AGE WELL SENIOR SERVICES, INC.
Financial Statements
June 30, 2023
With Summarized Comparative Information
For the Year Ended June 30, 2022
With Independent Auditor's Reports

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ADVISORY TAX AUDIT

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ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Age Well Senior Services, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Age Well Senior Services, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2023, 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 the Organization as of June 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS") 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1, the Organization adopted Topic 842 as of July 1, 2022. Prior period amounts have not been adjusted and continue to be reported in accordance with the Organization's historic accounting under Topic 840. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for 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 GAAS 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 GAAS 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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in the report dated October 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 20, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information Included in the Financial Statements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023 on our consideration of Age Well Senior Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Age Well Senior Services, Inc.'s internal control over financial reporting and compliance

WithumSmith+Brown, PC

November 21, 2023

Age Well Senior Services, Inc.
Statements of Financial Position
June 30, 2023
With Summarized Comparative Information as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Assets				
Current assets				
Cash and cash equivalents	$ 614	$ 727,427	$ 728,041	$ 770,045
Investments	3,418,113	-	3,418,113	8,146,641
Accounts receivable	1,071,486	-	1,071,486	1,060,908
Prepaid expenses	120,066	-	120,066	93,925
Total current assets	4,610,279	727,427	5,337,706	10,071,519
Property and equipment, net	1,671,650	-	1,671,650	1,433,440
Other long-term assets				
Deposits	10,596	-	10,596	10,596
Endowment	-	789,075	789,075	737,984
Right-of-use asset - operating, net	222,651	-	222,651	-
Total other assets	233,247	789,075	1,022,322	748,580
Total assets	$ 6,515,176	$ 1,516,502	$ 8,031,678	$ 12,253,539

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

Age Well Senior Services, Inc.
Statements of Financial Position
June 30, 2023
With Summarized Comparative Information as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Liabilities				
Current liabilities				
Accounts payable	$ 364,001	$ -	$ 364,001	$ 331,949
Accrued expenses	182,738	-	182,738	280,756
Current portion debt	53,596	-	53,596	51,575
Current portion of lease liabilities - operating	97,234	-	97,234	-
Total current liabilities	697,569	-	697,569	664,280
Long-term liabilities				
Lease liabilities - operating, net of current portion	152,464	-	152,464	-
Long-term debt, net of unamortized loan costs	1,817,516	-	1,817,516	1,867,228
Total liabilities	2,667,549	-	2,667,549	2,531,508
Net assets				
Without and with donor restrictions	3,847,627	1,516,502	5,364,129	9,722,031
Total liabilities and net assets	$ 6,515,176	$ 1,516,502	$ 8,031,678	$ 12,253,539

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

Age Well Senior Services, Inc.
Statements of Activities
Year Ended June 30, 2023
With Summarized Comparative Information as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenue				
Public support and revenue	$ 1,806,792	$ 729,029	$ 2,535,821	$ 2,666,867
Government support and revenue	5,817,310	-	5,817,310	5,500,386
Change in value of charitable remainder trust and endowment fund	-	51,091	51,091	(344,523)
Total revenue	7,624,102	780,120	8,404,222	7,822,730
Net assets released from restrictions				
Satisfaction of program restrictions	771,647	(771,647)	-	-
Total net assets released from restrictions	771,647	(771,647)	-	-
Total support and revenues	8,395,749	8,473	8,404,222	7,822,730
Operating expenses				
Nutrition	4,386,241	-	4,386,241	4,026,435
Transportation	1,733,550	-	1,733,550	1,846,806
Case management	424,560	-	424,560	365,019
Senior centers	284,442	-	284,442	299,132
Corporate	915,873	-	915,873	579,728
Fundraising	173,255	-	173,255	211,205
Total operating expenses	7,917,921	-	7,917,921	7,328,325
Other income (loss)				
Miscellaneous income	2,413	-	2,413	142,996
Investment (loss) gain	273,008	-	273,008	(1,081,025)
Miscellaneous settlement	(5,119,624)	-	(5,119,624)	-
Total other income (loss)	(4,844,203)	-	(4,844,203)	(938,029)
Change in net assets	(4,366,375)	8,473	(4,357,902)	(443,624)
Net assets				
Beginning of year	8,214,002	1,508,029	9,722,031	10,165,655
End of year	$ 3,847,627	$ 1,516,502	$ 5,364,129	$ 9,722,031

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

Age Well Senior Services, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services				Supporting Services		
	Nutrition	Transportation	Case Management	Senior Centers	Corporate	Fund Raising	2023 Totals
Salaries	$ 1,295,004	$ 899,684	$ 246,999	$ 115,277	$ 43	$ 89,464	$ 2,646,471
Payroll taxes and employee benefits	210,199	175,886	32,800	18,998	48,326	14,812	501,021
Total salaries and related expenses	1,505,203	1,075,570	279,799	134,275	48,369	104,276	3,147,492
Accounting and auditing	12,896	6,448	12,896	-	11,440	-	43,680
Consultants	168,831	58,693	115,392	18,462	108,171	43,241	512,790
Advertising	-	-	-	-	6,000	9,032	15,032
Rent	22,970	16,213	-	40	79,863	-	119,086
Repairs and maintenance	60,520	122,507	-	20,700	436	-	204,163
Insurance	-	90,435	-	10,662	39,888	-	140,985
Office supplies	8,131	743	250	-	3,725	-	12,849
Food	2,417,041	-	-	-	70,893	-	2,487,934
Program supplies	129,946	46,328	12,248	41,032	65,902	16,150	311,606
Vehicle operation	-	248,768	-	-	-	-	248,768
Fund raising	-	-	-	6,280	-	-	6,280
Payroll services	7,454	5,844	1,513	690	-	556	16,057
Telephone	23,880	10,556	-	1,243	11,636	-	47,315
Utilities	24,174	-	-	-	-	-	24,174
Dues and subscriptions	2,950	615	-	1,678	150	-	5,393
Legal	-	-	-	-	288,277	-	288,277
Conferences and conventions	-	-	125	-	2,295	-	2,420
Interest	-	-	-	-	75,314	-	75,314
Local travel	1,772	-	2,337	387	1,999	-	6,495
Miscellaneous	473	-	-	309	96,024	-	96,806
Depreciation and amortization	-	50,830	-	48,684	5,491	-	105,005
	2,881,038	657,980	144,761	150,167	867,504	68,979	4,770,429
Total expenses	$ 4,386,241	$ 1,733,550	$ 424,560	$ 284,442	$ 915,873	$ 173,255	$ 7,917,921

The Notes to Financial Statements are an integral part of this statement.

Age Well Senior Services, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services				Supporting Services		
	Nutrition	Transportation	Case Management	Senior Centers	Corporate	Fund Raising	2022 Totals
Salaries	$ 1,197,388	$ 945,692	$ 197,901	$ 91,446	$ -	$ 109,602	$ 2,542,029
Payroll taxes and employee benefits	191,344	203,965	23,148	21,016	44,876	17,718	502,067
Total salaries and related expenses	1,388,732	1,149,657	221,049	112,462	44,876	127,320	3,044,096
Accounting and auditing	11,520	5,760	11,520	-	5,720	-	34,520
Consultants	148,462	74,014	116,811	26,851	94,721	55,856	516,715
Advertising	1,690	-	-	-	4,700	12,658	19,048
Rent	18,640	13,158	-	40	48,846	-	80,684
Repairs and maintenance	60,318	161,972	-	27,137	581	-	250,008
Insurance	1	83,406	-	9,471	47,086	-	139,964
Office supplies	6,363	32	183	-	4,732	-	11,310
Food	2,257,679	-	-	3,308	41,040	-	2,302,027
Program supplies	81,608	48,630	13,661	56,285	58,038	14,763	272,985
Vehicle operation	-	286,492	-	-	-	-	286,492
Fund raising	-	-	-	10,236	-	-	10,236
Payroll services	6,426	5,466	1,160	480	-	608	14,140
Telephone	20,481	10,556	-	1,473	9,736	-	42,246
Utilities	19,698	-	-	-	-	-	19,698
Dues and subscriptions	2,095	-	-	780	3,200	-	6,075
Legal	-	-	-	-	113,351	-	113,351
Conferences and conventions	-	-	-	-	3,287	-	3,287
Interest	-	-	-	-	76,904	-	76,904
Local travel	2,663	892	635	115	39	-	4,344
Miscellaneous	59	-	-	1,810	12,242	-	14,111
Depreciation and amortization	-	6,771	-	48,684	10,629	-	66,084
	2,637,703	697,149	143,970	186,670	534,852	83,885	4,284,229
Total expenses	$ 4,026,435	$ 1,846,806	$ 365,019	$ 299,132	$ 579,728	$ 211,205	$ 7,328,325

The Notes to Financial Statements are an integral part of this statement.

Age Well Senior Services, Inc.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Operating activities		
Change in net assets	$ (4,357,902)	$ (443,624)
Adjustments to reconcile change in net assets		
to net cash (used in) provided by operating activities		
Depreciation and amortization	105,005	66,084
Amortization of right-of-use assets - operating	91,934	-
Change in value of charitable remainder trusts and endowments	(51,091)	344,523
Loss on investments	(471,472)	641,814
Changes in operating assets and liabilities		
(Increase) decrease in assets		
Accounts receivable	(10,578)	(523,139)
Contributions receivable, net	-	115,000
Prepaid expenses	(26,141)	(93,655)
Deposits	-	(2,088)
Increase (decrease) in liabilities		
Accounts payable	32,052	66,784
Accrued expenses	(98,018)	30,089
Deferred revenue	-	(2,500)
Lease liabilities - operating	(64,887)	-
Net cash (used in) provided by operating activities	(4,851,098)	199,288
Investing activities		
Purchases of property and equipment	(343,215)	-
Purchases of investments	-	(329,083)
Proceeds from sale of investments	5,200,000	-
Net cash provided by (used in) investing activities	4,856,785	(329,083)
Financing activities		
Payment of long-term debt	(47,691)	(48,545)
Net cash used in financing activities	(47,691)	(48,545)
Net change in cash and cash equivalents	(42,004)	(178,340)
Cash and cash equivalents		
Beginning of year	770,045	948,385
End of year	$ 728,041	$ 770,045
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 75,314	$ 76,904

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Age Well Senior Services, Inc. (the “Organization”) was originally part of San Clemente Seniors, Inc., which was incorporated in 1975 as a private, nonprofit organization, exempt under the Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code. On July 1, 1995, South County Senior Services, Inc. was formed to assume most of the operations and some of the assets and liabilities of San Clemente Seniors, Inc. San Clemente Seniors, Inc. retained the operation of only the San Clemente Adult Day Health Care Center and all other existing programs were retained and operated by the new organization. San Clemente Seniors, Inc. no longer operates as a separate entity.

In January 2010, the Organization changed its name from South County Senior Services, Inc. to Age Well Senior Services, Inc.; however, it continues to operate under the dba of South County Senior Services, Inc.

Age Well Senior Services, Inc. provides for the social, nutritional, cultural, health, transportation and educational needs of the elderly population of South Orange County. Special emphasis has been placed on outreach services and adult day health care. The Organization has provided support services on a local level that allow home-bound senior citizens to remain in their chosen environment as long as possible. The Organization’s senior centers operate to keep seniors well and to enable them to socialize and receive health benefits.

The Board of Directors functions as the policy-making body and is governed by the Organization’s by-laws. The Organization’s Executive Director serves as the Chief Executive Officer.

Activities

The Organization’s activities, which are in accordance with its primary purpose as described above, have been classified as follows:

- *Nutrition* – Provide nutritional meals in senior centers and nutrition sites. Deliver nutritional meals to home-bound elderly daily.
- *Transportation* – Provide non-emergency medical transportation for the elderly and services for senior centers, medical appointments, and all the cities located in South Orange County.
- *Case Management* – Contract for case management nurses and social workers to perform home visits and assessments of frail seniors needing more care.
- *Senior Centers* – Operate two senior centers and contracts with other senior sites for nutritional and social services, educational classes through emeritus and adult education, preventative health screening, elder care, case manager nurse, legal and tax assistance, insurance counseling, senior support groups, Medicare counselors and monthly surplus commodity distributions. Emphasis is on wellness and maintaining independence for the elderly.
- *Corporate* – Management and general activities that support the achievement of program objectives. This includes expenses not directly attributable to a program.
- *Fundraising* – Subcommittees of the general Board of Directors responsible for fund raising to generate revenues and to subsidize annual operations are the fund development committee and planned giving committee. These subcommittees are comprised of the Organization’s Board Members, professionals in the community and key staff.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

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

The Organization records gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. Contributions with donor-imposed restrictions that are received and spent in the same year have been recorded as net assets without donor restrictions in the accompanying statement of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers highly liquid investments and investments with original maturities of three months or less to be cash and cash equivalents. The Organization has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of $250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization’s financial condition, results of operations, and cash flows.

Receivables

Contracts, grants and other receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for potential unrecoverable contract costs or for losses on accounts receivable.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at the fair market value at the date of donation. Building improvements, equipment and furniture, and vehicles are depreciated using the straight-line method over estimated useful lives of 3 to 40 years.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows (undiscounted and without interest) expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Charitable Remainder Trusts
Contributions, including unconditional promises to give, are recognized as revenue in the period received. The Organization is also a beneficiary in certain trusts. The Organization recognizes as revenue the present value of the estimated future benefits to be received upon distribution of irrevocable trusts for which the Organization is beneficiary but is not the trustee. When these gifts are revocable in nature, they are not reflected in the financial statements.

Contributions
In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Made*. This update requires a recipient of funds from a resource provider to determine if those funds should be classified as a reciprocal exchange transaction or as a contribution based on the value that the resource provider is receiving from the transaction. Additionally, the update requires recipient organizations to determine whether a contribution is conditional based on if the agreement includes barriers that must be overcome, and either a right of return of assets transferred, or a right of release of a resource provider's obligation to transfer assets. If the agreement includes both characteristics, the recipient is not entitled to the transferred assets, and therefore does not recognize the associated revenues, until the barrier is overcome.

Contributions, including unconditional promises to give, are recognized when received or pledged by the donor. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Unconditional promises to give are reported at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discount rate adopted at the time of the gift is the incremental borrowing rate of the Organization or the US Treasury bill rate for the term of the agreement. The discount rate remains consistent annually.

Contributed Services and Contributed Nonfinancial Assets
The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements.

Donated materials and other nonfinancial contributions are reflected in the accompanying financial statements at their estimated market values at date of receipt. Contributions of services are recognized if the services received creates or enhances nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements as there is no objective basis of deriving their value.

For the years ended June 30, 2023 and 2022, such nonspecialized volunteer hours totaled 52,677 and 44,032, and the value of such hours is estimated by the Organization to be $804,046 and $617,041, respectively, which has not been recorded in the accompanying financial statements. Only those amounts that meet the criteria above are recorded in the accompanying financial statements.

Program Expenses

Program expenses on the statements of activities for the years ended June 30, 2023 and 2022 include congregate and home delivered meals, transportation, social services and other support and grants totaling $6,828,793 and $6,537,392, respectively.

Compensated Absences

The Organization accrues for employees' earned but unused time off.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Payroll taxes and employee benefits	Time and effort
Consultants	Time and effort
Advertising	Time and effort
Contract services	Time and effort
Rent	Square footage
Repairs and maintenance	Direct usage
Insurance	Time and effort
Program supplies	Direct usage
Office supplies	Direct usage
Depreciation and amortization	Direct usage

All other expense have been recorded to programs and supporting services based on direct usage by each function.

Advertising Expense

Advertising costs are charged to operations when incurred. At June 30, 2023 and 2022, advertising costs totaled $15,032 and $19,048, respectively.

Income Taxes

The Organization is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding provisions of the California Revenue and Taxation Statute. However, the Organization is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. As a matter of course, various taxing authorities, including the Internal Revenue Service, have the authority to regularly audit the Organization. There were no tax years open to examination by major tax jurisdictions as of June 30, 2023. Management believes that the Organization’s tax positions comply with applicable tax law and has adequately provided for these matters. Further, there are no income tax related penalties and interest included in these financial statements.

The Organization has adopted the provisions of Accounting Standards Codification ("ASC") 740-10-05 relating to accounting and reporting for uncertainty in income taxes. For the Organization, these provisions could be applicable to the incurrence of any unrelated business income attributable to the Organization.

Leases as Lessee

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow us to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the statement of financial position.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, we account for these other services as a component of the lease.

Lease liabilities are recognized at the present value of the fixed lease payments, using a discount rate based on the risk-free rate. Right-of-use (“ROU”) assets are recognized based on the initial present value of the fixed lease payments plus any costs from executing the lease. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase of the leased assets are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease. Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

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 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 Data

The financial statements include prior year summarized comparative information in total, but not by net asset class. 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 Organization’s financial statements for the year ended June 30, 2022 from which the summarized information was derived.

Recent Accounting Pronouncements - Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") amending the accounting for leases. The Organization adopted the new standard effective July 1, 2022, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption, as the Organization utilized the practical expedient available under the guidance. Further, the Organization elected to implement the package of practical expedients, whereby the Organization did not (i) reassess existing contracts for embedded leases, (ii) reassess existing lease agreements for finance or operating classification, or (iii) reassess existing lease agreements in consideration of initial direct costs. The implementation of this standard did not have a material impact to the statements of activities or cash flows.

Upon adoption, the Organization recognized $314,584 in ROU assets related to its leased property. Corresponding lease liabilities of $334,984 were also recognized. Deferred rent liabilities of $20,400 were reclassed and netted against the ROU asset. There was no cumulative effect of applying the new standard and accordingly there was no adjustment to net assets upon adoption.

Subsequent Events

The Organization evaluated subsequent events through November 21, 2023, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

2. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30:

	2023	2022
Financial assets at year end		
Cash and cash equivalents	$ 728,041	$ 770,045
Investments	3,418,113	8,146,641
Accounts receivable	1,071,486	1,060,908
Endowment	789,075	737,984
Total financial assets	6,006,715	10,715,578
Less: Amounts not available to be used within one year		
Contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	(727,427)	(770,045)
Subject to appropriation and satisfaction of donor restrictions	(789,075)	(737,984)
	(1,516,502)	(1,508,029)
Financial assets available to meet general expenditures over the next twelve months	$ 4,490,213	$ 9,207,549

The Organization receives contributions and promises to give which are restricted by donors for program use. Management of liquidity and reserves is conducted under three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. As part of the liquidity plan, excess cash is currently invested in short-term investments, such as money market accounts, when possible. The Organization forecasts its future cash flows, and monitors liquidity bi-monthly and monitors reserves annually during the budget review.

3. FAIR VALUE MEASUREMENTS

The carrying value of financial instruments in the financial statements approximates fair value.

For fair value measurements of financial assets and financial liabilities, and for fair value measurements of non-financial items that are recognized and disclosed at fair value in the financial statements on a recurring basis, the Organization has adopted US GAAP standards that define fair value as 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.

US GAAP establishes a three-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities:

Level 1 - Fair values are based on quoted prices in active markets for identical assets and liabilities. The Organization’s Level 1 assets include institutional mutual funds, cash and cash equivalents, US Treasury bills, and both equity and fixed income securities.

Level 2 - Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the asset. The Organization has no Level 2 assets.

Level 3 - Fair values are calculated using pricing models and/or discounted cash flow methodologies and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data. The Organization’s Level 3 assets include charitable remainder trusts.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair values may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering from sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30:

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments				
Money market funds	$ 46,536	$ -	$ -	$ 46,536
Mutual funds	1,410,004	-	-	1,410,004
US Treasury bills	1,961,573	-	-	1,961,573
	3,418,113	-	-	3,418,113
Endowment				
Cash and cash equivalents	529,627	-	-	529,627
Mutual funds	259,448	-	-	259,448
	789,075	-	-	789,075
	$ 4,207,188	$ -	$ -	$ 4,207,188

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments				
Money market funds	$ 137,303	$ -	$ -	$ 137,303
Mutual funds	8,009,338	-	-	8,009,338
	8,146,641	-	-	8,146,641
Endowment				
Cash and cash equivalents	526,292	-	-	526,292
Equities and mutual funds	211,692	-	-	211,692
	737,984	-	-	737,984
	$ 8,884,625	$ -	$ -	$ 8,884,625

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2023	**2022**
Land	$ 245,396	$ 245,396
Buildings and improvements	1,794,088	1,794,089
Equipment and furniture	84,562	84,562
Vehicles	665,447	325,014
	2,789,493	2,449,061
Less: Accumulated depreciation	(1,117,843)	(1,015,621)
	$ 1,671,650	$ 1,433,440

Depreciation expense totaled $102,222 and $63,303 for fiscal years ended June 30, 2023 and 2022, respectively.

5. ENDOWMENT

The Organization has adopted the accounting standard for endowments of not-for-profit organizations. A key component of the accounting standard is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as net assets with donor restrictions in perpetuity as net assets with donor restrictions for purpose or time, until appropriated for expenditure. Adoption of this standard did not affect the financial position or changes in net assets of the Organization.

The accounting standard provides guidance with respect to the accounting for donor-restricted endowment funds subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which the State of California has enacted. In addition, the accounting standard requires expanded disclosures for all endowment funds. Based on its interpretation of the provisions of UPMIFA and the accounting standard, the Organization has determined that retaining its existing policies regarding net asset classification of its donor-restricted endowment funds is appropriate. The historic dollar value of donor-restricted endowment contributions is reported as net assets with donor restrictions in perpetuity.

Changes in endowment net assets for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2022	$ -	$ 737,984	$ 737,984
Investment income	-	51,091	51,091
Endowment net assets, June 30, 2023	$ -	$ 789,075	$ 789,075

Changes in endowment net assets for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2021	$ -	$ 816,673	$ 816,673
Investment loss	-	(78,689)	(78,689)
Endowment net assets, June 30, 2022	$ -	$ 737,984	$ 737,984

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that provides a stream of funding for the operation and maintenance of the Florence Sylvester Memorial Senior Center, while maintaining the purchasing power of the endowment assets. Under these policies, the portfolio is to be invested with 1/3 in short term, very liquid assets and 2/3 in low risk, conservative stocks and bonds. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Organization's investment policy includes an endowment spending rate of 5% of the endowment funds' market value over a rolling two calendar year average. This spending rate constitutes the Board's annual appropriation for spending endowment earnings. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through investment returns.

Underwater Endowment
From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors. At June 30, 2023 and 2022, no funds with deficiencies were reported in net assets with donor restrictions.

The Organization did not withdraw from the endowment during the fiscal years ended June 30, 2023 and 2022.

6. ACCRUED EXPENSES

Accrued expenses are summarized as follows June 30:

	2023	2022
Salaries and benefits	$ 56,094	$ 138,788
Compensated absences	126,644	121,569
Deferred rent	-	20,399
	$ 182,738	$ 280,756

7. LONG-TERM DEBT

Long-term debt is summarized as follows at June 30:

	2023	2022
3.85% secured note payable, payable in monthly installments of $10,454, with payments starting on May 2021 through April 2031.	$ 1,892,897	$ 1,943,368
Less: Current portion	(53,596)	(51,575)
Less: Unamortized deferred loan costs	(21,785)	(24,565)
	$ 1,817,516	$ 1,867,228

The maturities of long-term debt are as follows at June 30:

2024	$ 53,596
2025	55,696
2026	58,421
2027	63,471
2028	65,959
Thereafter	1,595,754
	$ 1,892,897

8. RETIREMENT PLANS

The Organization has a retirement plan for employees formed under Section 403(b) of the Internal Revenue Code consisting of a tax-sheltered custodial account. Under the provisions of the Plan, employees may make voluntary contributions up to the lesser of 100% of their annual salary, or the federal contribution limitations. The Organization also has a retirement plan formed under section 401(k) of the Internal Revenue Code. Under the provisions of the Plan, employees may make voluntary contributions from their salary up to the maximum amount allowed by the Internal Revenue Code.

9. LEASE COMMITMENTS

Operating Leases

The Organization leases its corporate office facilities, set to expire on November 30, 2025. The monthly lease payments increase on an annual basis and range from $7,291 to $8,784.

The following is a maturity analysis of the annual undiscounted cash flows for the operating lease liability as of June 30:

2024	$ 108,043
2025	111,293
2026	47,287
	266,623
Less: Imputed interest	(16,925)
	$ 249,698

As of June 30, 2023, the weighted average discount rate associated with the operating leases is 5.25% and weighted average remaining lease term associated with operating leases is 2 years. Cash paid for operating leases totaled $100,928 for the year ended June 30, 2023. Rent expense totaled $119,086 and $80,684 for the years ended June 30, 2023 and 2022, respectively.

10. NET ASSETS

Net assets with donor restrictions were released from restrictions for the following purposes or periods at June 30:

	2023	2022
Expenditure for a specified purpose		
Home delivered meals	$ -	$ 135,213
Nutrition program	696,828	-
Transportation	25,000	-
Senior centers	49,819	-
Expiration of time restrictions		
Payments received from contributions receivable	-	115,000
	$ 771,647	$ 250,213

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	2023	2022
Subject to expenditure for a specified purpose		
Senior centers	$ 156,374	$ 48,217
Nutrition program	571,053	696,828
Case management	-	25,000
	727,427	770,045
Subject to Organization's spending policy and appropriation		
Investment in perpetuity, which, once appropriated, is expendable to support		
Florence Sylvester Senior Center	789,075	737,984
	$ 1,516,502	$ 1,508,029

11. LITIGATION

The Organization may be subject to certain outside claims and litigation arising in the ordinary course of business. In the opinion of the Organization’s management and its counsel, there are no matters which could have a material effect on the accompanying financial statements.

12. LINE OF CREDIT

The Organization has available a revolving line of credit with a bank for $750,000. The line of credit expires in April 2025, unless extended. Borrowings under the line of credit bear interest at 4.00%. All borrowings are collateralized by substantially all assets of the Organization. There was no outstanding balance on the line of credit at June 30, 2023. Borrowings under the line of credit are subject to maintaining a minimum cash balance. As of June 30, 2023, the Organization is in compliance with all covenants.

13. MISCELLANEOUS SETTLEMENT

In May 2023, the Organization entered into a settlement agreement with the County resulting in a payment of $5,119,624 relating to a contract dispute for a program that was administered by the Organization during the Covid 19 pandemic. The settlement agreement also required a larger payment to the County from an unrelated charity. The agreement indicates that there has been no determination or adjudication that the Organization or other charity engaged in any wrongdoing in connection with the contract.

SUPPLEMENTARY INFORMATION

Age Well Senior Services, Inc.
Schedule of Expenditures of Federal Awards and Selected State and County Awards
Year Ended June 30, 2023

Federal Grant / Pass-Through Grantor / Program		Assistance Listing Number	Expenditures Federal	Expenditures State*
U.S. Department of Health and Human Services				
Elderly Nutrition Program Services				
Passed through County of Orange Area Agency on Aging:				
C-1 (Congregate Meals)	NSIP	93.053	$ 79,690	$ -
C-2 (Home-Delivered Meals)	NSIP	93.053	200,384	-
			280,074	-
Passed through County of Orange Area Agency on Aging:				
B - (Case Management)	Title III, Part B	93.044	116,285	-
B - (In-Home Services)	Title III, Part B	93.044	100,780	-
B - (Transportation)	Title III, Part B	93.044	131,788	-
			348,853	-
Passed through County of Orange Area Agency on Aging:				
C-1 (Congregate Meals)	Title III, Part C	93.045	813,975	177,450
C-2 (Home-Delivered Meals)	Title III, Part C	93.045	733,943	1,011,962
			1,547,918	1,189,412
Special Programs for the Aging				
Passed through County of Orange Area Agency on Aging:				
B - ARPA (Case Management)	Title III, Part B	93.044	33,815	-
B - ARPA (In-Home Services)	Title III, Part B	93.044	54,224	-
B - ARPA (Transportation)	Title III, Part B	93.044	76,329	-
C-1 ARPA (Congregate Meals)	Title III, Part C	93.045	292,804	-
C-2 ARPA (Home-Delivered Meals)	Title III, Part C	93.045	267,840	-
			725,012	-
Total U.S. Department of Health and Human Services			2,901,857	1,189,412
U.S. Department of Housing and Urban Development				
Community Development Block Grant				
Passed through:				
City of Rancho Santa Margarita		14.218	23,760	-
City of Irvine		14.218	47,990	-
City of Mission Viejo		14.218	51,000	-
City of Laguna Niguel		14.218	5,588	-
City of Lake Forest		14.218	65,675	-
City of San Clemente		14.218	4,520	
City of Newport Beach		14.218	30,000	-
Total U.S. Department of Housing and Urban Development			228,533	-
GRAND TOTALS			$ 3,130,390	$ 1,189,412

* State matching funds are shown for memo purposes only

See Notes to Schedule of Expenditures of Federal Awards and Selected State and County Awards.

Age Well Senior Services, Inc.
Notes to Schedule of Expenditures of Federal Awards and Selected State and County Awards
Year Ended June 30, 2023

1. GENERAL INFORMATION

The accompanying Schedule of Expenditures of Federal Awards and Selected State and County Awards presents the activity of federal, selected state and county award programs of Age Well Senior Services, Inc. (the "Organization"), and therefore, does not present the financial position of results of operations of the Organization.

2. BASIS OF PRESENTATION

The information in this schedule is presented under the accrual basis of accounting. Under the accrual basis of accounting, expenditures reported include any property or equipment acquisitions incurred under the award programs in the fiscal year.

3. CONTINGENCIES

Under the terms of federal, state and county grants, additional audits may be requested by the grantor agencies, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal, state, and county award expenditures are reported on the statement of functional expenses as program services and management and general. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedule of expenditures of federal, state, and county awards due to program expenditures exceeding grant or contract budget limitations which are not included as federal, state, and county awards and differences between generally accepted accounting principles and applicable government regulations regarding eligible program expenditures.

5. INDIRECT COST RATE

Age Well Senior Services, Inc. does not receive any federal indirect costs.

6. SUBRECIPIENT MONITORING

Age Well Senior Services, Inc. did not pass through any federal awards to subrecipients during the year ended June 30, 2023.

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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Age Well Senior Services, Inc.:

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 Age Well Senior Services, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2023, the related statements of activities, cash flows, and functional expenses for the year then ended and the related notes to the financial statements and have issued our report thereon dated November 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Withum Smith+Brown, PC

November 21, 2023

ADVISORY TAX AUDIT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Age Well Senior Services, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Age Well Senior Services, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization'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, Age Well Senior Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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 ("GAAS"); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States ("Government Auditing Standards") 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 Organization 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 the Organization'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 Organization'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 the Organization'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 GAAS, 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 Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, 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 the Organization'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 Organization'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 Organization'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.

Withum Smith+Brown, PC

November 21, 2023

Age Well Senior Services, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section 1 – Summary of Auditor's Results

Financial Statements	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Control deficiencies identified that are not considered to be *material weaknesses*?	None reported
Noncompliance material to financial statements noted?	No
Federal, State and City Awards	
Internal control over major programs:	
Material weaknesses identified?	No
Control deficiencies identified that are not considered to be *material weaknesses*?	None reported
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 section 200.516(a) of Uniform Guidance?	No

The following federal program was designated as a major program:

Assistance Listing Number(s)	Name of Federal Program or Cluster
97.044, 97.045,97.053	Department of Health and Human Services Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section 2 – Financial Statement Findings

None reported.

Section 3 – Federal, State and City Award Findings and Questioned Costs

None reported.

Section 4 – Follow Up Prior Year Audit Findings

None reported.