



VALLEY PROGRAM FOR AGING SERVICES, INC.

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

VALLEY PROGRAM FOR AGING SERVICES, INC.

FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2025

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9
Notes to Financial Statements	10-18
SUPPLEMENTARY INFORMATION	
Schedule A – Status of Funds	19
Schedule B – Cost by Program Activity	20-21
Schedule C – Status of Inventories	22
COMPLIANCE	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23-24
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	25-27
Schedule of Expenditures of Federal Awards	28
Notes to Schedule of Expenditures of Federal Awards	29
Schedule of Findings and Questioned Costs	30-32



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS
VALLEY PROGRAM FOR AGING SERVICES, INC.
WAYNESBORO, VIRGINIA**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Valley Program for Aging Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2025, 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 present fairly, in all material respects, the financial position of Valley Program for Aging Services, Inc. as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Valley Program for Aging Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Valley Program for Aging Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Valley Program for Aging Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Valley Program for Aging Services, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 13, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules A, B, and C, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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, Schedules A, B, and C, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2026, on our consideration of Valley Program for Aging 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 to 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 Valley Program for Aging Services, Inc.'s internal control over financial reporting and compliance.

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
February 18, 2026

FINANCIAL STATEMENTS

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2025

With Comparative Totals for 2024

ASSETS	<u>2025</u>	<u>2024</u>
Current Assets:		
Cash and cash equivalents	\$ 1,780,166	\$ 1,837,480
Certificate of deposit	-	6,374
Current portion of contributions receivable	275,597	344,706
Accounts receivable - federal, net	62,893	172,113
Accounts receivable - other, net	10,797	33,630
Inventory at cost	7,972	9,540
Prepaid expenses	26,519	26,194
Total current assets	\$ <u>2,163,944</u>	\$ <u>2,430,037</u>
Noncurrent Assets:		
Property and equipment, net	\$ 288,020	\$ 291,988
Operating right-of-use assets	75,169	100,299
Financing right-of-use assets	2,252	-
Long-term contributions receivable	44,036	109,000
Interest in net assets of Community Foundations	305,766	287,898
Total noncurrent assets	\$ <u>715,243</u>	\$ <u>789,185</u>
Total assets	\$ <u><u>2,879,187</u></u>	\$ <u><u>3,219,222</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Current Liabilities:		
Accounts payable	\$ 110,121	\$ 110,366
Accrued expenses	155,234	150,694
Current maturities of long-term debt	29,060	27,363
Current portion of operating lease liabilities	40,907	37,332
Current portion of financing lease liabilities	822	-
Refundable advances	21,235	23,837
Total current liabilities	\$ <u>357,379</u>	\$ <u>349,592</u>
Long-term Liabilities:		
Long-term debt, net of current portion	\$ 49,544	\$ 78,588
Operating lease liabilities, net of current portion	35,110	63,295
Financing lease liabilities, net of current portion	1,444	-
Total long-term liabilities	\$ <u>86,098</u>	\$ <u>141,883</u>
Total liabilities	\$ <u><u>443,477</u></u>	\$ <u><u>491,475</u></u>
Net Assets:		
Without donor restrictions, undesignated	\$ 797,608	\$ 711,876
Without donor restrictions, board-designated	607,000	607,000
With donor restrictions	1,031,102	1,408,871
Total net assets	\$ <u>2,435,710</u>	\$ <u>2,727,747</u>
Total liabilities and net assets	\$ <u><u>2,879,187</u></u>	\$ <u><u>3,219,222</u></u>

The accompanying notes are an integral part of these financial statements.

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENT OF ACTIVITIES
Year Ended September 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND SUPPORT			
Grant revenues:			
Federal	\$ 1,914,017	\$ -	\$ 1,914,017
State	760,242	-	760,242
Local governments	-	380,912	380,912
Other grants and support	54,634	33,250	87,884
Program income and fees	89,646	-	89,646
Contributions of cash and other income	145,770	32,963	178,733
Donated rent	35,998	-	35,998
Investment income	44,711	-	44,711
Unrealized gain on investments	17,868	-	17,868
Disposition of equipment	11,680	-	11,680
Net assets released from restrictions	824,894	(824,894)	-
Total revenues, gains, and support	\$ <u>3,899,460</u>	\$ <u>(377,769)</u>	\$ <u>3,521,691</u>
EXPENSES			
Program expenses	\$ 2,998,258	\$ -	\$ 2,998,258
Supporting services:			
Management and general	783,640	-	783,640
Fundraising	31,830	-	31,830
Total expenses	\$ <u>3,813,728</u>	\$ <u>-</u>	\$ <u>3,813,728</u>
Change in net assets	\$ 85,732	\$ (377,769)	\$ (292,037)
Net assets, beginning of year	<u>1,318,876</u>	<u>1,408,871</u>	<u>2,727,747</u>
Net assets, end of year	\$ <u><u>1,404,608</u></u>	\$ <u><u>1,031,102</u></u>	\$ <u><u>2,435,710</u></u>

The accompanying notes are an integral part of these financial statements.

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENT OF ACTIVITIES
Year Ended September 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND SUPPORT			
Grant revenues:			
Federal	\$ 2,335,780	\$ -	\$ 2,335,780
State	735,556	-	735,556
Local governments	-	381,067	381,067
Other grants and support	37,867	8,400	46,267
Program income and fees	75,000	-	75,000
Contributions of cash and other income	169,224	53,817	223,041
Donated rent	37,129	-	37,129
Investment income	57,607	-	57,607
Unrealized gain on investments	39,644	-	39,644
Disposition of equipment	18,610	-	18,610
Net assets released from restrictions	425,383	(425,383)	-
Total revenues, gains, and support	\$ <u>3,931,800</u>	\$ <u>17,901</u>	\$ <u>3,949,701</u>
EXPENSES			
Program expenses	\$ 3,055,787	\$ -	\$ 3,055,787
Supporting services:			
Management and general	741,238	-	741,238
Fundraising	41,137	-	41,137
Total expenses	\$ <u>3,838,162</u>	\$ <u>-</u>	\$ <u>3,838,162</u>
Change in net assets	\$ 93,638	\$ 17,901	\$ 111,539
Net assets, beginning of year	<u>1,225,238</u>	<u>1,390,970</u>	<u>2,616,208</u>
Net assets, end of year	\$ <u><u>1,318,876</u></u>	\$ <u><u>1,408,871</u></u>	\$ <u><u>2,727,747</u></u>

The accompanying notes are an integral part of these financial statements.

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended September 30, 2025

	Program Services	Supporting Services		
	Aging Services	Management and General	Fundraising	Total
Salaries, wages, and benefits	\$ 1,568,465	\$ 626,358	\$ 21,256	\$ 2,216,079
Resources and membership	8,333	1,018	-	9,351
Licenses and permits	421	25	-	446
Travel	32,899	1,772	-	34,671
Training	7,107	2,660	-	9,767
Staff and volunteer recruitment and retention	4,145	683	7	4,835
Professional fees	121	32,710	-	32,831
Rent and utilities	76,357	13,006	4,959	94,322
Office supplies	4,514	1,844	-	6,358
Phone and internet	16,529	3,046	-	19,575
Marketing expense	413	-	-	413
Printing	2,664	2,025	-	4,689
Advertisement and public notices	188	15	-	203
Computer expenses	12,078	7,234	3,160	22,472
Penalty fees	-	17,403	-	17,403
Postage	730	2,378	-	3,108
Copier rental	10,019	1,065	285	11,369
Vehicle costs	63,589	10,759	-	74,348
Food and beverage - center and other	3,736	820	-	4,556
Client expenses	19,427	-	-	19,427
Meals	902,683	45	-	902,728
Contractual services	83,622	5,338	-	88,960
General insurance	-	16,709	-	16,709
In-kind	76,224	21,835	1,617	99,676
Depreciation	55,194	-	-	55,194
Amortization	45,126	12,159	-	57,285
Interest	2,820	2,727	75	5,622
Fundraising	854	6	471	1,331
Totals	\$ <u>2,998,258</u>	\$ <u>783,640</u>	\$ <u>31,830</u>	\$ <u>3,813,728</u>

The accompanying notes are an integral part of these financial statements.

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended September 30, 2024

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Aging Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 1,587,867	\$ 580,929	\$ 26,704	\$ 2,195,500
Resources and membership	6,809	1,160	-	7,969
Licenses and permits	710	25	-	735
Travel	32,386	3,599	214	36,199
Training	2,616	693	-	3,309
Staff and volunteer recruitment and retention	2,823	684	53	3,560
Professional fees	2,162	23,163	-	25,325
Rent and utilities	90,041	26,165	4,692	120,898
Office supplies	6,577	6,012	103	12,692
Phone and internet	18,870	7,323	-	26,193
Marketing expense	833	584	527	1,944
Printing	2,334	267	-	2,601
Advertisement and public notices	1,155	286	30	1,471
Computer expenses	12,384	14,068	5,773	32,225
Penalty fees	-	299	-	299
Postage	1,482	2,638	411	4,531
Copier rental	9,363	3,267	344	12,974
Vehicle costs	69,394	19,341	-	88,735
Food and beverage - center and other	2,859	2,460	-	5,319
Client expenses	23,390	618	50	24,058
Meals	911,502	2,265	-	913,767
Contractual services	95,420	2,462	255	98,137
General insurance	-	7,052	-	7,052
In-kind	75,376	22,814	1,357	99,547
Depreciation	47,806	-	-	47,806
Amortization	46,964	10,040	-	57,004
Interest	4,200	3,024	-	7,224
Fundraising	464	-	624	1,088
Totals	\$ <u>3,055,787</u>	\$ <u>741,238</u>	\$ <u>41,137</u>	\$ <u>3,838,162</u>

The accompanying notes are an integral part of these financial statements.

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENT OF CASH FLOWS
Years Ended September 30, 2025
With Comparative Totals for 2024

Cash flows from operating activities:	2025	2024
Change in net assets	\$ (292,037)	\$ 111,539
Adjustments to reconcile the change in net assets to net cash flows from operating activities:		
Depreciation and amortization expense	112,479	104,810
(Gain) loss on disposal of equipment	(11,680)	(18,610)
Interest on certificate of deposit	(147)	-
Unrealized gain on investments	(17,868)	(39,644)
Net change in operating lease asset and liability	520	(186)
Expense construction in progress	-	10,799
Change in assets and liabilities:		
(Increase) decrease in contributions receivable	134,073	8,678
(Increase) decrease in accounts receivable, federal	109,220	75,805
(Increase) decrease in accounts receivable, other	22,833	(18,476)
(Increase) decrease in inventory	1,568	(2,140)
(Increase) decrease in prepaid expenses	(325)	(17,712)
Increase (decrease) in accounts payable	(245)	(8,512)
Increase (decrease) in accrued expenses	4,540	(12,833)
Increase (decrease) in refundable advances and deferred revenue	(2,602)	(109,197)
Net cash flows provided by (used for) operating activities	\$ 60,329	\$ 84,321
Cash flows from investing activities:		
Purchase of property and equipment	\$ (108,230)	\$ -
Proceeds from certificate of deposit	6,521	-
Proceeds from disposal of equipment	11,680	18,610
Net cash flows provided by (used for) investing activities	\$ (90,029)	\$ 18,610
Cash flows from financing activities:		
Principal payments on financing lease	\$ (267)	\$ -
Payments on long-term debt	(27,347)	(25,755)
Net cash flows provided by (used for) financing activities	\$ (27,614)	\$ (25,755)
Net change in cash and cash equivalents	\$ (57,314)	\$ 77,176
Cash and cash equivalents at beginning of year	1,837,480	1,760,304
Cash and cash equivalents at end of year	\$ 1,780,166	\$ 1,837,480
Supplemental disclosures:		
Cash paid during the year for:		
Interest (including lease interest)	\$ 5,622	\$ 7,224
Noncash investing and financing activities:		
Right-of-use asset obtained in exchange for finance lease liability	\$ 2,533	\$ -

The accompanying notes are an integral part of these financial statements.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements As of September 30, 2025 and September 30, 2024

NOTE 1 – NATURE OF ACTIVITIES:

Valley Program for Aging Services, Inc. ("VPAS" or "Organization") is a private, non-profit corporation founded in 1974 to coordinate and administer the delivery of services that will help to reduce isolation, promote independence, and improve the quality of life of older Virginians in Planning District Six (Cities of Buena Vista, Harrisonburg, Lexington, Staunton, and Waynesboro, and Counties of Augusta, Bath, Highland, Rockbridge, and Rockingham). VPAS is designated as the area agency on aging by the Virginia Division for the Aging (VDA) of the Department for Aging and Rehabilitative Services (DARS) for this district. Services are generally funded by grants from local, state, and federal agencies.

VPAS receives a substantial amount of support from state and federal agencies. A significant reduction in the level of this support, if this were to occur, may have an adverse effect on VPAS's programs and activities.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES:

Basis of accounting: The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets: The accompanying financial statements present information regarding VPAS's financial position and activities according to two classes of net assets: with and without donor restrictions. The two classes are differentiated based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions – Net assets without donor restrictions are free of donor-imposed restrictions or the donor-imposed restrictions expire in the fiscal year in which the contribution is received. Revenues, gains, and losses that are not restricted by donors are included in this classification. Expenses are reported as decreases in this classification.

Net assets with donor restrictions – Net assets in this classification are limited as to use by donor-imposed stipulations that expire with the passage of time or can be satisfied by action of VPAS pursuant to those stipulations. Net assets with donor restrictions are generally restricted for home delivered meals, the VPAS Cafes, transportation, or other welfare programs.

Support and revenue recognition: Contributions, including unconditional promises to give, are recognized as given with or without donor restrictions, depending on the existence and/or nature of any donor restrictions, in the period the donor's commitment is received. All donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction is satisfied or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

VPAS is the subrecipient of cost-reimbursable grants with U.S. government agencies which typically qualify as conditional awards. Grant awards are recognized when notification is received. Expenses incurred, but not yet reimbursed, under these grants are reported as accounts receivable in the accompanying statements of financial position. Payments received, but not yet expended, for the purpose of the grants are reflected as returnable advances in the accompanying statements of financial position.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements

As of September 30, 2025 and September 30, 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Support and revenue recognition: (Continued)

VPAS has determined that funding received under the government grant to be conditional contributions. As VPAS incurs expenses that are allowed and recoverable in accordance with the grant agreements, the conditions are considered to have been met. Thus, contributions related to federal projects are recognized as costs qualified under the grants are incurred. Government funds received in advance of costs incurred are recorded as refundable advances until expended for the purpose of the grant. Federal costs incurred in excess of funds received are recorded as grants receivable.

Grants other than government grants and contributions are recorded as revenue when received or promised. Gifts of cash and other assets are reported as support with donor restrictions if they are received or promised with donor stipulations that limit the use of the donated assets to one of VPAS's programs or to a future year. When a restriction expires (that is, when a stipulated time restriction ends) or purpose restriction is accomplished, the restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction. Net assets received with donor restrictions met in the same year are also recorded as support with donor restrictions and reclassified when the restrictions are met.

Contributed services are recognized when donated contributions create or enhance non-financial assets or when specialized skills are provided that would otherwise be purchased, if not donated. Many volunteers have made a significant contribution to programs, principally in nutrition, VPAS Cafes, and transportation services. The value of these donated services (\$105,616 and \$112,773 for years ended September 30, 2025 and 2024, respectively) is not reflected in these statements since it does not meet the criteria for recognition.

VPAS recognizes contributions of donated rent for facilities, which are used to support the operations of the corporate office, the Waynesboro Cafe, and the Buena Vista Cafe, at the estimated fair value, determined with reference to local market conditions.

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

Cash and cash equivalents: For purposes of reporting cash flows, VPAS considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. VPAS's cash accounts are maintained in commercial banks located in Virginia.

The Board of Directors has directed that a cash reserve be maintained. This cash is unrestricted and available for use at the Board's discretion if the need arises.

Credit risk concentrations: As of September 30, 2025, the Organization's cash balances did not exceed the maximum amount insured by the Federal Deposit Insurance Corporation (FDIC) of \$250,000. Accordingly VPAS does not believe it is exposed to any significant credit risk on its cash deposits.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements

As of September 30, 2025 and September 30, 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Interest in net assets of Community Foundation: VPAS holds an interest in funds invested with the Community Foundation of the Central Blue Ridge and with the Community Foundation of Rockbridge, Bath, and Alleghany. They are reported at their fair values in the statement of financial position, as reported to VPAS by the respective Community Foundations.

Contributions receivable: Contributions promised but not yet realized are recorded as contributions receivable, allocated between current and long-term accordingly to the time period expected to be collected or realized. Contributions receivable include donated support in the form of a long-term below market lease (\$1 per year). The lease is valued at the present value of the estimated fair rental value of the associated property over the term of the lease.

Accounts receivable: The accounts receivable balance results from agreements with federal and state agencies and fees for services provided to clients, and is considered unrestricted. All amounts are expected to be collected in less than one year. VPAS uses the allowance method; management evaluates the accounts receivable periodically for collectability. As of September 30, 2025 and 2024, no allowance was deemed necessary.

Property and equipment: VPAS capitalizes all capital expenditures in excess of \$5,000, with an estimated useful life extending beyond one year. Property and equipment is carried at cost. Donated property and equipment is carried at fair value at the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets and leasehold improvements.

Income taxes: VPAS is exempt from federal income taxes under Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code and has been determined to be an exempt charity which qualifies donations to the organization as charitable contributions for tax purposes. However, VPAS may be subject to unrelated business tax on certain types of income.

VPAS follows the provisions of accounting for uncertainty in income tax positions as required by the *Income Taxes* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. However, management does not believe it is exposed to any such positions as defined in this guidance, nor do they expect this to change significantly over the next 12 months. VPAS files Form 990, *Return of Organization Exempt From Income Tax*, annually with the United States Department of the Treasury.

Functional expense allocations: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are allocated to program services, management and general, or fundraising. Expenses related to more than one function are charged to program services, management and general, and fundraising classifications based on estimates made by management. Allocations are based on departmental staffing levels. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of VPAS.

Advertising: The costs of advertising are expensed as incurred. For the Year Ended September 30, 2025, advertising and public notices expenses were \$203. For the year ended September 30, 2024, the advertising and public notices expenses were \$1,471.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements

As of September 30, 2025 and September 30, 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Use of Estimates and assumptions: 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, the 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.

Leases: Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent.

Leases are classified as either financing or operating leases in accordance with ASC 842. Operating leases result in the recognition of a single lease cost on a straight-line basis over the lease term. Finance leases result in the recognition of amortization of the ROU asset and interest expense on the lease liability.

VPAS elects the short-term lease recognition and measurement exemption, therefore VPAS does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES:

Financial assets and liquidity resources expected to be available for general expenditure within one year include the following at September 30, 2025 and September 30, 2024:

	<u>9/30/2025</u>	<u>9/30/2024</u>
Cash Portion of Net Assets with Donor Restrictions	\$ 711,468	\$ 955,165
Board Designated for Cash Reserves, included in cash balance	607,000	607,000
General Operating Cash Balance	<u>461,698</u>	<u>275,315</u>
Total cash and cash equivalents	\$ 1,780,166	\$ 1,837,480
Certificates of Deposit	-	6,374
Current Portion of Contributions Receivable	275,597	344,706
Accounts Receivable, net	<u>73,690</u>	<u>205,743</u>
	<u>\$ 2,129,453</u>	<u>\$ 2,394,303</u>

Although included within the scope of net assets with donor restrictions, the cash restriction noted above includes unexpended grant funds and contributions. Most of these resources will become available as expenses are incurred in the normal course of operations within the ensuing year. In addition, the board of directors maintains a cash reserve policy, which designated \$607,000 for operating reserves. These resources are available for general expenditures upon notification to the board of the need to use them for temporary cash shortages.

In the coming year, the Organization also expects to receive funding from certain program service charges, recurring grants, contributions and special events, all of which will be available for general expenditure as received.

VALLEY PROGRAM FOR AGING SERVICES, INC.**Notes to Financial Statements****As of September 30, 2025 and September 30, 2024****NOTE 4 – CONTRIBUTIONS RECEIVABLE:**

Contributions receivable consist of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Support Included in Local Municipal Budgets for Next Fiscal Year	\$ 199,434	\$ 267,528
Support from Local United Way	11,200	13,500
Current Portion of Below Market Lease Rights for Operating and Administrative Facilities	<u>64,963</u>	<u>63,678</u>
Current portion of contributions receivable	\$ <u>275,597</u>	\$ <u>344,706</u>
Long-term Portion of Below Market Lease Rights Realizable in more than five years	\$ 44,367	\$ 110,917
Less Discount for Time Value	<u>(331)</u>	<u>(1,917)</u>
Long-term portion of contributions receivable	\$ <u>44,036</u>	\$ <u>109,000</u>

NOTE 5 – PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at September 30, 2025 and 2024

	<u>Estimated Useful Life</u>	<u>2025</u>	<u>2024</u>
Land	-	\$ 3,000	\$ 3,000
Construction in progress	-	-	5,700
Building	40 years	110,085	110,085
Equipment	2-10 years	743,736	707,211
Leasehold improvements	3-15 years	771,555	765,855
Parking lot	15 years	<u>20,716</u>	<u>20,716</u>
		\$ 1,649,092	\$ 1,612,567
Less accumulated depreciation and amortization		<u>(1,361,072)</u>	<u>(1,320,579)</u>
		\$ <u>288,020</u>	\$ <u>291,988</u>

Depreciation and amortization expense amounted to \$112,479 and 104,810 for the years ended September 30, 2025 and September 20, 2024, respectively.

NOTE 6 – EMPLOYEE BENEFITS:

VPAS sponsors a 403(b) Retirement Plan (the Plan). Eligible employees may contribute to the Plan. The Plan allows VPAS to make discretionary matching and non-elective contributions. Employees are fully vested in all employer contributions. Employer contributions to the Plan during the years ended September 30, 2025 and 2024 were \$28,800 and \$26,400, respectively.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements

As of September 30, 2025 and September 30, 2024

NOTE 7 – DONOR BEQUEST:

In 2009, the Community Foundation of the Central Blue Ridge (CFCBR) received a \$100,000 bequest from the estate of a donor, with the income earned intended for the benefit of VPAS. VPAS receives an annual distribution of 4% of the average balance of the previous five years, as approved by CFCBR, totaling \$0 and \$0 for the years ended September 30, 2025 and 2024, respectively. Distributions are unrestricted and can be used for any purpose to help VPAS accomplish its mission. The estate granted variance power over the account to CFCBR. Therefore, the benefit is only recorded as cash is distributed to VPAS. The value of the underlying investments held by CFCBR at September 30, 2025 and 2024 was \$184,783 and \$162,196, respectively.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Time Restricted Contributions Receivable	\$ 210,634	\$ 281,029
Time Restricted Donated Rent	109,000	172,678
Purpose Restrictions for Specific Programs	711,468	955,164
	<u>\$ 1,031,102</u>	<u>\$ 1,408,871</u>

Net assets were received and released from donor restrictions as follows during the years ended September 30:

	<u>2025</u>	<u>2024</u>
Time Restricted Pledges Receivable	\$ 20,968	\$ 33,367
Time Restricted Below Market Lease Rights (in-kind)	63,678	62,418
Purpose Restrictions for Specific Programs	740,248	329,598
	<u>\$ 824,894</u>	<u>\$ 425,383</u>

NOTE 9 –LEASES:

A contract is or contains a lease if the contract conveys the right to control the use of the identified property for a period of time in exchange for consideration. VPAS leases facilities in Staunton, Highland County, and Harrisonburg for use as VPAS Cafes and for providing services and programs. The Organization also has operating and financing leases for copier equipment.

Lease and non-lease components are accounted for as a single combined lease component. The majority of leases do not provide an implicit rate; therefore, VPAS has elected to use the risk-free rate as the discount rate for all classes of underlying assets. Leases have remaining lease terms of 2 to 4 years, some of which include options to extend and options to terminate. Operating lease payments include payments relating to options to extend lease terms that are reasonably certain of being exercised.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements

As of September 30, 2025 and September 30, 2024

NOTE 9 – LEASES: (CONTINUED)

Other information relating to leases is as follows:

Lease expense	
Finance lease expense	
Amortization of ROU assets	\$ 281
Interest on lease liabilities	31
Operating lease expense	47,899
Total	<u>\$ 48,211</u>

Other Information

(Gains) losses on sale-leaseback transactions, net *	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases (i.e. Interest)	23
Financing cash flows from finance leases (i.e. principal portion)	200
Operating cash flows from operating leases	47,078
ROU assets obtained in exchange for new finance lease liabilities	2,459
ROU assets obtained in exchange for new operating lease liabilities	18,669
Weighted-average remaining lease term in years for finance leases	2.67
Weighted-average remaining lease term in years for operating leases	1.85
Weighted-average discount rate for finance leases	3.89%
Weighted-average discount rate for operating leases	4.43%

The maturities of lease liabilities as of September 30, 2025 are as follows:

Year Ended September 30,	Finance	Operating
2025	\$ 893	\$ 43,292
2026	893	34,330
2027	596	948
2028	-	474
Total undiscounted cash flows	\$ 2,382	\$ 79,044
Less: present value discount	(116)	(3,027)
Total lease liabilities	<u>\$ 2,266</u>	<u>\$ 76,017</u>

NOTE 10 – LONG-TERM DEBT:

VPAS's long-term debt at September 30, 2025 and 2024 is as follows:

	2025	2024
Note to First Bank for leasehold improvements, 119 monthly payments of \$2,751, interest rate of 5.95%, collateralized by a deed of trust and all equipment and inventory of VPAS.	\$ 78,604	\$ 105,951
Total long-term debt	\$ 78,604	\$ 105,951
Less current maturities	(29,060)	(27,363)
	<u>\$ 49,544</u>	<u>\$ 78,588</u>

The principal maturities of long-term debt for the succeeding three years are as follows:

Years	Principal
2026	\$ 29,060
2027	30,862
2028	18,682
	<u>\$ 78,604</u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements

As of September 30, 2025 and September 30, 2024

NOTE 11 – INTEREST IN NET ASSETS OF COMMUNITY FOUNDATIONS:

Investments at September 30, 2025 and 2024, carried at fair value as determined by quoted market prices, are as follows:

	2025	2024
Interest in Net Assets of Community Foundations	\$ 305,766	\$ 287,898

NOTE 12 – FAIR VALUE MEASUREMENTS AND DISCLOSURES:

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that VPAS has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for instruments measured at fair value. *Interest in net assets of Community Foundations:* Equities and mutual funds for which a quoted market price is available on an active market are classified as Level 2 in the fair value hierarchy, as they are held in agency and included in the net assets of the Community Foundations.

VALLEY PROGRAM FOR AGING SERVICES, INC.**Notes to Financial Statements****As of September 30, 2025 and September 30, 2024****NOTE 12 – FAIR VALUE MEASUREMENTS AND DISCLOSURES: (CONTINUED)**

The following tables present the balances of investments measured at fair value on a recurring basis.

September 30, 2025				
	Level 1	Level 2	Level 3	Total
Interest in net assets of Community Foundations	\$ -	\$ 305,766	\$ -	\$ 305,766
	<u>\$ -</u>	<u>\$ 305,766</u>	<u>\$ -</u>	<u>\$ 305,766</u>
September 30, 2024				
	Level 1	Level 2	Level 3	Total
Interest in net assets of Community Foundations	\$ -	\$ 287,898	\$ -	\$ 287,898
	<u>\$ -</u>	<u>\$ 287,898</u>	<u>\$ -</u>	<u>\$ 287,898</u>

NOTE 13 – DONATED RENT:

For the years ended September 30, donated rent recognized within the statement of activities includes:

	2025	2024
Waynesboro Facility Donated Rent	\$ 2,871	\$ 3,559
Buena Vista Facility Donated Rent	33,127	33,570
	<u>\$ 35,998</u>	<u>\$ 37,129</u>

Donated rent is recorded at the estimated fair value at the date of donation.

VPAS recognizes contributions for rent of facilities which are used to support the operations of the corporate office, the Waynesboro Cafe, and the Buena Vista Café and offices, at the estimated fair value, determined with reference to local market conditions.

VPAS leases its Waynesboro premises from the City of Waynesboro for \$1 per year under a 15-year lease with one 15-year renewal option. See note 4 for further information about contributions receivable associated with this lease. The lease provides for the cost of certain major maintenance projects to be shared between VPAS and the City of Waynesboro. During the years ended September 30, 2025, and 2024, rent expense of \$66,550 for each year was recognized under this lease, respectively. For the year ended September 30, 2025 corresponding contributions of \$2,871 and release of time restrictions of \$63,678 were recognized as support and revenue, and for the year ended September 30, 2024, corresponding contributions of \$3,559 and release of time restrictions of \$62,418 were recognized as support and revenue.

VPAS also receives donated rent for a facility in the City of Buena Vista pursuant to a cancellable lease. Under the lease terms, no rent is due to the City of Buena Vista. The initial 3 year term of the lease has expired, and the lease continues on a year to year basis until such time as VPAS no longer utilizes the building. Total donated rent for this facility during the years ended September 30, 2025, and 2024 was \$33,127, and \$33,570, respectively.

NOTE 14 – DATE OF MANAGEMENT’S REVIEW:

Subsequent events were considered through February 18, 2026, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

VALLEY PROGRAM FOR AGING SERVICES, INC.

Schedule A

Status of Funds

Year Ended September 30, 2025

Fund	Unencumbered Funds on Hand October 1, 2024	Total Funds Received During Period	Total Funds Available During Period	Accrued Costs to Contract Period	Unencumbered Funds on Hand September 30, 2025
Older Americans Act					
Title III-B	\$ (54,576)	\$ 664,659	\$ 610,083	\$ 609,501	\$ 582
Title III-C(1)	3,074	288,313	291,387	298,157	(6,770)
Title III-C(2)	(62,589)	519,523	456,934	456,934	-
Title III-D	(852)	7,647	6,795	4,782	2,013
Title III-E	(7,029)	209,161	202,132	224,159	(22,027)
Title VII-Elder Abuse	-	4,738	4,738	4,738	-
Title VII-Ombudsman	(3,345)	39,318	35,973	35,973	-
NSIP	3,287	44,074	47,361	47,361	-
ARPA Additional Ombudsman	-	14,718	14,718	14,718	-
Other Federal					
VICAP-(PY 03/31/25 Award)	(16,879)	38,715	21,836	21,836	-
VICAP-(PY 03/31/26 Award)	-	7,152	7,152	10,345	(3,193)
DMAS Ombudsman FY 25	-	7,965	7,965	7,965	-
MIPPA - Priority 1 - SHIP	-	33,627	33,627	33,627	-
Senior Farmers Market - ARPA Expansion	-	-	-	2,704	(2,704)
Falls Prevention Grant	-	3,700	3,700	3,700	-
General Funds					
OAA General-(PY 06/30/25)	(1,506)	115,870	114,364	114,364	-
OAA General-(PY 06/30/26)	-	29,040	29,040	29,040	-
Community Based-(PY 06/30/25)	(5,703)	88,193	82,490	82,490	-
Community Based-(PY 06/30/26)	-	17,116	17,116	5,002	12,114
Transportation-(PY 06/30/25)	-	44,730	44,730	44,730	-
Transportation-(PY 06/30/26)	-	14,910	14,910	14,910	-
Home Delivered Meals-(PY 06/30/25)	14,799	207,100	221,899	221,899	-
Home Delivered Meals-(PY 06/30/26)	-	69,033	69,033	69,033	-
Supplemental Nutrition-(PY 06/30/25)	(19,534)	37,748	18,214	18,214	-
Supplemental Nutrition-(PY 06/30/26)	-	12,583	12,583	12,583	-
Ombudsman-(PY 06/30/25)	-	17,756	17,756	17,756	-
Care Coordination CCEVP-(PY 06/30/24)	269	(269)	-	-	-
Care Coordination CCEVP-(PY 06/30/25)	159	65,812	65,971	65,971	-
Care Coordination CCEVP-(PY 06/30/26)	-	11,244	11,244	8,884	2,360
Senior Cool Care	-	2,105	2,105	2,105	-
Senior Farmer's Market General					
Funds-(PY 06/30/2025)	-	1,218	1,218	1,218	-
VICAP General Funds-(PY 06/30/25)	2,083	22,917	25,000	25,000	-
Grand Total	\$ (148,342)	\$ 2,640,416	\$ 2,492,074	\$ 2,509,699	\$ (17,625)

VALLEY PROGRAM FOR AGING SERVICES, INC.

Schedule B

Costs By Program Activity
Year Ended September 30, 2025

Page 1 of 2

Fund	Costs to Federal III-B Funds	Costs to Federal III C-1 Funds	Costs to Federal III C-2 Funds	Costs to Federal III-D Funds	Costs to Federal III-E Funds	Costs to Federal VII Eld. Ab. Funds	Costs to Federal VII OMB Funds	Costs to Federal ARPA Additional Ombudsman	Voluntary Contribut.	Costs to Other Non- Fed Funds
TITLE III (EXCEPT III-E)										
Older Americans Act										
Adult Day Care	\$ 34,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Checking	-	-	-	-	-	-	-	-	-	-
Care Coordination Level 2	-	-	-	-	-	-	-	-	-	-
S.O.S.	-	-	-	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	239,000	-	-	-	-	-	-	-	790	36,566
Options Counseling	-	-	-	-	-	-	-	-	-	-
Transportation	180,733	-	-	-	-	-	-	-	15,802	82,315
Congregate Meals	-	279,773	-	-	-	-	-	-	5,071	15,976
Home Delivered Meals	-	-	434,893	-	-	-	-	-	6,962	657,959
Nutrition Counseling	-	44	1,700	-	-	-	-	-	-	-
Nutrition Education	-	2,121	341	-	-	-	-	-	-	-
Falls Prevention	-	-	-	4,782	-	-	-	-	-	-
Emergency Services	8,858	-	-	-	-	-	-	-	-	3,875
Outreach/Public Information & Education	44,088	-	-	-	-	-	-	-	-	-
Socialization/Recreation	57,135	-	-	-	-	-	-	-	233	33,255
Legal Assistance	16,987	-	-	-	-	-	-	-	-	1,954
LTC Ombudsman Program	826	-	-	-	-	4,738	35,973	-	-	9,155
Prep. and Admin.	27,009	16,219	20,000	-	-	-	-	-	-	4,257
ARPA Additional Ombudsman	-	-	-	-	-	-	-	14,718	-	-
TITLE III-E										
Older Americans Act										
Individual Counseling	-	-	-	-	38,295	-	-	-	-	-
Support Groups	-	-	-	-	32,048	-	-	-	-	1,313
Caregiver Training	-	-	-	-	35,315	-	-	-	-	10,839
Comm. Referral Info. & Assist	-	-	-	-	4,794	-	-	-	-	207
Outreach/Public Information/Education	-	-	-	-	29,417	-	-	-	-	-
Respite Voucher	-	-	-	-	-	-	-	-	-	-
Other Respite Services	-	-	-	-	23,208	-	-	-	20	1,275
Assistive Tech/DME/PERS-Payments	-	-	-	-	-	-	-	-	-	-
Home Delivered Meals	-	-	-	-	31,258	-	-	-	-	19,912
Transportation	-	-	-	-	22,324	-	-	-	-	10,388
Prep. and Admin.	-	-	-	-	7,500	-	-	-	-	2,500
TOTAL TITLE III & TITLE VII	\$ 609,502	\$ 298,157	\$ 456,934	\$ 4,782	\$ 224,159	\$ 4,738	\$ 35,973	\$ 14,718	\$ 28,878	\$ 891,746

DMAS Ombudsman	Costs to Other Local Federal Funding	Costs to NSIP Funds	Costs to G.F. OAA General Funds	Costs to G.F. Comm. Based Funds	Costs to G.F. Transport Funds	Costs to G.F. HD Meals Funds	Costs to G.F. Supp Nutrition Funds	Costs to G.F. CCEVP Funds	Costs to G.F. Ombuds Funds	In-Kind	Total Title III & VII Costs
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	21	\$ 34,887
-	-	-	-	2,096	-	-	-	-	-	5	2,101
-	-	-	-	-	-	-	-	9,209	-	-	9,209
-	-	-	-	-	-	-	-	64,629	-	64	64,693
-	-	-	108,570	-	-	-	-	-	-	28,017	412,943
-	-	-	-	-	-	-	-	1,017	-	-	1,017
-	82,860	-	-	-	59,640	-	-	-	-	19,353	440,703
-	-	-	-	-	-	-	17,228	-	-	19,259	337,307
-	36,467	47,361	29,040	-	-	290,932	13,569	-	-	106,373	1,623,556
-	-	-	-	-	-	-	-	-	-	31	1,775
-	-	-	-	-	-	-	-	-	-	68	2,530
-	-	-	-	-	-	-	-	-	-	62	4,844
-	-	-	-	-	-	-	-	-	-	141	12,874
-	-	-	-	-	-	-	-	-	-	886	44,974
-	-	-	-	-	-	-	-	-	-	5,814	96,437
-	-	-	-	-	-	-	-	-	-	-	18,941
7,965	-	-	-	-	-	-	-	-	17,756	200	76,613
-	-	-	5,794	-	-	-	-	-	-	11,025	84,304
-	-	-	-	-	-	-	-	-	-	-	14,718
-	-	-	-	-	-	-	-	-	-	-	38,295
-	-	-	-	-	-	-	-	-	-	146	33,507
-	-	-	-	-	-	-	-	-	-	346	46,500
-	-	-	-	-	-	-	-	-	-	363	5,364
-	-	-	-	-	-	-	-	-	-	157	29,574
-	-	-	-	14,858	-	-	-	-	-	7	14,865
-	-	-	-	56,072	-	-	-	-	-	81	80,656
-	-	-	-	14,466	-	-	-	-	-	144	14,610
-	-	-	-	-	-	-	-	-	-	244	51,414
-	-	-	-	-	-	-	-	-	-	52	32,764
-	-	-	-	-	-	-	-	-	-	-	10,000
\$ 7,965	\$ 119,327	\$ 47,361	\$ 143,404	\$ 87,492	\$ 59,640	\$ 290,932	\$ 30,797	\$ 74,855	\$ 17,756	\$ 192,859	\$ 3,641,975

Status of Inventories
Year Ended September 30, 2025

FUND SOURCE AND TYPE OF INVENTORY	Value on Hand 10/1/2024	Increase (Decrease) During Period	Value on Hand 9/30/2025
Federal Transit Act Section 5310	\$ 221,596	\$ (17,543)	\$ 204,053
Agency Real Estate and Leasehold Improvements	195,297	(60,016)	135,281
Grand Totals	\$ 416,893	\$ (77,559)	\$ 339,334

COMPLIANCE

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**TO THE BOARD OF DIRECTORS
VALLEY PROGRAM FOR AGING SERVICES, INC.
WAYNESBORO, VIRGINIA**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Valley Program for Aging Services, Inc. (VPAS), which comprise the statement of financial position as of September 30, 2025, and the related statement 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 February 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Valley Program for Aging Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of VPAS's internal control. Accordingly, we do not express an opinion on the effectiveness of VPAS'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether VPAS'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*.

Valley Program for Aging Services, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Valley Program for Aging Services, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Valley Program for Aging Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
February 18, 2026



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

**TO THE BOARD OF DIRECTORS
VALLEY PROGRAM FOR AGING SERVICES, INC.
WAYNESBORO, VIRGINIA**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Valley Program for Aging Services, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Valley Program for Aging Services, Inc.'s major federal programs for the year ended September 30, 2025. Valley Program for Aging Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Valley Program for Aging 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 September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Valley Program for Aging Services, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Valley Program for Aging Services, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Valley Program for Aging Services, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
February 18, 2026

VALLEY PROGRAM FOR AGING SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Agriculture</u>			
Pass-through payments:			
Virginia Department for Aging and Rehabilitative Services			
Senior Farmers' Market Nutrition Program	10.576	0000122863	\$ 2,704
Total Department of Agriculture			\$ 2,704
<u>Department of Housing and Urban Development</u>			
CDBG - Entitlement/Special Purpose Grants Cluster:			
Pass-through payments:			
City of Harrisonburg:			
Community Development Block Grants/Entitlement Grants	14.218	Not provided	\$ 7,660
City of Staunton:			
Community Development Block Grants/Entitlement Grants	14.218	Not provided	18,000
Subtotal AL 14.218			\$ 25,660
Subtotal CDBG - Entitlement/Special Purpose Grants Cluster			\$ 25,660
Total Department of Housing and Urban Development			\$ 25,660
<u>Department of Transportation</u>			
Pass-through payments:			
Virginia Department of Rail and Public Transportation			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Not provided	\$ 95,020
Total Department of Transportation			\$ 95,020
<u>Department of Health and Human Services:</u>			
Pass-through payments:			
Community Action Partnership of Staunton, Augusta, and Waynesboro			
Community Services Block Grant	93.569	Not provided	\$ 16,837
Virginia Department for Aging and Rehabilitative Services			
Aging Cluster:			
Special Programs for the Aging, Title III, Part B,			
Grants for Supportive Services and Senior Centers	93.044	0000122543, 0000124465	\$ 609,501
		0000122546, 0000124466,	
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	0000122560, 0000124467	755,091
Nutrition Services Incentive Program	93.053	0000122547, 0000124476	47,361
Total Aging Cluster			\$ 1,411,953
Special Programs for the Aging, Title III, Part D, Disease and Health			
Promotion Services	93.043	0000122542, 0000124474	\$ 4,782
National Family Caregiver Support, Title III, Part E	93.052	0000122561, 0000124475	224,159
Special Programs for the Aging Title VII, Chapter 2 -			
Long Term Care Ombudsman Services for Older Individuals	93.042	0000122540, 0000124478	35,973
Medicaid Cluster:			
Medical Assistance Program	93.778	AR46200	7,965
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention			
of Elder Abuse, Neglect, and Exploitation	93.041	0000122554, 0000124477	4,738
Medicare Enrollment Assistance Program	93.071	0000122549	33,627
State Health Insurance Assistance Program	93.324	000117058	32,181
Evidence-Based Falls Prevention Programs Financed Solely by Prevention			
and Public Health Funds (PPHF)	93.761	0000119122	3,700
Elder Abuse Prevention Interventions Program	93.747	Not provided	14,718
Total Virginia Department for Aging and Rehabilitative Services			\$ 1,773,796
Total Department of Health and Human Services			\$ 1,790,633
Total Expenditures of Federal Awards			\$ 1,914,017

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Valley Program for Aging Services, Inc. under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Valley Program for Aging Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Valley Program for Aging Services, Inc.

Note 2 - Summary of Significant Accounting Policies:

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

(2) Pass-through entity identifying numbers are presented where available.

(3) The Agency did elect to use the 10% de minimis indirect cost rate.

(4) The Agency did not pass any federal awards through to sub-recipients during the year ended September 30, 2025.

Note 3 - Relationship to Financial Statements:

Federal expenditures, revenues and capital contributions are reported in the Agency's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements	\$ <u>1,914,017</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>1,914,017</u></u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

Schedule of Findings and Questioned Costs Year Ended September 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? ✓ yes no

Significant deficiency(ies) identified? yes ✓ none reported

Noncompliance material to financial statements noted? yes ✓ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes ✓ no

Significant deficiency(ies) identified? yes ✓ none reported

Type of auditors' report issued on compliance for major programs: unmodified

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

Identification of major programs:

Assistance Listing

Numbers

Name of Federal Program or Cluster

93.044 / 93.045 /
93.053

Aging Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

Auditee qualified as low-risk auditee? yes ✓ no

VALLEY PROGRAM FOR AGING SERVICES, INC.

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2025

Section II- Financial Statement Findings

2025-001 Material Weakness

Condition:	During the fiscal year, the Organization experienced a breakdown in internal control over financial reporting due to staffing changes within the finance department. A critical accounting staff member retired effective September 2024 and was not replaced. During the subsequent six-month period, key accounting processes and controls were not performed, including timely posting of revenue to the general ledger, preparation and review of bank reconciliations, reconciliation of credit card statements to general ledger activity, preparation and review of monthly financial reports, and timely processing of payroll tax payments and filings. The control deficiencies were identified by management in March 2025, at which time Management immediately took corrective action to staff the finance department and to complete the accounting processes that had not been performed during the affected period.
Criteria:	Effective internal control over financial reporting requires that management establish and maintain controls to ensure transactions are properly recorded, financial information is prepared timely and accurately, and assets are safeguarded. These controls include appropriate staffing, segregation of duties, supervisory review, and monitoring activities in accordance with generally accepted accounting principles and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control—Integrated Framework.
Cause:	The material weakness resulted from the retirement of a key accounting employee, the lack of a timely replacement, and breakdown of oversight to ensure that essential accounting functions and monitoring controls continued to operate effectively during the transition period.
Effect:	As a result of these deficiencies, there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal controls over financial reporting.
Recommendation:	We recommend that the Organization strengthen its internal control environment by implementing procedures to ensure continuity of critical accounting functions during staffing transitions, including cross-training of personnel, enhanced supervisory review, and periodic monitoring of key accounting processes. Management should also formalize succession and contingency planning to mitigate the risk of future control breakdowns.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2025

Section II- Financial Statement Findings (Continued)

2025-001 Material Weakness (Continued)

Management's Response:	Management acknowledged the control deficiencies and stated that corrective actions were taken promptly upon identification of the issue. Management made staffing changes, completed all previously unperformed accounting processes, and implemented enhanced oversight and monitoring controls. Management believes these actions have remediated the material weakness prior to year-end.
------------------------	---

Section III-Federal Award Findings and Questioned Costs

None

Section IV - Status of Prior Year Audit Findings

There were no prior year audit findings.