



JEFFERSON AREA BOARD FOR AGING

FINANCIAL REPORT

**(In Accordance with the Requirements of
the Uniform Guidance)**

September 30, 2024

EIN# 54-0990078



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INTRODUCTORY SECTION

DIRECTORY OF PRINCIPAL OFFICIALS

OFFICERS

M. E. Gibson, Jr., Esq., Chairperson
Jeanne McCusker, Vice Chairperson
Richard Brugh, Treasurer
Johnsa Greene-Morris, Secretary

BOARD MEMBERS

CITY OF CHARLOTTESVILLE

Richard Brugh
John D'earth
Elayne Phillips, PhD
Juandiego Wade

COUNTY OF ALBEMARLE

Denise Bonds
Sue Friedman
Diantha McKeel
Cameron Mowat

COUNTY OF FLUVANNA

Christopher Baca, Sr.
Wanda Armstrong

COUNTY OF GREENE

Pete Costigan
Robert Murphy

COUNTY OF LOUISA

Rachel Jones
Michael Winget-Hernandez

COUNTY OF NELSON

Dana Quillen
Ernie Reed

MEMBERS AT LARGE

Jenn Downs
Rod Gentry
M. E. Gibson, Jr., Esq.
Johnsa Green-Morris
Dawn Hutchison
Dr. Richard Lindsay
Jeanne McCusker
Kimberlyn McDonald
Margaret Short

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jefferson Area Board for Aging
Charlottesville, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Jefferson Area Board for Aging (the "Board") as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board, as of September 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the years 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 Board 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Board'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.

Report on the Audit of the Financial Statements (Continued)

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 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 the Board'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 Board'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 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.

Report on the Audit of the Financial Statements (Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Virginia Department for Aging and Rehabilitative Service schedules, and schedule of expenditures of federal awards, as required by the Virginia Department for Aging and Rehabilitative Service and by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 introductory section 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 January 6, 2025, on our consideration of Jefferson Area Board for 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 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 Jefferson Area Board for Aging's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
January 6, 2025

JEFFERSON AREA BOARD FOR AGING

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended September 30, 2024

As management of the Jefferson Area Board for Aging (the "Board"), we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of the Board for the fiscal year ended September 30, 2024. The Board operates two legally separate organizations in an integrated manner, collectively referred to as JABA. The Jefferson Area Board for Aging is a joint exercise of powers organization, associated with the Counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson and the City of Charlottesville. The Jefferson Area Board for Aging, Inc. is a not-for-profit entity established to provide revenue diversification in support of the JABA mission. The investments of Jefferson Area Board for Aging, Inc., which include but are not limited to care services, housing projects, and stock market holdings, include at-risk activities and as such are subject to gains and losses, both temporary and permanent.

The Board's financial statements are reported on the full accrual basis as is required by generally accepted accounting principles (GAAP). The statements are further defined by Governmental Accounting Standards Board (GASB) guidelines. Following this Management Discussion and Analysis are the financial statements required by these standards. The financial statements are supplemented by the notes to the financial statements, which are essential to a full understanding of the data contained in the financial statements.

5-Year Perspective

As mentioned above, the financial statements are prepared in accordance with GAAP. For purposes of this report, our focus is on Core Income. Core Income, which excludes the impact of external investments and thereby provides a measure of programmatic financial results, has proved to be of much greater value in running the operation as compared to GAAP Net Income.

The table below provides an overall summary of the past five fiscal years.

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Core Revenue	\$ 5,352,523	\$ 4,933,475	\$ 5,141,130	\$ 4,198,586	\$ 4,727,752
Core Expense	<u>(5,595,451)</u>	<u>(4,980,686)</u>	<u>(4,983,772)</u>	<u>(4,342,090)</u>	<u>(4,241,089)</u>
Core Income/(Loss)	(242,928)	(47,211)	157,358	(143,504)	486,663
External Investments	<u>867,522</u>	<u>419,322</u>	<u>(591,082)</u>	<u>(146,636)</u>	<u>465,613</u>
GAAP Net Income/(Loss)	<u>\$ 624,594</u>	<u>\$ 372,111</u>	<u>\$ (433,724)</u>	<u>\$ (290,140)</u>	<u>\$ 952,276</u>
Net Position	<u>\$ 8,519,660</u>	<u>\$ 7,895,066</u>	<u>\$ 7,522,955</u>	<u>\$ 7,956,679</u>	<u>\$ 8,246,819</u>

Fiscal Year 2022 Financial Highlights

Core income was \$157,358. Operations in person resumed at the start of the fiscal year, and remote services continued as well. The Adult Care Centers were rebranded as the JABA Respite & Enrichment Centers (JREC). Notable factors included:

- Client fees grew by \$341,000, or 94%, as we reopened the JREC and Shining Star programs.
- Improvements totaling \$359,975 were made to the Hillsdale building as the Mary Williams Senior Center returned, and JREC and Shining Stars Preschool spaces were realigned. A new roof was installed, freezer units were replaced, new fencing was installed, and the playground was upgraded. Security cameras and outside lights improved safety. New security doors were ordered for the Shining Star and JREC. The bathrooms on both floors were renovated. The funding for these improvements came from COVID-related funding and private grants.
- Salaries and benefits grew by \$413,900, or 13.5%, as we raised wages to meet market conditions and added a few positions to meet the goals in the strategic plan, specifically for outreach.
- Contract services increased by \$126,000, or 126%, due to rate increases, a greater need for services for our seniors, and a shortage in the marketplace for the Certified Nursing Assistant (CNA) skillset.

GAAP Net Income (Loss) was (\$433,725). The principal differences from Core Income, which are reflected in External Investments, were:

- Recorded net losses of \$591,100 on direct equity and market investments for fiscal 2022, of which \$40,915 resulted from realized losses. The realized losses were a result of underperforming assets that were liquidated to take advantage of under-valued assets which have a higher appreciation potential.

JABA's ending Net Position decreased from \$7,956,679 to \$7,522,954, primarily due to the decrease in the market value of investments.

Fiscal Year 2023 Financial Highlights

The Core (Loss) was (\$47,211). We received \$148,774 in Employee Retention Tax Credit payments.

- Client fees for JREC grew by \$159,780, or 23% as we reorganized staff and increased clients.
- After reviewing results from 2022, the decision was made to close the Shining Star Preschool program, allowing for additional space for the Mary Williams Community Center which had outgrown its space. Increasing capacity for the community center aligns with our core mission.
- Improvements totaling \$54,114 were made to the Hillsdale building to complete items carried over from 2022. Some kitchen equipment was replaced in the Hillsdale and Greene locations. The funding for these improvements came from remaining COVID-related funding and private grants. We also purchased two new servers to replace servers that were beyond their useful life.
- Salaries and benefits were down by \$137,193, or 4%, from fiscal 2022, and were down by 9% from the fiscal 2023 budget, as we recognized staff and programs to meet future program needs.

- Contract services remained at 2022 levels due to a shortage in the marketplace for the Certified Nursing Assistant (CNA) skillset. This improved when the leadership was reorganized and a focus was placed on recruiting and retaining CNAs.

GAAP Net Income was \$372,111. The principal differences from Core Income, which are reflected in External Investments, were:

- Recorded gains of \$518,919 on direct equity and market investments for fiscal 2023, of which \$4,340 resulted from realized losses. The realized losses were a result of under-performing assets which were liquidated to take advantage of assets which have a higher appreciation potential.

JABA's ending Net Position increased from \$7,522,955 to \$7,895,066, primarily due to the increase in market value of investments. A reserve for future asset replacements was established to recognize potential funding that is needed to support existing assets.

Fiscal Year 2024 Financial Highlights

The Core (Loss) was (\$242,928).

- We spent the remaining \$730,300 of COVID funds provided through the American Rescue Plan Act (ARPA) which were required to be used by September 30, 2024.
- Client fees for JREC grew by \$80,400, or 21% as we increased clients.
- Salaries, wages, and benefits increased by \$479,845, or 14%, from fiscal 2023, as we work to keep pace with salary trends. The category actually was down by 1% from the fiscal 2024 budget, as we re-organized staff and programs to meet future program needs.
- Meal cost increased by \$111,471, or 27%, as we increased clients served and dealt with higher food costs.

GAAP Net Income was \$624,594. The principal differences from Core Income, which are reflected in External Investments, were:

- Recorded gains of \$941,150 on direct equity and market investments for fiscal 2024, of which \$165,527 resulted from realized gains.
- JABA's ending Net Position increased from \$7,895,066 to \$8,519,660, primarily due to the increase in market value of investments. A reserve for working capital was established to recognize funding that is needed to support future operations, added to the reserve for future asset replacements was established to recognize potential funding that is needed to support existing assets.

Looking Forward

Fiscal years 2020, 2021, and 2022 all benefited from significant estate gifts. Fiscal years 2022, 2023 and 2024 benefited from COVID-related funding (ARPA). It should be noted that JABA has received a 5% increase in funding from local jurisdictions for fiscal year 2024. JABA continues to be challenged in providing competitive wages to keep quality staff to provide for the demands for senior services.

Local jurisdictions have committed an approximate 5% increase in funding for 2025 to assist with increased payroll and other costs. This funding will be used to provide the matching funding that is required for DARS funding, and the remainder is applied to programs as needed. We continue to look for additional funding sources for programs.

JABA plans to continue to elevate home-delivered meal deliveries, develop new processes for minimizing social isolation, increase participation at the community centers, and grow the attendance at the JREC centers. We will expand the caregiver support programs and expand the nature of Congregate Meals, which are a focus of the new Older American Act regulations.

Overall, the fiscal year 2025 budget calls for approximately \$6,000,000 in expenses, with Core Income essentially at a break-even point.

JABA, Inc. continues to seek funding opportunities through diversified options including grants, foundations, individuals, and corporate donors.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements are comprised of two components:

- Enterprise fund financial statements, and
- Notes to the financial statements.

Enterprise fund financial statements – The enterprise fund financial statements are designed to provide readers with a broad overview of Board finances, in a manner similar to a private-sector business.

The Statements of Net Position present information on the Board's assets, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of the trending financial position of the Board.

The Statements of Revenues, Expenses, and Changes in Fund Net Position present information showing how the Board 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 this statement for some items which may result in cash flows in future fiscal periods (such as an unconditional pledge spread over multiple years).

The Statements of Cash Flows present the operating, financing, and investing activities that provided or used cash in the fiscal year.

Notes to the financial statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary schedules and the Schedule of Expenditures of Federal Awards for additional analysis and federal requirements.

Financial Summary

Financial Position – A summary of the Board’s Statements of Net Position, including all programs and operations, for 2024 and 2023 are presented below:

Condensed Statements of Net Position

	2024	2023
ASSETS		
Current assets	\$ 5,281,477	\$ 4,404,736
Noncurrent assets	<u>3,757,734</u>	<u>4,029,303</u>
Total assets	9,039,211	8,434,039
LIABILITIES		
Current liabilities	<u>424,624</u>	<u>386,185</u>
Total liabilities	424,624	386,185
DEFERRED INFLOWS OF RESOURCES	94,927	152,788
NET POSITION		
Net investment in property and equipment	1,453,292	1,576,102
Restricted	428,100	432,715
Board designated reserve for buildings and other assets	2,675,476	2,532,986
Board designated reserve for working capital	2,103,106	1,236,888
Unrestricted	<u>1,859,686</u>	<u>2,116,375</u>
Total net position	<u>\$ 8,519,660</u>	<u>\$ 7,895,066</u>

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position

	2024	2023
REVENUES		
Program	\$ 1,573,462	\$ 1,174,162
General	3,792,034	3,773,194
EXPENSES	(5,636,313)	(5,005,099)
NON-OPERATING REVENUES (EXPENSES)	<u>895,411</u>	<u>429,854</u>
Change in net position	624,594	372,111
Net position, beginning of year	<u>7,895,066</u>	<u>7,522,955</u>
Net position, end of year	<u>\$ 8,519,660</u>	<u>\$ 7,895,066</u>

Change in net position, end of year, was principally due to factors discussed above in fiscal year 2024 Financial Highlights.

Revenues are defined as program revenues and general revenues. Program revenues include program fees, operating grants, and management and developer's fees. General revenues are comprised of governmental grants. Expenses are comprised of the direct and indirect expenses of operating the Board. These include salaries and benefits, contractual services, and other operating costs. (Please see the full Statements of Revenues, Expenditures, and Changes in Fund Net Position for a complete breakdown.)

Non-operating revenues and expenses are investment income, income from investments in joint ventures, impairment losses, etc., which are considered to be outside management's immediate scope of control.

Condensed Statement of Cash Flows

	<u>2024</u>	<u>2023</u>
Operating activities	\$ (3,910,964)	\$ (3,674,462)
Capital and related financing activities	(37,035)	(123,676)
Noncapital and related financing activities	3,792,034	3,777,194
Investing activities	<u>40,606</u>	<u>73,949</u>
Net decrease (increase) in cash	(115,359)	53,005
Cash – Beginning October 1	<u>393,855</u>	<u>340,850</u>
Cash – Ending September 30	<u><u>\$ 278,496</u></u>	<u><u>\$ 393,855</u></u>

Capital Asset Administration

The Board's investment in capital assets as of September 30, 2024 totaled \$1,453,292 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, leasehold improvements, construction in progress, and furniture, fixtures, and equipment. Assets purchased totaled \$38,300, while disposals totaled \$18,620. Depreciation expense of \$148,464 was recognized. The Board's net investment in property and equipment for the current fiscal year decreased by \$122,810.

Additional information on the Board's capital assets can be found in Note 7 of the financial statements.

Debt

The Board had extinguished its long-term and short-term debt in 2017, with the last payment made on August 31, 2017. As described in the accompanying notes (See Note 9.), the Board maintains a \$1,000,000 revolving line of credit, which had \$-0- balance throughout fiscal years 2024, 2022, and 2021. In fiscal 2023, \$100,000 was borrowed for 1 week.

Requests for Information

This financial report is designed to provide a general overview of the Jefferson Area Board for Aging's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 674 Hillsdale Drive, Suite 9, Charlottesville, Virginia 22901.

BASIC FINANCIAL STATEMENTS

JEFFERSON AREA BOARD FOR AGING

STATEMENTS OF NET POSITION

September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 258,073	\$ 374,536
Receivables, net of allowance for doubtful accounts (Note 5)	149,683	180,614
Grants receivable (Note 5)	3,903	38,457
Prepaid expenses	91,236	41,255
Other investments (Notes 2 and 14)	4,778,582	3,769,874
	<u>5,281,477</u>	<u>4,404,736</u>
Total current assets		
NONCURRENT ASSETS		
Investments in joint ventures (Note 6)	1,668,299	1,842,884
Restricted cash and cash equivalents (Note 2)	20,423	19,319
Restricted investments (Notes 2 and 14)	399,578	378,896
Receivables, net of discount (Note 5)	216,142	212,102
Capital assets: (Note 7)		
Land	461,745	461,745
Other capital assets, net	991,547	1,114,357
	<u>9,039,211</u>	<u>8,434,039</u>
Total assets		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	406,245	372,321
Other liabilities	18,379	13,864
	<u>424,624</u>	<u>386,185</u>
Total current liabilities		
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue (Notes 4 and 8)	94,927	152,788
	<u>94,927</u>	<u>152,788</u>
NET POSITION		
Net investment in capital assets	1,453,292	1,576,102
Restricted (Note 10)	428,100	432,715
Board designated reserve for buildings and other assets	2,675,476	2,532,986
Board designated reserve for working capital	2,103,106	1,236,888
Unrestricted	1,859,686	2,116,375
	<u>8,519,660</u>	<u>7,895,066</u>
Total net position		

The Notes to Financial Statements are an integral part of these statements.

JEFFERSON AREA BOARD FOR AGING

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Program income and fees	\$ 791,071	\$ 365,060
Management and developer's fees	17,014	17,835
Donations (including in-kind donations of \$57,344 and \$27,998, respectively)	665,881	558,394
Rental income	51,131	49,475
Miscellaneous	<u>48,365</u>	<u>183,398</u>
Total operating revenues	1,573,462	1,174,162
OPERATING EXPENSES		
Health and welfare: aging service programs	<u>5,636,313</u>	<u>5,005,099</u>
Operating loss	<u>(4,062,851)</u>	<u>(3,830,937)</u>
NONOPERATING REVENUES		
Governmental grants	3,792,034	3,773,194
Investment income	1,069,632	543,332
Loss from investments in joint ventures	<u>(174,221)</u>	<u>(113,478)</u>
Total nonoperating revenues	<u>4,687,445</u>	<u>4,203,048</u>
Change in net position	624,594	372,111
Net position, beginning of year	<u>7,895,066</u>	<u>7,522,955</u>
Net position, end of year	<u><u>\$ 8,519,660</u></u>	<u><u>\$ 7,895,066</u></u>

The Notes to Financial Statements are an integral part of these statements.

JEFFERSON AREA BOARD FOR AGING

STATEMENTS OF CASH FLOWS
Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Receipts from customers	\$ 1,592,942	\$ 1,386,243
Payments to suppliers	(1,673,535)	(1,710,169)
Payments to employees	(3,830,371)	(3,350,536)
Net cash used in operating activities	<u>(3,910,964)</u>	<u>(3,674,462)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(37,035)	(123,232)
Interest paid on debt	-	(444)
Net cash used in capital and related financing activities	<u>(37,035)</u>	<u>(123,676)</u>
NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Operating grants received	<u>3,792,034</u>	<u>3,777,194</u>
INVESTING ACTIVITIES		
Distributions from joint ventures	-	28,616
Investment income	40,606	45,333
Net cash provided by investing activities	<u>40,606</u>	<u>73,949</u>
Net increase (decrease) in cash and cash equivalents	<u>(115,359)</u>	<u>53,005</u>
CASH AND CASH EQUIVALENTS		
Beginning	<u>393,855</u>	<u>340,850</u>
Ending	<u>\$ 278,496</u>	<u>\$ 393,855</u>
RECONCILIATION TO EXHIBIT 1		
Cash and cash equivalents	\$ 258,073	\$ 374,536
Restricted cash and cash equivalents	20,423	19,319
	<u>\$ 278,496</u>	<u>\$ 393,855</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (4,062,851)	\$ (3,830,937)
Adjustments to reconcile operating loss to cash used in operating activities:		
Depreciation	148,464	156,660
Loss on disposition of capital assets	11,381	1,197
Change in assets and liabilities:		
(Increase) decrease in:		
Receivables	61,445	262,482
Prepaid expenses	(49,981)	(4,247)
Increase (decrease) in:		
Accounts payable and accrued liabilities	33,924	(208,019)
Unearned revenues	(57,861)	(40,442)
Other liabilities	4,515	(11,156)
Net cash used in operating activities	<u>\$ (3,910,964)</u>	<u>\$ (3,674,462)</u>

The Notes to Financial Statements are an integral part of these statements.

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 1. Organization

Jefferson Area Board for Aging (JABA) is organized under a joint exercise of powers by the jurisdictions of Planning District Ten of the Commonwealth of Virginia. Its purpose is the improvement of the quality of life of the elderly through charitable, benevolent, educational, scientific, social services, and other appropriate means. JABA is a multi-service agency that provides day care, socialization, nutrition and social determinants of health for elderly residents of Planning District Ten.

JABA receives the majority of its operating revenue from, and is designated as an Area Agency for Aging by, the Virginia Department of Aging and Rehabilitation Services (DARS). The grant agreement requires that JABA obtain contributions to be used to match funds received from DARS.

The Jefferson Area Board for Aging, Inc. (JABA, Inc.) is a non-profit organization exempt from income taxes under *Internal Revenue Code (IRC)* Section 501(c)(3) and is not a private foundation. JABA, Inc. funds the services it provides through a variety of fundraising activities and user fees, as well as federal, state, and local governmental revenue sources, to support the programs it operates.

JABA, Inc. is affiliated with JABA through common board of director membership. A controlling majority of JABA, Inc.'s board members are appointed by the participant member jurisdictions concurrently with their appointment to JABA's board. The board of JABA, Inc. may elect anywhere from six to nine additional members from the public-at-large. Participant member jurisdictions have passed ordinances accepting the additional JABA, Inc. members also as board members of JABA.

As more fully described in Note 2, the accompanying financial statements include the accounts of both JABA and JABA, Inc. The combined entity has been referred to as the Board throughout the body of the notes.

Note 2. Summary of Significant Accounting Policies

The financial reporting entity

Under accounting principles generally accepted in the United States of America, the financial reporting entity of a governmental organization should include the accounts of the group of organizations that are related by a common thread of accountability to the citizenry. Legally separate organizations for which the governing body of a jointly governed organization is financially accountable, and over which it exerts control, are considered to be part of the jointly governed organization's financial reporting entity and are considered component units of the jointly governed organization.

Because its board of directors is identical to that of Jefferson Area Board for Aging, JABA, Inc. is considered a blended component unit of JABA as prescribed by generally accepted accounting principles in the United States of America.

The accompanying financial statements of the Board include the balances and transactions of both JABA and JABA, Inc. Certain eliminations have been recorded in preparing the Board's financial statements.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

Measurement focus, basis of accounting, and financial statement presentation

The Board is an aging agency and follows the accounting and reporting practices of the Governmental Accounting Standards Board (GASB). The Board's financial statements consist of a single enterprise fund, and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

The Board distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Board's principal ongoing operations. The principal operating revenues of the Board are fees collected from clients and operating grants. Operating expenses consist of the direct and indirect costs of fulfilling the programs of the Board. All other revenues and expenses are reported as non-operating revenues and expenses. The majority of funds received from federal, state, and localities are classified as other revenues.

Cash and cash equivalents

The Board considers all highly liquid debt instruments purchased with a maturity of three months or less from the date of acquisition to be cash equivalents.

Restricted cash and investments

Amounts held in bank accounts, mutual funds, and certificates of deposit that are not available to fund operations of the Board, and are required to be held in separate accounts, have been classified as restricted cash in the accompanying financial statements. Restricted cash and investment amounts are as follows:

	<u>2024</u>	<u>2023</u>
Restricted cash amounts are as follows:		
Greene County SC Restricted Fund	\$ 20,423	\$ 19,319
Restricted investment amounts are as follows:		
Ombudsman Restricted Fund	69,686	66,170
Theresa A. Thomas Memorial Restricted Fund	<u>329,892</u>	<u>312,726</u>
	<u>\$ 420,001</u>	<u>\$ 398,215</u>

The Ombudsman and Theresa A. Thomas Memorial Restricted Funds are to be used for the stated purposes of these Funds. The Greene County SC Restricted Fund is available for repairs and replacements to the Greene County Community Center. These funds are invested at banks and mutual funds comprised of short-term US Treasury and US Government instruments. All mutual fund activity is insured by the Securities Investor Protection Corporation (SIPC) up to \$250,000. Certificates of Deposit are insured by the Federal Deposit Insurance Corporation (FDIC).

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS September 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

Receivables

Receivables are uncollateralized customer obligations due under normal trade terms, requiring payment within 30 days of the invoice date. Unpaid receivables do not bear interest; management reviews accounts receivable on a monthly basis to determine if any receivable will potentially be uncollectible. Accounts receivable balances that are determined to be uncollectible, along with a general reserve, are included in the overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

Pledges receivable are recognized as revenue in the period received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. Pledges receivable are presented net of a discount for the time value of money and an allowance for doubtful accounts based on management's estimate of pledges receivable that will not be collected.

Capital assets

Capital assets are stated at cost or estimated fair market value, if donated. The Board generally capitalizes purchases of individual assets which cost more than \$5,000.

Depreciation of property and equipment is recorded on a straight-line basis over the estimated useful lives of the related assets. The Board uses the following estimated lives for depreciable assets:

Building and improvements	5-30 years
Leasehold improvements	5 years
Furniture, fixtures, and equipment	3-10 years
Computer equipment	5 years

Depreciation expense for the years ended September 30, 2024 and 2023 was \$148,464 and \$156,660, respectively.

Investments in joint ventures

In general, the Board accounts for its investments in joint ventures on the equity method. Other investments are recorded on a cost basis.

Under the equity method, JABA recognizes its share of the earnings or losses of an investee in the periods for which they are reported by the investee. JABA adjusts the carrying amount of an investment for its share of the earnings or losses of the investee after the date of the investment and reports recognized earnings or losses in income. The carrying value of the investment is increased for capital contributed by JABA and reduced for distributions received. The application of the equity method is discontinued if the investment is reduced to zero unless the investor has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee.

Distributions of cash flow from ventures, which would reduce the carrying value of the investment below zero, are recorded as income.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

Compensated absences

Each classified employee is entitled to annual leave for each completed pay period of service. Annual leave accrual for classified part-time employees is pro-rated based on hours worked in relation to full-time basis. Employees hired on a temporary basis are not eligible for annual leave. There is no limitation on the number of hours of annual leave that can accrue during the fiscal year. However, no more than the maximum accumulation per year as indicated below will be brought forward into a new fiscal year (October 1-September 30).

For those employees who work more than 20 hours per week and less than full time, the maximum accumulation per year brought forward into the new fiscal year is pro-rated according to the full-time-equivalent status of the employee on the last day of the fiscal year.

Depending on the number of years of service, an employee may accumulate a maximum number of days annual leave. The Board determined it is not practical to determine the long-term portion of accrued leave and considers the full balance to be a current liability. Accrued leave payable is included with accounts payable and accrued liabilities in Exhibit 1, and was \$163,288 and \$132,746 at September 30, 2024 and 2023, respectively.

Developer's fees

The Board participates in the development of apartment projects for qualified senior citizens through its investments in joint ventures. Generally, a developer's fee is recorded when the conditions described in the Development Services Agreement have been met. No revenue is recorded in situations where the developer's fee has been deferred in order to fund the operations of a project, or where collectability has been determined to be unlikely.

As is further detailed in Note 5, management has determined that its current developer fee receivable, while collectable, will not be received in the near term. As this receivable does not bear interest, it has been discounted to net present value based on the long-term Applicable Federal Rate (AFR) and the expected time to collection.

Restricted donations and Board designations

The Board reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a purpose restriction is accomplished, restricted net position is reclassified to unrestricted net position.

The Board reports gifts of property as unrestricted support, unless explicit donor restrictions specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Board reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

Restricted donations and Board designations (Continued)

The Board has designated some funds as unrestricted to support programs and act as a replacement reserve for the building and other assets. These assets are held in a separate investment portfolio and are not restricted, but may only be spent with board approval.

Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Federal income taxes

JABA, Inc., the blended component unit of the Board, is exempt from federal income taxes under *IRC* Section 501(c)(3). Income determined as unrelated business income of JABA, Inc. is taxable. JABA, Inc. is not a private foundation under *IRC* Section 509(a). As a joint exercise of power by the jurisdiction of Planning District Ten, JABA, the agency, is also exempt from income tax.

Deposits

The Board maintains cash in bank depository accounts. These accounts are insured by the FDIC up to \$250,000. At times, deposits exceeded federally insured limits during the year and at times are collateralized in accordance with the Virginia Security for Public Deposits 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.

The agency uses an Insured Cash Sweep model, where available balances in the main checking account are distributed, on a nightly basis, in tranches of up to \$250,000 to multiple banking institutions. Accordingly, all deposit accounts are fully insured by FDIC up to \$250,000.

Net position

The Board's financial position and activities are presented according to three classes of net position: unrestricted, restricted, and net investment in capital assets. The classes are differentiated based on the existence or absence of donor-imposed restrictions.

Unrestricted net position may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Revenues, gains, and losses that are not restricted by donors are included in this classification.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS September 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

Net position (Continued)

Restricted net position is limited in use by donor-imposed stipulations, grant requirements, or other stipulations that 1) can be fulfilled by action of the Board pursuant to those stipulations or 2) neither expires nor can be fulfilled or otherwise removed by the actions of the Board. Restricted net position that does not expire includes endowments. See Note 10 for further detail.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances, if any, of any borrowings used for the acquisition, construction, or improvement of those assets.

At times, the Board may fund outlays for a particular purpose from both restricted and unrestricted. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Board’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Investments

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments are not FDIC insured and are subject to credit and investment risk, and some of the investments may be subject to SIPC insurance. Changes in market values of investments are recognized as unrealized holding gains or losses. Realized gains and losses are recognized upon disposition of the investment. Investments received by gift are initially recorded at market value at date of receipt.

Additional information on the composition of investments is located in Note 14.

Fair value measurements

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

In-kind contributions

In-kind contributions consist of the fair market value of services and materials donated to the Board. Contributions for donated services may be recorded when those services require specialized skills that would typically be purchased if not provided by donation. The Board did not record donated services in the current year.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS September 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

In-kind contributions (Continued)

Donated materials are recorded at fair market value, as determined by the estimated cost to the Board to purchase similar items. The Board recorded donated materials and services in the amount of \$57,344 and \$27,998 during the year ended September 30, 2024 and 2023, respectively.

Subsequent events

Subsequent events were considered through January 6, 2025, the date the financial statements were available to be issued.

Note 3. Liquidity

Over the past three fiscal years approximately two-thirds of the agency's revenues have come from governmental sources. The Board considers these to be reliably stable revenue sources. The remaining one-third of revenues, predominantly consisting of client fees, donations, and returns on investments, may vary from year to year.

It is the Board's practice to contribute to its market investment portfolio ("other investments"; see table below and Note 14) during the "good years," and to withdraw from the market investment portfolio for major new initiatives or to cover shortfalls during the "challenging years."

As part of overall financial and liquidity management, the agency develops the budget without projecting estate gifts. This conservative approach minimizes the chance that unexpected expenses will result in investment withdrawals and/or reductions in services. The Board has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As of September, the Board's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	2024	2023
Cash and cash equivalents	\$ 258,073	\$ 374,536
Receivables, net	153,586	219,071
Other investments	4,778,582	3,769,874
	<u>\$ 5,190,241</u>	<u>\$ 4,363,481</u>

As described in Note 9, during fiscal year 2024, JABA has a \$1,000,000 revolving line of credit with Atlantic Union Bank in Charlottesville, Virginia. The line of credit did not have a balance at September 30, 2024 and 2023. Subsequent to September 30, 2024 the line of credit was moved to The Bank of the James in Charlottesville, Virginia.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The Board did not have any deferred outflows of resources as of September 30, 2024 and 2023.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Board has one item, unearned revenue, which is reported as deferred inflows of resources.

Unearned revenue generally represents funds that the Board has retained with permission of the grantor. Recognition of these revenues has been deferred until “earned” by utilization in the implementation of the program for which they were granted.

The Board is permitted to draw federal funds from the Virginia Department of Aging and Rehabilitative Services (DARS) up to sixty days in advance and state funds from the DARS up to thirty days in advance. Such advances, if received but not expended, have been recorded as unearned revenue in the accompanying financial statements.

Note 5. Receivables

Receivables consist of the following:

<u>2024</u>	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Total</u>	<u>Current</u>
Client fees	\$ -	\$ 141,475	\$ 141,475	\$ 141,475
Allowance for doubtful accounts	-	(4,358)	(4,358)	(4,358)
Other	4,466	-	4,466	4,466
Pledges receivable	500	7,600	8,100	8,100
Grants receivable	-	3,903	3,903	3,903
Developer fee receivable	-	252,421	252,421	-
Discount (1.90%)	-	(36,279)	(36,279)	-
	<u>\$ 4,966</u>	<u>\$ 364,762</u>	<u>\$ 369,728</u>	<u>\$ 153,586</u>

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 5. Receivables (Continued)

2023	JABA	JABA, Inc.	Total	Current
Client fees	\$ 91	\$ 60,347	\$ 60,438	\$ 60,438
Allowance for doubtful accounts	-	-	-	-
Other	-	85,676	85,676	85,676
Pledges receivable	25,500	9,000	34,500	34,500
Grants receivable	-	40,000	40,000	40,000
Discount (4.0%)	-	(1,543)	(1,543)	(1,543)
Developer fee receivable	-	252,422	252,422	-
Discount (1.90%)	-	(40,320)	(40,320)	-
	<u>\$ 25,591</u>	<u>\$ 405,582</u>	<u>\$ 431,173</u>	<u>\$ 219,071</u>

Note 6. Investment in Joint Ventures

The Board has investments in joint ventures as described below. These investments are intended to further the Board's mission and diversify revenue streams. Partnership distributions, developer fees, and first right of refusal on future property disposals are among the potential benefits. Financial statements or other financial information for each venture may be obtained from the Board's finance department. The Board accounts for these investments in accordance with the equity method.

The investments in joint ventures at September 30, 2024 and 2023 consist of the following:

	2024	2023
Alliance Senior Management, LLC	\$ 500	\$ 500
Berra Woods, LLC	52,388	54,400
JABA Timberlake Place LP	1,159,932	1,159,944
Nelson Center, LLC	691,797	698,202
Ryan School Apartments, LLC	(236,318)	(70,162)
South Pantops Development, LLLP	-	-
Total investment in joint ventures	<u>\$ 1,668,299</u>	<u>\$ 1,842,884</u>

Alliance Senior Management, LLC

In December 2015, JABA, Inc. and Alliance Management, LLC became equal partners in Alliance Senior Management LLC. The business of the company is to provide property management services to senior living facilities that are associated with JABA, Inc. Alliance Management is associated with Piedmont Housing Alliance, a Charlottesville based developer and manager of low income real estate properties. Distributions from the partnership are 25% JABA, Inc. and 75% Alliance Management, LLC.

Alliance Senior Management, LLC currently manages the Ryan School, Woods Edge, and the Timberlake Place complexes.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 6. Investment in Joint Ventures (Continued)

Berra Woods, LLC

JABA, Inc., and Piedmont Housing Alliance are members of a limited liability company which owns the Woods Edge property. JABA, Inc. has a 1% ownership interest in this 97 unit apartment complex. JABA, Inc. reported a loss of \$2,012 and \$1,982 from the investment and did not receive any distributions for the years ended September 30, 2024 and 2023, respectively.

JABA Timberlake Place LP

The Timberlake project, which began operation in 2013, brings affordable elderly housing to Charlottesville with 27 low income apartments and includes one market rate unit. JABA, Inc. is the managing partner, with a 0.009% ownership interest in this low income tax credit development. JABA, Inc. has an exclusive option to purchase the property at contractually defined amounts at the end of the tax compliance period.

The original debt on the property includes \$700,000 with the Virginia Department of Housing and Community Development (DHCD). At DHCD's sole discretion the entire \$700,000 can be forgiven if certain stipulations are met. Management expects, but cannot guarantee, these stipulations will be met.

As of September 30, 2024 and 2023, expenses and fees of \$252,422 for architect, zoning, and startup costs are expected to be reimbursed to JABA. As of September 30, 2024 and 2023, JABA has recognized a discount to the developer fee receivable of \$36,279 and \$40,320, respectively. JABA, Inc. reported a loss of \$11 and \$9 and did not receive any distributions for the years ended September 30, 2024 and 2023, respectively.

Below is a summary of financial position and results of operations of JABA Timberlake Place LP for their unaudited fiscal year ended September 30:

	<u>2024</u>	<u>2023</u>
Current assets	\$ 285,361	\$ 278,673
Fixed assets, net	<u>3,201,813</u>	<u>3,334,120</u>
Total assets	<u>\$ 3,487,174</u>	<u>\$ 3,612,793</u>
Liabilities	\$ 2,585,013	\$ 2,592,647
Equity	<u>902,161</u>	<u>1,020,146</u>
Total liabilities and equity	<u>\$ 3,487,174</u>	<u>\$ 3,612,793</u>
Revenue	<u>\$ 261,058</u>	<u>\$ 251,277</u>
Net loss	<u>\$ (123,526)</u>	<u>\$ (95,540)</u>

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 6. Investment in Joint Ventures (Continued)

Nelson Center, LLC

JABA, Inc. and Nelson County Community Development Foundation (NCCDF) are equal members in Nelson Center, LLC, which is the general partner of Nelson Center, LP. Nelson Center, LP was formed for the purpose of developing and operating a multi-use facility called the Nelson Center (the “Center”). The Center, which opened in December 2003, provides elder recreation, physical health services, adult learning, and community meeting services.

The Board rents space at The Nelson Center for \$3,959 per month in a lease that expires on September 30, 2026 and is cancellable upon 30-days notice.

For the years ended September 30, 2024 and 2023, JABA recorded cumulative allocable shares of losses from Nelson Center, LLC of \$6,405 and \$17,640, respectively. There have been no distributions for the years ended September 30, 2024 and 2023. The only asset held by Nelson Center, LLC is its investment in Nelson Center, LP. Below is a summary of the financial position and results of operations of Nelson Center, LP for the Center’s unaudited fiscal year ended September 30:

	<u>2024</u>	<u>2023</u>
Current assets	\$ 346,951	\$ 238,473
Fixed assets, net	<u>1,583,561</u>	<u>1,622,186</u>
Total assets	<u>\$ 1,930,512</u>	<u>\$ 1,860,659</u>
Liabilities	\$ 657,525	\$ 671,494
Partners’ capital	<u>1,272,987</u>	<u>1,189,165</u>
Total liabilities and equity	<u>\$ 1,930,512</u>	<u>\$ 1,860,659</u>
Revenue	<u>\$ 195,074</u>	<u>\$ 172,151</u>
Net loss	<u>\$ (6,118)</u>	<u>\$ (35,280)</u>

Ryan School Apartments, LLC

The Ryan School Apartments, in Nelson County, is a former public school building which was renovated and converted to 31 low-income apartments for residents 55 years or older. Through multiple ownership changes in 2022, the Board now owns 100% of the investment.

Under the terms of the partnership agreement of Ryan School Apartments, LP, as amended, JABA, Inc., as sole member of Ryan School Apartments, LLC, is required to make additional capital contributions when the project is placed in service to fund operating deficits. The amount of the capital contribution required to be made is limited to \$100,000. The Board made no capital contributions to the Ryan School Apartments, L.P. during 2024 or 2023.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 6. Investment in Joint Ventures (Continued)

Ryan School Apartments, LLC (Continued)

Under certain circumstances, Ryan School Apartments, LLC may be required to refund a portion of the investor limited partner's capital contributions or to purchase the investor limited partner's entire interest, depending upon the final determination of low-income housing credits available to the partnership and the project's operating performance. JABA, Inc. has guaranteed all obligations of Ryan School Apartments, LLC as general partner of Ryan School Apartments, LP.

In May 2006, JABA, Inc. guaranteed a \$750,000 mortgage note payable owed by Ryan School Apartments, L.P. The guarantee extends until the mortgage note has been repaid in full.

The Board reported losses of \$166,156 and \$144,127 from operations for the years ended September 30, 2024 and 2023, respectively. The Board did not receive any distributions during 2024 or 2023.

Below is a summary of financial position and results of operations of Ryan School Apartments, LLC for the unaudited fiscal year ended September 30:

	<u>2024</u>	<u>2023</u>
Current assets	\$ 356,836	\$ 395,311
Fixed assets, net	<u>2,563,799</u>	<u>2,589,941</u>
Total assets	<u>\$ 2,920,635</u>	<u>\$ 2,985,252</u>
Liabilities	\$ 2,908,339	\$ 2,799,964
Equity	<u>12,296</u>	<u>185,288</u>
Total liabilities and equity	<u>\$ 2,920,635</u>	<u>\$ 2,985,252</u>
Revenue	<u>\$ 260,472</u>	<u>\$ 276,512</u>
Net loss	<u>\$ (166,156)</u>	<u>\$ (144,127)</u>

South Pantops Development, LLLP

In March 2004, JABA, Inc. entered into an agreement to own a 15% general partner interest in South Pantops Development, LLLP. South Pantops Development, LLLP is the general partner of South Pantops Development, LP, which was formed to develop and construct a 90-unit apartment project located in Charlottesville, Virginia for low to moderate income senior citizens known as Park View at South Pantops.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 6. Investment in Joint Ventures (Continued)

South Pantops Development, LLLP (Continued)

South Pantops Development, L.P. was formed with the intention of obtaining low-income housing tax credits, to be utilized by an investor limited partner, who would acquire a 99.99% interest in the partnership. Upon admission of the investor limited partner, South Pantops Development, LLLP will retain a 0.01% interest in the partnership.

Under certain circumstances, the general partner of South Pantops Development, LP may be required to make either loans or capital contributions to the project.

For the years ended September 30, 2024 and 2023, JABA recorded a cumulative allocable share of income (loss) from South Pantops Development, LP of \$(14) and \$2, respectively, and received distributions of \$-0- and \$28,618, respectively.

Below is a summary of financial position and results of operations of South Pantops Development, LLLP for their unaudited fiscal year ended September 30:

	<u>2024</u>	<u>2023</u>
Current assets	\$ 541,289	\$ 494,095
Fixed assets, net	<u>5,320,207</u>	<u>5,537,366</u>
Total assets	<u><u>\$ 5,861,496</u></u>	<u><u>\$ 6,031,461</u></u>
Liabilities	\$ 4,256,644	\$ 4,331,130
Equity	<u>1,604,852</u>	<u>1,700,331</u>
Total liabilities and equity	<u><u>\$ 5,861,496</u></u>	<u><u>\$ 6,031,461</u></u>
Revenue	<u><u>\$ 1,030,121</u></u>	<u><u>\$ 1,084,753</u></u>
Net income (loss)	<u><u>\$ (95,212)</u></u>	<u><u>\$ 10,999</u></u>

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 7. Capital Assets

The following is a summary of the changes in capital assets:

2024	Balance Beginning	Increases	Decreases	Balance Ending
Capital assets not being depreciated:				
Land	\$ 461,745	\$ -	\$ -	\$ 461,745
Total capital assets not being depreciated	<u>461,745</u>	<u>-</u>	<u>-</u>	<u>461,745</u>
Capital assets, being depreciated:				
Building and improvements	3,135,094	8,800	18,620	3,125,274
Furniture, fixtures, and equipment	456,247	-	70,081	386,166
Computer equipment	<u>56,002</u>	<u>99,581</u>	<u>-</u>	<u>155,583</u>
Total capital assets being depreciated	<u>3,647,343</u>	<u>108,381</u>	<u>88,701</u>	<u>3,667,023</u>
Less accumulated depreciation for:				
Building and improvements	2,206,980	126,466	5,974	2,327,472
Furniture, fixtures, and equipment	316,380	-	52,931	263,449
Computer equipment	<u>9,626</u>	<u>74,929</u>	<u>-</u>	<u>84,555</u>
Total accumulated depreciation	<u>2,532,986</u>	<u>201,395</u>	<u>58,905</u>	<u>2,675,476</u>
Total capital assets being depreciated, net	<u>1,114,357</u>	<u>(93,014)</u>	<u>29,796</u>	<u>991,547</u>
Total capital assets, net	<u>\$ 1,576,102</u>	<u>\$ (93,014)</u>	<u>\$ 29,796</u>	<u>\$ 1,453,292</u>

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

Note 7. Capital Assets (Continued)

2023	Balance Beginning	Increases	Decreases	Balance Ending
Capital assets not being depreciated:				
Land	\$ 461,745	\$ -	\$ -	\$ 461,745
Total capital assets not being depreciated	461,745	-	-	461,745
Capital assets, being depreciated:				
Building and improvements	3,107,475	63,874	36,255	3,135,094
Furniture, fixtures, and equipment	438,594	33,028	15,375	456,247
Computer equipment	9,067	46,935	-	56,002
Total capital assets being depreciated	3,555,136	143,837	51,630	3,647,343
Less accumulated depreciation for:				
Building and improvements	2,111,268	128,370	32,658	2,206,980
Furniture, fixtures, and equipment	289,476	27,731	827	316,380
Computer equipment	9,067	559	-	9,626
Total accumulated depreciation	2,409,811	156,660	33,485	2,532,986
Total capital assets being depreciated, net	1,145,325	(12,823)	18,145	1,114,357
Total capital assets, net	\$ 1,607,070	\$ (12,823)	\$ 18,145	\$ 1,576,102

Note 8. Unearned Revenue

Unearned revenue consisted of \$94,927 and \$152,788 in grants intended for use after September 30, 2024 or 2023, respectively.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS September 30, 2024

Note 9. Line of Credit

During fiscal year 2024, JABA renewed a \$1,000,000 revolving line of credit with Atlantic Bank & Trust due on demand, and subject to renewal on March 1, 2025. The line bears interest at the Wall Street Journal Prime Rate plus 0.50% (8.50% at September 30, 2024). The line is secured by a first priority deed of trust on real property and an assignment of all rents. The line of credit did not have a balance at September 30, 2024 or 2023. In October, 2024, the \$1,000,000 line was refinanced at the Bank of the James, secured by a first priority deed of trust on real property and an assignment of all rents. The new line bears interest using the Secured Overnight Financing Rate (SOFR) – 30-day average as published each day on the Federal Reserve Bank of New York’s website, plus 2.25%.

Note 10. Net Position

Restricted net position at September 30, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Unexpended charitable contributions:		
Greene County SC Restricted Fund	\$ 20,422	\$ 19,319
Ombudsman Restricted Fund	69,686	66,170
Theresa A. Thomas Memorial Restricted Fund	<u>329,892</u>	<u>312,726</u>
Restricted net position by purpose	420,000	398,215
Time restricted	<u>8,100</u>	<u>34,500</u>
Total restricted net position	<u><u>\$ 428,100</u></u>	<u><u>\$ 432,715</u></u>

The Board has unrestricted funds invested with an investment management firm, guided by the Board’s investment policy. Contributions and withdrawals require the approval of the finance committee and/or the Board. The market value of these funds totaled \$4,778,582 and \$3,769,874 as of September 30, 2024 and 2023, respectively. The unrestricted funds have been designated by the Board as follows as of September 2024 and 2023, respectively:

	<u>2024</u>	<u>2023</u>
Replacement reserve for buildings and other assets	\$ 2,675,476	\$ 2,532,986
Reserve for working capital	<u>2,103,106</u>	<u>1,236,888</u>
Total board designated reserves	<u><u>\$ 4,778,582</u></u>	<u><u>\$ 3,769,874</u></u>

No contributions or withdrawals were made in fiscal year 2024.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 11. Defined Contribution Plan

The Board offers its employees a deferred compensation plan, the Deferred Compensation Plan for Employees of Jefferson Area Board for Aging, under *IRC* Section 457. The Board may amend the plan's provisions, including its contribution requirements.

The plan, available to all Board employees over age 18, permits them to defer the payment of a portion of their salary until future years. Employees become vested as follows: 25% after two years of service and 25% each year thereafter until fully vested after five years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency in accordance with federal and state regulations. The plan administrators report quarterly to the individual employees. For the years ended September 30, 2024 and 2023, the Board contributed \$133,570 and \$109,693, respectively.

Note 12. Contingencies

Federal assistance programs administered by the Board were audited in accordance with Title 2 U.S. *Code of Federal (CFR) Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Pursuant to the above provisions, testing was performed on the Board's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grants. Testing was also performed on compliance with requirements applicable to major programs and internal controls over compliance with those requirements. The federal government may subject grant programs to additional compliance tests, which could result in disallowed expenditures. In the opinion of management, future disallowances of current grant program expenditures, if any, would be immaterial.

The Board is subject to occasional litigation in the course of business but believes that no such matters are likely to have a material adverse effect on the Board.

Note 13. Risk Management

As part of risk management, the Board maintains insurance, including but not limited to, coverage for property damage, workers compensation, employee dishonesty, cybersecurity, directors and officers liability, and general liability.

General liability policy coverages are \$1,000,000 per occurrence with an unlimited aggregate. Excess liability coverage is also maintained in the amount of \$5,000,000.

Workers compensation coverages are for statutory amounts.

The Board also maintains an employee dishonesty policy with \$250,000 coverage for each employee.

(Continued)

JEFFERSON AREA BOARD FOR AGING

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 14. Fair Value Measurements

The following summary of the inputs, used to determine the fair value of financial assets measured on a recurring basis as of September 30, are as follows:

	2024				2023			
	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3	Fair Value
Investments:								
Other investments:								
Common stock	\$ 3,422,404	\$ -	\$ -	\$ 3,422,404	\$ 2,474,458	\$ -	\$ -	\$ 2,474,458
Corporate bonds	1,279,621	-	-	1,279,621	1,201,932	-	-	1,201,932
Cash and cash equivalents	76,557	-	-	76,557	93,484	-	-	93,484
Total other investments	4,778,582	-	-	4,778,582	3,769,874	-	-	3,769,874
Restricted investments:								
Certificate of deposit	305,223	-	-	305,223	119,644	-	-	119,644
Corporate bonds	-	-	-	-	176,910	-	-	176,910
Cash and cash equivalents	94,355	-	-	94,355	82,342	-	-	82,342
Total restricted investments	399,578	-	-	399,578	378,896	-	-	378,896
Total investments	\$ 5,178,160	\$ -	\$ -	\$ 5,178,160	\$ 4,148,770	\$ -	\$ -	\$ 4,148,770

Note 15. Pending Pronouncements

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

In December 2023, the GASB issued **Statement No. 102**, *Certain Risk Disclosures*. This statement defines and requires governments to disclose the risks related to concentrations of inflows or outflows of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

**OTHER
SUPPLEMENTARY INFORMATION**

JEFFERSON AREA BOARD FOR AGING

STATUS OF FUNDS
Year Ended September 30, 2024

FUND	Unencumbered Funds on Hand October 1, 2023	Total Funds Received During Period	Funds in Transit on September 30, 2024	Total of Funds Available During Period	Accrued Costs to Contract Period	Unencumbered Funds on Hand September 30, 2024
Federal						
Older American Act:						
Title III-B	\$ -	\$ 351,986	\$ -	\$ 351,986	\$ 351,986	\$ -
Title III-C(1)	-	209,690	-	209,690	209,690	-
Title III-C(2)	-	305,585	-	305,585	305,585	-
Title III-D	4,441	24,602	-	29,043	28,112	931
Title III-E	9,472	69,954	-	79,426	79,426	-
Title VII-Elder Abuse	-	3,105	-	3,105	3,105	-
Title VII-Ombudsman	-	22,946	-	22,946	22,946	-
NSIP	-	25,501	-	25,501	25,501	-
Supplemental Nutrition C2	-	-	-	-	-	-
Vaccine Access	-	-	-	-	-	-
American Rescue Plan (ARP) III-B	-	176,851	-	176,851	176,851	-
American Rescue Plan (ARP) III-C(1)	-	91,129	-	91,129	91,129	-
American Rescue Plan (ARP) III-C(2)	-	317,586	-	317,586	317,586	-
American Rescue Plan (ARP) III-D	-	38,409	-	38,409	38,409	-
American Rescue Plan (ARP) III-E	-	92,911	-	92,911	92,911	-
American Rescue Plan (ARP) VII-Ombudsman	-	10,814	-	10,814	10,814	-
Expanding Public Health Workforce	-	-	-	-	-	-
Other federal:						
Title V-(PY 06/30/24 Award)	-	-	-	-	-	-
Title V-(PY 06/30/25 Award)	-	-	-	-	-	-
Title V- DOL (STCS)	-	-	-	-	-	-
VICAP-(PY 03/31/24 Award)	-	19,378	-	19,378	19,378	-
VICAP-(PY 03/31/25 Award)	-	19,921	-	19,921	19,921	-
DMAS Ombudsman FY 22	-	-	-	-	-	-
DMAS Ombudsman FY 23	-	-	-	-	-	-
DMAS Ombudsman FY 24	-	11,126	-	11,126	11,126	-
MIPPA - Priority 1 - SHIP	-	-	-	-	-	-
MIPPA - Priority 2 - AAA	-	22,550	-	22,550	22,550	-
MIPPA - Priority 3 - ADRC	-	-	-	-	-	-
SNAP	-	-	-	-	-	-
Senior Farmers Market	-	-	-	-	-	-
Senior Farmers Market - ARPA Expansion	-	-	-	-	-	-
CDSME Grant	-	-	-	-	-	-
Falls Prevention Grant	-	-	-	-	-	-
General funds:						
OAA General-(PY 06/30/24)	-	67,401	-	67,401	67,401	-
OAA General-(PY 06/30/25)	-	21,722	-	21,722	21,722	-
Community Based-(PY 06/30/24)	-	90,666	-	90,666	90,666	-
Community Based-(PY 06/30/25)	-	30,222	-	30,222	30,222	-
Transportation-(PY 06/30/24)	-	34,482	-	34,482	34,482	-
Transportation-(PY 06/30/25)	-	10,960	-	10,960	10,960	-
Home Delivered Meals-(PY 06/30/24)	-	115,969	-	115,969	115,969	-
Home Delivered Meals-(PY 06/30/25)	-	38,656	-	38,656	38,656	-
Supplemental Nutrition-(PY 06/30/24)	-	29,218	-	29,218	29,218	-
Supplemental Nutrition-(PY 06/30/25)	-	9,740	-	9,740	9,740	-
Ombudsman-(PY 06/30/24)	-	11,207	-	11,207	11,207	-
Ombudsman-(PY 06/30/25)	-	3,736	-	3,736	3,736	-
Care Coordination CCEVP-(PY 06/30/24)	-	46,661	-	46,661	46,661	-
Care Coordination CCEVP-(PY 06/30/25)	-	15,554	-	15,554	15,554	-
Respite Care Initiative-(PY 06/30/24)	-	41,250	-	41,250	41,250	-
Respite Care Initiative-(PY 06/30/25)	-	13,750	-	13,750	13,750	-
Guardianship VDA-(PY 06/30/24)	-	-	-	-	-	-
Guardianship VDA-(PY 06/30/25)	-	-	-	-	-	-
Guardianship VDA Mental Health-(PY 06/30/24)	-	-	-	-	-	-
Guardianship VDA Mental Health-(PY 06/30/25)	-	-	-	-	-	-
Guardianship DBHDS ID/DDS-(PY 06/30/24)	-	-	-	-	-	-
Guardianship DBHDS ID/DDS-(PY 06/30/25)	-	-	-	-	-	-
Guardianship DBHDS Mental Illness-(PY 06/30/24)	-	-	-	-	-	-
Guardianship DBHDS Mental Illness-(PY 06/30/25)	-	-	-	-	-	-
Senior Cool Care	-	2,500	-	2,500	2,500	-
Senior Farmer's Market General Funds-(PY 06/30/24)	-	3,250	-	3,250	3,250	-
Senior Farmer's Market General Funds-(PY 06/30/25)	-	-	-	-	-	-
VICAP General Funds-(PY 06/30/24)	-	25,000	-	25,000	25,000	-
VICAP General Funds-(PY 06/30/25)	-	-	-	-	-	-
	<u>\$ 13,913</u>	<u>\$ 2,425,988</u>	<u>\$ -</u>	<u>\$ 2,439,901</u>	<u>\$ 2,438,970</u>	<u>\$ 931</u>
Funds received by:						
Jefferson Area Board for Aging		\$ 1,940,790				
Jefferson Area Board for Aging, Inc.		485,198				
		<u>\$ 2,425,988</u>				

* Note: PY means Program Year Ending

JEFFERSON AREA BOARD FOR AGING

COSTS BY PROGRAM ACTIVITY

Year Ended September 30, 2024

	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 Title VII Eld. Ab. Funds	Costs to Title VII Federal OMB Funds
Title III (Except Title III-E), Older Americans Act Funds:							
Adult Day Care	\$ 158,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chore	-	-	-	-	-	-	-
Homemaker	25,000	-	-	-	-	-	-
Care Coordination Level 2	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	154,301	-	-	-	-	-	-
Options Counseling	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Congregate Meals	-	176,557	-	-	-	-	-
Home Delivered Meals	-	-	301,338	-	-	-	-
Home Delivered Fee for Service	-	-	-	-	-	-	-
Nutrition Counseling	-	350	3,984	-	-	-	-
Nutrition Education	-	2,783	263	-	-	-	-
Other "EB" Disease Prevention	-	-	-	28,112	-	-	-
CDSME	-	-	-	-	-	-	-
Medication Management	1,000	-	-	-	-	-	-
Vaccine Access	2,576	-	-	-	-	-	-
Outreach/Public Information & Education	951	-	-	-	-	-	-
Socialization/Recreation	-	-	-	-	-	-	-
Volunteer Programs	-	-	-	-	-	-	-
Legal Assistance	6,500	-	-	-	-	-	-
Elder Abuse Prevention	-	-	-	-	-	3,105	-
LTC Ombudsman Program	3,000	-	-	-	-	-	22,946
Prep. and Admin.	-	30,000	-	-	-	-	-
Title III-E, Older Americans Act Funds:							
Support Groups	-	-	-	-	2,500	-	-
Caregiver Training	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	69,026	-	-
Prep. and Admin.	-	-	-	-	7,900	-	-
	<u>\$ 351,986</u>	<u>\$ 209,690</u>	<u>\$ 305,585</u>	<u>\$ 28,112</u>	<u>\$ 79,426</u>	<u>\$ 3,105</u>	<u>\$ 22,946</u>

(Continued)

JEFFERSON AREA BOARD FOR AGING

COSTS BY PROGRAM ACTIVITY

Year Ended September 30, 2024

	Costs to Federal ARP III-B Funds	Costs to Federal ARP III C-1 Funds	Costs to Federal ARP III C-2 Funds	Costs to Federal ARP III-D Funds	Costs to Federal ARP III-E Funds	Costs to Federal ARP VII Ombuds Funds	Voluntary Contributions
Title III (Except Title III-E), Older Americans Act Funds:							
Adult Day Care	\$ 133,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chore	-	-	-	-	-	-	-
Homemaker	43,527	-	-	-	-	-	-
Care Coordination Level 2	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	92,911	-	-
Options Counseling	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Congregate Meals	-	91,129	-	-	-	-	14,957
Home Delivered Meals	-	-	317,586	-	-	-	-
Home Delivered Fee for Service	-	-	-	-	-	-	-
Nutrition Counseling	-	-	-	-	-	-	-
Nutrition Education	-	-	-	-	-	-	-
Other "EB" Disease Prevention	-	-	-	-	-	-	-
CDSME	-	-	-	-	-	-	-
Medication Management	-	-	-	38,409	-	-	-
Outreach/Public Information & Education	-	-	-	-	-	-	-
Socialization/Recreation	-	-	-	-	-	-	-
Volunteer Programs	-	-	-	-	-	-	-
Legal Assistance	-	-	-	-	-	-	-
Elder Abuse Prevention	-	-	-	-	-	-	-
LTC Ombudsman Program	-	-	-	-	-	10,814	-
Prep. and Admin.	-	-	-	-	-	-	-
Title III-E, Older Americans Act Funds:							
Support Groups	-	-	-	-	-	-	-
Caregiver Training	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	-	-	-
Prep. and Admin.	-	-	-	-	-	-	-
	<u>\$ 176,851</u>	<u>\$ 91,129</u>	<u>\$ 317,586</u>	<u>\$ 38,409</u>	<u>\$ 92,911</u>	<u>\$ 10,814</u>	<u>\$ 14,957</u>

(Continued)

JEFFERSON AREA BOARD FOR AGING

COSTS BY PROGRAM ACTIVITY
Year Ended September 30, 2024

	Costs to Other Non-Fed Funds	Fees	DMAS Ombudsman	Costs to Other Local Federal Funding	Costs to NSIP Funds	Costs to G.F. OAA General Funds	Costs to G.F. COMM. Based Funds
Title III (Except Title III-E), Older Americans Act Funds:							
Adult Day Care	\$ -	\$ 320,776	\$ -	\$ -	\$ -	\$ -	\$ 120,888
Chore	-	-	-	-	-	-	-
Homemaker	-	14,901	-	-	-	23,621	-
Care Coordination Level 2	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	-	8,000	-
Options Counseling	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Congregate Meals	32,000	-	-	-	-	-	-
Home Delivered Meals	5,000	-	-	8,236	25,501	-	-
Home Delivered Fee for Service	-	-	-	-	-	-	-
Nutrition Counseling	-	-	-	-	-	-	-
Nutrition Education	-	-	-	-	-	-	-
Other "EB" Disease Prevention	-	-	-	-	-	-	-
CDSME	-	-	-	-	-	-	-
Medication Management	-	-	-	-	-	-	-
Outreach/Public Information & Education	-	-	-	-	-	-	-
Socialization/Recreation	10,000	-	-	-	-	25,000	-
Volunteer Programs	-	-	-	-	-	-	-
Legal Assistance	-	-	-	-	-	-	-
Elder Abuse Prevention	-	-	-	-	-	-	-
LTC Ombudsman Program	-	-	11,126	-	-	28,502	-
Prep. and Admin.	10,000	-	-	-	-	4,000	-
Title III-E, Older Americans Act Funds:							
Support Groups	-	-	-	-	-	-	-
Caregiver Training	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	-	-	-
Prep. and Admin.	-	-	-	-	-	-	-
	<u>\$ 57,000</u>	<u>\$ 335,677</u>	<u>\$ 11,126</u>	<u>\$ 8,236</u>	<u>\$ 25,501</u>	<u>\$ 89,123</u>	<u>\$ 120,888</u>

(Continued)

JEFFERSON AREA BOARD FOR AGING

COSTS BY PROGRAM ACTIVITY

Year Ended September 30, 2024

	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	Total Title III & VII Costs
Title III (Except Title III-E), Older Americans Act Funds:						
Adult Day Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 733,646
Chore	-	-	-	-	-	-
Homemaker	-	-	-	-	-	107,049
Care Coordination Level 2	-	-	-	46,661	-	46,661
Comm. Referral Info. & Assist	-	-	-	-	-	255,212
Options Counseling	-	-	-	15,554	-	15,554
Transportation	45,442	-	-	-	-	45,442
Congregate Meals	-	-	15,000	-	-	329,643
Home Delivered Meals	-	154,625	23,958	-	-	836,244
Home Delivered Fee for Service	-	-	-	-	-	-
Nutrition Counseling	-	-	-	-	-	4,334
Nutrition Education	-	-	-	-	-	3,046
Other "EB" Disease Prevention	-	-	-	-	-	28,112
CDSME	-	-	-	-	-	-
Medication Management	-	-	-	-	-	39,409
Vaccine Access	-	-	-	-	-	2,576
Outreach/Public Information & Education	-	-	-	-	-	951
Socialization/Recreation	-	-	-	-	-	35,000
Volunteer Programs	-	-	-	-	-	-
Legal Assistance	-	-	-	-	-	6,500
Elder Abuse Prevention	-	-	-	-	-	3,105
LTC Ombudsman Program	-	-	-	-	14,943	91,331
Prep. and Admin.	-	-	-	-	-	44,000
Title III-E, Older Americans Act Funds:						
Support Groups	-	-	-	-	-	2,500
Caregiver Training	-	-	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	-	69,026
Prep. and Admin.	-	-	-	-	-	7,900
	<u>\$ 45,442</u>	<u>\$ 154,625</u>	<u>\$ 38,958</u>	<u>\$ 62,215</u>	<u>\$ 14,943</u>	<u>\$ 2,707,241</u>

JEFFERSON AREA BOARD FOR AGING
COMBINING STATEMENT OF NET POSITION
September 30, 2024

	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 258,073	\$ -	\$ -	\$ 258,073
Receivables, net of allowance for doubtful accounts	4,967	144,716	-	149,683
Grants receivable	-	3,903	-	3,903
Prepaid expenses	65,207	26,029	-	91,236
Due from JABA	-	1,555,235	(1,555,235)	-
Other investments	-	4,778,582	-	4,778,582
Total current assets	328,247	6,508,465	(1,555,235)	5,281,477
NONCURRENT ASSETS				
Investments in joint ventures	-	1,668,299	-	1,668,299
Restricted cash and cash equivalents	20,423	-	-	20,423
Restricted investments	-	399,578	-	399,578
Receivables, net of discount	-	216,142	-	216,142
Capital assets:				
Land	-	461,745	-	461,745
Other capital assets, net	-	991,547	-	991,547
Total assets	348,670	10,245,776	(1,555,235)	9,039,211
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	279,418	126,827	-	406,245
Due to JABA, Inc.	1,555,235	-	(1,555,235)	-
Other liabilities	15,265	3,114	-	18,379
Total current liabilities	1,849,918	129,941	(1,555,235)	424,624
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	53,907	41,020	-	94,927
NET POSITION				
Net investment in capital assets	-	1,453,292	-	1,453,292
Restricted	-	428,100	-	428,100
Board designated reserve for buildings and other assets	-	2,675,476	-	2,675,476
Board designated reserve for working capital	-	2,103,106	-	2,103,106
Unrestricted	(1,555,155)	3,414,841	-	1,859,686
Total net position	\$ (1,555,155)	\$10,074,815	\$ -	\$ 8,519,660

JEFFERSON AREA BOARD FOR AGING
COMBINING STATEMENT OF NET POSITION
September 30, 2023

	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 374,436	\$ 100	\$ -	\$ 374,536
Receivables, net of allowance for doubtful accounts	25,591	155,023	-	180,614
Grants receivable	-	38,457	-	38,457
Prepaid expenses	41,255	-	-	41,255
Due from JABA	-	1,761,304	(1,761,304)	-
Other investments	-	3,769,874	-	3,769,874
Total current assets	441,282	5,724,758	(1,761,304)	4,404,736
NONCURRENT ASSETS				
Investments in joint ventures	-	1,842,884	-	1,842,884
Restricted cash and cash equivalents	19,319	-	-	19,319
Restricted investments	-	378,896	-	378,896
Receivables, net of discount	-	212,102	-	212,102
Capital assets:				
Land	-	461,745	-	461,745
Other capital assets, net	-	1,114,357	-	1,114,357
Total assets	460,601	9,734,742	(1,761,304)	8,434,039
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	185,984	186,337	-	372,321
Due to JABA, Inc.	1,761,304	-	(1,761,304)	-
Other liabilities	10,389	3,475	-	13,864
Total current liabilities	1,957,677	189,812	(1,761,304)	386,185
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	152,204	584	-	152,788
NET POSITION				
Net investment in capital assets	-	1,576,102	-	1,576,102
Restricted	-	432,715	-	432,715
Board designated reserve for buildings and other assets	-	2,532,986	-	2,532,986
Board designated reserve for working capital	-	1,236,888	-	1,236,888
Unrestricted	(1,648,837)	3,765,212	-	2,116,375
Total net position	\$ (1,648,837)	\$ 9,543,903	\$ -	\$ 7,895,066

JEFFERSON AREA BOARD FOR AGING

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
Year Ended September 30, 2024**

	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUES				
Program income and fees	\$ (68,824)	\$ 1,099,305	\$ (239,410)	\$ 791,071
Management and developer's fees	-	17,014	-	17,014
Donations	143,002	522,879	-	665,881
Rental income	-	499,813	(448,682)	51,131
Miscellaneous	24,407	23,958	-	48,365
	<u>98,585</u>	<u>2,162,969</u>	<u>(688,092)</u>	<u>1,573,462</u>
Total operating revenues				
OPERATING EXPENSES				
Health and welfare:				
Aging services programs	3,811,256	2,513,149	(688,092)	5,636,313
	<u>(3,712,671)</u>	<u>(350,180)</u>	<u>-</u>	<u>(4,062,851)</u>
Operating loss				
NONOPERATING REVENUES				
Governmental grants	3,777,887	14,147	-	3,792,034
Investment income	28,466	1,041,166	-	1,069,632
Loss from investments in joint ventures	-	(174,221)	-	(174,221)
	<u>3,806,353</u>	<u>881,092</u>	<u>-</u>	<u>4,687,445</u>
Total nonoperating revenues				
Change in net position	93,682	530,912	-	624,594
Net position, beginning of year	(1,648,837)	9,543,903	-	7,895,066
Net position, end of year	<u>\$ (1,555,155)</u>	<u>\$10,074,815</u>	<u>\$ -</u>	<u>\$ 8,519,660</u>

JEFFERSON AREA BOARD FOR AGING

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
Year Ended September 30, 2023**

	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUES				
Program income and fees	\$ (93,618)	\$ 724,754	\$ (266,076)	\$ 365,060
Management and developer's fees	-	17,835	-	17,835
Donations	219,485	338,909	-	558,394
Rental income	-	442,712	(393,237)	49,475
Miscellaneous	28,789	154,609	-	183,398
	<u>154,656</u>	<u>1,678,819</u>	<u>(659,313)</u>	<u>1,174,162</u>
Total operating revenues				
OPERATING EXPENSES				
Health and welfare:				
Aging services programs	3,199,261	2,465,151	(659,313)	5,005,099
	<u>(3,044,605)</u>	<u>(786,332)</u>	<u>-</u>	<u>(3,830,937)</u>
Operating loss				
NONOPERATING REVENUES				
Governmental grants	3,206,098	567,096	-	3,773,194
Investment income	16,859	526,473	-	543,332
Loss from investments in joint ventures	-	(113,478)	-	(113,478)
	<u>3,222,957</u>	<u>980,091</u>	<u>-</u>	<u>4,203,048</u>
Total nonoperating revenues				
Change in net position	178,352	193,759	-	372,111
Net position, beginning of year	(1,827,189)	9,350,144	-	7,522,955
Net position, end of year	<u>\$ (1,648,837)</u>	<u>\$ 9,543,903</u>	<u>\$ -</u>	<u>\$ 7,895,066</u>

JEFFERSON AREA BOARD FOR AGING

COMBINING SCHEDULE OF REVENUES AND EXPENSES DETAIL
Year Ended September 30, 2024

	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Virginia Department of Aging	\$ 2,418,683	\$ 3,022	\$ -	\$ 2,421,705
United States Department of Agriculture	25,501	-	-	25,501
Local government appropriations	1,333,703	-	-	1,333,703
Contributions	86,918	521,619	-	608,537
Client fees	(102,794)	819,863	-	717,069
Grants	-	11,125	-	11,125
In-kind contributions	56,084	1,260	-	57,344
Investment income	28,466	99,869	-	128,335
Realized and unrealized loss on securities	-	941,297	-	941,297
Income (loss) from investments in ventures	-	(174,221)	-	(174,221)
Management and developer's fees	-	17,014	-	17,014
Rental income	-	499,813	(448,682)	51,131
Meals revenue	-	240,321	(239,410)	911
Contract revenue	33,970	39,121	-	73,091
Miscellaneous	24,407	23,958	-	48,365
	<u>3,904,938</u>	<u>3,044,061</u>	<u>(688,092)</u>	<u>6,260,907</u>
Total revenues				
Expenses:				
Salaries and wages	1,921,864	1,189,292	-	3,111,156
Fringe benefits	459,388	259,827	-	719,215
Contract labor	128,973	30,482	-	159,455
Utilities	308	48,307	-	48,615
Postage	6,876	4,005	-	10,881
Travel	38,313	14,083	-	52,396
Supplies and equipment	58,102	57,626	-	115,728
Insurance	15,630	49,083	-	64,713
Legal and professional	25,602	4,636	-	30,238
Maintenance	5,424	75,631	-	81,055
Meal costs	494,424	257,735	(239,410)	512,749

(Continued)

JEFFERSON AREA BOARD FOR AGING

COMBINING SCHEDULE OF REVENUES AND EXPENSES DETAIL
Year Ended September 30, 2024

	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Expenses: (Continued)				
Printing	\$ 7,072	\$ 10,109	\$ -	\$ 17,181
Telephone	41,768	12,828	-	54,596
In-kind contributions	56,084	1,260	-	57,344
Media	133,871	54,818	-	188,689
Fees, dues, and subscriptions	33,044	8,807	-	41,851
Investment fees	-	29,480	-	29,480
Loss on disposal of fixed assets	-	11,381	-	11,381
Miscellaneous	60,426	46,479	-	106,905
Bad debts	-	6,000	-	6,000
Rent	365,657	151,246	(448,682)	68,221
Indirect costs	(39,557)	39,557	-	-
Depreciation	(2,013)	150,477	-	148,464
	<u>3,811,256</u>	<u>2,513,149</u>	<u>(688,092)</u>	<u>5,636,313</u>
Total expenses				
Change in net position	93,682	530,912	-	624,594
Net position, beginning of year	(1,648,837)	9,543,903	-	7,895,066
Net position, end of year	<u>\$ (1,555,155)</u>	<u>\$ 10,074,815</u>	<u>\$ -</u>	<u>\$ 8,519,660</u>

JEFFERSON AREA BOARD FOR AGING

COMBINING SCHEDULE OF REVENUES AND EXPENSES DETAIL
Year Ended September 30, 2023

	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:				
Virginia Department of Aging	\$ 1,895,664	\$ 124,135	\$ -	\$ 2,019,799
United States Department of Agriculture	36,878	-	-	36,878
Local government appropriations	1,273,556	-	-	1,273,556
Contributions	198,382	332,014	-	530,396
Client fees	(109,118)	458,236	-	349,118
Grants	-	442,961	-	442,961
In-kind contributions	21,103	6,895	-	27,998
Investment income	16,859	99,931	-	116,790
Realized and unrealized gain on securities	-	426,542	-	426,542
Income (loss) from investments in ventures	-	(113,478)	-	(113,478)
Management and developer's fees	-	17,835	-	17,835
Rental income	-	442,712	(393,237)	49,475
Meals revenue	-	266,518	(266,076)	442
Contract revenue	15,500	-	-	15,500
Miscellaneous	28,789	154,609	-	183,398
	<u>3,377,613</u>	<u>2,658,910</u>	<u>(659,313)</u>	<u>5,377,210</u>
Expenses:				
Salaries and wages	1,781,362	973,680	-	2,755,042
Fringe benefits	387,492	208,002	-	595,494
Contract labor	91,032	128,714	-	219,746
Utilities	291	45,852	-	46,143
Postage	8,557	2,839	-	11,396
Travel	44,095	7,205	-	51,300
Supplies and equipment	76,726	58,771	-	135,497
Insurance	14,387	34,726	-	49,113
Legal and professional	28,168	2,786	-	30,954
Maintenance	12,453	139,792	-	152,245
Meal costs	442,857	224,243	(266,076)	401,024

(Continued)

JEFFERSON AREA BOARD FOR AGING

COMBINING SCHEDULE OF REVENUES AND EXPENSES DETAIL
Year Ended September 30, 2023

	<u>JABA</u>	<u>JABA, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Expenses: (Continued)				
Printing	\$ 10,376	\$ 4,044	\$ -	\$ 14,420
Telephone	41,516	6,624	-	48,140
In-kind contributions	21,103	6,895	-	27,998
Interest	-	444	-	444
Vaccine access	13,281	-	-	13,281
Media	60,078	32,555	-	92,633
Fees, dues, and subscriptions	18,628	4,059	-	22,687
Investment fees	-	24,413	-	24,413
Loss on disposal of fixed assets	-	11,381	-	11,381
Miscellaneous	65,877	7,527	-	73,404
Bad debts	-	7,320	-	7,320
Rent	257,208	200,393	(393,237)	64,364
Indirect costs	(183,907)	183,907	-	-
Depreciation	7,681	148,979	-	156,660
	<u>3,199,261</u>	<u>2,465,151</u>	<u>(659,313)</u>	<u>5,005,099</u>
Total expenses				
Change in net position	178,352	193,759	-	372,111
Net position, beginning of year	<u>(1,827,189)</u>	<u>9,350,144</u>	<u>-</u>	<u>7,522,955</u>
Net position, end of year	<u><u>\$ (1,648,837)</u></u>	<u><u>\$ 9,543,903</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,895,066</u></u>

JEFFERSON AREA BOARD FOR AGING, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended September 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Salaries and wages	\$ 937,410	\$ 133,654	\$ 118,228	\$ 1,189,292
Fringe benefits	180,235	44,570	35,022	259,827
Contract labor	25,424	58	5,000	30,482
Utilities	48,307	-	-	48,307
Postage	1,982	531	1,492	4,005
Travel	9,639	1,563	2,881	14,083
Supplies and equipment	55,656	1,365	605	57,626
Insurance	20,754	28,328	-	49,082
Legal and professional	4,636	7,846	-	12,482
Maintenance	75,631	-	-	75,631
Meal costs	255,812	1,741	182	257,735
Printing	7,954	1,934	221	10,109
Telephone	7,290	4,704	834	12,828
In-kind contributions	1,260	-	-	1,260
Media	49,406	-	5,413	54,819
Fees, dues, and subscriptions	-	-	8,807	8,807
Investment fees	29,480	-	-	29,480
Loss on disposal of fixed assets	11,381	-	-	11,381
Miscellaneous	77,881	109	200	78,190
Bad debts	5,625	-	375	6,000
Rent	134,664	10,703	5,879	151,246
Depreciation	148,843	1,634	-	150,477
Total expenses	<u>\$ 2,089,270</u>	<u>\$ 238,740</u>	<u>\$ 185,139</u>	<u>\$ 2,513,149</u>
Total percentages	<u>83.13%</u>	<u>9.50%</u>	<u>7.37%</u>	<u>100.00%</u>

This statement has been prepared in a manner consistent with FASB ASC 958, Not-for-Profit Entities.

JEFFERSON AREA BOARD FOR AGING, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended September 30, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Salaries and wages	\$ 731,096	\$ 136,590	\$ 105,994	\$ 973,680
Fringe benefits	130,304	45,859	31,839	208,002
Contract labor	127,729	185	800	128,714
Utilities	45,852	-	-	45,852
Postage	-	799	2,040	2,839
Travel	2,085	3,855	1,265	7,205
Supplies and equipment	53,245	1,958	3,568	58,771
Insurance	31,863	2,863	-	34,726
Legal and professional	(6,886)	9,172	500	2,786
Maintenance	139,792	-	-	139,792
Meal costs	221,745	2,383	115	224,243
Printing	1,168	2,580	296	4,044
Telephone	903	4,578	1,143	6,624
In-kind contributions	1,345	-	5,550	6,895
Interest	284	160	-	444
Media	18,166	134	14,255	32,555
Fees, dues, and subscriptions	-	1,233	2,826	4,059
Investment fees	24,413	-	-	24,413
Loss on disposal of fixed assets	11,381	-	-	11,381
Miscellaneous	175,417	15,756	260	191,433
Bad debts	7,320	-	-	7,320
Rent	179,490	10,746	10,157	200,393
Depreciation	141,456	7,524	-	148,980
Total expenses	<u>\$ 2,038,168</u>	<u>\$ 246,375</u>	<u>\$ 180,608</u>	<u>\$ 2,465,151</u>
Total percentages	<u>82.68%</u>	<u>9.99%</u>	<u>7.33%</u>	<u>100.00%</u>

This statement has been prepared in a manner consistent with FASB ASC 958, Not-for-Profit Entities.

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
Jefferson Area Board for Aging
Charlottesville, Virginia

We have audited, 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, the financial statements of the Jefferson Area Board for Aging (the "Board"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated January 6, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 the Board's financial statements are free of 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 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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
January 6, 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
Jefferson Area Board for Aging
Charlottesville, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jefferson Area Board for Aging's (the "Board") 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 the Board's major federal programs for the year ended September 30, 2024. The entity'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, Jefferson Area Board for 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 the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 the Board'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 the Board's federal programs.

Report on Compliance for Each Major Federal Program (Continued)

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 the Board'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 the Board's compliance 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 risk 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 the Board'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 the Board'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 the Board'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 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.

Report on Internal Control over Compliance (Continued)

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 have not been 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.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
January 6, 2025

JEFFERSON AREA BOARD FOR AGING

SUMMARY OF COMPLIANCE MATTERS

September 30, 2024

As more fully described in the 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*, we performed tests of the Board's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

JEFFERSON AREA BOARD FOR AGING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2024**

Federal Grantor/Pass-through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifier	Federal Expenditures
Department of Health and Human Services:			
Direct Payments:			
Special Programs for Aging-Title IV, and Title II, Discretionary Projects	93.048	N/A	\$ 11,000
Passed through Virginia Department for the Aging:			
Special Programs for the Aging-Title III, Part B – Grants for Supportive Services and Senior Centers	93.044	N/A	351,986
COVID-19 - ARP Title III B	93.044	N/A	176,851
Part C – Nutrition Services			
Congregate	93.045	N/A	209,690
Home-Delivered	93.045	N/A	305,585
COVID-19 - ARP C-1 Congregate	93.045	N/A	91,129
COVID-19 - ARP C-2 Home-Delivered	93.045	N/A	317,586
Nutrition Services Incentive Program	93.053	N/A	25,501
Total Aging Cluster			1,478,328
Part E – National Family Caregiver Support Program	93.052	N/A	79,426
COVID-19 - ARP Title III-E	93.052	N/A	92,911
Part D – Disease Prevention and Health Promotion Services	93.043	N/A	28,112
COVID-19 - ARP Title III-D	93.043	N/A	38,409
Special Programs for the Aging-Title VII, Prevention of Elder Abuse, Neglect, and Exploitation	93.041	N/A	3,105
Ombudsman Program	93.042	N/A	22,946
COVID-19 - ARP Title VII Ombudsman	93.042	N/A	10,814
Center for Medicare and Medicaid Services Research, Demonstrations, and Evaluations (VICAP – HCFA Research)			
Period April 01, 2022-March 31, 2023	93.324	N/A	19,378
Period April 01, 2023-March 31, 2024	93.324	N/A	19,921
Medicare Improvements for Patients and Providers #2	93.071	N/A	22,550
Medicaid Cluster:			
Medical Assistance Program	93.778	N/A	11,126
Total Department of Health and Human Services			1,827,026
Department of Homeland Security:			
Direct Payments:			
Emergency Food and Shelter National Board Program	97.024	N/A	8,236
Total Department of Homeland Security			8,236
Total Expenditures of Federal Awards			\$ 1,846,262

JEFFERSON AREA BOARD FOR AGING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Jefferson Area Board for 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 the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Jefferson Area Board for Aging, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Jefferson Area Board for Aging.

Note 2. Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

Jefferson Area Board for Aging did not elect to use the 10% de minimis indirect cost rate.

Note 4. Outstanding Loan Balances

At September 30, 2024, the Board had no outstanding loan balances requiring continuing disclosure.

JEFFERSON AREA BOARD FOR AGING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies or material weaknesses** relating to the audit of the financial statements were reported in the 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*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies or material weaknesses** relating to the audit of the major federal award program were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to the major programs**.
7. The programs tested as major were:

<u>Name of Program</u>	<u>CFDA #</u>
Title III Aging: Cluster:	
Title III, Part B – Grants for Supportive Services and Senior Centers	93.044
Title III, Part C – Nutrition Services	93.045
Nutrition Services Incentive Program	93.053

8. The threshold for distinguishing Type A and B programs was **\$750,000**.
9. The Board was determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None.