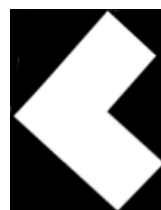


***Crater District Area Agency on Aging***  
***Annual Comprehensive Financial Report***  
***Year Ended September 30, 2024***



***Creedle, Jones***  
***& Associates, P.C.***  
***Certified Public Accountants***

## Crater District Area Agency on Aging

### Table of Contents

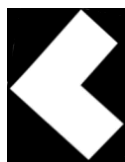
Year Ended September 30, 2024

	Pages
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	i-iii
Management's Discussion and Analysis	1-4
<b>Basic Financial Statements</b>	
<b>Exhibits</b>	
<b>Government-Wide Financial Statements</b>	
1 Statement of Net Position	5
2 Statement of Activities	6
<b>Fund Financial Statements</b>	
3 Balance Sheet – Governmental Fund	7
4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	8
Notes to the Financial Statements	9-17
<b>Required Supplementary Information</b>	
Exhibit 5 Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget to Actual – General Fund	18
<b>Other Information</b>	
<b>Schedules</b>	
A Status of Funds	19
B Costs by Program Activity	20
C Status of Inventories	21
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22-23

## Pages

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	24-26
Schedule of Expenditures of Federal Awards	27
Notes to Schedule of Expenditures of Federal Awards	28
Schedule of Findings and Questioned Costs	29

## **FINANCIAL SECTION**



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Crater District Area Agency on Aging

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities of the Crater District Area Agency on Aging, as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the Crater District Area Agency on Aging'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 respective financial position of the governmental activities of the Crater District Area Agency on Aging, as of September 30, 2024 and the respective 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Crater District Area Agency on Aging 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 2 to the financial statements, in 2024, the Agency adopted new accounting guidance, GASB Statement No. 99, Omnibus 2022 and 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 the Crater District Area Agency on Aging'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.

## ***Auditor's 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 auditor's 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 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 the Crater District Area Agency on Aging'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 the Crater District Area Agency on Aging'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.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 4 and 18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 the Crater District Area Agency on Aging's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

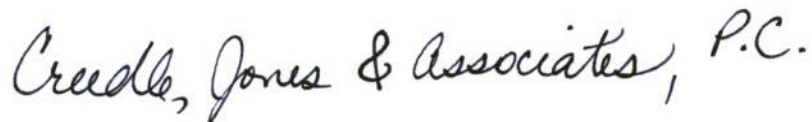
### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supporting schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, on our consideration of the Crater District Area Agency on Aging'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 Crater District Area Agency on Aging'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 the Crater District Area Agency on Aging's internal control over financial reporting and compliance.



Creedle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
February 5, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Crater District Area Agency on Aging presents the following discussion and analysis as an overview of the Crater District Area Agency on Aging's financial activities for the fiscal year ending September 30, 2024. We encourage readers to read this discussion and analysis in conjunction with the Agency's basic financial statements.

### Financial Highlights for Fiscal Year 2024

#### Highlights for Government-Wide Financial Statements

- At the close of the fiscal year, the Agency showed a net position of \$652,363 for the governmental activities.
- For the fiscal year, general and program revenues of the Agency's governmental activities were \$2,507,505 and expenses amounted to \$2,632,533. The Agency's total net position decreased \$125,028 for the current year.

#### Highlights for Fund Financial Statements

- As of September 30, 2024, the Agency's Governmental Funds reported a fund balance of \$314,657 a decrease of \$285,591 in comparison with the prior year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report consists of two sections: financial and compliance.

- The ***financial section*** has three component parts - management's discussion and analysis (this section), the basic financial statements which include government-wide financial statements and fund financial statements, and required and other supplementary information.
- The ***compliance section*** is required for *Government Auditing Standards*.

The primary focus of local government financial statements consists of two kinds of statements, each with a different view of the Agency's finances. The government-wide financial statements provide both long-term and short-term information about the Agency's overall financial status. The fund financial statements focus on individual parts of the Agency's government, reporting the Agency's operations in more detail than the government-wide statements. The basic financial statements also contain notes to explain in greater detail, the information found in the financial statements.

### Government-Wide Financial Statements

The government-wide financial statements report information about the Agency as a whole using accounting methods similar to those found in the private sector. They also report the Agency's net position and how they have changed during the fiscal year.

The first government-wide statement - the Statement of Net Position - presents information on all of the Agency's assets and liabilities. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources can be used as one way to measure the Agency's financial health or financial condition. Over time, increases or decreases in the net position can be one indicator of whether the Agency's financial condition is improving or deteriorating.



The second statement - the Statement of Activities - presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statements are divided into the following category:

Governmental Activities: Most of the Agency's basic services are reported here, including health and welfare and community development. These activities are financed primarily by Federal and State grants. Governmental Funds are included in the governmental activities.

### **Fund Financial Statements**

Traditional users of government financial statements will find the fund financial statements more familiar. These statements provide more detailed information about the Agency's most significant funds. Funds are used to ensure compliance with finance-related legal requirements and are used to keep track of specific sources of revenue and expenses for particular purposes. The Agency has one kind of fund:

Governmental Funds – Governmental Funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements, whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, reconciliation between the two methods is provided following the governmental fund statement of revenues, expenditures, and changes in fund balance. The Agency only has one fund, the General Fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

### Statement of Net Position

The following table reflects the condensed Statement of Net Position:

#### Summary of Net Position

As of September 30, 2024 and 2023

	<b>Governmental Activities</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Assets</b>		
Current and other assets	\$ 666,338	\$ 900,971
Net capital assets	<u>439,325</u>	<u>267,815</u>
Total Assets	<u><b>\$1,105,663</b></u>	<u><b>\$1,168,786</b></u>
<b>Liabilities</b>	\$ 453,300	\$ 391,395
<b>Net Position</b>		
Net investment in capital assets	439,325	227,857
Unrestricted	<u>213,038</u>	<u>549,534</u>
Total Net Position	<u><b>652,363</b></u>	<u><b>777,391</b></u>
Total Liabilities and Net Position	<u><b>\$1,105,663</b></u>	<u><b>\$1,168,786</b></u>

### Statement of Activities

The following table summarizes revenues and expenses for the primary government:

#### Summary of Changes in Net Position

For the Fiscal Years Ended September 30, 2024 and 2023

	<b>Governmental Activities</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Revenues</b>		
<b>Program Revenues</b>		
Cash program income and fees	\$ 31,684	\$ 81,698
Operating grants	<u>2,434,846</u>	<u>2,279,057</u>
<b>General Revenues</b>		
Donations	39,539	55,871
Other	<u>1,436</u>	<u>1,976</u>
Total Revenues	<u><b>2,507,505</b></u>	<u><b>2,418,602</b></u>
<b>Expenses</b>		
Health and welfare	<u>2,632,533</u>	<u>2,236,030</u>
Total Expenses	<u><b>2,632,533</b></u>	<u><b>2,236,030</b></u>
Increase (Decrease) in Net Position	<u><b>(125,028)</b></u>	<u><b>182,572</b></u>
Beginning Net Position	<u><b>777,391</b></u>	<u><b>594,819</b></u>
Ending Net Position	<u><b>\$ 652,363</b></u>	<u><b>\$ 777,391</b></u>

For the Agency's governmental activities, the net expense (total cost less fees generated by the activities and program-specific governmental aid) is illustrated in the following table:

### Net Cost of Governmental Activities

For the Fiscal Years Ended September 30, 2024 and 2023

	<u>2024</u>		<u>2023</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
All programs	\$ 2,632,533	\$ (166,003)	\$ 2,236,030	\$ 124,725
Total	<u>\$ 2,632,533</u>	<u>\$ (166,003)</u>	<u>\$ 2,236,030</u>	<u>\$ 124,725</u>

### CAPITAL ASSETS

At the end of the current fiscal year, the Agency's investment in capital assets was \$439,325 which includes assets owned and leased by the Agency. The Agency uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. This investment in capital assets includes vehicles and equipment.

### Change in Capital Assets

#### Governmental Activities

	<u>Balance 10/1/2023</u>	<u>Net Additions and Deletions</u>	<u>Balance 9/30/2024</u>
Vehicles and equipment	\$ 1,409,435	\$ 62,052	\$ 1,471,487
Less: Accumulated depreciation	(1,181,578)	113,259	(1,068,319)
Net Capital Assets	<u>\$ 227,857</u>	<u>\$ 175,311</u>	<u>\$ 403,168</u>
Lease assets	\$ 74,827	\$ (1,965)	\$ 72,862
Less: Accumulated amortization	34,869	1,836	36,705
Total Lease Assets, Net	<u>\$ 39,958</u>	<u>\$ (3,801)</u>	<u>\$ 36,157</u>

Additional information on the Agency's capital assets can be found in Note 5 of this report.

### ECONOMIC FACTORS

Crater District Area Agency on Aging receives various funding. Revenues from local and state government fluctuate from year to year. Therefore, the Agency must adapt its budget to these fluctuations.

### REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Executive Director, 23 Seyler Drive, Petersburg, Virginia 23805.

# **BASIC FINANCIAL STATEMENTS**

## Crater District Area Agency on Aging

## Statement of Net Position

At September 30, 2024  
(With Comparative Totals for 2023)

	<b>Governmental Activities</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 435,050	\$ 763,243
Accounts and grants receivable	221,361	127,874
Inventory	8,139	8,172
Prepaid items	<u>1,788</u>	<u>1,682</u>
Total Current Assets	666,338	900,971
<b>Noncurrent Assets</b>		
<i>Capital Assets</i>		
Vehicles and equipment, net	403,168	227,857
Lease assets, net	<u>36,157</u>	<u>39,958</u>
Total Noncurrent Assets	<u>439,325</u>	<u>267,815</u>
Total Assets	<u>\$ 1,105,663</u>	<u>\$ 1,168,786</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 155,247	\$ 117,837
Accrued payroll liabilities	8,843	8,405
Accrued payroll	39,840	33,257
Current portion of lease liabilities	29,312	30,947
Unearned grants	147,751	141,224
Compensated absences	<u>65,075</u>	<u>50,033</u>
Total Current Liabilities	446,068	381,703
<b>Noncurrent Liabilities</b>		
Leases, net of current portion	<u>7,232</u>	<u>9,692</u>
Total Noncurrent Liabilities	<u>7,232</u>	<u>9,692</u>
Total Liabilities	453,300	391,395
<b>Net Position</b>		
Net investment in capital assets	439,325	227,857
Unrestricted	<u>213,038</u>	<u>549,534</u>
Total Net Position	<u>652,363</u>	<u>777,391</u>
Total Liabilities and Net Position	<u>\$ 1,105,663</u>	<u>\$ 1,168,786</u>

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

## Crater District Area Agency on Aging

## Statement of Activities

Year Ended September 30, 2024  
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
<b>Expenses</b>		
<i>Health and Welfare</i>		
Aging services programs	\$ 2,505,429	\$ 2,159,315
Depreciation and amortization	<u>127,104</u>	<u>76,715</u>
Total Expenses	<b>2,632,533</b>	2,236,030
<b>Program Revenues</b>		
Program income and fees	31,684	81,698
Operating grants	<u>2,434,846</u>	<u>2,279,057</u>
Total Program Revenues	<u>2,466,530</u>	<u>2,360,755</u>
Net Program Income (Expense)	<b>(166,003)</b>	124,725
<b>General Revenues</b>		
Local government contributions and donations	39,539	55,871
Revenue from use of property	1,201	1,300
Revenue from use of money	<u>235</u>	<u>676</u>
Total General Revenues	<u>40,975</u>	<u>57,847</u>
Change in Net Position	<b>(125,028)</b>	182,572
Net Position - Beginning of Year	<u>777,391</u>	<u>594,819</u>
Net Position - End of Year	<u><b>\$ 652,363</b></u>	<u><b>\$ 777,391</b></u>

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

## Crater District Area Agency on Aging

## Balance Sheet - Governmental Fund

At September 30, 2024  
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash	\$ 435,050	\$ 763,243
Accounts and grants receivable	221,361	127,874
Inventory	8,139	8,172
Prepaid items	<u>1,788</u>	<u>1,682</u>
Total Assets	<u>\$ 666,338</u>	<u>\$ 900,971</u>
<b>Liabilities</b>		
Accounts payable	\$ 155,247	\$ 117,837
Accrued payroll liabilities	8,843	8,405
Accrued payroll	39,840	33,257
Unearned grants	<u>147,751</u>	<u>141,224</u>
Total Liabilities	351,681	300,723
<b>Fund Balances</b>		
Nonspendable	8,139	8,172
Unassigned	<u>306,518</u>	<u>592,076</u>
Total Fund Balances	<u>314,657</u>	<u>600,248</u>
Total Liabilities and Fund Balances	<u>\$ 666,338</u>	<u>\$ 900,971</u>
Fund Balances - per above	\$ 314,657	\$ 600,248
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
Capital assets net of depreciation and amortization used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Vehicles and equipment, net	403,168	227,857
Lease assets, net	<u>36,157</u>	<u>39,958</u>
Total Capital Assets	439,325	267,815
Liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.		
Balances of long-term liabilities affecting net position are as follows:		
Lease liabilities	(36,544)	(40,639)
Compensated absences	<u>(65,075)</u>	<u>(50,033)</u>
Net Position of Governmental Activities	<u>\$ 652,363</u>	<u>\$ 777,391</u>

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

## Crater District Area Agency on Aging

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund

Year Ended September 30, 2024  
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Charges for services	\$ 21,634	\$ 16,855
Revenue from the use of money and property	20,335	1,976
Miscellaneous	27,089	80,214
<b>Intergovernmental</b>		
Local government contributions	22,500	40,500
Revenue from the Commonwealth of Virginia	524,869	432,071
Revenue from the federal government	<u>1,909,977</u>	<u>1,846,986</u>
Total Revenues	2,526,404	2,418,602
<b>Expenditures</b>		
Health and welfare	2,835,908	2,324,437
Debt service	<u>1,238</u>	<u>1,610</u>
Total Expenses	<u>2,837,146</u>	<u>2,326,047</u>
Excess (Deficiency) of Revenues Over Expenditures	(310,742)	92,555
<b>Other Financing Sources (Uses)</b>		
Lease liabilities assumed	<u>25,151</u>	<u>25,161</u>
Net Change in Fund Balance	(285,591)	117,716
Fund Balance - Beginning of Year	<u>600,248</u>	<u>482,532</u>
Fund Balance - End of Year	<u>\$ 314,657</u>	<u>\$ 600,248</u>
Excess (Deficiency) of Revenues Over Expenditures - per above	\$ (285,591)	\$ 117,716
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the net amount of capital outlays and dispositions versus depreciation in the current period.		
Depreciation expense	(85,391)	(76,715)
Disposals of capital assets	(18,899)	-
Purchases of capital assets	279,601	146,060
Lease assets, net change	<u>(3,801)</u>	<u>(13,996)</u>
Net Difference Due to Capital Asset Transactions	171,510	55,349
Lease proceeds are reported as other financing sources in Governmental Funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases the long-term liabilities and does not affect the Statement of Activities. Similarly, the repayment of principal is an expenditure in the Governmental Funds but reduces the liability in the Statement of Net Position.		
Lease liabilities issued/paid, net	4,095	13,853
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences	<u>(15,042)</u>	<u>(4,346)</u>
Change in Net Position of Governmental Activities	<u>\$ (125,028)</u>	<u>\$ 182,572</u>

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



## Crater District Area Agency on Aging

### Notes to the Financial Statements

Year Ended September 30, 2024

## 1 Organization and Nature of Operations

### *Narrative Profile*

Crater District Area Agency on Aging was created in 1975 by a joint exercise of powers of the following participating local governments: the counties of Dinwiddie, Greensville, Prince George, Surry, and Sussex, and the cities of Colonial Heights, Emporia, Hopewell, and Petersburg to provide leadership, advocacy, and comprehensive and coordinated delivery of needed services to senior citizens in the Crater Planning District.

## 2 Summary of Significant Accounting Policies and Estimates

The financial statements of the Agency have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below:

### *The Financial Reporting Entity*

The Agency receives operating and capital improvement assistance grants from state and federal agencies. These grants require compliance with specific grant requirements and other special conditions.

For financial reporting purposes, the Agency includes organizations for which it is considered to be financially accountable.

Based on the above criteria, no other organizations have been included as part of the reporting entity.

### *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 of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported primarily by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Agency has no business-type or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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*.

A separate statement of revenues, expenditures, and changes in fund balance is provided for the governmental fund. There is only one governmental fund.

Restricted resources are applied first when an expense is incurred for which both restricted and unrestricted net position are available.

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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. Restricted resources are applied before unrestricted resources when both restricted and unrestricted resources and/or net position are available.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

The following is a brief description of the specific funds used by the Agency in fiscal year 2024:

#### **Governmental Funds**

##### ***General Fund***

The General Fund is the general operating fund for the Agency. This fund accounts for all revenues and expenditures of the Agency.

##### **Capital Assets**

Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets which range from 5 to 10 years.

##### **Leases**

As lessee, the Agency recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements and recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency uses its estimated incremental borrowing rate as the discount rate for leases. The Agency's estimated incremental borrowing rate is based on historical market data and credit spread based on market data points compared to the lease commencement date.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Agency is reasonably certain to exercise.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

As lessor, the Agency recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

### **Inventories**

Inventories consist of Weatherization Program supplies and are valued at cost.

### **Allowance for Uncollectible Accounts**

The Agency has not established an allowance account for bad debts. Based on historical collections, it is not necessary to establish an allowance at this time.

### **Comparative Totals**

Comparative totals have been presented for informational purposes only.

## **Income Taxes**

Since Crater District Area Agency on Aging is formed as a governmental entity (see Note 1), it is not required to file income tax returns. However, a program within the Agency, Southside Senior Resource Center, Inc., has been filing 990 E Postcards over the last several years since there is no activity. Tax returns are subject to examination by the IRS, generally for three years after they were filed. The only return being filed at this time is for the Southside Senior Resource Center, Inc.

## **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, 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.

## **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.

## **Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## **Adoption of New GASB Statements**

The Agency adopted the following GASB statements during the year ended September 30, 2024:

In April 2022, GASB Issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending September 30, 2024 for the Agency.

In June 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending September 30, 2024 for the Agency.

### 3 Deposits and Investments

#### *Deposits*

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Act (the “Act”) Section 2.2-4400 et seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered collateralized.

#### *Investments*

The Agency does not have formal investment policies. However, the Agency does follow State law with regard to the types of investments allowed.

Statutes authorize the Agency to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

The Agency had no investments at September 30, 2024.

### 4 Accounts and Grants Receivable

Accounts and grants receivable consist of the following:

	<u>2024</u>	<u>2023</u>
Virginia Department of Aging	\$ <u>221,361</u>	\$ 127,874
Total	\$ <u>221,361</u>	\$ <u>127,874</u>

## 5 Capital Assets

Following is a summary of changes in capital assets for the year ended September 30, 2024:

	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024
<b>Capital Assets Being Depreciated</b>				
Vehicles	\$ 1,372,062	\$ -	\$ -	\$ 1,372,062
Equipment	37,373	279,601	217,549	99,425
Total Capital Assets Being Depreciated	1,409,435	279,601	217,549	1,471,487
<b>Less: Accumulated depreciation</b>	1,181,578	85,391	198,650	1,068,319
Net Capital Assets being Depreciated	227,857	194,210	18,899	403,168
Net Capital Assets	<u>\$ 227,857</u>	<u>\$ 194,210</u>	<u>\$ 18,899</u>	<u>\$ 403,168</u>
<b>Depreciation expense was allocated as follows:</b>				
Aging services	\$ 85,391			
Total Depreciation Expense	<u>\$ 85,391</u>			

	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024
<b>Lease assets</b>				
Office space	\$ 56,475	\$ 27,483	\$ 27,495	\$ 56,463
Equipment	18,352	-	1,953	16,399
	74,827	27,483	29,448	72,862
<b>Less: accumulated amortization for</b>				
Office space	29,622	37,723	37,924	29,421
Equipment	5,247	3,990	1,953	7,284
	34,869	41,713	39,877	36,705
Lease assets, Net	<u>\$ 39,958</u>	<u>\$ (14,230)</u>	<u>\$ (10,429)</u>	<u>\$ 36,157</u>

	Amortization Expense
Governmental activities: Health and welfare	\$ 41,713
Total	<u>\$ 41,713</u>

## 6 Claims, Judgments, and Compensated Absences

The Agency's employees are granted vacation pay in varying amounts as services are provided, subject to certain limitations. At September 30, 2024 and 2023, the amount of accrued vacation pay was \$65,075 and \$50,033, respectively. All of the leave is estimated to be current.

## 7 Unearned Revenue

Unearned revenue represents funds received in advance from funding sources to be carried over and used for subsequent year's expenditures. Details of the unearned revenue at September 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
VDA Title III-B	\$ 50,380	\$ 8,822
VDA Title III-E	19,146	28,882
VICAP	4,117	-
Congregate and home delivered meals (C-1 and C-2)	26,184	88,177
Local contributions	18,000	-
Title III-D	-	1,780
Senior Medical Patrol	4,070	1,063
Local match funds	25,854	12,500
Total	<u>\$ 147,751</u>	<u>\$ 141,224</u>

## 8 Leases

### Agency as Lessee

Lease agreements resulting in lease liabilities for the Agency are summarized as follows:

<u>Description</u>	<u>Lessor</u>	<u>Asset Type</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Balance September 30, 2024</u>
Building on Seyler Drive, Petersburg, Virginia	Seyler Properties, LLC	Building	6/2/2024	12 months	\$2,332.44	4.00%	\$ 25,151
Warehouse Building, Petersburg, Virginia	Adkins Building, LLC	Building	8/1/2024	24 months	\$900.00	4.00%	897
SendPro C Series 4	Sourcewell for Pitney Bowes	Postage machine	6/19/2019	60 months	\$62.39	4.00%	-
High Capacity copy machine	Canon Solutions America, Inc.	Copier	8/19/2022	60 months	\$302	4.00%	10,496
							<u>\$ 36,544</u>

	<u>Balance October 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2024</u>	<u>Due Within One Year</u>
Lease Liabilities	\$ 40,639	25,151	29,246	\$ 36,544	\$ 29,312

Remaining principal and interest payments on leases are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2025	\$ 29,312	\$ 869	\$ 30,181
2026	3,396	228	3,624
2027	3,535	89	3,624
2028	301	1	302
Totals	<u>\$ 36,544</u>	<u>\$ 1,187</u>	<u>\$ 37,731</u>

### Lease Expense Year Ending September 30, 2024

Amortization expense by class of underlying asset	
Office space	\$ 37,723
Equipment	3,990
Total amortization expense	41,713
Interest on lease liabilities	1,238
Total	<u>\$ 42,951</u>



## 9 Contingent Liabilities (Including Federally Assisted Programs – Compliance Audits)

Federal programs in which the Agency participates were audited 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). Pursuant to the provisions of the Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

At September 30, 2024, there were no matters of litigation involving the Agency which would materially affect the Agency's financial position should any court decision or pending matter not be favorable to the Agency.

## 10 Deferred Compensation Plan

The Agency restated their Deferred Compensation Plan as of November 1, 2013 which is a plan designed and intended to meet the requirements of Section 457 of the Internal Revenue Code of 1986, including any later amendments to the Code. Following are key provisions of the Plan:

### *Eligibility*

An eligible employee is defined as any employee of the employer who is a full-time employee who works 40 hours per week for 50 weeks in a 12-month period.

### *Contributions*

Salary deferral contributions are 100% vested when made. The employer shall make matching contributions in an amount equal to 100% of salary deferral contributions. Salary deferral contributions which are over 4% of compensation will not be matched. The Agency contributed \$25,688 and \$24,549 to the plan for the years ended September 30, 2024 and 2023, respectively. The employee contributions to the plan were \$45,112 for 2024 and \$37,014 for 2023.

### *Vesting*

Vested account is defined as the vested part of a participant's account. A participant's vesting percentage is shown as follows:

<u>Vesting Service (whole years)</u>	<u>Vesting Percentage</u>
Less than 1	0
1	20
2	40
3	60
4	80
5 or more	100

### *Rollover Contribution*

A rollover contribution shall be allowed in cash only and must be made according to procedures set up by the Plan Administrator.

### *Investment of Contributions*

The participant shall direct the investment of contributions and transfer of amounts resulting from contributions. All amounts of compensation deferred under the Plan shall be transferred to a trust or an annuity contract described in Code Section 401(f), within a period that is not longer than reasonable for the proper administration of the accounts of participants.



### *Forfeitures*

The nonvested account of a participant shall be forfeited as of the participant's forfeiture date. Forfeitures shall be determined at least once during each plan year. Forfeitures may first be used to pay administrative expenses. Forfeitures which have not been used to pay administrative expenses shall be applied to reduce the earliest employer contributions made after the forfeitures are determined. Upon their application to reduce employer contributions, forfeitures shall be deemed to be employer contributions.

## **11** Upcoming Pronouncements

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide 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, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve 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. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

## **12** Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to September 30, 2024 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2024. Management has performed their analysis through February 5, 2025.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## Crater District Area Agency on Aging

Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget to Actual  
General Fund

Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Revenues</b>				
<b>Charges for Services</b>				
Fees	\$ 12,750	\$ 12,750	\$ 21,634	\$ 8,884
<b>Revenue from Use of Money and Property</b>				
Interest income	600	600	235	(365)
Sale of assets	-	-	20,100	20,100
Total Revenue from Use of Money and Property	600	600	20,335	19,735
<b>Miscellaneous</b>				
Donations	12,500	12,500	17,039	4,539
Other	8,100	8,100	10,050	1,950
Total Miscellaneous	20,600	20,600	27,089	6,489
<b>Intergovernmental</b>				
Local government contributions	30,500	30,500	22,500	(8,000)
<i>Revenue from the Commonwealth of Virginia</i>				
Virginia Department for the Aging	567,388	567,388	524,869	(42,519)
<i>Revenue from the Federal Government</i>				
CARES Act	726,172	726,172	745,700	19,528
Virginia Department for the Aging	1,605,622	1,605,622	1,164,277	(441,345)
Total Revenue from the Federal Government	2,331,794	2,331,794	1,909,977	(421,817)
Total Intergovernmental Revenues	2,929,682	2,929,682	2,457,346	(472,336)
Total Revenues	2,963,632	2,963,632	2,526,404	(437,228)
<b>Expenditures</b>				
<b>Health and Welfare</b>				
Personnel including fringes	1,449,747	1,449,747	1,646,839	(197,092)
Contracted costs	387,064	387,064	396,789	(9,725)
Supplies and materials	337,788	337,788	123,331	214,457
Vehicle operations and insurance	158,053	158,053	486,250	(328,197)
Other insurance	14,591	14,591	18,413	(3,822)
Travel	1,145	1,145	523	622
Occupancy	107,805	107,805	124,664	(16,859)
Volunteer stipends	1,380	1,380	2,325	(945)
Other	36,856	36,856	38,012	(1,156)
Total Health and Welfare	2,494,429	2,494,429	2,837,146	(342,717)
Excess (Deficiency) of Revenues Over Expenditures	469,203	469,203	(310,742)	(779,945)
<b>Other Financing Sources (Uses)</b>				
Lease liabilities assumed	-	-	25,151	25,151
Total Other Financing Sources (Uses)	-	-	25,151	25,151
Net Change in Fund Balance	469,203	469,203	(285,591)	(754,794)
From (To) Surplus	(469,203)	(469,203)	-	(469,203)
Net Change in Fund Balance After Surplus	\$ -	\$ -	(285,591)	\$ (285,591)
Fund Balance - Beginning			600,248	
Fund Balance - Ending			<u>\$ 314,657</u>	

## **OTHER INFORMATION**

NAME OF AGENCY AUDITED		Crater District Area Agency on Aging				
		SCHEDULE A - STATUS OF FUNDS				
		From October 1, 2023 to September 30, 2024				
FUND	UNENCUMBERED FUNDS ON HAND OCTOBER 1, 2023	TOTAL FUNDS RECEIVED DURING PERIOD	FUNDS REQUESTED BY SEPTEMBER 30, 2024 BUT NOT RECEIVED BY SEPTEMBER 30, 2024	TOTAL OF FUNDS AVAILABLE DURING PERIOD	ACCRUED COSTS TO CONTRACT PERIOD	UNENCUMBERED FUNDS ON HAND SEPTEMBER 30, 2024
<b>Older Americans Act</b>						
Title III-B	\$40,750	\$354,707	\$58,886	\$454,343	\$411,055	\$43,288
Title III-C(1)	\$43,479	\$187,802	\$5,163	\$236,444	\$231,633	\$4,811
Title III-C(2)	\$123,115	\$252,962	\$29,812	\$405,889	\$387,200	\$18,689
Title III-D	\$11,909	\$24,013	\$847	\$36,769	\$37,140	-\$371
Title III-E	\$55,510	\$113,399	\$25,789	\$194,698	\$175,552	\$19,146
Title VII-Elder Abuse		\$3,333	\$35	\$3,368	\$3,368	\$0
Title VII-Ombudsman		\$17,898	\$847	\$18,745	\$18,745	\$0
NSIP		\$27,876		\$27,876	\$33,651	-\$5,775
Supplemental Nutrition C2				\$0	\$0	\$0
Vaccine Access				\$0	\$0	\$0
American Rescue Plan (ARP) III-B		\$175,673	\$3,591	\$179,264	\$179,264	\$0
American Rescue Plan (ARP) III-C(1)		\$150,099	\$20,868	\$170,967	\$170,967	\$0
American Rescue Plan (ARP) III-C(2)		\$289,521		\$289,521	\$289,521	\$0
American Rescue Plan (ARP) III-D		\$29,487	\$5,689	\$35,176	\$35,176	\$0
American Rescue Plan (ARP) III-E		\$54,315	\$16,929	\$71,244	\$71,244	\$0
American Rescue Plan (ARP) VII-Ombudsman				\$0	\$0	\$0
Expanding Public Health Workforce				\$0	\$0	\$0
Other				\$0		\$0
Other				\$0		\$0
<b>Other Federal</b>						
Title V -(PY 06/30/24 Award)				\$0		\$0
Title V-(PY 06/30/25 Award)				\$0		\$0
Title V - DOL (STCS)				\$0		\$0
VICAP-(PY 03/31/24 Award)		\$28,024		\$28,024	\$28,024	\$0
VICAP-(PY 03/31/25 Award)		\$10,512	\$6,554	\$17,066	\$15,082	\$1,984
DMAS Ombudsman FY 22				\$0		\$0
DMAS Ombudsman FY 23				\$0		\$0
DMAS Ombudsman FY 24		\$3,570	\$325	\$3,895	\$3,895	\$0
MIPPA - Priority 1 - SHIP		\$31,105		\$31,105	\$31,105	\$0
MIPPA - Priority 2 - AAA				\$0		\$0
MIPPA - Priority 3 - ADRC				\$0		\$0
SNAP				\$0		\$0
Senior Farmers Market				\$0		\$0
Senior Farmers Market - ARPA Expansion				\$0		\$0
CDSME Grant				\$0		\$0
Falls Prevention Grant				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
<b>General Funds</b>						
OAA General-(PY 06/30/24)	\$8,749	\$180,092		\$188,841	\$188,841	\$0
OAA General-(PY 06/30/25)		\$44,761	\$10,000	\$54,761	\$34,964	\$19,797
Community Based-(PY 06/30/24)	\$12,463	\$58,286		\$70,749	\$70,749	\$0
Community Based-(PY 06/30/25)		\$8,988		\$8,988	\$1,896	\$7,092
Transportation-(PY 06/30/24)		\$38,115		\$38,115	\$38,115	\$0
Transportation-(PY 06/30/25)		\$10,205	\$4,152	\$14,357	\$11,705	\$2,652
Home Delivered Meals-(PY 06/30/24)		\$128,363		\$128,363	\$128,363	\$0
Home Delivered Meals-(PY 06/30/25)		\$22,499	\$13,405	\$35,904	\$32,499	\$3,405
Supplemental Nutrition-(PY 06/30/24)		\$34,563		\$34,563	\$34,563	\$0
Supplemental Nutrition-(PY 06/30/25)		\$8,644	\$3,684	\$12,328	\$9,644	\$2,684
Ombudsman-(PY 06/30/24)		\$9,266		\$9,266	\$9,266	\$0
Ombudsman-(PY 06/30/25)		\$2,389	\$513	\$2,902	\$2,889	\$13
Care Coordination CCEVP-(PY 06/30/24)	\$14,456	\$57,823		\$72,279	\$14,456	\$57,823
Care Coordination CCEVP-(PY 06/30/25)				\$0		\$0
Respite Care Initiative-(PY 06/30/24)				\$0		\$0
Respite Care Initiative-(PY 06/30/25)				\$0		\$0
Guardianship VDA-(PY 06/30/24)				\$0		\$0
Guardianship VDA-(PY 06/30/25)				\$0		\$0
Guardianship VDA Mental Health-(PY 06/30/24)				\$0		\$0
Guardianship VDA Mental Health-(PY 06/30/25)				\$0		\$0
Guardianship DBHDS ID/DDS-(PY 06/30/24)				\$0		\$0
Guardianship DBHDS ID/DDS-(PY 06/30/25)				\$0		\$0
Guardianship DBHDS Mental Illness-(PY 06/30/24)				\$0		\$0
Guardianship DBHDS Mental Illness-(PY 06/30/25)				\$0		\$0
Senior Cool Care		\$1,500		\$1,500	\$1,500	\$0
Senior Farmer's Market General Funds-(PY 06/30/24)		\$2,600		\$2,600	\$2,600	\$0
Senior Farmer's Market General Funds-(PY 06/30/25)				\$0		\$0
VICAP General Funds-(PY 06/30/24)		\$25,000		\$25,000	\$25,000	\$0
VICAP General Funds-(PY 06/30/25)			\$2,083	\$2,083		\$2,083
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
<b>*Note: PY means Program Year Ending</b>						
<b>GRAND TOTAL:</b>	<b>\$310,431</b>	<b>\$2,387,390</b>	<b>\$209,172</b>	<b>\$2,906,993</b>	<b>\$2,729,672</b>	<b>\$177,321</b>
Revised 09/26/2024						



NAME OF AGENCY AUDITED		Crater District Area Agency on Aging			
		<b>SCHEDULE C - STATUS OF INVENTORIES</b>			
		YEAR ENDED SEPTEMBER 30, 2024			
		Value on		Increase	Value on
		Hand		(Decrease)	Hand
Fund Source and		10/1/2023		During	9/30/2024
Type of Inventory				Period	
Title III-B Older Americans Act		168,347		85,469	253,816
Title III-C(1) Older Americans Act		20,717		21,829	42,546
Title III-C(2) Older Americans Act		25,756		191,469	217,225
Title III-D Older Americans Act					0
Title III-E Older Americans Act				20,173	20,173
Title VII Elder Abuse					0
Title VII Ombudsman					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
Other Funds (Specify funds)					0
<b>GRAND TOTAL</b>		<b>214,820</b>		<b>318,939</b>	<b>533,759</b>
Revised 09/26/2024					

# **COMPLIANCE SECTION**





**INDEPENDENT AUDITOR'S 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  
Crater District Area Agency on Aging

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 the governmental activities of Crater District Area Agency on Aging, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Crater District Area Agency on Aging's basic financial statements, and have issued our report thereon dated February 5, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Crater District Area Agency on Aging'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 Crater District Area Agency on Aging's internal control. Accordingly, we do not express an opinion on the effectiveness of Crater District Area Agency on Aging'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.

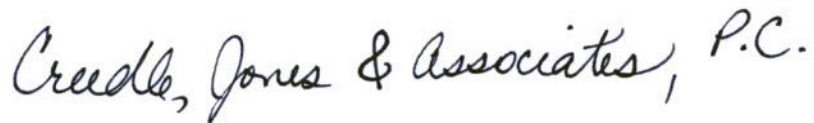
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Crater District Area Agency on Aging'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.

A handwritten signature in black ink that reads "Creedle, Jones & Associates, P.C." in a cursive script.

Creedle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
February 5, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Crater District Area Agency on Aging

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

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

We have audited Crater District Area Agency on Aging'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 Crater District Area Agency on Aging's major federal programs for the year ended September 30, 2024. Crater District Area Agency on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Crater District Area Agency on Aging 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Crater District Area Agency on Aging 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 Crater District Area Agency on Aging'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 Crater District Area Agency on Aging's federal programs.

## **Auditor's 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 Crater District Area Agency on Aging'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 Crater District Area Agency on Aging'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 Crater District Area Agency on Aging'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 Crater District Area Agency on Aging'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 Crater District Area Agency on Aging'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 Auditor's 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.

*Creedle, Jones & Associates, P.C.*

Creedle, Jones & Associates, P.C.  
Certified Public Accountants

South Hill, Virginia  
February 5, 2025

**Crater District Area Agency on Aging**

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2024

<u>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</u>	<u>State Program Name</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<b>U. S. Department of Health and Human Services (HHS)</b>				
<b>Pass-Through Payments</b>				
<i>Virginia Department for the Aging and Rehabilitative Services</i>				
Title III - Older Americans Act				
Special Programs for the Aging				
The Aging Cluster				
Title III, Part B - Grants for Supportive Services and Senior Centers		93.044	262	\$ 366,793
Title III, Part B - Grants for Supportive Services and Senior Centers (ARPA Act)		93.044	262	179,316
Title III, Part B - Grants for Supportive Services and Senior Centers (Vaccine Access)		93.044	262	(121)
Title III, Part C - Nutrition Services		93.045	262	485,137
Title III, Part C - Nutrition Services (ARPA Act)		93.045	262	460,519
Nutrition Services Incentive Program		93.053	262	31,651
Subtotal - The Aging Cluster				<u>1,523,295</u>
Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation		93.041	262	3,368
Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals		93.042	262	17,745
Title III, Part D - Disease Prevention and Health Promotion Services		93.043	262	20,530
Title III, Part D - Disease Prevention and Health Promotion Services (ARPA Act)		93.043	262	34,713
National Family Caregiver Support, Title III, Part E		93.052	262	144,739
National Family Caregiver Support, Title III, Part E (ARPA Act)		93.052	262	71,152
Medicare Enrollment Assistance Program		93.071	262	26,625
State Health Insurance Assistance Program	VICAP	93.324	262	<u>67,810</u>
Total - U. S. Department of Health and Human Services				<u>1,909,977</u>
Grand Total				<u><u>\$ 1,909,977</u></u>

See accompanying notes to schedule of expenditures of federal awards.

## Crater District Area Agency on Aging

### Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2024

#### 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Crater District Area Agency on Aging 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 Crater District Area Agency on Aging, it is not intended to and does not present the financial position, changes in net position, or cash flows of Crater District Area Agency on Aging.

#### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, if applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### 3. Indirect Cost Rate

Crater District Area Agency on Aging has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### 4. Subrecipients

No awards passed through to subrecipients.

## Crater District Area Agency on Aging

### Schedule of Findings and Questioned Costs

Year Ended September 30, 2024

#### Section I - Summary of Auditor's Results

##### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: 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 federal programs:*

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

##### *Identification of major federal programs:*

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-------------------------------------	---

93.044, 93.045, 93.053	The Aging Cluster
------------------------	-------------------

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

Auditee qualified as low-risk auditee? Yes

#### Section II – Financial Statement Findings

None

#### Section III – Federal Award Findings and Questioned Costs

There are no federal award findings to report.