VANTAGE AGING
(NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

September 30, 2023
With prior year summarized comparative information

VANTAGE AGING

TABLE OF CONTENTS

4020 Kinross Lakes Parkway, Suite 300
Richfield, OH 44286
330.864.6661

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
VANTAGE Aging:

Report on the Audit of the Financial Statements
Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of VANTAGE Aging and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about VANTAGE Aging's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 VANTAGE Aging's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about VANTAGE Aging's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024 on our consideration of VANTAGE Aging's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of VANTAGE Aging's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VANTAGE Aging's internal control over financial reporting and compliance.

Summarized Comparative Information

We previously audited VANTAGE Aging's September 30, 2022 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated March 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sikich LLP

Richfield, Ohio
March 14, 2024

VANTAGE AGING

STATEMENT OF FINANCIAL POSITION
September 30, 2023
(with summarized comparative information as of September 30, 2022)

ASSETS	**2023**	**2022**
CURRENT ASSETS		
Cash and cash equivalents	$ 573,123	$ 817,647
Grants receivable	458,486	498,010
Contracts receivable, net	168,010	165,569
Inventories	60,954	68,793
Prepaid expenses	19,639	47,312
Total current assets	1,280,212	1,597,331
NONCURRENT ASSETS		
Deposits	4,441	6,169
Investments	2,084,445	2,276,949
Operating lease right of use assets, net	597,376	-
Property and equipment, net	1,320,784	1,294,390
Investments held by community foundations	184,429	166,307
Total noncurrent assets	4,191,475	3,743,815
TOTAL ASSETS	$ 5,471,687	$ 5,341,146
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 176,809	$ 268,255
Accrued payroll and related expenses	610,170	478,356
Operating lease liabilities, current	112,980	-
Deferred revenue	43,155	67,339
Total current liabilities	943,114	813,950
LONG-TERM LIABILITIES		
Operating lease liabilities, noncurrent	484,396	-
Other liabilities	-	26,056
Total long-term liabilities	484,396	26,056
Total liabilities	1,427,510	840,006
NET ASSETS		
Without donor restrictions	3,458,669	3,846,531
With donor restrictions	585,508	654,609
Total net assets	4,044,177	4,501,140
TOTAL LIABILITIES AND NET ASSETS	$ 5,471,687	$ 5,341,146

VANTAGE AGING

STATEMENT OF ACTIVITIES
for the year ended September 30, 2023
(with summarized comparative information for the year ended September 30, 2022)

	2023			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**2022**
PUBLIC SUPPORT AND REVENUE				
Grants	$ 9,519,044	$ -	$ 9,519,044	$ 8,818,452
Contributions	337,690	-	337,690	468,454
Program service fees	1,513,882	-	1,513,882	1,407,803
Event revenue	25,335	-	25,335	25,165
Other revenue	31,670	-	31,670	74,874
Loss on sale of property and equipment	-	-	-	(289,835)
Net assets released from restrictions	87,223	(87,223)	-	-
Total public support and revenue	11,514,844	(87,223)	11,427,621	10,504,913
EXPENSES				
Program services				
Home Wellness Solutions	323,315	-	323,315	268,176
RSVP	331,115	-	331,115	371,379
Meals on Wheels	2,829,752	-	2,829,752	2,814,826
Senior Community Service Employment Program	7,364,459	-	7,364,459	6,421,753
Total program services	10,848,641	-	10,848,641	9,876,134
Supporting services				
Management and general	1,104,629	-	1,104,629	1,180,231
Community engagement	134,558	-	134,558	219,186
Total expenses	12,087,828	-	12,087,828	11,275,551
Change in net assets from operations	(572,984)	(87,223)	(660,207)	(770,638)
Net (loss) gain on investments	185,122	-	185,122	(222,843)
Change in investments held by community foundations	-	18,122	18,122	(25,129)
CHANGE IN NET ASSETS	(387,862)	(69,101)	(456,963)	(1,018,610)
NET ASSETS, BEGINNING OF YEAR	3,846,531	654,609	4,501,140	5,519,750
NET ASSETS, END OF YEAR	$ 3,458,669	$ 585,508	$ 4,044,177	$ 4,501,140

VANTAGE AGING

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2023
(with summarized comparative information for the year ended September 30, 2022)

	2023									
	Program Services					Supporting Services				
	Home Wellness Solutions	AmeriCorp Seniors	Meals on Wheels	Senior Community Service Employment Program	Total Program Services	Management and General	Community Engagement	Total Supporting Services	2023 Total	2022 Total
SALARIES, BENEFITS AND RELATED EXPENSES										
Salaries	$ 236,475	$ 216,524	$ 868,624	$ 1,139,173	$ 2,460,796	$ 735,925	$ 57,183	$ 793,108	$ 3,253,904	$ 2,977,386
SCSEP participant salaries	-	-	-	4,923,891	4,923,891	-	-	-	4,923,891	4,342,257
Payroll taxes and employee benefits	40,085	49,890	213,353	735,074	1,038,402	175,050	15,258	190,308	1,228,710	1,119,282
Total salaries, benefits and related expenses	276,560	266,414	1,081,977	6,798,138	8,423,089	910,975	72,441	983,416	9,406,505	8,438,925
OTHER EXPENSES										
Program supplies	1,874	375	71,062	82,675	155,986	500	-	500	156,486	138,750
Food and packaging	-	2,599	1,120,305	-	1,122,904	-	1,210	1,210	1,124,114	1,017,766
Training	-	782	249	10,457	11,488	3,222	114	3,336	14,824	14,057
Travel	7,168	3,546	28,105	56,490	95,309	3,881	2,660	6,541	101,850	85,621
Fleet vehicle and other travel	2,415	-	64,653	-	67,068	-	-	-	67,068	73,484
Postage and printing	1,895	1,003	13,584	25,642	42,124	7,634	4,072	11,706	53,830	53,011
Recruitment	2,014	13,033	20,552	15,917	51,516	46,040	9,663	55,703	107,219	133,086
Rent	1,335	13,230	94,291	144,918	253,774	56,104	11,569	67,673	321,447	346,113
Utilities and property taxes	1,516	2,634	46,412	38,655	89,217	-	1,584	1,584	90,801	180,987
Repairs and maintenance	206	580	31,949	3,667	36,402	3,801	807	4,608	41,010	34,254
Interest	-	-	3,533	-	3,533	-	-	-	3,533	37,614
Contract services	8,145	8,430	26,170	74,775	117,520	34,608	10,777	45,385	162,905	222,549
Office supplies	26	942	2,888	6,220	10,076	2,902	872	3,774	13,850	14,292
Insurance	2,854	4,942	51,609	42,635	102,040	5,470	730	6,200	108,240	109,766
IT expenses	12,232	12,575	34,153	64,270	123,230	20,324	11,453	31,777	155,007	204,080
Bad debt	5,075	-	14,273	-	19,348	-	-	-	19,348	14,210
Other expenses	-	30	6,224	-	6,254	4,066	6,606	10,672	16,926	11,470
Total other expenses	46,755	64,701	1,630,012	566,321	2,307,789	188,552	62,117	250,669	2,558,458	2,691,110
Total expenses before depreciation	323,315	331,115	2,711,989	7,364,459	10,730,878	1,099,527	134,558	1,234,085	11,964,963	11,130,035
Depreciation	-	-	117,763	-	117,763	5,102	-	5,102	122,865	145,516
TOTAL FUNCTIONAL EXPENSES	$ 323,315	$ 331,115	$ 2,829,752	$ 7,364,459	$ 10,848,641	$ 1,104,629	$ 134,558	$ 1,239,187	$ 12,087,828	$ 11,275,551

See accompanying notes to financial statements.

VANTAGE AGING

STATEMENT OF CASH FLOWS
for the year ended September 30, 2023
(with summarized comparative information for the year ended September 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (456,963)	$ (1,018,610)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	122,865	145,516
Loss on disposal of property and equipment	-	289,835
Net loss (gain) on investments	(185,122)	222,843
Change in investments held by community foundations	(18,122)	25,129
(Increase) decrease in operating assets:		
Grants receivable	39,524	(1,262)
Contracts receivable	(2,441)	-
Inventories	7,839	19,455
Prepaid expenses	27,673	(3,837)
Deposits	1,728	-
Increase (decrease) in operating liabilities:		
Accounts payable	(91,446)	84,710
Accrued payroll and related expenses	131,814	33,777
Other liabilities	(26,056)	(37,571)
Deferred revenue	(24,184)	40,067
Net cash from operating activities	(472,891)	(199,948)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	825,551
Proceeds from sale of investments	2,504,527	1,719,174
Purchases of investments	(2,126,901)	(1,601,336)
Purchases of property and equipment	(149,259)	(161,261)
Net cash from investing activities	228,367	782,128
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on note payable	-	(1,017,675)
Net cash from financing activities	-	(1,017,675)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(244,524)	(435,495)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	817,647	1,253,142
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 573,123	$ 817,647
SUPPLEMENTAL DISCLOSURE:		
Cash paid during the year for interest	$ 3,532	$ 37,614
Addition of operating right of use assets and lease liabilities upon adoption of ASC 842	$ 704,535	$ -

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS

Nature of Activities – VANTAGE Aging (the "Organization") provides high-quality programs to empower the economic, social, physical, and mental well-being of adults as they age.

Programs of the Organization include Senior Community Service Employment Program (SCSEP), AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP), Meals on Wheels of Northeast Ohio, and Home Wellness Solutions.

Nature of Programs –

Senior Community Service Employment Program (SCSEP) – The Senior Community Service Employment Program (SCSEP) is a job training program for older adults located in 38 Ohio counties and 37 Indiana counties. Funded under grants from the U.S. Department of Labor (DOL), Ohio Department of Aging (ODA), and Indiana Department of Workforce Development, the program provides paid, part-time job training in community service assignments. Program participants (job seekers) are low-income adults aged 55 and older placed with nonprofit and government agencies (training sites) for training. SCSEP provides a dual benefit to the communities it serves, improving job readiness of older workers while expanding the services provided by local training sites. In 2020, the Organization secured a two-year grant from DOL in collaboration with ODA to perform the Shrinking the Digital Divide for Older Ohioans demonstration project to further develop the individual capacity of older Ohioans by providing computer hardware, expanding internet access, and upskilling digital literacy competencies through one-on-one learning. With the success of the demonstration grant, the one-on-one navigator model it utilized was incorporated into SCSEP's Additional Training and Supportive Service (ATSS) waiver with the creation of Training and Supportive Service Navigators, allowing job seekers one-on-one assistance with educational and personal barriers to employment. Upon the conclusion of the demonstration grant, the digital program was also rolled into the ATSS waiver.

AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP) – As one of the largest networks in the nation, RSVP is a program of the Corporation for National and Community Service and provides volunteers aged 55 and older with meaningful service opportunities. RSVP volunteers address critical community needs and take on new national initiatives to meet those needs. With a strong corps of experienced volunteers, RSVP helps to build capacity and outreach efforts for over 70 organizations including food pantries, health and wellness programs, and social service agencies. VANTAGE Aging provides RSVP programming in Summit, Medina, Geauga, Wayne, Delaware, Franklin, and Hamilton counties.

1. NATURE OF OPERATIONS (Continued)

Nature of Programs, (Continued)

Meals on Wheels of Northeast Ohio – Supporting the nutritional needs of older adults in Summit, Stark and Wayne Counties, the Meals on Wheels of Northeast Ohio program provides homebound and disabled clients the opportunity for delicious and nutritious meals to be delivered to their home to support their health and well-being. As part of the Organization's continuum of care, each visit includes a wellness check, where trained drivers can assess potential health issues, such as fall-risk assessments. Congregate dining options are provided at several locations to provide healthy meal alternatives and socialization opportunities to prevent social isolation. Additionally, the Ohio Senior Farmers' Market Nutrition Program provides vouchers to seniors aged 60 and older who meet income guidelines for the purchase of up to $50 in fresh produce at local farmer's markets.

Home Wellness Solutions – The Organization provides non-medical home care and wellness support services in the homes of older adults and individuals with disabilities. Individual plans are customized according to an assessment of the client's needs and care coordination with the Organization identifies additional programs that may benefit the client. Home health aides provide hands-on care for activities of daily living (ADLs) within the client's home, including bathing, dressing, feeding, toileting, grooming, oral care, walking or use of a wheelchair. Homemaker services provide housekeeping, laundry, shopping, and meal preparation to support client independence. Chore services help with heavy household cleaning.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Financial Statement Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions are for general operations and board-designated net assets of the Organization and are not subject to donor-imposed restrictions. These net assets of the Organization may be used at the discretion of management to support the Organization's purposes and operations. The Organization has designated, from net assets without donor restrictions, net assets for Meals on Wheels and operations.

Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are for actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses – The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities and functional expenses. Accordingly, certain costs have been allocated to the program and supporting services benefited. The expenses allocated include depreciation, rent, utilities and property taxes, repairs and maintenance, IT expenses, and insurance, which are allocated based on square footage, as well as certain salaries and benefits, which are allocated based on time spent on each program. All other expenses are charged directly to the corresponding function by account.

Cash and Cash Equivalents – Cash and cash equivalents include cash and all highly liquid investments which have an original maturity of three months or less.

Concentration of Credit Risk and Funding – The Organization maintains its cash and cash equivalents in deposit accounts in commercial banks in Ohio, which, at times, may exceed federally insured limits. Amounts in excess of federally insured limits totaled approximately $381,000 and $470,000 at September 30, 2023 and 2022, respectively. The Organization has not experienced any significant losses in such accounts. Management of the Organization believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information – The financial statements include certain prior year summarized comparative information in total but not by net asset class and entity. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2022, from which the summarized information was derived.

Support and Revenue Recognition – Unconditional contributions are recognized immediately and classified as either increases in net assets with or without donor restrictions, while conditional contributions of cash or other assets received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions.

Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions and grants are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and Revenue Recognition, Continued

Government agency grants are conditioned upon the incurrence of allowable qualifying expenses, and revenue is recognized when the conditions are met. As of September 30, 2023 and 2022, the Organization had $8,817,494 and $6,825,875, respectively, of conditional contributions that have not been recorded as qualifying expenses have not yet been incurred.

Grants receivable include funds due from various funding sources. These amounts are stated at the amount management expects to collect from balances outstanding at year end. The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. No allowance for doubtful accounts has been recorded as of September 30, 2023 and 2022 based on management's analysis. Management expects to collect balances within one year.

The Organization records the following exchange transaction revenue in its statement of activities:

Program service fees – Revenue from program service fees represents fees from the delivery of meals to recipients. Revenue is recognized at the point in time when the meal or service is provided. Third party payors which include Medicaid and other insignificant insurance and self-pay payors, are billed at least monthly and collectible within 30-45 days.

Medicaid – Medicaid pays the Agency under a prospective payment system (PPS). Payment for services is based on 100% of the average reasonable costs per service rate, adjusted by the Medicare Economic Index and any changes in the scope of services provided. Estimated settlements are accrued in the period in which the related services are rendered and adjusted in future periods as final settlements are determined. The Medicaid per-service amount is an all-inclusive rate that covers all defined services. Collections are made 30-45 days subsequent to the billing, during which period outstanding balances are included on the balance sheet as contract assets or accounts receivable.

Other revenue consists primarily of workers compensation dividends which are recognized at the time they are received.

Contract balances – The timing of revenue recognition, billings, and cash collections results in billed contracts receivable (contract assets) and deferred revenue (contract liabilities) on the statement of financial position. Contract liabilities are released as the performance obligations are met.

Contracts receivable include funds due from various sources. These amounts are stated at the amount management expects to collect from balances outstanding at year end. The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management has recorded an allowance for doubtful accounts of $11,744 at September 30, 2023 and $6,736 at September 30, 2022. Management expects to collect balances within one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and Revenue Recognition, Continued

The beginning and ending contract balances were as follows at September 30:

	2023	2022	2021
Contracts receivable, net	$ 168,010	$ 165,569	$ 176,476
Deferred revenue	43,155	67,339	27,272

Significant judgments – There are no significant judgments involved in the recognition of revenue.

Various economic factors affect the recognition of revenue and cash flows. These economic factors consist of the general economy of the Akron area and government regulations, among others.

In-Kind Support – In-kind support is recognized as revenues at their estimated fair value only when they create or enhance nonfinancial assets, or they require specialized skills from individuals possessing such skills which would need to be purchased if they were not donated. The Organization receives volunteer services primarily to assist in serving their clients. In accordance with generally accepted accounting principles, this in-kind support is not recognized in the statement of activities as it does not meet the criteria for recognition. The estimated fair value of this in-kind support totaled $1,165,640 and $1,420,908 for the years ended September 30, 2023, and 2022, respectively.

Investments – Investments in marketable equity securities and mutual funds with readily determinable fair values are reported at their fair values in the statement of financial position. In addition, gains and losses (realized or unrealized) are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Investment income restricted by the donor is reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the income is recognized. Investment income is reported net of external and direct internal investment expenses.

Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investments securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statement of financial position and the statement of activities.

Investments Held by Community Foundations – The Organization transferred funds to Stark Community Foundation and Akron Community Foundation to establish trusts with the Organization named as the beneficiary. The Community Foundations maintain variance power over these assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment – Property and equipment is stated at cost if purchased, or if donated, at the fair value prevailing at the date of donation. Major additions and betterments are capitalized while maintenance and repairs that do not improve or extend the lives of the respective assets are expensed currently. The Organization follows the policy of capitalizing expenditures in excess of $5,000 and those items which substantially increase the useful lives of existing assets. When property is retired or otherwise disposed of, the cost of the property is removed from the asset account, accumulated depreciation is charged with an amount equivalent to the depreciation provided, and the difference is charged or credited to operations. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	20 - 40 years
Furniture and fixtures	5 - 20 years
Leasehold improvements	3 years

Inventories – Inventories consist of food and related supplies and are carried at the lower of cost or net realizable value with costs determined by the first-in, first-out (FIFO) method.

Deferred Revenue – Deferred revenue represents amounts received relating to services rendered subsequent to year end.

Income Taxes – The Organization is a nonprofit organization exempt from federal income taxes under the current provisions of the Internal Revenue Code Section 501(c)(3). Therefore, no provisions for federal and state income taxes have been recorded in the financial statements. The Organization is not classified as a private foundation.

The Organization follows guidance issued by the Financial Accounting Standards Board (FASB) on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Organization's return for tax years 2019 and later remain subject to examination by taxing authorities.

Subsequent Events – Subsequent events are events or transactions that occur after year end before the financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, non-recognized subsequent events).

Management has evaluated subsequent events and transactions for potential recognition or disclosure through March 14, 2024, the date the financial statements were available to be issued and determined that there were no significant non-recognized subsequent events through that date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Guidance – In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842),* and associated ASUs related to Topic 842, which requires organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The new guidance requires that a lessee recognize assets and liabilities for leases, and recognition, presentation and measurement in the financial statements will depend on its classification as a finance or operating lease. In addition, the new guidance requires disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. Lessor accounting remains largely unchanged from legacy U.S. GAAP but does contain some targeted improvements to align with the new revenue recognition guidance, *Revenue from Contracts with Customers (Topic 606),* issued in 2014.

The Organization adopted the standard effective October 1, 2022 and recognized and measured leases existing at, or entered into after, October 1, 2022 (the beginning of the period of adoption). Lease disclosures for the year ended September 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on October 1, 2022 an operating lease liability of $704,535, which represents the present value of the remaining lease payments of $788,417 discounted using the Organization's risk-free rate of 3.97%, and an operating right-of-use asset of $704,535.

The standard had a material impact on the Organization's statement of financial position but did not have a material impact on the Organization's statement of activities or statement of cash flows. The most significant impact was the recognition of right-of-use assets and lease liabilities for operating leases.

The Organization determines whether an arrangement is a lease at the inception of the arrangement based on terms and conditions in the contract. A contract contains a lease if there is an identified asset, and the Organization has the right to control the asset. Operating leases are included in the operating lease right-of-use (ROU) assets and operating lease liabilities on the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Guidance, continued – ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization utilizes the risk-free rate in determining the present value of lease payments unless the implicit rate is readily determinable. The risk-free rate is based on the constant maturity rate that is published by the U.S. Department of the Treasury.

Lease terms include options to extend the lease when it is reasonably certain those options will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the life of the lease.

The Organization has elected to apply the short-term lease exemption to one of the classes of underlying assets for office space. In 2023, there are only a small number of leases within this class of underlying assets that qualify for this exemption. The short-term lease cost recognized and disclosed for those leases in 2023 is $142,294. The remaining lease payments due in 2024 are $25,472.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for as a single lease component for all asset classes. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease component is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance, insurance and real estate taxes that are passed on from the lessor in proportion to the space leased, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

3. FINANCING ARRANGEMENTS

The Organization has a $250,000 revolving line of credit with a bank. There was no outstanding balance on this line of credit at September 30, 2023 and 2022. Advances outstanding on the credit line are due on demand, with interest due monthly at the prime rate plus one quarter percent (8.75% at September 30, 2023 and 6.50% at September 30, 2022). The credit line is collateralized by all assets of the Organization.

4. LIQUIDITY

The following represents the Organization's financial assets available for operating expenses and capital expenditures on fixed assets within one year of the statement of financial position date at September 30:

	2023	2022
Cash and cash equivalents	$ 573,123	$ 817,647
Grants receivable	458,486	498,010
Contracts receivable, net	168,010	165,569
Total current liquid assets	1,199,619	1,418,226
Less: Assets with board designations or donor restrictions not in noncurrent investments	(372,167)	(605,927)
Total financial assets liquid within one year	$ 827,452	$ 875,299

As described in Note 3, the Organization also has a $250,000 line of credit available to meet cash flow needs.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	2023	2022
Furniture and equipment	$ 1,367,436	$ 1,222,082
Leasehold improvement	6,600	6,600
Buildings and improvements	1,176,640	1,176,640
Land	288,987	288,987
	2,839,663	2,694,309
Less accumulated depreciation	(1,518,879)	(1,399,919)
	$ 1,320,784	$ 1,294,390

6. LEASES

The Organization has an operating lease for administrative offices. The lease has a remaining term of 5 years and includes an option to extend the lease for up to 3 years. Management has determined that the renewal option is not reasonably certain to be exercised, and as such the renewal period is not included in the ROU assets. As of September 30, 2023 and 2022, the Organization had no assets recorded under finance leases.

6. LEASES (Continued)

The components of lease expenses for 2023 are as follows:

	2023
Operating lease cost	$ 135,157
Variable lease cost	43,996
Short-term lease	142,294
Total lease cost	$ 321,447

Other Lease Information	**2023**
Supplemental cash flows information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 132,759

The following table summarizes the lease-related assets and liabilities recorded in the statement of financial position as of September 30, 2023:

Operating lease right-of-use assets, net	$ 597,376
Operating lease liabilities, current	$ 112,980
Operating lease liabilities, net of current	484,396
Total operating lease liabilities	$ 597,376
Weighted-average remaining lease terms (years)	4.8
Weighted-average discount rate	
Operating leases	3.97%

6. LEASES (Continued)

The following table provides the maturities of lease liabilities at September 30, 2023:

	Operating
2024	$ 134,211
2025	134,502
2026	135,954
2027	136,245
2028	114,748
Thereafter	-
Total future undiscounted lease payments	655,660
Less: Interest	(58,284)
Present value of lease liabilities	$ 597,376

During 2022, which was prior to the adoption of Topic 842, rent expense was $346,113.

7. RETIREMENT PLAN

The Organization maintains a tax deferred savings plan covering substantially all of its employees. Employees are permitted to make pre-tax deferrals of up to 25% of compensation or maximum amounts as allowed by law. Employee contributions are matched by the Organization up to 3%. Total matching contributions to the plan by the Organization were $44,569 in 2023 and $41,816 in 2022.

8. NET ASSETS

Net assets consist of the following amounts as of September 30:

	2023	2022
Net assets without donor restrictions:		
Board designated for operations	$ 24,663	$ 74,663
Board designated for Meals on Wheels	2,030,870	2,319,911
Net investment in property and equipment	1,320,784	1,286,569
Operating surplus	82,352	165,388
	$ 3,458,669	$ 3,846,531

8. NET ASSETS (Continued)

Net assets with donor restrictions for purpose:

	2023	2022
Meals on Wheels	$ 401,079	$ 488,302
	$ 401,079	$ 488,302

Net assets totaling $87,223 in 2023 and $9,247 in 2022 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Net assets with donor restrictions in perpetuity, the income from which is restricted for the following purpose:

	2023	2022
General program activities	$ 184,429	$ 166,307

9. FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. U.S GAAP requires the Organization to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

9. FAIR VALUE MEASUREMENTS (Continued)

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the year ended September 30, 2023 and 2022.

Valuation Techniques

The following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended September 30, 2023 and 2022.

Mutual funds – Valued at the NAV of shares on the last trading day of the fiscal year.

Equity securities – Valued at the closing quoted price in an active market.

Investments held by Community Foundations – Valued using the fair value of the assets held in the foundation reported by the foundation as of September 30, 2023 and 2022. The Organization considers the measurement of its investments held by community foundation to be a Level 3 measurement within the hierarchy because even though that measurement is based on the unadjusted fair value of trust assets reported by the foundation, the Organization does not have the ability to direct the foundations to redeem them.

The following table presents the assets carried on the statement of financial position by level within the fair value hierarchy:

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Mutual funds	$ 1,494,265	$ -	$ -	$ 1,494,265
Equity securities	577,670	-	-	577,670
Total investments	2,071,935	-	-	2,071,935
Investments held by Community foundations	-	-	184,429	184,429
Total assets at fair value	$ 2,071,935	$ -	$ 184,429	2,256,364
Investments in money market (a)				12,510
Total investments and investments held by community foundations				$ 2,268,874

9. FAIR VALUE MEASUREMENTS (Continued)

	2022			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	$ 1,227,108	$ -	$ -	$ 1,227,108
Equity securities	978,099	-	-	978,099
Total investments	2,205,207	-	-	2,205,207
Investments held by Community foundations	-	-	166,307	166,307
Total assets at fair value	$ 2,205,207	$ -	$ 166,307	2,371,514
Investments in money market (a)				71,742
Total investments and investments held by community foundations				$ 2,443,256

(a) The amount presented is at cost. The amount presented in this table is intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

10. ENDOWMENT

The Organization's endowment includes the Meals on Wheels of Northeast Ohio Endowment Fund held by the Stark Community Foundation and the VANTAGE Aging Endowment Fund held by the Akron Community Foundation. Both of the funds are donor restricted for perpetuity. Income received from these funds are for general operations of the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Board of Directors of the Organization has interpreted state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net asses with donor restrictions in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with state law, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

10. ENDOWMENT (Continued)

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

It is the Board of Director's practice to immediately designate for future expenditures all investment income earned on the endowment. Therefore, all investment income is recorded as net assets without restrictions.

Changes in Endowment Net Assets for the Years Ended September 30:

	With Donor Restrictions Restricted for Perpetuity
Endowment net assets, September 30, 2021	$ 191,436
Change in investments held by community foundations	(25,129)
Endowment net assets, September 30, 2022	166,307
Change in investments held by community foundations	18,122
Endowment net assets, September 30, 2023	$ 184,429

Return Objectives and Risk Parameters – The Organization has adopted investment and spending policies for endowment assets based on the policies held at the Stark Community Foundation and the Akron Community Foundation that attempt to provide a predictable stream of funding for Organization operations and programs.

Strategies Employed for Achieving Objectives – The Organization relies on a total return strategy at the Stark Community Foundation and the Akron Community Foundation in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

11. LEGAL MATTERS

During the normal course of business, the Organization is involved in routine legal matters that management intends to aggressively defend. Management believes the likelihood of any material adverse outcome to be remote.

12. CONCENTRATION OF CONTRIBUTIONS OR GRANTS

The Organization is funded from grants and reimbursements from various governmental agencies. The Organization anticipates the renewal of all its grants and federal awards. The Organization received approximately 65% and 66% of their revenue from the Department of Labor and Ohio Department of Aging for the years ended September 30, 2023 and 2022, respectively. However, if there were changes in funding sources this could have a significant impact on the Organization.

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended September 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number		Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Labor				
Senior Community Service Employment Program:				
United States Department of Labor	17.235	*	$ 3,997,286	$ -
Passed through Ohio Department of Aging	17.235	*	3,384,945	-
Passed through Indiana Department of Workforce Development	17.235	*	397,376	-
Total U.S. Department of Labor			7,779,607	-
U.S. Department of Health and Human Services				
Meals on Wheels America and Public Health Institute	93.011		14,317	-
Aging Cluster:				
Passed through Direction Home Akron Canton Area Agency on Aging:				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044		3,040	-
Nutrition Services and CARES Act for Nutrition Services under Title III-C of the Older Americans Act	93.045		881,224	-
American Rescue Plan for Nutrition Services Under Title III-C of the Older American Act - COVID 19	93.045		67,305	-
Nutrition Services Incentive Program	93.052		100,484	-
Total passed-through Direction Home Akron Canton Area Agency on Aging			1,052,053	-
Passed through Area Agency on Aging Region 9:				
Special Programs for the Aging, Title III, Part C, Nutrition Services - COVID 19	93.053		69,753	-
Total Aging Cluster			1,121,806	-
Passed through Direction Home Akron Canton Area Agency on Aging				
National Family Caregiver Support Title III Part E	93.052		53,861	-
Passed through Summit County Department of Job and Family Services:				
Social Services Block Grant	93.667		9,070	-
Passed through Portage County Department of Job and Family Services:				
Social Services Block Grant	93.667		3,346	-
Total U.S. Department of Health and Human Services			1,202,400	-
U.S. Department of Housing and Urban Development				
Passed through Summit County Department of Community and Economic Development:				
Community Development Block Grants - Entitlement Grants	14.218		10,000	-
Passed through City of Cuyahoga Falls:				
Community Development Block Grants - Entitlement Grants	14.218		5,206	-
Total U.S. Department of Housing and Urban Development			15,206	-
Corporation of National and Community Service				
Retired and Senior Volunteer Program	94.002		349,365	-
U.S. Department of Agriculture				
Passed through Direction Home Akron Canton Area Agency on Aging:				
Senior Farmers Market Nutrition Program (SFMNP)	10.576		39,146	-
U.S. Department of Homeland Security				
Emergency Food and Shelter National Board Program	97.024		18,568	-
			$ 9,404,292	$ -

* Denotes major federal program

See accompanying notes to financial statements.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended September 30, 2022
(with summarized comparative information for the year ended September 30, 2021)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of VANTAGE Aging (the Organization) under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of VANTAGE Aging; it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of VANTAGE Aging.

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

2. SUBRECIPIENTS

The Organization did not provide federal awards to subrecipients during the year ended September 30, 2023.

3. NON-CASH ASSISTANCE, LOANS OUTSTANDING, AND INSURANCE

The Organization did not receive any federal non-cash assistance, federal loans or federal insurance for the year ended September 30, 2023.

4. DE MINIMIS RATE

The Organization did not elect to use the de minimis rate of 10% for the year ended September 30, 2023.

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4020 Kinross Lakes Parkway, Suite 300
Richfield, OH 44286
330.864.6661

SIKICH.COM

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 of
VANTAGE Aging:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of VANTAGE Aging (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered VANTAGE Aging's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of VANTAGE Aging's internal control. Accordingly, we do not express an opinion on the effectiveness of VANTAGE Aging's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether VANTAGE Aging'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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Richfield, Ohio
March 14, 2024

4020 Kinross Lakes Parkway, Suite 300
Richfield, OH 44286
330.864.6661

SIKICH.COM

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

To the Board of Directors of
VANTAGE Aging:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited VANTAGE Aging's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of VANTAGE Aging's major federal programs for the year ended September 30, 2023. VANTAGE Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, VANTAGE 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding VANTAGE Aging's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of VANTAGE Aging's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of VANTAGE Aging's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sikich LLP

Richfield, Ohio
March 14, 2024

SUPPLEMENTAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended September 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

	Yes	No	None Reported
Type of auditor's report issued – unmodified			
Internal control over financial reporting:			
• Material weakness(es) identified?		√	
• Significant deficiency(ies) identified that are not considered to be material weaknesses?			√
Noncompliance material to financial statements noted?		√	

Federal Awards

	Yes	No	None Reported
Internal control over major programs:			
• Material weakness(es) identified?		√	
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?			√
Type of auditor's report issued on compliance for major programs – unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200. 516(a)?		√	

Identification of major programs:
U.S. Department of Labor
Passed through the Ohio Department of Labor and Indiana Department of Workforce Development
Senior Community Service Employment Program:
ALN 17.235

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

	Yes	No	None Reported
Auditee qualified as low-risk auditee?	√		

Section II – Financial Statement Findings

None

Section III –Major Federal Award Programs Finding and Questioned Costs

None

Section IV – Summary of Prior Audit Findings

None