



VALLEY PROGRAM FOR AGING SERVICES, INC.

FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

VALLEY PROGRAM FOR AGING SERVICES, INC.
WAYNESBORO, VIRGINIA

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-3
 BASIC 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	10-21
 REQUIRED SUPPLEMENTARY INFORMATION	
Schedule A Status of funds	22
Schedule B Cost by Program Activity.....	23-24
Schedule C Status of Inventories	25
 COMPLIANCE SECTION	
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>	26-27
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	28-30
Schedule of Expenditures of Federal Awards	31
Notes to Schedule of Expenditures of Federal Awards	32
Schedule of Findings and Questioned Costs	33



INDEPENDENT AUDITORS' REPORT

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

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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

The financial statements of Valley Program for Aging Services as of September 30, 2022, and for the year then ended, were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated January 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2023, Valley Program for Aging Services, Inc. adopted new accounting guidance, FASB ASU 2016-02, *Leases* (Topic 842). 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 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.

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 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 judgement 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 judgement, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedules A, B, and C, as well as the Schedule of Expenditures of Federal Awards, as required by the Virginia Division for the Aging and by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2024 on our consideration of Valley Program for Aging Services, Inc.'s internal control over financial reporting and on our test 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 Valley Program for Aging Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Program for Aging Services, Inc.'s internal control over financial reporting and compliance.

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
February 19, 2024

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2023

With Comparative Totals for 2022

ASSETS	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash and cash equivalents	\$ 1,760,304	\$ 1,819,077
Certificate of deposit	6,374	6,374
Current portion of pledges receivable	289,706	311,293
Accounts receivable - federal, net	247,918	19,631
Accounts receivable - other, net	15,154	25,441
Inventory at cost	7,400	10,022
Prepaid expenses	8,482	24,879
Total current assets	\$ <u>2,335,338</u>	\$ <u>2,216,717</u>
Noncurrent Assets:		
Property and equipment, net	\$ 407,598	\$ 446,678
Right-of-use asset	42,010	-
Long-term pledges receivable	172,678	235,096
Interest in net assets of Community Foundations	248,254	235,981
Total noncurrent assets	\$ <u>870,540</u>	\$ <u>917,755</u>
Total assets	\$ <u><u>3,205,878</u></u>	\$ <u><u>3,134,472</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Current Liabilities:		
Accounts payable	\$ 118,878	\$ 174,882
Accrued expenses	163,527	154,678
Current maturities of long-term debt	25,745	24,261
Current portion of lease liabilities	36,586	-
Refundable advances and deferred revenue	133,034	14,355
Total current liabilities	\$ <u>477,770</u>	\$ <u>368,176</u>
Long-term Liabilities:		
Long-term debt, net of current portion	\$ 105,961	\$ 131,712
Lease liabilities, net of current portion	5,939	-
Total long-term liabilities	\$ <u>111,900</u>	\$ <u>131,712</u>
Total liabilities	\$ <u><u>589,670</u></u>	\$ <u><u>499,888</u></u>
Net Assets:		
Without donor restrictions, undesignated	\$ 618,238	\$ 511,993
Without donor restrictions, board-designated	607,000	607,000
With donor restrictions	1,390,970	1,515,591
Total net assets	\$ <u>2,616,208</u>	\$ <u>2,634,584</u>
Total liabilities and net assets	\$ <u><u>3,205,878</u></u>	\$ <u><u>3,134,472</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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Grant revenues:			
Federal	\$ 2,482,253	\$ -	\$ 2,482,253
State	728,196	-	728,196
Local governments	-	360,567	360,567
Other grants and support	86,515	7,000	93,515
Program income and fees	75,840	-	75,840
Contributions of cash and other income	152,454	72,654	225,108
Contributions of nonfinancial assets	38,367	-	38,367
Investment income	42,670	-	42,670
Disposition of equipment	801	-	801
Net assets released from restrictions	564,842	(564,842)	-
Total revenues and support	\$ <u>4,171,938</u>	\$ <u>(124,621)</u>	\$ <u>4,047,317</u>
EXPENSES			
Program expenses	\$ 3,291,083	\$ -	\$ 3,291,083
Management and general	749,538	-	749,538
Fundraising	25,072	-	25,072
Total expenses	\$ <u>4,065,693</u>	\$ <u>-</u>	\$ <u>4,065,693</u>
Change in net assets	\$ 106,245	\$ (124,621)	\$ (18,376)
Net assets, beginning of year	<u>1,118,993</u>	<u>1,515,591</u>	<u>2,634,584</u>
Net assets, end of year	\$ <u><u>1,225,238</u></u>	\$ <u><u>1,390,970</u></u>	\$ <u><u>2,616,208</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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Grant revenues:			
Federal	\$ 2,278,066	\$ -	\$ 2,278,066
State	723,836	-	723,836
Local governments	-	356,917	356,917
Other grants and support	45,084	75,000	120,084
Program income and fees	81,948	-	81,948
Contributions of cash and other income	261,956	120,882	382,838
Contributions of nonfinancial assets	40,743		40,743
Investment income	(18,823)	-	(18,823)
Disposition of equipment	5,200	-	5,200
Net assets released from restrictions	485,599	(485,599)	-
Total revenues and support	\$ <u>3,903,609</u>	\$ <u>67,200</u>	\$ <u>3,970,809</u>
EXPENSES			
Program expenses	\$ 2,978,070	\$ -	\$ 2,978,070
Management and general	723,645	-	723,645
Fundraising	35,407	-	35,407
Total expenses	\$ <u>3,737,122</u>	\$ <u>-</u>	\$ <u>3,737,122</u>
Change in net assets	\$ 166,487	\$ 67,200	\$ 233,687
Net assets, beginning of year	<u>952,506</u>	<u>1,448,391</u>	<u>2,400,897</u>
Net assets, end of year	\$ <u><u>1,118,993</u></u>	\$ <u><u>1,515,591</u></u>	\$ <u><u>2,634,584</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, 2023

	<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	\$ 1,617,122	\$ 584,253	\$ 17,717	\$ 2,219,092
Resources and membership	4,533	5,895	-	10,428
Licenses and permits	500	-	-	500
Travel	32,115	3,446	138	35,699
Training	10,044	2,926	95	13,065
Staff and volunteer recruitment and retention	4,106	630	100	4,836
Professional fees	141	22,000	15	22,156
Rent and utilities	73,069	15,021	4,796	92,886
Office supplies	9,140	5,792	-	14,932
Phone and internet	27,888	11,113	-	39,001
Marketing expense	42,876	-	-	42,876
Printing	10,841	2,952	-	13,793
Advertisement and public notices	282	-	-	282
Computer expenses	19,619	9,896	626	30,141
Penalty fees	-	395	-	395
Postage	1,644	2,630	120	4,394
Copier rental	10,471	2,185	284	12,940
Vehicle costs	89,953	9,428	-	99,381
Food and beverage - center and other	2,190	985	256	3,431
Client expenses	44,621	71	-	44,692
Meals	1,031,644	2,030	-	1,033,674
Contractual services	77,177	19,438	90	96,705
General insurance	-	14,680	-	14,680
In-kind	78,529	20,384	637	99,550
Depreciation	50,236	-	-	50,236
Amortization	47,194	9,810	-	57,004
Interest	5,148	3,578	-	8,726
Fundraising	-	-	198	198
Totals	\$ <u>3,291,083</u>	\$ <u>749,538</u>	\$ <u>25,072</u>	\$ <u>4,065,693</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, 2022

	Program Services	Supporting Services		
	Aging Services	Management and General	Fundraising	Total
Salaries, wages, and benefits	\$ 1,381,546	\$ 580,119	\$ 18,804	\$ 1,980,469
Resources and membership	6,572	3,907	75	10,554
Licenses and permits	493	25	-	518
Travel	22,475	3,738	157	26,370
Training	12,834	3,550	-	16,384
Staff and volunteer recruitment and retention	5,592	319	14	5,925
Professional fees	-	27,903	-	27,903
Rent and utilities	72,375	13,806	4,859	91,040
Office supplies	12,913	6,565	629	20,107
Phone and internet	24,772	8,916	681	34,369
Marketing expense	33,544	-	1,638	35,182
Printing	2,360	687	1,023	4,070
Advertisement and public notices	806	-	-	806
Computer expenses	25,846	12,597	5,042	43,485
Postage	3,861	1,868	12	5,741
Copier rental	12,411	2,019	394	14,824
Vehicle costs	74,133	2,866	-	76,999
Food and beverage - center and other	1,482	972	-	2,454
Client expenses	33,269	204	1,053	34,526
Meals	822,336	-	-	822,336
Contractual services	253,863	3,182	45	257,090
General insurance	-	15,183	-	15,183
In-kind	78,433	20,377	648	99,458
Depreciation	43,762	-	-	43,762
Amortization	46,435	9,829	-	56,264
Interest	5,957	5,013	-	10,970
Fundraising	-	-	333	333
Totals	\$ <u>2,978,070</u>	\$ <u>723,645</u>	\$ <u>35,407</u>	\$ <u>3,737,122</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, 2023
With Comparative Totals for 2022

Cash flows from operating activities:	2023	2022
Change in net assets	\$ (18,376)	\$ 233,687
Adjustments to reconcile the change in net assets to net cash flows from operating activities:		
Depreciation and amortization expense	107,240	100,026
(Gain) loss on disposal of equipment	(801)	(5,200)
Unrealized gain on investments	(12,273)	(61,633)
Net change in operating lease asset and liability	515	-
Change in assets and liabilities:		
(Increase) decrease in pledges receivable	84,005	91,052
(Increase) decrease in accounts receivable, federal	(228,287)	(718)
(Increase) decrease in accounts receivable, other	10,287	(7,228)
(Increase) decrease in inventory	2,622	(4,848)
(Increase) decrease in prepaid expenses	16,397	8,495
Increase (decrease) in accounts payable	(56,004)	63,457
Increase (decrease) in accrued expenses	8,849	(20,175)
Increase (decrease) in refundable advances and deferred revenue	118,679	(152,653)
Net cash flows provided by (used for) operating activities	\$ 32,853	\$ 244,262
Cash flows from investing activities:		
Purchase of property and equipment	\$ (98,332)	\$ (76,803)
Earnings from certificates of deposit	-	(94)
Proceeds from disposal of equipment	30,973	5,200
Net cash flows provided by (used for) investing activities	\$ (67,359)	\$ (71,697)
Cash flows from financing activities:		
Payments on long-term debt	\$ (24,267)	\$ (22,852)
Net change in cash and cash equivalents	\$ (58,773)	\$ 149,713
Cash and cash equivalents at beginning of year	1,819,077	1,669,364
Cash and cash equivalents at end of year	\$ 1,760,304	\$ 1,819,077

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

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements Year ended September 30, 2023

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 senior center, transportation, or other welfare programs.

Support and revenue recognition: The FASB issued ASU 2018-08, *Not-for-profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. ASSU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (an exchange transaction) or nonreciprocal (a contribution). ASU 2018-08 also provided guidance for distinguishing between conditional and unconditional contributions. The Organization adopted the standard effective for the fiscal year ended September 30, 2020, using the modified prospective method.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements Year ended September 30, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Support and revenue recognition: (continued)

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.

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 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 service revenue is 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, senior center, and transportation services. The value of these donated services (\$71,868 and \$87,949 for the years ended September 30, 2023 and 2022, respectively) is not reflected in these statements since it does not meet the criteria for recognition.

In-kind contributions are recorded at the estimated fair market value at the date of donation. VPAS recognizes in-kind contributions for facilities, which are used to support the operations of the corporate office, the Waynesboro Senior Center, and the Buena Vista Senior Center, at the estimated fair rental value, determined with reference to local market conditions.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements Year ended September 30, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Support and revenue recognition: (continued)

Program revenue consists of fees for services. VPAS recognizes program revenue in the period when services are provided, or fees are earned. Client billings are recorded as accounts receivable.

Cash and cash equivalents: For purposes of reporting cash flows, VPAS considers all highly liquid debt 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: Financial instruments which potentially subject VPAS to concentrations of credit risk consist primarily of cash. At times, such accounts may be in excess of Federal Deposit Insurance Corporation (FDIC) limits. However, VPAS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with these deposits.

Investments: Investments in marketable securities consist of accounts held with the Community Foundation of the Central Blue Ridge and with the Community Foundation of Rockbridge, Baht, and Alleghany. They are reported at their fair values in the statement of financial position, as reported to VPAS by the respective Community Foundations. Net unrealized and realized gains or losses are reflected in the statement of activities.

Pledges receivable: Contributions promised but not yet realized are recorded as pledges receivable, allocated between current and long-term accordingly to the time period expected to be collected or realized. Pledges receivable include in-kind support in the form of 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, 2023 and 2022, 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.

Functional allocation of expenses: The costs of providing VPAS's programs and support services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between program and support services benefited.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements Year ended September 30, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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. Such returns are subject to examination by taxing authorities, generally for a period of three years from the date the returns are filed.

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 and other methodologies. 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, 2023, advertising and public notices expenses were \$282. For the year ended September 30, 2022, the organization received advertising refunds totaling \$5,806.

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.

Date of management's review: In preparing these financial statements, VPAS has evaluated all subsequent events, for potential recognition or disclosure, through February 19, 2024, the date the financial statements were available to be issued.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements Year ended September 30, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Adoption of FASB ASC 842: Effective October 1, 2022, the Organization adopted FASB ASC 842, *Leases*. VPAS determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 resulted in the recognition of right-of-use-assets, net of prepaid lease payments and lease incentives of \$67,635 and lease liabilities of \$67,635 as of October 1, 2022. Results for periods beginning prior to October 1, 2022 continue to be reported in accordance with our historical accounting treatment. The adoption of FASB ASC 842 did not have a material impact on the Organization's statement of activities, or cash flows.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES:

Financial assets and liquidity resource expected to be available for general expenditure within one year include the following at September 30, 2023:

Current Portion of Net Assets with Donor Restrictions	\$ 928,586
Board Designated for Cash Reserves, included in cash balance	607,000
General Operating Cash Balance	<u>224,718</u>
Total cash and cash equivalents	\$ 1,760,304
Certificates of Deposit	6,374
Current portion of Pledges Receivable	289,706
Accounts Receivable, net	<u>263,072</u>
Total financial assets and liquidity resources available for general expenditure within one year	\$ <u>2,319,456</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 designates \$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 expenditures as received.

VALLEY PROGRAM FOR AGING SERVICES, INC.**Notes to Financial Statements**
Year ended September 30, 2023**NOTE 4 – PLEDGES RECEIVABLE:**

Pledges receivable consist of the following at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Support Included in Local Municipal Budgets for Next Fiscal Year	\$ 193,738	\$ 192,688
Support from Local United Way	33,550	57,422
Current Portion of Below Market Lease Rights for Operating and Administrative Facilities	<u>62,418</u>	<u>61,183</u>
Current portion of pledges receivable	\$ 289,706	311,293
Long-term Portion of Below Market Lease Rights:		
Realizable in one to five years	\$ 177,467	\$ 244,017
Less Discounts for Time Value (2%)	<u>(4,789)</u>	<u>(8,921)</u>
Long-term portion of pledges receivable	\$ <u>172,678</u>	\$ <u>235,096</u>

NOTE 5 – PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at September 30, 2023 and 2022:

	Estimated Useful Life	<u>2023</u>	<u>2022</u>
Land	-	\$ 3,000	\$ 3,000
Construction in progress	-	10,799	-
Landscaping	-	5,700	5,700
Building	40 years	110,085	110,085
Equipment	2-10 years	859,500	958,818
Leasehold Improvements	3-15 years	765,855	765,855
Parking lot	15 years	<u>20,716</u>	<u>20,716</u>
		\$ 1,775,655	\$ 1,864,174
Less accumulated depreciation and amortization		<u>(1,368,057)</u>	<u>(1,417,496)</u>
		\$ <u>407,598</u>	\$ <u>446,678</u>

Depreciation and amortization expense amounted to \$107,240 and 100,026 for the years ended September 30, 2023 and September 20, 2022, respectively.

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements Year ended September 30, 2023

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, 2023, and 2022 were \$27,600 and \$27,600, respectively.

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 \$5,580 and \$5,175 for the years ended September 30, 2023, and 2022, 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 as distributed to VPAS. The value of the underlying investments held by CFCBR at September 30, 2023 and 2022 was \$134,951 and \$126,500, respectively.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS:

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

	<u>2023</u>	<u>2022</u>
Time Restricted Pledges Receivable	\$ 227,288	\$ 250,110
Time Restricted Below Market Lease Rights (in-kind)	235,096	296,279
Purpose Restrictions for Specific Programs	<u>928,586</u>	<u>969,202</u>
	\$ <u>1,390,970</u>	\$ <u>1,515,591</u>

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

	<u>2023</u>	<u>2022</u>
Time Restricted Pledges Receivable	\$ 54,828	\$ 55,470
Time Restricted Below Market Lease Rights (in-kind)	61,183	59,973
Purpose Restrictions for Specific Programs	<u>448,831</u>	<u>370,156</u>
	\$ <u>564,842</u>	\$ <u>485,599</u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements Year ended September 30, 2023

NOTE 9 – OPERATING 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 senior centers and providing services and programs. The Organization also has operating leases for copier equipment.

VPAS has elected to treat leases with an initial term of 12 months or less as short-term leases. As such, short-term leases are not recorded on the statement of net position. 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.

Other information related to leases is as follows:

Lease expense

Operating lease expense	\$ <u>42,996</u>
-------------------------	------------------

Other Information

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 41,831
ROU assets obtained in exchange for new operating lease liabilities	\$ 81,947
Weighted-average remaining lease term in years for operating leases	1.11
Weighted-average discount rate for operating leases	4.18%

Year Ended September 30,

2024	\$ 37,415
2025	5,559
2026	<u>473</u>
Total undiscounted cash flows	\$ 43,447
Less: present value discount	<u>(922)</u>
Total lease liabilities	\$ <u>42,525</u>

VALLEY PROGRAM FOR AGING SERVICES, INC.**Notes to Financial Statements**
Year ended September 30, 2023**NOTE 10 – LONG-TERM DEBT:**

VPAS's long-term debt at September 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Note to First Bank for leasehold improvements, 119 monthly payments of \$2,751, interest rate of 5.95%, through April 2028, collateralized by a deed of trust and all equipment and inventory of VPAS	\$ <u>131,706</u>	\$ <u>155,973</u>
Total long-term debt	\$ 131,706	\$ 155,973
Less current maturities	<u>(25,745)</u>	<u>(24,261)</u>
	\$ <u>105,961</u>	\$ <u>131,712</u>

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

<u>Years</u>	<u>Amount</u>
2024	\$ 25,745
2025	27,363
2026	29,060
2027	30,862
2028	<u>18,676</u>
	\$ <u>131,706</u>

NOTE 11 – INTEREST IN NET ASSETS OF COMMUNITY FOUNDATIONS:

Investments at September 30, 2023 and 2022, carried at fair value as determined by quoted market prices, are as follows:

	<u>2023</u>	<u>2022</u>
Interest in Net Assets of Community Foundations	\$ <u>248,254</u>	\$ <u>235,981</u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements Year ended September 30, 2023

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 corroborate 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 and 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**
Year ended September 30, 2023**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, 2023			
		Level 1	Level 2	Level 3	Total
Interest in net assets of					
Community Foundations	\$	<u>-</u>	<u>\$ 248,254</u>	<u>\$ -</u>	<u>\$ 248,254</u>

		September 30, 2022			
		Level 1	Level 2	Level 3	Total
Interest in net assets of					
Community Foundations	\$	<u>-</u>	<u>\$ 235,981</u>	<u>\$ -</u>	<u>\$ 235,981</u>

NOTE 13 – CONTRIBUTED NONFINANCIAL ASSETS:

For the years ended September 30, contributed nonfinancial assets recognized within the statement of activities include:

	2023	2022
Program Materials	\$ -	\$ 1,165
Waynesboro Facility In Kind Rent	5,367	6,578
Buena Vista Facility In Kind Rent	33,000	33,000
	<u>\$ 38,367</u>	<u>\$ 40,743</u>

Contributed nonfinancial assets are recorded at the estimated fair market value at the date of donation. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Program materials and vehicles donated to VPAS were valued using the estimated fair value on the basis of values received for selling similar products in the United States. These items are used to support the senior centers and related transportation of the organization.

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

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to Financial Statements
Year ended September 30, 2023

NOTE 13 – CONTRIBUTED NONFINANCIAL ASSETS: (CONTINUED)

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 pledges 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, 2023, and 2022, rent expense of \$66,550 for each year was recognized under this lease, respectively. For the year ended September 30, 2023, corresponding contributions of \$5,367 and release of time restrictions of \$61,183 were recognized as support and revenue, and for the year ended September 30, 2022, corresponding contributions of \$6,577 and release of time restrictions of \$59,973 were recognized as support and revenue.

VPAS also receives in-kind rent for a facility in the City of Buena Vista pursuant to a cancellable below market lease. Total in-kind rent for this facility during the years ended September 30, 2023, and 2022 was \$33,000 and \$33,000, respectively.

See Note 4 for additional details regarding the Waynesboro facility lease.

THIS SPACE LEFT BLANK INTENTIONALLY

VALLEY PROGRAM FOR AGING SERVICES, INC.

Schedule A

Status of Funds

Year Ended September 30, 2023

Fund	Unencumbered Funds on Hand October 1, 2022	Total Funds Received During Period	Total Funds Available During Period	Accrued Costs to Contract Period	Unencumbered Funds on Hand September 30, 2023
Older Americans Act					
Title III-B	\$ -	\$ 456,214	\$ 456,214	\$ 339,334	\$ 116,880
Title III-C (1)	-	300,511	300,511	296,873	3,638
Title III-C (2)	-	381,374	381,374	378,064	3,310
Title III-D	-	7,409	7,409	7,409	-
Title III-E	-	148,774	148,774	149,862	(1,088)
Title VII-Elder Abuse	-	4,605	4,605	4,605	-
Title VII-Ombudsman	2,518	30,969	33,487	31,421	2,066
NSIP	-	86,413	86,413	86,413	-
Vaccine Access	8,002	-	8,002	8,002	-
American Rescue Plan (ARP) III-B	-	123,944	123,944	209,106	(85,162)
American Rescue Plan (ARP) III-C (1)	-	117,769	117,769	256,201	(138,432)
American Rescue Plan (ARP) III-C (2)	-	452,656	452,656	452,656	-
Expanding Public Health Workforce	-	62,024	62,024	62,304	(280)
Other Federal					
VICAP - (PY 03/31/23 Award)	(1,088)	18,262	17,174	17,174	-
VICAP - (PY 03/31/24 Award)	-	-	-	8,347	(8,347)
DMAS Ombudsman FY 22	(591)	591	-	-	-
DMAS Ombudsman FY 23	-	7,052	7,052	7,052	-
MIPPA - Priority 1 - SHIP	-	30,490	30,490	30,490	-
Senior Farmers Market	(450)	900	450	450	-
Senior Farmers Market - ARPA Expansion	-	1,260	1,260	1,300	(40)
Falls Prevention Grant	-	1,850	1,850	1,850	-
General Funds					
OAA General - (PY 06/30/23)	(3,193)	85,491	82,298	82,298	-
OAA General - (PY 06/30/24)	-	27,914	27,914	27,914	-
Community Based - (PY 06/30/23)	(1,090)	88,437	87,347	87,347	-
Community Based - (PY 06/30/24)	-	26,070	26,070	24,956	1,114
Transportation - (PY 06/30/23)	(786)	47,825	47,039	47,039	-
Transportation - (PY 06/30/24)	-	15,679	15,679	15,679	-
Home Delivered Meals - (PY 06/30/23)	(5,204)	222,992	217,788	217,788	-
Home Delivered Meals - (PY 06/30/24)	-	72,596	72,596	72,596	-
Supplemental Nutrition - (PY 06/30/23)	(835)	36,796	35,961	35,961	-
Supplemental Nutrition - (PY 06/30/24)	-	11,987	11,987	11,987	-
Ombudsman - (PY 06/30/23)	-	17,302	17,302	17,302	-
Ombudsman - (PY 06/30/24)	-	1,456	1,456	-	1,456
Care Coordination CCEVP - (PY 06/30/23)	3,646	58,683	62,329	62,329	-
Senior Cool Care	(421)	2,779	2,358	2,358	-
VICAP General Funds - (PY 06/30/23)	-	25,000	25,000	25,000	-
VICAP General Funds - (PY 06/30/24)	-	4,167	4,167	-	4,167
Grand Total	\$ 508	\$ 2,978,241	\$ 2,978,749	\$ 3,079,467	\$ (100,718)

VALLEY PROGRAM FOR AGING SERVICES, INC.

Schedule B

Costs By Program Activity
Year Ended September 30, 2023

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 Vaccine Access	Costs to Federal ARP III-B Funds	Costs to Federal ARP III C-1	Costs to Federal ARP III C-2	Costs to Federal Expanding Public Health Workforce
TITLE III (EXCEPT III-E)												
Older Americans Act												
Checking	\$ 17,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Coordination Level 2	4,110	-	-	-	-	-	-	-	-	-	-	-
S.O.S.	-	-	-	-	-	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	228,456	-	-	-	-	-	-	-	-	-	-	-
Options Counseling	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	894	-	-	-	-	-	-	-	105,291	-	-	-
Congregate Meals	-	263,595	-	-	-	-	-	-	-	47,268	-	-
Home Delivered Meals	-	-	340,300	-	-	-	-	-	-	208,933	452,656	-
Nutrition Counseling	-	543	52	-	-	-	-	-	-	-	-	-
Nutrition Education	-	2,684	575	-	-	-	-	-	-	-	-	-
Falls Prevention	-	-	-	7,409	-	-	-	-	-	-	-	-
Emergency Services	6,925	-	-	-	-	-	-	-	-	-	-	-
Outreach/Public Information & Education	-	-	-	-	-	-	-	-	30,488	-	-	-
Residential Repair and Renovation	4,512	-	-	-	-	-	-	-	-	-	-	-
Socialization/Recreation	18,000	-	-	-	-	-	-	-	68,561	-	-	-
Legal Assistance	24,660	-	-	-	-	-	-	-	-	-	-	-
LTC Ombudsman Program	826	-	-	-	-	4,605	31,424	-	-	-	-	-
COVID-19 Vaccine Activity Planning	-	-	-	-	-	-	-	8,002	-	-	-	-
Prep. and Admin.	33,935	30,051	37,137	-	-	-	-	-	4,766	-	-	-
Public Health Workforce	-	-	-	-	-	-	-	-	-	-	-	62,304
TITLE III-E												
Older Americans Act												
Individual Counseling	-	-	-	-	22,233	-	-	-	-	-	-	-
Support Groups	-	-	-	-	9,367	-	-	-	-	-	-	-
Caregiver Training	-	-	-	-	8,920	-	-	-	-	-	-	-
Comm. Referral Info. & Assist	-	-	-	-	440	-	-	-	-	-	-	-
Outreach/Public Information/Education	-	-	-	-	5,907	-	-	-	-	-	-	-
Respite Voucher	-	-	-	-	7,453	-	-	-	-	-	-	-
Other Respite Services	-	-	-	-	-	-	-	-	-	-	-	-
Assistive Tech/DME/PERS-Payments	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	80,772	-	-	-	-	-	-	-
Prep. and Admin.	-	-	-	-	14,770	-	-	-	-	-	-	-
TOTAL TITLE III & TITLE VII	\$ 339,334	\$ 296,873	\$ 378,064	\$ 7,409	\$ 149,862	\$ 4,605	\$ 31,424	\$ 8,002	\$ 209,106	\$ 256,201	\$ 452,656	\$ 62,304

Voluntary Contribut.	Costs to Other Non- Fed Funds	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,306	\$ 19,322
-	-	-	-	-	-	-	-	-	-	-	-	-	4,110
-	2,479	-	-	-	-	-	-	-	-	60,466	-	1,550	64,495
-	25,912	-	-	-	98,728	-	-	-	-	-	-	21,143	374,239
-	864	-	-	-	-	-	-	-	-	1,863	-	29	2,756
15,212	123,459	-	12,000	-	5,974	-	62,718	-	-	-	-	11,589	337,137
4,508	24,605	-	-	-	-	-	-	-	16,675	-	-	22,400	379,051
16,651	232,038	-	30,970	86,413	-	-	-	290,384	31,273	-	-	87,224	1,776,842
-	-	-	-	-	-	-	-	-	-	-	-	6	601
-	-	-	-	-	-	-	-	-	-	-	-	2	3,261
250	1,151	-	-	-	-	-	-	-	-	-	-	13	8,823
-	4,439	-	-	-	-	-	-	-	-	-	-	98	11,462
-	-	-	-	-	-	-	-	-	-	-	-	684	31,172
-	1,651	-	3,007	-	-	-	-	-	-	-	-	152	9,322
1,470	14,598	-	-	-	-	-	-	-	-	-	-	5,309	107,938
-	-	-	-	-	-	-	-	-	-	-	-	11	24,671
-	35	7,052	-	-	-	-	-	-	-	-	17,302	1,078	62,322
-	-	-	-	-	-	-	-	-	-	-	-	-	8,002
-	63,067	-	-	-	587	-	-	-	-	-	-	15,924	185,467
-	-	-	-	-	-	-	-	-	-	-	-	-	62,304
-	-	-	-	-	-	-	-	-	-	-	-	8	22,241
-	-	-	-	-	-	-	-	-	-	-	-	-	9,367
-	-	-	-	-	-	-	-	-	-	-	-	7	8,927
-	-	-	-	-	-	-	-	-	-	-	-	1	441
-	-	-	-	-	-	-	-	-	-	-	-	85	5,992
50	4	-	-	-	-	7,419	-	-	-	-	-	17	14,943
-	-	-	-	-	-	80,456	-	-	-	-	-	33	80,489
-	493	-	-	-	-	24,428	-	-	-	-	-	82	25,003
2,751	31,983	-	-	-	-	-	-	-	-	-	-	-	115,506
-	-	-	-	-	4,923	-	-	-	-	-	-	-	19,693
\$ 40,892	\$ 526,778	\$ 7,052	\$ 45,977	\$ 86,413	\$ 110,212	\$ 112,303	\$ 62,718	\$ 290,384	\$ 47,948	\$ 62,329	\$ 17,302	\$ 169,751	\$ 3,775,899

VALLEY PROGRAM FOR AGING SERVICES, INC.

Schedule C

Status of Inventories
Year Ended September 30, 2023

FUND SOURCE AND TYPE OF INVENTORY	Value on Hand 10/1/2022	Increase (Decrease) During Period	Value on Hand 9/30/2023
Federal Transit Act Section 5310	\$ 413,172	\$ (140,973)	\$ 272,199
Agency Real Estate and Leasehold Improvements	318,337	(63,025)	255,312
Contributions-Van	8,959	(8,959)	-
Grand Totals	\$ 740,468	\$ (212,957)	\$ 527,511



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Valley Program for Aging Services, Inc. (VPAS) which comprise the statement of financial position as of September 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, and have issued our report thereon dated February 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered VPAS's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 VPAS's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether VPAS'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 VPAS's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VPAS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Assoc.

Staunton, Virginia
February 19, 2024



**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.**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Valley Program for Aging Services, Inc.'s (VPAS) 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 VPAS's major federal programs for the year ended September 30, 2023. VPAS'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, VPAS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of VPAS 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 VPAS'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 VPAS'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 VPAS'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 VPAS'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 VPAS'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 VAPS'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 VPAS'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 19, 2024

VALLEY PROGRAM FOR AGING SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2023

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	\$ 450
COVID19 Senior Farmer's Market Nutrition Program	10.576	0000122981	1,300
Subtotal AL 10.576			\$ 1,750
Total Department of Agriculture			\$ 1,750
<u>Department of Housing and Urban Development</u>			
Pass-through payments:			
City of Harrisonburg:			
Community Development Block Grants/Entitlement Grants	14.218	Not provided	\$ 20,970
City of Staunton:			
Community Development Block Grants/Entitlement Grants	14.218	Not provided	21,966
Subtotal AL 14.218			\$ 42,936
Total Department of Housing and Urban Development			\$ 42,936
<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	\$ 39,832
<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	\$ 5,240
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	0000120261, 0000122543	\$ 339,335
COVID19 Special Programs for the Aging, Title III, Part B,		0000119118, 0000122090,	
Grants for Supportive Services and Senior Centers	93.044	0000118847	279,413
Subtotal AL 93.044			\$ 618,748
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	0000120263, 0000122546,	
COVID19 Special Programs for the Aging, Title III, Part C,		0000120262, 0000122560	\$ 674,937
Nutrition Services	93.045	0000119138, 0000119119	708,857
Subtotal AL 93.045			\$ 1,383,794
Nutrition Services Incentive Program	93.053	0000120260, 0000122547	\$ 86,413
Total Aging Cluster			\$ 2,088,955
Special Programs for the Aging, Title III, Part D, Disease and Health			
Promotion Services	93.043	0000120294, 0000122542	7,409
Medical Assistance Program	93.778	ARS46200	7,052
National Family Caregiver Support, Title III, Part E	93.052	0000120297, 0000122561	149,862
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention			
of Elder Abuse, Neglect, and Exploitation	93.041	0000120295, 0000122554	4,605
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care			
Ombudsman Services for Older Individuals	93.042	0000120296, 0000122540	31,424
Medicare Enrollment Assistance Program	93.071	0000122549	30,490
State Health Insurance Assistance Program	93.324	0000117058	25,519
Evidence-Based Falls Prevention Programs Financed Solely by Prevention			
and Public Health Funds (PPHF)	93.761	0000119122	1,850
Total Virginia Department for Aging and Rehabilitative Services			\$ 2,347,166
Total Health and Human Services			\$ 2,352,406
<u>Centers for Disease Control and Prevention</u>			
Pass-through payments:			
Virginia Department of Health			
The Healthy Brain Initiative: Technical Assistance to Implement Public			
Health Actions related to Cognitive Impairment, and Caregiving at			
the State and Local Levels	93.334	Not provided	\$ 15,423
Immunization Cooperative Agreements	93.268	VDH-24-005-0013	29,906
Total Centers for Disease Control and Prevention			\$ 45,329
Total Expenditures of Federal Awards			\$ 2,482,253

VALLEY PROGRAM FOR AGING SERVICES, INC.

Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

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, 2023. 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 not 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, 2023.

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>2,482,253</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>2,482,253</u></u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

**Schedule of Findings and Questioned Costs
Year Ended September 30, 2023**

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 ✓ no

Noncompliance material to the financial statements noted? yes ✓ no

Federal Awards:

Internal control over major programs:

-Material weakness(es) identified? yes ✓ no

-Significant deficiency(ies) identified? yes ✓ no

Type of audit report issued on compliance for major programs: unmodified

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

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Aging Cluster
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053	Nutrition Services Incentive Program

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

Auditee qualified as low-risk auditee? ✓ yes no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Status of Prior Year Audit Findings

There were no prior year audit findings.