

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2023



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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Rappahannock Area Agency on Aging, Inc.
Fredericksburg, Virginia**

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rappahannock Area Agency on Aging, Inc. as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rappahannock Area 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 opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, Rappahannock Area Agency on Aging, Inc. adopted new accounting guidance, FASB ASU 2016-02, Leases (Topic: 842). 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 Rappahannock Area Agency on Aging, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rappahannock Area 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 Rappahannock Area 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.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024 on our consideration of Rappahannock Area 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 Rappahannock Area 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 Rappahannock Area Agency on Aging, Inc.'s internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
January 31, 2024

- Financial Statements -

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

**Statement of Financial Position
Year Ended September 30, 2023**

Assets

Current assets:

Cash and cash equivalents	\$ 309,932
Grants and contributions receivable	160,994
Prepaid items	<u>16,873</u>
Total current assets	<u>\$ 487,799</u>

Noncurrent assets:

Restricted cash and cash equivalents	\$ 64,884
Right-of-use-assets - operating lease	5,465

Property and equipment:

Land	\$ 228,503
Building and improvements	1,511,902
Office furniture and fixtures	93,820
Vehicles	1,462,691
Construction in Progress	21,200
Accumulated depreciation	<u>(1,957,710)</u>

Net property and equipment	<u>\$ 1,360,406</u>
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Total noncurrent assets	<u>\$ 1,430,755</u>
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Total assets	<u><u>\$ 1,918,554</u></u>
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Liabilities

Current liabilities:

Accounts payable and accrued expenses	\$ 96,969
Accrued interest payable	2,096
Refundable advances	49,729
Current operating lease liability	4,365
Current portion - notes payable	<u>29,862</u>
Total current liabilities	<u>\$ 183,021</u>

Long-term liabilities:

Noncurrent operating lease liability	\$ 1,100
Notes payable, net of current portion	<u>1,414,704</u>
Total long-term liabilities	<u>\$ 1,415,804</u>

Total liabilities	<u>\$ 1,598,825</u>
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Net Assets:

Net assets without donor restrictions	<u>\$ 319,729</u>
Total net assets	<u>\$ 319,729</u>
Total liabilities and net assets	<u><u>\$ 1,918,554</u></u>

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

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

Statement of Activities
Year Ended September 30, 2023

Revenues, gains, and other support:	
Federal grants	\$ 1,383,262
State and local grants	703,174
Program income	7,568
Foundation grants	36,864
Rental income	15,300
Special events	24,401
Contributions	15,405
Miscellaneous	38,492
Gain (loss) on disposal of fixed assets	8,600
In-kind contributions	<u>14,326</u>
Total revenues, gains and other support	\$ <u>2,247,392</u>
Expenses:	
Program services	
Aging services	\$ 2,110,234
Supporting services:	
Management and general	72,778
Fundraising	<u>3,619</u>
Total expenses	\$ <u>2,186,631</u>
Increase (decrease) in net assets without donor restrictions	\$ 60,761
Net assets without donor restrictions, beginning of year	<u>258,968</u>
Net assets without donor restrictions, end of year	\$ <u><u>319,729</u></u>

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

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

Statement of Functional Expenses
Year Ended September 30, 2023

	Program Services	Supporting Services		
	Aging Services	Management and General	Fundraising	Total
Advertisements	\$ 14,969	\$ 78	\$ -	\$ 15,047
Bank and payroll fees	7,710	90	99	7,899
Building improvements	16,485	94	-	16,579
Depreciation	173,501	-	-	173,501
Emergency services	12,775	-	-	12,775
Food nutrition program	264,343	15	-	264,358
In-kind contributions	14,251	75	-	14,326
Insurance	4,179	-	-	4,179
Interest	49,836	2,062	-	51,898
Lease expense	4,411	-	-	4,411
Meetings	1,556	1,495	1,809	4,860
Miscellaneous	1,097	224	-	1,321
Office expenses	47,029	3,564	93	50,686
Office furniture, equipment and tools	3,677	789	-	4,466
Outside contracted services	25,551	-	117	25,668
Professional dues	7,645	274	-	7,919
Professional fees	19,360	82	-	19,442
Rent	1,247	-	-	1,247
Salaries and fringe benefits	1,302,833	63,340	-	1,366,173
Supplies	12,780	-	-	12,780
Telephone, postage and printing	24,021	246	89	24,356
Training	5,159	350	1,139	6,648
Travel - job related	10,350	-	273	10,623
Vehicle - gas and maintenance	85,469	-	-	85,469
Total	\$ 2,110,234	\$ 72,778	\$ 3,619	\$ 2,186,631

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

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

Statement of Cash Flows
Year Ended September 30, 2023

	<u>2023</u>
Cash flows from operating activities:	
Change in net assets	\$ 60,761
Depreciation	173,501
Operating lease amortization	4,298
Changes in:	
(Increase) decrease in grants and contributions receivable	19,108
(Increase) decrease in prepaid items	(8,832)
Increase (decrease) in accounts payable and accrued expenses	(43,882)
Increase (decrease) in accrued interest payable	20
Increase (decrease) in lease liability	(4,298)
Increase (decrease) in refundable advances	24,730
Net cash provided by (used for) operating activities	\$ <u>225,406</u>
Cash flows from investing activities:	
Net purchase of property and equipment	\$ <u>(95,524)</u>
Net cash provided by (used for) investing activities	\$ <u>(95,524)</u>
Cash flows from financing activities:	
Principal payments on note payables	<u>(30,418)</u>
Net cash provided by (used for) financing activities	\$ <u>(30,418)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 99,464
Cash, cash equivalents, and restricted cash at beginning of year	<u>275,352</u>
Cash, cash equivalents, and restricted cash at end of year	\$ <u><u>374,816</u></u>
Summary of cash and cash equivalents:	
Cash and cash equivalents	\$ 309,932
Restricted cash and cash equivalents	<u>64,884</u>
Total cash, cash equivalents, and restricted cash at end of year	\$ <u><u>374,816</u></u>
Supplemental Disclosures:	
Noncash investing and financing transaction:	
Interest paid	\$ <u><u>56,068</u></u>

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

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

Notes to Financial Statements
As of September 30, 2023

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Rappahannock Area Agency on Aging, Inc. (the Agency) is organized as a nonprofit entity under the laws of Virginia. The purpose of the Agency is to improve the quality of life of the elderly through charitable, benevolent, educational, social and other appropriate means.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement

The Agency is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions: net assets without donor restrictions and net asset assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions. At September 30, 2023, the Organization had \$319,729 in net assets without donor restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. A donor-imposed restriction is a donor stipulation for the use of a contributed asset that is more specific than the broad limits resulting from the Organization's nature, environment, and purpose. At September 30, 2023, the Organization had no net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with 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.

Property and Equipment

Property and equipment with a projected useful life exceeding one year and in excess of \$5,000 is recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of property and equipment is determined using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives range from 5 to 7 years for vehicles, office furniture and equipment and 30 years for building and building improvements.

Depreciation expense for the year ended September 30, 2023 totaled \$173,501.

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

**Notes to the Financial Statements
As of September 30, 2023**

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions

Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Goods, Equipment, Facilities and Services

The Agency receives in-kind contributions in the form of donated goods and services. In-kind contributions are valued at comparable market rates at the time of the donation. Additionally, contributions of services are recognized when (a) services received create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated.

In addition, many individuals volunteer their time and perform a variety of tasks that assist Rappahannock Area Agency on Aging, Inc. with program services and fundraising events. The Agency received in-kind contributions for food valued at \$14,326 for the year ended September 30, 2023.

Income Taxes

The Agency is a nonprofit organization, which is exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. However, the Agency is subject to unrelated business income tax for activities conducted outside of its tax exempt purpose. The Agency did not conduct any unrelated business activities during the year ended September 30, 2023.

Accounting for Uncertain Tax Positions

The Agency follows FASB ASC 740 in measurement and disclosure of uncertain tax positions. The Agency believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of all cash in banks, certificates of deposit and highly liquid investments with original maturities of three months or less from the date of acquisition.

Program Income

Program income represents a variety of café and transportation fees from assistance programs offered to the citizens in the communities serviced by the organization. Revenue is recognized as services are provided for each program and is reported as revenue and net assets without donor restrictions, unless subject to donor restrictions.

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

Notes to the Financial Statements
As of September 30, 2023

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Allowance for Uncollectible Accounts

The Agency has made no allowance for estimated uncollectible accounts. Management believes that any write-offs would not be material. Receivables are written off when collectability is deemed unlikely and collection efforts have been exhausted. At September 30, 2023 the Agency had no allowance for uncollectible accounts.

Leases:

The Agency recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Agency is a lessee in an operating lease for building space and equipment. The Agency determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Agency recognizes a lease liability and a right to use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Agency uses its incremental borrowing rate. The Agency's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e. present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) and prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards update (ASU) 2016-02, *Leases* (Topic: 842) *Leases*. This update requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. No restatement of beginning net position was required as a result of the implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of October 1, 2022 related to the lease(s):

Operating leases:

Operating lease ROU assets	\$ 9,763
Operating lease liabilities	<u>9,763</u>

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

**Notes to the Financial Statements
As of September 30, 2023**

NOTE 2 - CUSTODIAL CREDIT RISK:

The Agency maintains cash balances at financial institutions located within its market area. The amount at each institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the balances maintained at one or more institutions may exceed the maximum amount insured by the FDIC. The Agency has not experienced any losses and believes they are not exposed to significant risk.

NOTE 3 - EMPLOYEE BENEFIT PLANS:

The Agency maintains a tax-sheltered annuity plan under Internal Revenue Code Section 403(b)(7) for regular full time employees. At present, only voluntary employee contributions to this plan are being made.

NOTE 4 - COMPENSATED ABSENCES:

Employees of the Agency are entitled to paid leave based upon the Organization's policy. The amount which has been recorded as a liability at September 30, 2023 totaled \$31,993 and is included in accrued expenses as a current liability.

NOTE 5 - LONG-TERM LIABILITIES:

\$1,296,000 note payable to the U.S. Department of Agriculture, issued December 20, 2011, for the construction of a new building, payable in 2 payments of interest only on January 20, 2012 and 2013 . Followed by monthly installments of \$5,340 including interest at 3.75%, maturing November 20, 2051. \$ 1,114,146

\$389,000 note payable to the U.S. Department of Agriculture, issued November 1, 2012, for the acquisition of new property, payable in 2 payments of interest only on November 1, 2013 and 2014. Followed by monthly installments of \$1,518 including interest at 3.375%, maturing October 1, 2051. 330,420

Total obligations \$ 1,444,566

Less: current portion (29,862)

Total long-term liabilities \$ 1,414,704

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

Notes to the Financial Statements
As of September 30, 2023

NOTE 5 - LONG-TERM LIABILITIES: (Continued)

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

Year Ending September 30,	U.S. Department of Agriculture			
	New Building		New Property	
	Principal	Interest	Principal	Interest
2024	22,687	41,393	7,175	11,041
2025	23,552	40,528	7,421	10,795
2026	24,451	39,629	7,675	10,541
2027	25,384	38,696	7,938	10,278
2028	26,352	37,728	8,210	10,006
2029	27,358	36,722	8,492	9,724
2030	28,401	35,679	8,783	9,433
2031	29,485	34,595	9,084	9,132
2032	30,610	33,470	9,395	8,821
2033	31,778	32,303	9,717	8,499
2034	32,990	31,090	10,050	8,166
2035	34,248	29,832	10,395	7,821
2036	35,555	28,525	10,751	7,465
2037	36,912	27,168	11,119	7,097
2038	38,320	25,760	11,501	6,715
2039	39,782	24,298	11,895	6,321
2040	41,299	22,781	12,303	5,913
2041	42,875	21,205	12,724	5,492
2042	44,511	19,569	13,160	5,056
2043	46,209	17,871	13,611	4,605
2044	47,972	16,108	14,078	4,138
2045	49,802	14,278	14,561	3,655
2046	51,702	12,378	15,060	3,156
2047	53,675	10,405	15,576	2,640
2048	55,722	8,358	16,110	2,106
2049	57,848	6,232	16,662	1,554
2050	60,055	4,025	17,233	983
2051	62,346	1,734	17,824	392
2052	12,265	60	1,917	5
Totals	\$ 1,114,146	\$ 692,420	\$ 330,420	\$ 181,550

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

**Notes to the Financial Statements
As of September 30, 2023**

NOTE 6 - OPERATING LEASES:

As of June 30, 2023 the Agency leases equipment. The lease term expires September 2024. Lease expense for these leases totaled \$4,411 the year ended June 30, 2023. Operating cash flows from operating leases was \$4,411 for the year ended June 30, 2023. Right of use assets obtained in exchange for new operating lease liabilities was \$9,763 for the year ended June 30, 2023.

Amounts reported in the financial statements as of June 30, 2023 were as follows:

Operating leases:

Operating leases right-of-use assets	\$ 5,465
Operating lease liabilities	\$ <u>5,465</u>

Minimum future lease payments under the lease are as follows:

2024	\$ 4,411
2025	<u>1,103</u>
Total lease payments	\$ <u>5,514</u>
Less imputed interest	\$ <u>(49)</u>
Total lease liability	\$ <u>5,465</u>

The weighted average remaining lease term for operating leases is 1.25 years as of June 30, 2023. The weighted average discount rate for operating leases is 1.51% as of June 30, 2023.

NOTE 7 - RESTRICTED CASH - USDA RESERVE ACCOUNT:

Under the terms of the Agency's USDA loans, the Agency is required to set aside specified amounts for the establishment of a debt service reserve fund. The Agency is required to make monthly deposits of \$534 until the debt service reserve accumulates to an amount equal to one annual installment. The balance of the reserve fund is \$64,884 at September 30, 2023.

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Rappahannock Area Agency on Aging, Inc.

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

**Notes to the Financial Statements
As of September 30, 2023**

NOTE 9 - COMMITMENTS AND CONTINGENCIES:

The Organization participates in federal grant programs which are audited in accordance with the provisions of Uniform Guidance. These programs are subject to audit by the grantor agencies in addition to requirements of the Single Audit Act. Management is of the opinion that any disallowance of program expenditures as a result of any audits by grantor agencies would not be material.

NOTE 10 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

Assets:		
Cash and cash equivalents	\$	309,932
Grants and contributions receivable		160,994
Less:		
Cash reserved for compensated absences		(15,001)
	\$	<u>455,925</u>

NOTE 11 - REFUNDABLE ADVANCES:

Refundable advances consists of revenue that has been received but for which either goods or services have yet to be provided, or for which donor conditions have yet to be met. Asset recognition criteria have been met, but revenue recognition criteria have not. At September 30, 2023, refundable advances consisted of the following:

Other	\$	<u>49,729</u>
	\$	<u>49,729</u>

NOTE 12 - DATE OF MANAGEMENT'S REVIEW:

In preparing these financial statements, management of the Agency has evaluated events and transactions for potential recognition or disclosure through January 31, 2024, the date the financial statements were available to be issued.

- Other Supplementary Information -

- Supporting Schedules -

Status of Funds

Year Ended September 30, 2023

FUND	UNENCUMBERED FUNDS ON HAND OCTOBER 1, 2022	TOTAL FUNDS RECEIVED DURING PERIOD	FUNDS REQUESTED BY SEPTEMBER 30, 2023 BUT NOT RECEIVED BY SEPTEMBER 30, 2023	TOTAL OF FUNDS AVAILABLE DURING PERIOD	ACCRUED COSTS TO CONTRACT PERIOD	UNENCUMBERED FUNDS ON HAND SEPTEMBER 30, 2023
Older Americans Act						
Title III-B	\$ 31,451	\$ 380,372	\$ -	\$ 380,372	\$ 339,167	\$ 41,205
Title III-C(1)	67,693	185,650	49,549	235,199	150,316	84,883
Title III-C(2)	68,668	273,000	58,159	331,159	253,922	77,237
Title III-D	11,114	34,438	-	34,438	34,438	-
Title III-E	11,568	128,743	-	128,743	117,133	11,610
Title VII-Elder Abuse	-	2,500	-	2,500	2,500	-
Title VII-Ombudsman	-	17,753	-	17,753	17,753	-
NSIP	1,960	28,978	-	28,978	28,978	-
American Rescue Plan (ARP) III-B	238,800	-	-	-	-	-
American Rescue Plan (ARP) III-C(1)	186,966	-	-	-	-	-
American Rescue Plan (ARP) III-C(2)	285,870	-	-	-	-	-
American Rescue Plan (ARP) III-D	41,906	-	-	-	-	-
American Rescue Plan (ARP) III-E	82,405	-	-	-	-	-
American Rescue Plan (ARP) VII-Ombudsman	10,814	-	-	-	-	-
Expanding Public Health Workforce	109,180	-	-	-	-	-
Other Federal						
Title V -(PY 06/30/23 Award)	65,965	-	-	-	-	-
Title V-(PY 06/30/24 Award)	161,290	21,000	-	21,000	21,000	-
VICAP-(PY 03/31/23 Award)	22,198	32,158	-	32,158	32,158	-
DMAS Ombudsman FY 23	-	4,199	-	4,199	4,199	-
MIPPA - Priority 2 - AAA	-	27,007	-	27,007	27,007	-
SNAP	-	300	-	300	300	-
Senior Farmers Market	-	1,750	-	1,750	1,750	-
Falls Prevention Grant	1,920	420	495	915	420	495
General Funds						
OAA General-(PY 06/30/23)	-	55,458	-	55,458	55,458	-
OAA General-(PY 06/30/24)	-	18,832	-	18,832	18,832	-
Community Based-(PY 06/30/23)	-	73,606	-	73,606	73,606	-
Community Based-(PY 06/30/24)	-	24,536	-	24,536	24,536	-
Transportation-(PY 06/30/23)	-	26,778	-	26,778	26,778	-
Transportation-(PY 06/30/24)	-	8,926	-	8,926	8,926	-
Home Delivered Meals-(PY 06/30/23)	-	94,535	-	94,535	94,535	-
Home Delivered Meals-(PY 06/30/24)	-	31,512	-	31,512	31,512	-
Supplemental Nutrition-(PY 06/30/23)	-	25,905	-	25,905	25,905	-
Supplemental Nutrition-(PY 06/30/24)	-	8,635	-	8,635	8,635	-
Ombudsman-(PY 06/30/23)	-	9,633	-	9,633	9,633	-
Ombudsman-(PY 06/30/24)	-	3,211	-	3,211	3,211	-
Care Coordination CCEVP-(PY 06/30/23)	-	43,367	-	43,367	43,367	-
Care Coordination CCEVP-(PY 06/30/24)	-	14,456	-	14,456	14,456	-
Senior Cool Care	-	-	1,500	1,500	1,500	-
Senior Farmer's Market General Funds-(PY 06/30/23)	1,000	1,750	-	1,750	1,750	-
VICAP General Funds-(PY 06/30/23)	-	25,000	-	25,000	25,000	-
*Note: PY means Program Year Ending						
GRAND TOTAL:	1,400,768	1,604,408	109,703	1,714,111	1,498,681	215,430

Costs by Program Activity
Year Ended September 30, 2023

	COSTS TO FEDERAL III-B FUNDS	COSTS TO FEDERAL III C-1 FUNDS	COSTS TO FEDERAL III C-2 FUNDS	COSTS TO FEDERAL III-D FUNDS	COSTS TO FEDERAL III-E FUNDS	COSTS TO FEDERAL VII ELD. AB. FUNDS	COSTS TO FEDERAL VII OMB FUNDS	VOLUNTARY CONTRIBUT.	COSTS TO OTHER NON- FED FUNDS	DMAS OMBUDSMA N
TITLE III (EXCEPT III-E)										
OLDER AMERICAN ACT FUNDS:										
Checking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ -
Homemaker	20,000	-	-	-	-	-	-	1,442	-	-
Comm. Referral Info. & Assist	23,792	-	-	-	-	-	-	-	3,757	-
Options Counseling	-	-	-	-	-	-	-	-	2,891	-
Transportation	162,701	-	-	-	-	-	-	2,099	23,132	-
Congregate Meals	-	118,425	-	-	-	-	-	-	22,142	-
Home Delivered Meals	-	-	234,553	-	-	-	-	103	-	-
Home Delivered Fee for Service	-	-	-	-	-	-	-	-	-	-
Nutrition Counseling	-	12,788	100	-	-	-	-	-	1,800	-
Nutrition Education	-	2,000	-	-	-	-	-	-	-	-
Other "EB" Disease Prevention	-	-	-	34,438	-	-	-	2,412	-	-
Consumable Supplies	2,700	-	-	-	-	-	-	-	-	-
Emergency Services	-	-	-	-	-	-	-	8,981	165	-
Outreach/Public Information & Education	10,000	-	-	-	-	-	-	-	-	-
Residential Repair and Renovation	-	-	-	-	-	-	-	-	-	-
Socialization/Recreation	76,640	-	-	-	-	-	-	2,650	-	-
Volunteer Programs	11,256	-	-	-	-	-	-	-	749	-
Legal Assistance	3,500	-	-	-	-	-	-	-	300	-
Elder Abuse Prevention	-	-	-	-	-	2,500	-	-	-	-
LTC Ombudsman Program	-	-	-	-	-	-	17,753	-	303	4,199
Prep. and Admin.	28,578	17,103	19,269	-	-	-	-	-	29,738	-
Public Health Workforce	-	-	-	-	-	-	-	-	-	-
TITLE III-E										
OLDER AMERICAN ACT FUNDS:										
Caregiver Training	-	-	-	-	508	-	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	56,175	-	-	-	14,044	-
Respite Voucher	-	-	-	-	400	-	-	-	-	-
Homemaker (In-Home)	-	-	-	-	35,568	-	-	-	9,500	-
Transportation	-	-	-	-	13,482	-	-	-	5,250	-
Prep. and Admin.	-	-	-	-	11,000	-	-	-	2,750	-
TOTAL TITLE III & TITLE VII	\$ 339,167	\$ 150,316	\$ 253,922	\$ 34,438	\$ 117,133	\$ 2,500	\$ 17,753	17,687	116,771	4,199

Costs by Program Activity (Continued)
Year Ended September 30, 2023

	COSTS TO NSIP FUNDS	COSTS TO G.F. OAA GENERAL FUNDS	COSTS TO G.F. COMM. BASED FUNDS	COSTS TO G.F. TRANSPORT FUNDS	COSTS TO G.F. HD MEALS FUNDS	COSTS TO G.F. SUPP NUTRITION FUNDS	COSTS TO G.F. CCEVP FUNDS	COSTS TO G.F. OMBUDS FUNDS	IN-KIND	TOTAL TITLE III & VII COSTS
TITLE III (EXCEPT III-E)										
OLDER AMERICAN ACT FUNDS:										
Checking	\$ -	\$ -	\$ 2,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,000	\$ 13,749
Homemaker	-	-	95,643	-	-	-	-	-	-	117,085
Comm. Referral Info. & Assist	-	22,500	-	-	-	-	-	-	-	50,049
Options Counseling	-	-	-	-	-	-	57,823	-	-	60,714
Transportation	-	8,702	-	35,704	-	-	-	-	-	232,338
Congregate Meals	28,978	-	-	-	-	34,540	-	-	10,439	214,524
Home Delivered Meals	-	-	-	-	126,047	-	-	-	179	360,882
Home Delivered Fee for Service	-	-	-	-	-	-	-	-	-	-
Nutrition Counseling	-	-	-	-	-	-	-	-	-	14,688
Nutrition Education	-	-	-	-	-	-	-	-	-	2,000
Other "EB" Disease Prevention	-	-	-	-	-	-	-	-	-	36,850
Consumable Supplies	-	-	-	-	-	-	-	-	-	2,700
Emergency Services	-	-	-	-	-	-	-	-	-	9,146
Outreach/Public Information & Education	-	15,312	-	-	-	-	-	-	-	25,312
Residential Repair and Renovation	-	21,809	-	-	-	-	-	-	-	21,809
Socialization/Recreation	-	2,465	-	-	-	-	-	-	-	81,755
Volunteer Programs	-	-	-	-	-	-	-	-	-	12,005
Legal Assistance	-	-	-	-	-	-	-	-	-	3,800
Elder Abuse Prevention	-	-	-	-	-	-	-	-	-	2,500
LTC Ombudsman Program	-	-	-	-	-	-	-	12,844	-	35,099
Prep. and Admin.	-	3,502	-	-	-	-	-	-	-	98,190
Public Health Workforce	-	-	-	-	-	-	-	-	-	-
TITLE III-E										
OLDER AMERICAN ACT FUNDS:										
Caregiver Training	-	-	-	-	-	-	-	-	-	508
Comm. Referral Info. & Assist	-	-	-	-	-	-	-	-	-	70,219
Respite Voucher	-	-	-	-	-	-	-	-	-	400
Homemaker (In-Home)	-	-	-	-	-	-	-	-	-	45,068
Transportation	-	-	-	-	-	-	-	-	-	18,732
Prep. and Admin.	-	-	-	-	-	-	-	-	5,000	18,750
TOTAL TITLE III & TITLE VII	28,978	\$ 74,290	\$ 98,142	\$ 35,704	\$ 126,047	\$ 34,540	\$ 57,823	\$ 12,844	\$ 26,618	\$ 1,548,872

- 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***

**To the Board of Directors
Rappahannock Area Agency on Aging, Inc.
Fredericksburg, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rappahannock Area Agency on Aging, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rappahannock Area 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rappahannock Area Agency on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Rappahannock Area 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rappahannock Area 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
January 31, 2024



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

**To the Board of Directors
Rappahannock Area Agency on Aging, Inc.
Fredericksburg, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rappahannock Area 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 Rappahannock Area Agency on Aging, Inc.'s major federal programs for the year ended September 30, 2023. Rappahannock Area 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, Rappahannock Area 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, 2023.

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 Rappahannock Area 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 Rappahannock Area 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 Rappahannock Area 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 Rappahannock Area 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 Rappahannock Area 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 Rappahannock Area 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 Rappahannock Area 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 Rappahannock Area 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 31, 2024

Rappahannock Area Agency on Aging, Inc.

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

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal 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:			
Part B - Grants for Supportive Services and Senior Centers and CARES Act for Supportive Services Under Title III-B of the Older Americans Act	93.044	0000120261/0000122543	\$ 307,716
Part C - Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act	93.045	0000120262/0000120263 000012256/00000122546	\$ 428,035
Nutrition Services Incentive Program	93.053	0000122547/0000120260	\$ 28,978
Total Aging Cluster			\$ 764,729
Special Programs for the Aging, Title III:			
Part D - Disease Prevention and Health Promotion Services	93.043	0000122542/0000120294	\$ 34,438
Special Programs for the Aging, Title VII:			
Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	0000122554/0000120295	2,500
Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	0000122540/0000120296	17,753
National Family Caregiver Support, Title III, Part E	93.052	0000122561/0000120297	\$ 113,901
<u>Medicaid Cluster</u>			
Medical Assistance Program	93.778	ARS46200	\$ 4,199
State Health Insurance Assistance Program	93.324	0000117058 (222)	22,198
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	0000117058	
Evidence-Based Fall Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	0000119122	915
Medicare Enrollment Assistance Program	93.071	0000122548	27,007
Total Department of Health and Human Services			\$ 987,640
<u>Department of Transportation:</u>			
Pass-through Payments:			
Virginia Department of Rail and Public Transportation:			
<u>Transit Services Programs Cluster</u>			
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	44023-8/44023-9/41023-7	\$ 214,316
COVID-19 Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	44022-8/44022-9	6,239
Total Transit Services Programs Cluster			\$ 220,555
Formula Grants for Rural Areas and Tribal Transit Program	20.509	42124-20/42124-24	937
Total Department of Transportation			\$ 221,492
<u>Department of Agriculture:</u>			
Pass-through Payments:			
Virginia Department for the Aging:			
COVID-19 Senior Farmers Market Nutrition Program	10.576	122981	\$ 1,750
<u>SNAP Cluster</u>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	122521	300
Total Department of Agriculture			\$ 2,050
<u>Department of Labor:</u>			
Pass-through Payments:			
Virginia Department for the Aging:			
Senior Community Service Employment Program	17.235	0000124121/0000122138	\$ 172,080
Total expenditures of federal awards			\$ 1,383,262

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

Rappahannock Area Agency on Aging, Inc.

Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Rappahannock Area Agency on Aging, Inc. under programs of the federal government for the year ended September 30, 2023. 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 Rappahannock Area Agency on Aging, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Rappahannock Area 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, 2023.

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	<u>\$ 1,383,262</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 1,383,262</u>

Note 4 - Notes Payable Balance:

The Agency executed loan agreements to borrow funds with the Department of Agriculture, acting through the Rural Housing Service, for the purpose of acquiring land and constructing a new office building. The loan had outstanding principal due in the amount of \$1,444,566 at September 30, 2023.

Rappahannock Area Agency on Aging, Inc.

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

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 .516(a)?	No
Identification of major programs:	
AL #	<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.

RAPPAHANNOCK AREA AGENCY ON AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2023

There are no prior year audit finding