PAA is actively expanding its contract programs and services to offset the impact of relatively flat or potentially reduced OAA revenues. One of those programs, the Veteran Directed Care program, experienced an impressive 81% growth in revenues and is expected to continue its expansion throughout FY 2025. PAA is actively working with the Virginia Community Care Hub (VCCH) and other funders and partners to explore other areas of opportunity.

PAA's commitment to monitoring core service funding appropriations remains crucial, ensuring OAA programs meet growing demand amid increasing service costs. Additionally, the organization will intensify fundraising efforts to secure non-restricted revenue, supporting the required federal match and fortifying existing programs.

Another strategic priority for FY 2025 is evaluating the efficiency and efficacy of each program and service provided by the organization to ensure resources are being allocated in the most impactful way. Additionally, the organization will evaluate how technological advancements might help to ensure future sustainability from a cost perspective.

Finally, advocacy will play a critical role for PAA in FY 2025 as the organization works to address increasing demand for services while managing limited resources. With the reauthorization of the Older Americans Act (OAA) pending and funding levels expected to remain relatively flat, focused advocacy will be essential in securing additional support for core programs. Engaging policymakers and the public will help raise awareness of the needs of older adults and ensure that PAA has the backing it requires to maintain and expand services. In an environment of growing pressure on human services, effective advocacy will be vital in shaping funding decisions, influencing policies, and garnering support for initiatives that enhance the well-being of the aging population.

## **Management's Discussion and Analysis Summary**

As custodians of public funds, we take our fiduciary responsibilities seriously. As a part of our fiduciary responsibilities, financial reports are produced monthly and reported to the Board of Directors. In addition, PAA routinely reports financial and service data to the Virginia Department for Aging and Rehabilitative Services and other funding sources.

The Board of Directors, management and staff remain committed to supporting the independence and quality of life for citizens over the age of 60. The agency solicits the funds necessary to support the mission from federal, state and local governments, foundations, corporations and individuals. In addition, the agency actively pursues contracts with payers including healthcare providers, the Veteran's Administration and other related entities. Finally, a foundation Fund has been established to ensure long-term health and sustainability of the agency.

This financial report is designed to provide our citizens, taxpayers, customers, and other stakeholders with a general overview of the agency's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Chief Financial Officer at (757) 873-0541.

- Basic Financial Statements -

*Government-wide Financial Statements*

Statement of Net Position  
September 30, 2024

|                                                                    | <u>Governmental<br/>Activities</u> |
|--------------------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                      |                                    |
| Current Assets:                                                    |                                    |
| Cash and cash equivalents                                          | \$ 669,843                         |
| Investments                                                        | 23,216                             |
| Restricted cash                                                    | 269,525                            |
| Accounts receivable                                                | 475,016                            |
| Total Current Assets                                               | <u>\$ 1,437,600</u>                |
| Noncurrent Assets:                                                 |                                    |
| Capital assets (Net of accumulated depreciation where applicable): |                                    |
| Vehicles                                                           | \$ 566,900                         |
| Computers                                                          | 3,796                              |
| Office furniture                                                   | 55,936                             |
| Lease buildings                                                    | 656,872                            |
| Total Capital Assets                                               | <u>\$ 1,283,504</u>                |
| Total Assets                                                       | <u>\$ 2,721,104</u>                |
| <b>LIABILITIES</b>                                                 |                                    |
| Current Liabilities:                                               |                                    |
| Accounts payable                                                   | \$ 155,157                         |
| Accrued liabilities                                                | 21,279                             |
| Compensated absences                                               | 98,980                             |
| Lease liability - current portion                                  | 178,655                            |
| Unearned revenue                                                   | 486,921                            |
| Total Current Liabilities                                          | <u>\$ 940,992</u>                  |
| Noncurrent Liabilities:                                            |                                    |
| Lease liability - noncurrent portion                               | <u>\$ 554,241</u>                  |
| Total Liabilities                                                  | <u>\$ 1,495,233</u>                |
| <b>NET POSITION</b>                                                |                                    |
| Net Investment in capital assets                                   | \$ 550,608                         |
| Unrestricted                                                       | 675,263                            |
| Total Net Position                                                 | <u><u>\$ 1,225,871</u></u>         |

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

Statement of Activities  
Year Ended September 30, 2024

| Functions/Programs            | Expenses            | Program Revenues           |                                          |                                        | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position<br>Agency<br>on Aging<br>Governmental<br>Activities |
|-------------------------------|---------------------|----------------------------|------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------|
|                               |                     | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                                                                                                                |
| Governmental activities:      |                     |                            |                                          |                                        |                                                                                                                |
| Health and welfare            | \$ 5,701,392        | \$ 14,751                  | \$ 5,756,917                             | \$ 407,497                             | \$ 477,773                                                                                                     |
| Interest on long-term debt    | 22,864              | -                          | -                                        | -                                      | (22,864)                                                                                                       |
| Total governmental activities | <u>\$ 5,724,256</u> | <u>\$ 14,751</u>           | <u>\$ 5,756,917</u>                      | <u>\$ 407,497</u>                      | <u>\$ 454,909</u>                                                                                              |
| Total Agency on Aging         | <u>\$ 5,724,256</u> | <u>\$ 14,751</u>           | <u>\$ 5,756,917</u>                      | <u>\$ 407,497</u>                      | <u>\$ 454,909</u>                                                                                              |

## General revenues:

|                                                      |                     |
|------------------------------------------------------|---------------------|
| Unrestricted revenues from use of money and property | \$ 9,590            |
| Total general revenues                               | <u>\$ 9,590</u>     |
| Change in net position                               | \$ 464,499          |
| Net position - beginning                             | <u>761,372</u>      |
| Net position - ending                                | <u>\$ 1,225,871</u> |

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

- Basic Financial Statements -

*Fund Financial Statements*

Balance Sheet - Governmental Funds  
September 30, 2024

|                                    | Governmental Funds |                                         | Total                 |
|------------------------------------|--------------------|-----------------------------------------|-----------------------|
|                                    | General            | Peninsula Agency on<br>Aging Foundation | Governmental<br>Funds |
| <b>ASSETS</b>                      |                    |                                         |                       |
| Current assets:                    |                    |                                         |                       |
| Cash and cash equivalents          | \$ 669,843         | \$ -                                    | \$ 669,843            |
| Investments                        | 23,216             | -                                       | 23,216                |
| Restricted cash                    | -                  | 269,525                                 | 269,525               |
| Accounts receivable                | 475,016            | -                                       | 475,016               |
| Total assets                       | \$ 1,168,075       | \$ 269,525                              | \$ 1,437,600          |
| <b>LIABILITIES</b>                 |                    |                                         |                       |
| Current liabilities:               |                    |                                         |                       |
| Accounts payable                   | \$ 155,157         | \$ -                                    | \$ 155,157            |
| Accrued liabilities                | 21,279             | -                                       | 21,279                |
| Unearned revenue                   | 486,921            | -                                       | 486,921               |
| Total liabilities                  | \$ 663,357         | \$ -                                    | \$ 663,357            |
| <b>FUND BALANCE</b>                |                    |                                         |                       |
| Committed:                         |                    |                                         |                       |
| Support aging services             | \$ -               | \$ 269,525                              | \$ 269,525            |
| Unassigned                         | 504,718            | -                                       | 504,718               |
| Total fund balance                 | \$ 504,718         | \$ 269,525                              | \$ 774,243            |
| Total liabilities and fund balance | \$ 1,168,075       | \$ 269,525                              | \$ 1,437,600          |

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

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
September 30, 2024

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Amounts reported for governmental activities in the statement of net position are different because:

|                                                                                                                           |    |                         |
|---------------------------------------------------------------------------------------------------------------------------|----|-------------------------|
| Total fund balance per Exhibit 3 - Balance Sheet                                                                          | \$ | 774,243                 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. |    | 1,283,504               |
| Compensated absences (not reported as fund liabilities)                                                                   |    | (98,980)                |
| Lease liabilities (not reported as fund liabilities)                                                                      |    | <u>(732,896)</u>        |
| Net position of governmental activities                                                                                   | \$ | <u><u>1,225,871</u></u> |

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

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
Year Ended September 30, 2024

|                                                                                 | Governmental Funds |                                         |                | Total<br>Governmental<br>Funds |
|---------------------------------------------------------------------------------|--------------------|-----------------------------------------|----------------|--------------------------------|
|                                                                                 | General            | Peninsula Agency on<br>Aging Foundation | Permanent Fund |                                |
| Revenues:                                                                       |                    |                                         |                |                                |
| Revenue from use of money and property                                          | \$ 5,463           | \$ 4,127                                |                | \$ 9,590                       |
| Program revenue/charges for services                                            | 14,751             | -                                       |                | 14,751                         |
| Grants and contributions                                                        | 1,460,735          | 7,985                                   |                | 1,468,720                      |
| United Way                                                                      | 43,922             | -                                       |                | 43,922                         |
| Intergovernmental:                                                              |                    |                                         |                | -                              |
| Local                                                                           | 185,076            | -                                       |                | 185,076                        |
| Commonwealth                                                                    | 850,169            | -                                       |                | 850,169                        |
| Federal                                                                         | 2,814,183          | -                                       |                | 2,814,183                      |
| Total revenues                                                                  | \$ 5,374,299       | \$ 12,112                               | \$ -           | \$ 5,386,411                   |
| Expenditures:                                                                   |                    |                                         |                |                                |
| Health and Welfare:                                                             |                    |                                         |                |                                |
| Salaries, payroll taxes and benefits                                            | \$ 2,545,157       | \$ -                                    | \$ -           | \$ 2,545,157                   |
| Advertising                                                                     | 15,511             | -                                       |                | 15,511                         |
| Bank fees                                                                       | 426                | -                                       |                | 426                            |
| Board                                                                           | 5,872              | -                                       |                | 5,872                          |
| Communications                                                                  | 28,904             | -                                       |                | 28,904                         |
| Contracts                                                                       | 980,216            | -                                       |                | 980,216                        |
| Emergency services                                                              | 8,780              | -                                       |                | 8,780                          |
| Employee related                                                                | 5,066              | -                                       |                | 5,066                          |
| Equipment                                                                       | 41,076             | -                                       |                | 41,076                         |
| Events                                                                          | 72,442             | -                                       |                | 72,442                         |
| Indirect program                                                                | 900,742            | -                                       |                | 900,742                        |
| IT equipment, services and support                                              | 39,871             | -                                       |                | 39,871                         |
| Lease interest                                                                  | 22,864             | -                                       |                | 22,864                         |
| Lease principal                                                                 | 168,483            | -                                       |                | 168,483                        |
| Legal services                                                                  | 1,651              | -                                       |                | 1,651                          |
| Memberships                                                                     | 7,234              | -                                       |                | 7,234                          |
| Other                                                                           | 36,724             | -                                       |                | 36,724                         |
| Postage                                                                         | 307                | -                                       |                | 307                            |
| Supplies                                                                        | 68,454             | -                                       |                | 68,454                         |
| Training                                                                        | 36,525             | -                                       |                | 36,525                         |
| Travel                                                                          | 67,527             | -                                       |                | 67,527                         |
| Vehicles                                                                        | 166,678            | -                                       |                | 166,678                        |
| Total expenditures                                                              | \$ 5,220,321       | \$ -                                    | \$ -           | \$ 5,220,321                   |
| Excess (deficiency) of revenues over<br>(under) expenditures                    | \$ 153,978         | \$ 12,112                               | \$ -           | \$ 166,090                     |
| Net change in fund balance                                                      | \$ 153,978         | \$ 12,112                               | \$ -           | \$ 166,090                     |
| Fund balance, beginning of year                                                 | 350,740            | -                                       | 257,413        | \$ 608,153                     |
| Change within financial reporting entity<br>(permanent to special revenue fund) | \$ -               | \$ 257,413                              | \$ (257,413)   | \$ -                           |
| Fund balance, end of year                                                       | \$ 504,718         | \$ 269,525                              | \$ -           | \$ 774,243                     |

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

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balance of Governmental Funds  
to the Statement of Activities  
Year Ended September 30, 2024

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Amounts reported for governmental activities in the statement of activities are different because:

|                                                       |    |         |
|-------------------------------------------------------|----|---------|
| Net change in fund balance - total governmental funds | \$ | 166,090 |
|-------------------------------------------------------|----|---------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

|                 |    |               |           |
|-----------------|----|---------------|-----------|
| Depreciation    | \$ | (328,013)     |           |
| Capital outlays |    | <u>43,101</u> | (284,912) |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.

|                            |         |
|----------------------------|---------|
| Donation of capital assets | 407,497 |
|----------------------------|---------|

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items. A summary of items supporting adjustment is as follows:

|                                                   |                   |
|---------------------------------------------------|-------------------|
| Principal retired on lease liabilities            | 168,483           |
| Change in compensated absences                    | <u>7,341</u>      |
| Change in net position of governmental activities | <u>\$ 464,499</u> |

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

# PENINSULA AGENCY ON AGING, INC.

Notes to Financial Statements  
September 30, 2024

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## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

### **Financial Reporting Entity**

Peninsula Agency on Aging, Inc. (the Agency) serves as an agent in establishing and maintaining a coordinated and comprehensive system to enable older Americans to find the community resources that will assist in independent living to the extent of an individual's abilities and desires throughout Newport News, Hampton, Poquoson, Williamsburg, James City County, and York County. Peninsula Agency on Aging is a governmental not-for-profit governed by a board that is appointed by the afore-mentioned localities.

The Peninsula Aging Foundation, Inc. is a blended component unit of the Agency. The foundation is a legally separate, tax exempt organization formed to support the Agency in providing better services to senior citizens and their families by attracting diverse funding sources and making such charitable grants and gifts as appropriate. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

### **A. Financial Statement Presentation**

Management's Discussion and Analysis - The financial statements are accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current

PENINSULA AGENCY ON AGING, INC.

Notes to Financial Statements  
September 30, 2024 (continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**B. Government-wide and Fund Financial Statements: (continued)**

fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

Fiduciary Funds (Trust and Custodial Funds) account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. Fiduciary funds are not included in the government-wide financial statements.

The Agency reports the following major governmental funds:

The *General Fund* is the Agency’s primary operating fund. It accounts for and reports all revenues and expenditures applicable to the general operations of the Agency.

The *Special Revenue Fund* is the Peninsula Aging Foundation, Inc. It accounts for and reports resources that are restricted or committed to support the Agency in providing better service to older adults and their caregivers.

**C. Capital Assets**

Capital assets are tangible and intangible assets, which include property, plant, and equipment, and lease, subscription are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the Agency constructs or acquires capital assets each period, they are capitalized and reported at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, and lease assets of the Agency, are depreciated/amortized using the straight-line method over the following estimated useful lives:

| <u>Assets</u>    | <u>Years</u> |
|------------------|--------------|
| Vehicles         | 7            |
| Computers        | 2-5          |
| Office Furniture | 5-10         |
| Lease Buildings  | 6-10         |

## PENINSULA AGENCY ON AGING, INC.

Notes to Financial Statements  
September 30, 2024 (continued)

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **D. Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency does not have any deferred inflows of resources as of September 30, 2024.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency does not have any deferred inflows of resources as of September 30, 2024.

#### **E. Cash and Cash Equivalents**

The Agency's cash and cash equivalents consist of demand deposits, certificates of deposit, overnight repurchase agreements and short-term U.S. Governmental obligations, with an original maturity of three months or less, all of which are readily convertible to known amounts of cash.

#### **F. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

#### **G. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **H. Budgetary Information**

The General Fund does not have a legally binding budget; however, an operating budget is submitted to the Virginia Department for Aging and Rehabilitative Services and the various municipalities and agencies as required.

#### **I. Net Position**

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, amortization, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

## PENINSULA AGENCY ON AGING, INC.

Notes to Financial Statements  
September 30, 2024 (continued)

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **J. Net Position Flow Assumption:**

Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### **K. Income Taxes**

The Agency is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code.

#### **L. Defined Contribution Plan**

The Agency allows all full-time employees to select a 403(b) Defined Contribution Plan. The Agency contributes 6% of the employees' base salary to their Plans.

#### **M. Fund Balance**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." Peninsula Agency on Aging, Inc.'s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the Agency's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is established by the Board as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes).

## PENINSULA AGENCY ON AGING, INC.

Notes to Financial Statements  
September 30, 2024 (continued)

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **N. In-Kind Contributed Services**

The financial statements include contributed services provided by individuals, which are used to match federal funding on various grants. Contributed services are therefore reflected as revenue and expenditures in accordance with legal requirements of the individual grants. The amounts of such services are recorded in the accompanying financial statements at their estimated fair values at date of receipt.

#### **O. Prepaid Items**

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### **P. Leases**

The Agency leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

##### **Lessee**

The Agency recognizes lease liabilities and intangible right-to-use lease assets (lease assets) At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset

The Agency monitors changes in circumstances that would require a remeasurement or modification of its leases. The Agency will remeasure the lease asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

#### **Q. Accounting Changes and Error Corrections**

The Agency implemented GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB No. 62*. That statement provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections.

**PENINSULA AGENCY ON AGING, INC.**

Notes to Financial Statements  
September 30, 2024 (continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**Q. Accounting Changes and Error Corrections: (CONTINUED)**

Reporting Units Affected by Adjustments to Beginning Balances:

|                                                                                 | <b>Fund Balance</b>                             |                       |
|---------------------------------------------------------------------------------|-------------------------------------------------|-----------------------|
|                                                                                 | <b>Peninsula Agency on<br/>Aging Foundation</b> | <b>Permanent Fund</b> |
| October 1, 2023 as previously reported                                          | \$ -                                            | \$ 257,413            |
| Change within financial reporting entity<br>(permanent to special revenue fund) | 257,413                                         | (257,413)             |
| October 1, 2023, as adjusted                                                    | <u>\$ 257,413</u>                               | <u>\$ -</u>           |

**NOTE 2 - FAIR VALUE MEASUREMENTS:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements 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. The Agency maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Agency has the following recurring fair value measurements as of September 30, 2024:

| <b>Investment</b> | <b>9/30/2024</b> | <b>Fair Value<br/>Measurement Using</b>                                           |
|-------------------|------------------|-----------------------------------------------------------------------------------|
|                   |                  | <b>Quoted Prices in<br/>Active Markets<br/>for Identical Assets<br/>(Level 1)</b> |
| Mutual funds      | \$ 21,418        | \$ 21,418                                                                         |
| Equities          | 1,798            | 1,798                                                                             |
| Total             | <u>\$ 23,216</u> | <u>\$ 23,216</u>                                                                  |

**PENINSULA AGENCY ON AGING, INC.**

Notes to Financial Statements  
September 30, 2024 (continued)

**NOTE 3 - CAPITAL ASSETS:**

Details of changes in capital assets are as follows:

|                                             | Balance<br>October 1,<br>2023 | Additions  | Deletions  | Balance<br>September 30,<br>2024 |
|---------------------------------------------|-------------------------------|------------|------------|----------------------------------|
| Capital assets, not being depreciated:      |                               |            |            |                                  |
| Construction in progress                    | \$ 26,273                     | \$ -       | \$ 26,273  | \$ -                             |
| Capital assets being depreciated:           |                               |            |            |                                  |
| Vehicles                                    | \$ 872,022                    | \$ 476,871 | \$ 110,831 | \$ 1,238,062                     |
| Computers                                   | 75,477                        | -          | -          | 75,477                           |
| Office furniture                            | 100,533                       | -          | -          | 100,533                          |
| Lease buildings                             | 1,174,243                     | -          | -          | 1,174,243                        |
| Total capital assets being depreciated      | \$ 2,222,275                  | \$ 476,871 | \$ 110,831 | \$ 2,588,315                     |
| Accumulated depreciation:                   |                               |            |            |                                  |
| Vehicles                                    | \$ 646,580                    | \$ 135,413 | \$ 110,831 | \$ 671,162                       |
| Computers                                   | 64,078                        | 7,603      | -          | 71,681                           |
| Office furniture                            | 32,057                        | 12,540     | -          | 44,597                           |
| Lease buildings                             | 344,914                       | 172,457    | -          | 517,371                          |
| Total accumulated depreciation              | \$ 1,087,629                  | \$ 328,013 | \$ 110,831 | \$ 1,304,811                     |
| Total capital assets being depreciated, net | \$ 1,134,646                  | \$ 148,858 | \$ -       | \$ 1,283,504                     |
| Governmental activities capital assets, net | \$ 1,160,919                  | \$ 148,858 | \$ 26,273  | \$ 1,283,504                     |

Depreciation expense for the fiscal year ended September 30, 2024, totaled \$328,013 all of which is charged to the Health and Welfare function.

**NOTE 4 - UNEARNED REVENUE:**

The Agency considers all unencumbered funds, which are to be carried over to the next fiscal year, as unearned revenues. The Agency will recognize these funds as revenue when they are expended. A summary of unearned revenues is as follows:

|                         |            |
|-------------------------|------------|
| Federal and state funds | \$ 190,349 |
| Local governments       | 82,944     |
| Other funds             | 213,628    |
| Total                   | \$ 486,921 |

**NOTE 5 - CONTINGENT LIABILITIES :**

Federal programs in which the Agency participates were audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards. Pursuant to the provisions of this circular federal programs were tested for compliance with applicable grant requirements. While matters of material noncompliance were not disclosed by audit, the federal government may subject grant programs to additional compliance tests,

**PENINSULA AGENCY ON AGING, INC.**

Notes to Financial Statements  
September 30, 2024 (continued)

**NOTE 5 - CONTINGENT LIABILITIES: (CONTINUED)**

which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant expenditures would be immaterial.

**NOTE 6 - LONG-TERM OBLIGATIONS:**

|                             | Balance<br>October 1,<br>2023 | Increases | Decreases  | Balance<br>September 30,<br>2024 | Due Within<br>One Year |
|-----------------------------|-------------------------------|-----------|------------|----------------------------------|------------------------|
| Other obligations:          |                               |           |            |                                  |                        |
| Compensated absences        | \$ 106,321                    | \$ -      | \$ 7,341   | \$ 98,980                        | \$ 98,980              |
| Lease liabilities           | 901,379                       | -         | 168,483    | 732,896                          | 178,655                |
| Total other obligations     | \$ 1,007,700                  | \$ -      | \$ 175,824 | \$ 831,876                       | \$ 277,635             |
| Total long-term liabilities | \$ 1,007,700                  | \$ -      | \$ 175,824 | \$ 831,876                       | \$ 277,635             |

Annual requirement to amortize the long-term obligation and related interest are as follows:

|           | Leased Liabilities |           |
|-----------|--------------------|-----------|
| June 30,  | Principal          | Interest  |
| 2025      | \$ 178,655         | \$ 18,243 |
| 2026      | 189,712            | 12,899    |
| 2027      | 201,262            | 7,228     |
| 2028      | 38,232             | 3,604     |
| 2029      | 40,257             | 2,625     |
| 2030-2031 | 84,778             | 4,229     |
| Totals    | \$ 732,896         | \$ 48,828 |

Details of Long-term Obligation are as follows:

|                                                                                                                                                                                                                                                                        | Amount<br>Outstanding |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <u>Leases:</u>                                                                                                                                                                                                                                                         |                       |
| Lease agreement for the use of building space entered into August 2, 2022 and amended October 26, 2022. The lease agreement is through September 30, 2027. A discount rate of 3.00% was used for this lease.                                                           | \$ 466,340            |
| Lease agreement for the use of building space that commenced on September 1, 2021. The initial lease agreement is for 60 months through August 31, 2026 and a renewal for another 60 months through August 31, 2031. A discount rate of 2.50% was used for this lease. | 266,556               |
| Total leases                                                                                                                                                                                                                                                           | \$ 732,896            |
| Compensated absences                                                                                                                                                                                                                                                   | \$ 98,980             |
| Total long-term obligations                                                                                                                                                                                                                                            | \$ 831,876            |

## PENINSULA AGENCY ON AGING, INC.

Notes to Financial Statements  
September 30, 2024 (continued)

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### **NOTE 7 - IN-KIND CONTRIBUTIONS:**

In-kind contributions consist of the fair value of services and materials donated to the Agency and are reported in the statement of activities on the accrual basis of accounting. The Agency had \$394,847 of in-kind contributions for the year ended September 30, 2024.

### **NOTE 8 - UPCOMING PRONOUNMENTS:**

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statement when adopted.

**- Other Supplementary Information -**

**- Supporting Schedules -**

Status of Funds

Year Ended September 30, 2024

|                                                    | Unencumbered<br>Funds on<br>Hand<br>October<br>1, 2023 | Total<br>Funds<br>Received<br>During<br>Period | Funds in<br>Transit on<br>September<br>30, 2023 | Total of<br>Funds<br>Available<br>During<br>Period | Accrued<br>Costs to<br>Contract<br>Period | Unencumbered<br>Funds<br>on Hand<br>September<br>30, 2024 |
|----------------------------------------------------|--------------------------------------------------------|------------------------------------------------|-------------------------------------------------|----------------------------------------------------|-------------------------------------------|-----------------------------------------------------------|
| <b>FUND</b>                                        |                                                        |                                                |                                                 |                                                    |                                           |                                                           |
| <b>Federal</b>                                     |                                                        |                                                |                                                 |                                                    |                                           |                                                           |
| <b>Older Americans Act:</b>                        |                                                        |                                                |                                                 |                                                    |                                           |                                                           |
| Title III-B                                        | \$ 67,300                                              | \$ 638,337                                     | \$ -                                            | \$ 705,637                                         | \$ 695,707                                | \$ 9,930                                                  |
| Title III-C(1)                                     | (15,577)                                               | 305,233                                        | -                                               | 289,656                                            | 288,176                                   | 1,480                                                     |
| Title III-C(2)                                     | 39,450                                                 | 672,172                                        | -                                               | 711,622                                            | 687,437                                   | 24,185                                                    |
| Title III-D                                        | 4,200                                                  | 41,306                                         | -                                               | 45,506                                             | 45,928                                    | (422)                                                     |
| Title III-E                                        | 24,865                                                 | 232,575                                        | -                                               | 257,440                                            | 239,099                                   | 18,341                                                    |
| Title VII-Elder Abuse                              | 543                                                    | 5,697                                          | -                                               | 6,240                                              | 6,109                                     | 131                                                       |
| NSIP                                               | -                                                      | 92,827                                         | -                                               | 92,827                                             | 92,827                                    | -                                                         |
| American Rescue Plan (ARP) III-B                   | -                                                      | 2,495                                          | -                                               | 2,495                                              | 2,495                                     | -                                                         |
| American Rescue Plan (ARP) III-C(1)                | 15,378                                                 | 20,795                                         | -                                               | 36,173                                             | 36,173                                    | -                                                         |
| American Rescue Plan (ARP) III-C(2)                | 12,050                                                 | 2,214                                          | -                                               | 14,264                                             | 14,264                                    | -                                                         |
| American Rescue Plan (ARP) III-D                   | 14,493                                                 | 30,507                                         | -                                               | 45,000                                             | 60,000                                    | (15,000)                                                  |
| American Rescue Plan (ARP) III-E                   | 26,396                                                 | 25,729                                         | -                                               | 52,125                                             | 52,125                                    | -                                                         |
| Expanding Public Health Workforce                  | (65,252)                                               | 275,057                                        | -                                               | 209,805                                            | 217,265                                   | (7,460)                                                   |
| <b>Other Federal:</b>                              |                                                        |                                                |                                                 |                                                    |                                           |                                                           |
| Falls Prevention Grant                             | -                                                      | 4,080                                          | -                                               | 4,080                                              | 8,980                                     | (4,900)                                                   |
| <b>General Funds</b>                               |                                                        |                                                |                                                 |                                                    |                                           |                                                           |
| OAA General-(PY 06/30/24)                          | (3,530)                                                | 125,362                                        | -                                               | 121,832                                            | 121,832                                   | -                                                         |
| OAA General-(PY 06/30/25)                          | -                                                      | 30,473                                         | -                                               | 30,473                                             | 39,294                                    | (8,821)                                                   |
| Community Based-(PY 06/30/24)                      | (12,385)                                               | 178,270                                        | -                                               | 165,885                                            | 165,885                                   | -                                                         |
| Community Based-(PY 06/30/25)                      | -                                                      | 1,798                                          | -                                               | 1,798                                              | 26,351                                    | (24,553)                                                  |
| Transportation-(PY 06/30/24)                       | -                                                      | 60,128                                         | -                                               | 60,128                                             | 60,128                                    | -                                                         |
| Transportation-(PY 06/30/25)                       | -                                                      | 20,042                                         | -                                               | 20,042                                             | 20,042                                    | -                                                         |
| Home Delivered Meals-(PY 06/30/24)                 | -                                                      | 212,035                                        | -                                               | 212,035                                            | 212,035                                   | -                                                         |
| Home Delivered Meals-(PY 06/30/25)                 | -                                                      | 46,177                                         | -                                               | 46,177                                             | 70,678                                    | (24,501)                                                  |
| Supplemental Nutrition-(PY 06/30/24)               | (11,226)                                               | 63,867                                         | -                                               | 52,641                                             | 52,641                                    | -                                                         |
| Supplemental Nutrition-(PY 06/30/25)               | -                                                      | 11,464                                         | -                                               | 11,464                                             | 17,547                                    | (6,083)                                                   |
| Care Coordination CCEVP-(PY 06/30/24)              | -                                                      | 77,063                                         | -                                               | 77,063                                             | 77,063                                    | -                                                         |
| Care Coordination CCEVP-(PY 06/30/25)              | -                                                      | 25,688                                         | -                                               | 25,688                                             | 25,688                                    | -                                                         |
| Senior Cool Care                                   | -                                                      | 3,554                                          | -                                               | 3,554                                              | 4,228                                     | (674)                                                     |
| Senior Farmer's Market General Funds-(PY 06/30/24) | -                                                      | 3,250                                          | -                                               | 3,250                                              | 3,250                                     | -                                                         |
| Total                                              | \$ 96,705                                              | \$ 3,208,195                                   | \$ -                                            | \$ 3,304,900                                       | \$ 3,343,247                              | \$ (38,347)                                               |

Costs by Program Activity  
Year Ended September 30, 2024

|                                              | Costs to<br>Federal<br>III-B Funds | Costs to<br>Federal<br>III C-1<br>Funds | Costs to<br>Federal<br>III C-2<br>Funds | Costs to<br>Federal<br>III-D Funds | Costs to<br>Federal<br>III-E Funds | Costs to<br>Federal<br>VII Eld. AB<br>Funds | Costs to<br>Federal<br>ARP<br>III-B Funds | Costs to<br>Federal<br>ARP III C-1<br>Funds |
|----------------------------------------------|------------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------|------------------------------------|---------------------------------------------|-------------------------------------------|---------------------------------------------|
| <b>Title III (Except Title III-E), Older</b> |                                    |                                         |                                         |                                    |                                    |                                             |                                           |                                             |
| <b>Older Americans Act Funds:</b>            |                                    |                                         |                                         |                                    |                                    |                                             |                                           |                                             |
| Checking                                     | \$ 7,415                           | \$ -                                    | \$ -                                    | \$ -                               | \$ -                               | \$ -                                        | \$ -                                      | \$ -                                        |
| Chore                                        | -                                  | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Personal Care                                | 42,887                             | -                                       | -                                       | -                                  | -                                  | -                                           | 2,495                                     | -                                           |
| Care Coordination Level 2                    | 68,729                             | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Service Coordination Level 1                 | -                                  | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| S.O.S.                                       | -                                  | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Comm. Referral Info. & Assist                | 91,674                             | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Options Counseling                           | 5,265                              | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Transportation                               | 320,816                            | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Assisted Transportation                      | -                                  | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Congregate Meals                             | -                                  | 250,174                                 | -                                       | -                                  | -                                  | -                                           | -                                         | 36,173                                      |
| Home Delivered Meals                         | -                                  | -                                       | 607,247                                 | -                                  | -                                  | -                                           | -                                         | -                                           |
| Home Delivered Fee for Service               | -                                  | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Nutrition Counseling                         | -                                  | 970                                     | 5,159                                   | -                                  | -                                  | -                                           | -                                         | -                                           |
| Nutrition Education                          | -                                  | 7,032                                   | 4,219                                   | -                                  | -                                  | -                                           | -                                         | -                                           |
| Other "EB" Disease Prevention                | -                                  | -                                       | -                                       | 45,928                             | -                                  | -                                           | -                                         | -                                           |
| Assistive Tech/DME/PERS-Devices              | 1,460                              | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Emergency Services                           | 8,780                              | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| LTC Coordinating Activity                    | 10,416                             | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Outreach/Public Information & Education      | 58,265                             | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Legal Assistance                             | 10,000                             | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| Elder Abuse Prevention                       | -                                  | -                                       | -                                       | -                                  | -                                  | 6,109                                       | -                                         | -                                           |
| Prep. and Admin.                             | 70,000                             | 30,000                                  | 70,812                                  | -                                  | -                                  | -                                           | -                                         | -                                           |
| Public Health Workforce                      | -                                  | -                                       | -                                       | -                                  | -                                  | -                                           | -                                         | -                                           |
| <b>Title III-E</b>                           |                                    |                                         |                                         |                                    |                                    |                                             |                                           |                                             |
| <b>Older Americans Act Funds:</b>            |                                    |                                         |                                         |                                    |                                    |                                             |                                           |                                             |
| Support Groups                               | -                                  | -                                       | -                                       | -                                  | 2,356                              | -                                           | -                                         | -                                           |
| Caregiver Training                           | -                                  | -                                       | -                                       | -                                  | 5,800                              | -                                           | -                                         | -                                           |
| Care/Service Coordination Level 2            | -                                  | -                                       | -                                       | -                                  | 111,029                            | -                                           | -                                         | -                                           |
| Adult Day Care (Out of Home)                 | -                                  | -                                       | -                                       | -                                  | 33,444                             | -                                           | -                                         | -                                           |
| Personal Care (In-Home)                      | -                                  | -                                       | -                                       | -                                  | 62,670                             | -                                           | -                                         | -                                           |
| Prep. and Admin.                             | -                                  | -                                       | -                                       | -                                  | 23,800                             | -                                           | -                                         | -                                           |
| Total                                        | \$ 695,707                         | \$ 288,176                              | \$ 687,437                              | \$ 45,928                          | \$ 239,099                         | \$ 6,109                                    | \$ 2,495                                  | \$ 36,173                                   |

Costs by Program Activity  
Year Ended September 30, 2024

|                                                                             | Costs to<br>Federal<br>ARP III C-2<br>Funds | Costs to<br>Federal<br>ARP III-D<br>Funds | Costs to<br>Federal<br>ARP III-E<br>Funds | Costs to<br>Expanding<br>Public Health<br>Workforce | Voluntary<br>Contributions | Costs to<br>Other<br>Non-federal<br>Funds | Fees             | Costs to<br>Other<br>local federal<br>Funds | Costs to<br>NSIP<br>Funds |
|-----------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------------------------------------|----------------------------|-------------------------------------------|------------------|---------------------------------------------|---------------------------|
| <b>Title III (Except Title III-E), Older<br/>Older Americans Act Funds:</b> |                                             |                                           |                                           |                                                     |                            |                                           |                  |                                             |                           |
| Checking                                                                    | \$ -                                        | \$ -                                      | \$ -                                      | \$ -                                                | \$ -                       | \$ -                                      | \$ -             | \$ -                                        | \$ -                      |
| Chore                                                                       | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Personal Care                                                               | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | 9,750            | -                                           | -                         |
| Care Coordination Level 2                                                   | -                                           | -                                         | -                                         | -                                                   | -                          | 6,994                                     | -                | -                                           | -                         |
| Service Coordination Level 1                                                | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| S.O.S.                                                                      | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | 5,075                                       | -                         |
| Comm. Referral Info. & Assist                                               | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Options Counseling                                                          | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Transportation                                                              | -                                           | 20,000                                    | -                                         | -                                                   | 4,538                      | 30,859                                    | -                | -                                           | -                         |
| Assisted Transportation                                                     | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Congregate Meals                                                            | -                                           | -                                         | -                                         | -                                                   | -                          | 5,000                                     | -                | -                                           | 15,880                    |
| Home Delivered Meals                                                        | 14,264                                      | -                                         | 52,125                                    | -                                                   | 35,000                     | -                                         | -                | 15,809                                      | 76,947                    |
| Home Delivered Fee for Service                                              | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Nutrition Counseling                                                        | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Nutrition Education                                                         | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Other "EB" Disease Prevention                                               | -                                           | 40,000                                    | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Assistive Tech/DME/PERS-Devices                                             | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Emergency Services                                                          | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| LTC Coordinating Activity                                                   | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Outreach/Public Information & Education                                     | -                                           | -                                         | -                                         | -                                                   | -                          | 44,734                                    | -                | -                                           | -                         |
| Legal Assistance                                                            | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Elder Abuse Prevention                                                      | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Prep. and Admin.                                                            | -                                           | -                                         | -                                         | -                                                   | -                          | 167,035                                   | -                | -                                           | -                         |
| Public Health Workforce                                                     | -                                           | -                                         | -                                         | 217,265                                             | -                          | -                                         | -                | -                                           | -                         |
| <b>Title III-E</b>                                                          |                                             |                                           |                                           |                                                     |                            |                                           |                  |                                             |                           |
| <b>Older Americans Act Funds:</b>                                           |                                             |                                           |                                           |                                                     |                            |                                           |                  |                                             |                           |
| Support Groups                                                              | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Caregiver Training                                                          | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Care/Service Coordination Level 2                                           | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Adult Day Care (Out of Home)                                                | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | -                | -                                           | -                         |
| Personal Care (In-Home)                                                     | -                                           | -                                         | -                                         | -                                                   | -                          | -                                         | 5,000            | -                                           | -                         |
| Prep. and Admin.                                                            | -                                           | -                                         | -                                         | -                                                   | -                          | 18,727                                    | -                | -                                           | -                         |
| <b>Total</b>                                                                | <b>\$ 14,264</b>                            | <b>\$ 60,000</b>                          | <b>\$ 52,125</b>                          | <b>\$ 217,265</b>                                   | <b>\$ 39,538</b>           | <b>\$ 273,349</b>                         | <b>\$ 14,750</b> | <b>\$ 20,884</b>                            | <b>\$ 92,827</b>          |

Costs by Program Activity  
Year Ended September 30, 2024

|                                                                             | Costs to<br>General<br>Funds OAA<br>General<br>Funds | Costs to<br>General<br>Funds<br>Community<br>Based Funds | Costs to<br>General<br>Funds<br>Transportation | Costs to<br>General<br>Funds<br>Home<br>Deliv.<br>Meals | Costs to<br>General<br>Funds<br>Nutrition | Costs to<br>General<br>Funds<br>CCEVP<br>Funds | IN-KIND    | Total<br>Title III & VII<br>Costs |
|-----------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------|------------------------------------------------|---------------------------------------------------------|-------------------------------------------|------------------------------------------------|------------|-----------------------------------|
| <b>Title III (Except Title III-E), Older<br/>Older Americans Act Funds:</b> |                                                      |                                                          |                                                |                                                         |                                           |                                                |            |                                   |
| Checking                                                                    | \$ -                                                 | \$ -                                                     | \$ -                                           | \$ -                                                    | \$ -                                      | \$ -                                           | \$ -       | \$ 7,415                          |
| Chore                                                                       | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | 24,208     | 24,208                            |
| Personal Care                                                               | -                                                    | 89,821                                                   | -                                              | -                                                       | -                                         | -                                              | -          | 144,953                           |
| Care Coordination Level 2                                                   | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 75,723                            |
| Service Coordination Level 1                                                | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | 754        | 754                               |
| S.O.S.                                                                      | -                                                    | -                                                        | -                                              | -                                                       | -                                         | 102,751                                        | -          | 107,826                           |
| Comm. Referral Info. & Assist                                               | 39,951                                               | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 131,625                           |
| Options Counseling                                                          | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 5,265                             |
| Transportation                                                              | 101,205                                              | -                                                        | 80,170                                         | -                                                       | -                                         | -                                              | -          | 557,588                           |
| Assisted Transportation                                                     | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | 12,666     | 12,666                            |
| Congregate Meals                                                            | -                                                    | -                                                        | -                                              | -                                                       | 27,439                                    | -                                              | -          | 334,666                           |
| Home Delivered Meals                                                        | -                                                    | -                                                        | -                                              | 282,713                                                 | 42,749                                    | -                                              | 19,007     | 1,145,861                         |
| Home Delivered Fee for Service                                              | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | 329,161    | 329,161                           |
| Nutrition Counseling                                                        | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 6,129                             |
| Nutrition Education                                                         | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 11,251                            |
| Other "EB" Disease Prevention                                               | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 85,928                            |
| Assistive Tech/DME/PERS-Devices                                             | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 1,460                             |
| Emergency Services                                                          | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 8,780                             |
| LTC Coordinating Activity                                                   | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 10,416                            |
| Outreach/Public Information & Education                                     | 14,970                                               | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 117,969                           |
| Legal Assistance                                                            | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 10,000                            |
| Elder Abuse Prevention                                                      | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 6,109                             |
| Prep. and Admin.                                                            | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 337,847                           |
| Public Health Workforce                                                     | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | 9,051      | 226,316                           |
| <b>Title III-E</b>                                                          |                                                      |                                                          |                                                |                                                         |                                           |                                                |            |                                   |
| <b>Older Americans Act Funds:</b>                                           |                                                      |                                                          |                                                |                                                         |                                           |                                                |            |                                   |
| Support Groups                                                              | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 2,356                             |
| Caregiver Training                                                          | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 5,800                             |
| Care/Service Coordination Level 2                                           | -                                                    | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 111,029                           |
| Adult Day Care (Out of Home)                                                | -                                                    | 2,549                                                    | -                                              | -                                                       | -                                         | -                                              | -          | 35,993                            |
| Personal Care (In-Home)                                                     | 3,044                                                | 99,867                                                   | -                                              | -                                                       | -                                         | -                                              | -          | 170,581                           |
| Prep. and Admin.                                                            | 1,956                                                | -                                                        | -                                              | -                                                       | -                                         | -                                              | -          | 44,483                            |
| Total                                                                       | \$ 161,126                                           | \$ 192,237                                               | \$ 80,170                                      | \$ 282,713                                              | \$ 70,188                                 | \$ 102,751                                     | \$ 394,847 | \$ 4,070,158                      |

## Status of Inventories

Year Ended September 30, 2024

| <u>Fund Source and Type of Inventory</u> | <u>Value on<br/>Hand<br/>October 1,<br/>2023</u> | <u>Increase<br/>(Decrease)<br/>During<br/>Period</u> | <u>Value on<br/>Hand<br/>September 30,<br/>2024</u> |
|------------------------------------------|--------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Title III-B Older Americans Act          | \$ 51,712                                        | \$ 3,018                                             | \$ 54,730                                           |
| Title III-C(1) Older Americans Act       | 31,457                                           | 808                                                  | 32,265                                              |
| Title III-C(2) Older Americans Act       | 87,934                                           | 2,950                                                | 90,884                                              |
| Title III-D Older Americans Act          | 1,559                                            | 95                                                   | 1,654                                               |
| Title III-E Older Americans Act          | <u>12,735</u>                                    | <u>667</u>                                           | <u>13,402</u>                                       |
| Totals                                   | \$ <u>185,397</u>                                | \$ <u>7,538</u>                                      | \$ <u>192,935</u>                                   |

**- Compliance Section -**



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**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***

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**TO THE BOARD OF DIRECTORS  
PENINSULA AGENCY ON AGING, INC.  
NEWPORT NEWS, VIRGINIA**

We have audited, in accordance with the 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 *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities and each major fund of Peninsula Agency on Aging, Inc. as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Peninsula Agency on Aging, Inc.'s basic financial statements and have issued our report thereon dated January 23, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Peninsula Agency on Aging, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Peninsula Agency on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Peninsula Agency on Aging, Inc.'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 or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Peninsula Agency on Aging, 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*.

## 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia  
January 23, 2025



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

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**TO THE BOARD OF DIRECTORS  
PENINSULA AGENCY ON AGING, INC.  
NEWPORT NEWS, VIRGINIA**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Peninsula Agency on Aging, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Peninsula Agency on Aging, Inc.'s major federal programs for the year ended September 30, 2024. Peninsula Agency on Aging, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Peninsula Agency on Aging, 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, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Peninsula Agency on Aging, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Peninsula Agency on Aging, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Peninsula Agency on Aging, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Peninsula Agency on Aging, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Peninsula Agency on Aging, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

## ***Report on Internal Control over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

*Robinson, Farmer, Cox Associates*

Fredericksburg, Virginia  
January 23, 2025

PENINSULA AGENCY ON AGING, INC.

Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2024

| Federal Grantor/Pass-through Grantor/<br>Program or Cluster Title                                                                                           | Federal<br>Assistance<br>Listing<br>Number | Pass-through<br>Entity<br>Identifying<br>Number  | Federal<br>Expenditures |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------------|
| <u>Department of Health and Human Services:</u>                                                                                                             |                                            |                                                  |                         |
| Pass-through Payments:                                                                                                                                      |                                            |                                                  |                         |
| Virginia Department for the Aging:                                                                                                                          |                                            |                                                  |                         |
| <u>Aging Cluster</u>                                                                                                                                        |                                            |                                                  |                         |
| Special Programs for the Aging, Title III:                                                                                                                  |                                            |                                                  |                         |
| COVID-19 - Part B - Grants for Supportive Services and Senior Centers and CARES Act<br>for supportive services under Title III-B of the Older Americans Act | 93.044                                     | 0000119118                                       | \$ 2,495                |
| Part B - Grants for Supportive Services and Senior Centers and CARES Act<br>for supportive services under Title III-B of the Older Americans Act            | 93.044                                     | 0000122090/0000122543/000<br>0124465             | 912,971                 |
| Total 93.044                                                                                                                                                |                                            |                                                  | \$ 915,466              |
| COVID-19 - Part C - Nutrition Services and CARES Act for Nutrition Services under<br>Title III-C of the Older Americans Act                                 | 93.045                                     | 0000119119/0000119138                            | 50,437                  |
| Part C - Nutrition Services and CARES Act for Nutrition Services under<br>Title III-C of the Older Americans Act                                            | 93.045                                     | 0000124466/0000122546/<br>0000124467             | 975,614                 |
| Total 93.045                                                                                                                                                |                                            |                                                  | \$ 1,026,051            |
| Nutrition Services Incentive Program                                                                                                                        | 93.053                                     | 0000124476                                       | 92,827                  |
| Total Aging Cluster                                                                                                                                         |                                            |                                                  | \$ 2,034,344            |
| Special Programs for the Aging, Title III:                                                                                                                  |                                            |                                                  |                         |
| Part D - Disease Prevention and Health Promotion Services                                                                                                   | 93.043                                     | 0000122542/0000124474/000<br>0126471             | \$ 45,928               |
| COVID-19 Part D - Disease Prevention and Health Promotion Services                                                                                          | 93.043                                     | 0000119120                                       | 60,000                  |
| Total 93.043                                                                                                                                                |                                            |                                                  | \$ 105,928              |
| National Family Caregiver Support, Title III, Part E                                                                                                        | 93.052                                     | 0000124475                                       | 239,099                 |
| COVID-19 - National Family Caregiver Support, Title III, Part E                                                                                             | 93.052                                     | 0000119121                                       | 52,125                  |
| Total 93.052                                                                                                                                                |                                            |                                                  | \$ 291,224              |
| Evidence-Based Falls Prevention Programs Financed Solely by Prevention<br>and Public Health Funds (PPHF)                                                    | 93.761                                     | 0000119122                                       | 8,980                   |
| Special Programs for the Aging, Title VII:                                                                                                                  |                                            |                                                  |                         |
| Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation                                                                               | 93.041                                     | 0000126474/0000124477                            | 6,109                   |
| USAgings:                                                                                                                                                   |                                            |                                                  |                         |
| Special Programs for the Aging, Title IV and Title II - Discretionary Projects                                                                              | 93.048                                     | Unavailable                                      | 54,368                  |
| COVID-19 - Special Programs for the Aging, Title IV and Title II - Discretionary Projects                                                                   | 93.048                                     | 90HDRC0007-01-00                                 | 95,577                  |
| Total 93.048                                                                                                                                                |                                            |                                                  | \$ 149,945              |
| Health Quality Innovators:                                                                                                                                  |                                            |                                                  |                         |
| Cooperative Agreements for Diabetes Control Programs                                                                                                        | 93.988                                     | NU58DP007385-01-00                               | 54,151                  |
| Total Department of Health and Human Services                                                                                                               |                                            |                                                  | \$ 2,650,681            |
| <u>Department of Transportation:</u>                                                                                                                        |                                            |                                                  |                         |
| Pass-through Payments:                                                                                                                                      |                                            |                                                  |                         |
| Virginia Department of Rail and Public Transportation:                                                                                                      |                                            |                                                  |                         |
| <u>Transit Services Programs Cluster</u>                                                                                                                    |                                            |                                                  |                         |
| Enhanced Mobility of Seniors and Individuals with Disabilities                                                                                              | 20.513                                     | 44022-22/44021-23/41023-<br>20/41021-24/41024-18 | \$ 570,999              |
| Total Transit Services Programs Cluster                                                                                                                     |                                            |                                                  | \$ 570,999              |
| Total Department of Transportation                                                                                                                          |                                            |                                                  | \$ 570,999              |
| Total expenditures of federal awards                                                                                                                        |                                            |                                                  | \$ 3,221,680            |

See accompanying notes to the schedule of expenditures of federal awards.

## PENINSULA AGENCY ON AGING, INC.

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2024

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### Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Peninsula Agency on Aging, Inc. under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Peninsula Agency on Aging, Inc., it is not intended to and does not present the financial position, changes in net position, or cash flows of Peninsula Agency on Aging, Inc.

### Note 2 - Summary of Significant Accounting Policies:

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

(2) Pass-through entity identifying numbers are presented where available.

(3) The Agency did not elect to use the 10% de minimis indirect cost rate.

(4) The Agency did not pass any federal awards through to sub-recipients during the year ended September 30, 2024.

### Note 3 - Relationship to Financial Statements:

Federal expenditures, revenues and capital contributions are reported in the Agency's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

|              |              |
|--------------|--------------|
| General Fund | \$ 2,814,183 |
|--------------|--------------|

Add:

|                                     |         |
|-------------------------------------|---------|
| Noncash federal assistance (20.513) | 407,497 |
|-------------------------------------|---------|

|                                                                               |                     |
|-------------------------------------------------------------------------------|---------------------|
| Total federal expenditures per the Schedule of Expenditures of Federal Awards | <u>\$ 3,221,680</u> |
|-------------------------------------------------------------------------------|---------------------|

**PENINSULA AGENCY ON AGING, INC.**

Schedule of Findings and Questioned Costs  
Year Ended September 30, 2024

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**Section I - Summary of Auditors' Results**

**Financial Statements**

|                                                       |               |
|-------------------------------------------------------|---------------|
| Type of auditors' report issued:                      | Unmodified    |
| Internal control over financial reporting:            |               |
| Material weakness(es) identified?                     | No            |
| Significant deficiency(ies) identified?               | None reported |
| Noncompliance material to financial statements noted? | No            |

**Federal Awards**

|                                                                   |               |
|-------------------------------------------------------------------|---------------|
| Internal control over major programs:                             |               |
| Material weakness(es) identified?                                 | No            |
| Significant deficiency(ies) identified?                           | None reported |
| Type of auditors' 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)? No

Identification of major programs:

| <u>AL#</u> | <u>Name of Federal Program or Cluster</u> |
|------------|-------------------------------------------|
|------------|-------------------------------------------|

|                      |               |
|----------------------|---------------|
| 93.044/93.045/93.053 | Aging Cluster |
|----------------------|---------------|

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

|                                        |    |
|----------------------------------------|----|
| Auditee qualified as low-risk auditee? | No |
|----------------------------------------|----|

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Federal Award Findings and Questioned Costs**

There are no federal award findings and questioned costs to report.

**PENINSULA AGENCY ON AGING, INC.**

Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2024

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There are no prior year audit findings.