

Valley Program for Aging Services, Inc.

**FINANCIAL REPORT
(In Accordance with the Requirements of
The Uniform Guidance)**

September 30, 2016

EIN# 54-0958526

CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	3
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6-7
Statements of Functional Expenses	8-9
Statements of Cash Flows	10
Notes to Financial Statements	11-15
SUPPLEMENTARY INFORMATION	
Schedule A – Status of Funds	16
Schedule B – Costs by Program Activity	17
Schedule C – Status of Inventories	18
Schedule D – Combining Statement of Financial Position	19
Schedule E – Combining Statement of Activities	20
COMPLIANCE	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	21
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	23
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	25
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	28

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Valley Program for Aging Services, Inc.
Waynesboro, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Valley Program for Aging Services, Inc. ("VPAS") which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VPAS as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Virginia Division for the Aging schedules, schedule of expenditures of federal awards, and other supplementary information for the year ended September 30, 2016, as required by the Virginia Division for the Aging and by Title 2 U.S. *Code of Federal (CFR) Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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, 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 January 9, 2017, on our consideration of VPAS'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 describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VPAS's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
January 9, 2017

FINANCIAL STATEMENTS

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENTS OF FINANCIAL POSITION

September 30, 2016 and 2015

ASSETS	2016	2015
Current assets		
Cash and cash equivalents	\$ 554,051	\$ 545,812
Investments	19,668	18,604
Unconditional promises to give	411,423	323,861
Accounts receivable	52,955	100,348
Inventory, at cost	2,208	2,621
Prepaid expenses	21,248	20,580
Total current assets	1,061,553	1,011,826
Property and equipment (Note 3)	644,490	679,845
Board designated cash held for reserve (Note 5)	96,729	96,500
Total assets	<u><u>\$ 1,802,772</u></u>	<u><u>\$ 1,788,171</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 100,910	\$ 115,961
Accrued expenses	155,268	172,710
Current maturities of long-term debt (Note 9)	17,177	16,119
Refundable advances and deferred revenue	114,313	121,652
Total current liabilities	387,668	426,442
Long-term debt (Note 9)	252,807	269,668
Total liabilities	640,475	696,110
Net assests		
Unrestricted	565,688	514,333
Temporarily restricted (Note 7)	596,609	577,728
Total net assets	1,162,297	1,092,061
Total liabilities and net assets	<u><u>\$ 1,802,772</u></u>	<u><u>\$ 1,788,171</u></u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENT OF ACTIVITIES

Year Ended September 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Grant revenues:			
Federal	\$ 1,524,339	\$ -	\$ 1,524,339
State	759,732	-	759,732
Local government	4,500	394,983	399,483
Other grants and support	26,000	52,698	78,698
Program income and fees	234,070	-	234,070
Contributions and other income	91,853	81,475	173,328
Investment income	2,962	-	2,962
Gain on disposition of equipment	3,010	-	3,010
Fundraising revenue	19,432	-	19,432
In-kind contributions	60,784	-	60,784
Net assets released from restrictions	510,275	(510,275)	-
	<u>3,236,957</u>	<u>18,881</u>	<u>3,255,838</u>
Total revenues and support			
	<u>3,236,957</u>	<u>18,881</u>	<u>3,255,838</u>
EXPENSES			
Program	2,499,034	-	2,499,034
Management and general	635,714	-	635,714
Fundraising	50,854	-	50,854
	<u>3,185,602</u>	<u>-</u>	<u>3,185,602</u>
Total expenses			
	<u>3,185,602</u>	<u>-</u>	<u>3,185,602</u>
Change in net assets	51,355	18,881	70,236
NET ASSETS			
Beginning	514,333	577,728	1,092,061
	<u>514,333</u>	<u>577,728</u>	<u>1,092,061</u>
Ending	\$ 565,688	\$ 596,609	\$ 1,162,297
	<u><u>\$ 565,688</u></u>	<u><u>\$ 596,609</u></u>	<u><u>\$ 1,162,297</u></u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENT OF ACTIVITIES

Year Ended September 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Grant revenues:			
Federal	\$ 1,618,788	\$ -	\$ 1,618,788
State	777,619	-	777,619
Local government	4,320	374,117	378,437
Other grants and support	30,245	75,953	106,198
Program income and fees	222,487	-	222,487
Contributions and other income	44,525	79,135	123,660
Investment income	515	-	515
Gain on disposition of equipment	1,835	-	1,835
Fund-raising revenue	15,202	-	15,202
Lucky Duck Café sales	2,152	-	2,152
In-kind contributions	65,859	-	65,859
Net assets released from restrictions	494,482	(494,482)	-
	<u>3,278,029</u>	<u>34,723</u>	<u>3,312,752</u>
Total revenues and support			
EXPENSES			
Program	2,720,931	-	2,720,931
Management and general	649,133	-	649,133
Fundraising	43,712	-	43,712
	<u>3,413,776</u>	<u>-</u>	<u>3,413,776</u>
Total expenses			
Change in net assets	(135,747)	34,723	(101,024)
NET ASSETS			
Beginning	<u>650,080</u>	<u>543,005</u>	<u>1,193,085</u>
Ending	<u>\$ 514,333</u>	<u>\$ 577,728</u>	<u>\$ 1,092,061</u>

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

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended September 30, 2016

	Program	Management and General	Fund Raising	Total
Salaries, wages, and benefits	1,327,937	502,897	47,899	1,878,733
Resources and memberships	8,499	3,058	-	11,557
Licenses & Permits	2,099	-	-	2,099
Travel	35,475	9,279	215	44,969
Training	4,763	3,116	25	7,904
Staff and volunteer recruitment and recognition	9,164	165	-	9,329
Professional fees	525	19,969	-	20,494
Rent and utilities	93,189	14,956	-	108,145
Office supplies	20,338	4,577	21	24,936
Phone and internet	26,839	5,281	-	32,120
Marketing Expense	658	-	-	658
Printing	744	167	-	911
Advertisement and public notices	3,845	788	-	4,633
Computer	4,278	15,959	-	20,237
Postage	3,089	4,406	-	7,495
Copier rental	5,101	1,298	-	6,399
Vehicle costs	63,605	934	-	64,539
Food and beverage - center and other	4,959	1,145	15	6,119
Client expenses	13,050	780	-	13,830
Meals	505,940	84	-	506,024
Contractual services	198,740	2,542	-	201,282
General insurance	1,794	12,392	-	14,186
In-kind	47,470	12,524	790	60,784
Depreciation	77,438	-	-	77,438
Leashold amortization	29,888	11,087	17	40,992
Interest	9,607	8,310	12	17,929
Fundraising	-	-	1,860	1,860
	<u>\$ 2,499,034</u>	<u>\$ 635,714</u>	<u>\$ 50,854</u>	<u>\$ 3,185,602</u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended September 30, 2015

	Program	Management and General	Fund Raising	Total
Salaries, wages, and benefits	\$ 1,396,001	\$ 489,932	\$ 39,074	\$ 1,925,007
Resources and memberships	6,704	1,828	214	8,746
Travel	34,076	6,694	463	41,233
Training	3,230	4,621	141	7,992
Staff and volunteer recruitment and recognition	10,859	391	300	11,550
Professional fees	1,102	18,168	150	19,420
Rent and utilities	107,692	18,740	161	126,593
Office supplies	19,155	7,823	1	26,979
Phone and internet	28,965	6,080	-	35,045
Printing	1,436	1,067	207	2,710
Advertisement and public notices	1,967	-	620	2,587
Computer	11,002	27,495	200	38,697
Postage	5,122	5,275	143	10,540
Copier rental	4,365	1,639	15	6,019
Vehicle costs	75,735	1,018	2	76,755
Food and beverage - center and other	9,004	836	(40)	9,800
Client expenses	23,390	400	30	23,820
Meals	499,854	-	-	499,854
Contractual services	303,422	10,230	10	313,662
General insurance	1,728	12,350	-	14,078
In-kind	51,505	13,527	827	65,859
Depreciation	84,522	1,133	-	85,655
Leasehold amortization	29,905	11,072	15	40,992
Interest	10,190	8,814	12	19,016
Fundraising	-	-	1,167	1,167
	<u>\$ 2,720,931</u>	<u>\$ 649,133</u>	<u>\$ 43,712</u>	<u>\$ 3,413,776</u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

STATEMENTS OF CASH FLOWS
Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 70,236	\$ (101,024)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on disposition of equipment	(3,010)	(1,835)
Depreciation and amortization	118,430	126,647
Unrealized loss (gain) on investments	(1,064)	1,896
Change in current assets and liabilities:		
Decrease (increase):		
Unconditional promises to give	(87,562)	103,779
Accounts receivable	47,393	6,074
Inventory	413	1,173
Prepaid expenses	(668)	15,667
(Increase) decrease:		
Accounts payable	(15,051)	(17,731)
Accrued expenses	(17,442)	33,648
Returnable advances and deferred revenue	(7,339)	37,462
Net cash provided by operating activities	<u>104,336</u>	<u>205,756</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(83,075)	(51,227)
Proceeds from disposition of equipment	3,010	1,835
Net cash used in investing activities	<u>(80,065)</u>	<u>(49,392)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Board designated cash held for reserve	(229)	-
Payments on long-term debt	(15,803)	(14,868)
Net cash used in financing activities	<u>(16,032)</u>	<u>(14,868)</u>
Increase in cash and cash equivalents	8,239	141,496
CASH AND CASH EQUIVALENTS		
Beginning	<u>545,812</u>	<u>404,316</u>
Ending	<u><u>\$ 554,051</u></u>	<u><u>\$ 545,812</u></u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

Note 1. Organization

Valley Program for Aging Services, Inc. (VPAS) is a private, non-profit corporation started in 1974 to coordinate and administer the delivery of services which 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). The agency 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.

Maury River Home Care (MRHC) is a fee based service, providing personal care and homemaker services in the Buena Vista, Lexington, and Rockbridge region. This service has been certified to provide personal care and began providing services in 2015.

Note 2. Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Supplementary Schedules A, B, and C are prepared according to VDA's guidelines.

The accompanying financial statements present information regarding VPAS's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated based on the existence or absence of donor-imposed restrictions.

Unrestricted net assets are free of donor-imposed restrictions or the donor-imposed restrictions expire in the fiscal year in which the contribution is received. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Revenues, gains, and losses that are not temporarily or permanently restricted by donors are included in this classification. Expenses are reported as decreases in this classification.

Temporarily restricted net assets are limited in use by donor-imposed stipulations that expire by the passage of time or that can be fulfilled by action of VPAS pursuant to those stipulations. Temporarily restricted net assets are generally restricted for home delivered meals, the senior center, transportation, or other welfare programs.

Permanently restricted net assets generally result from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire nor can be fulfilled or otherwise removed by the actions of VPAS. VPAS had no permanently restricted net assets.

VALLEY PROGRAM FOR AGING SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

Note 2. Significant Accounting Policies (Continued)

Cash and cash equivalents:

For purposes of reporting cash flows, VPAS considers all checking, savings, and money market accounts, and certificates of deposit to be cash and cash equivalents.

Accounts receivable:

The accounts receivable balance results from agreements with federal and state agencies and fees for service clients and is considered unrestricted. All amounts are expected to be collected in less than one year. Additionally, all accounts receivable are deemed collectible and an allowance is not considered necessary.

Property and equipment:

The Organization capitalizes all expenditures in excess of \$5,000. Property and equipment is carried at cost. Donated property and equipment is carried at fair value at date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Contributions:

Contributions, including unconditional promises to give, are recognized as unrestricted, temporarily restricted, or permanently restricted support, 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 temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. All promises to give are expected to be received within the next year.

Federal grant awards are classified as refundable advances until expended for the purposes for the grant.

Contributions other than cash are recorded at fair value. A substantial number of unpaid volunteers have made a significant contribution to programs, principally in nutrition, senior center, and transportation services. The value of this contributed time is not reflected in these statements since it does not create or enhance nonfinancial assets or require specialized skills. The estimated fair value of these services was approximately \$160,000 and \$170,000 during 2016 and 2015, respectively. Schedule A reflects these in-kind contributions.

In-kind contributions for facilities are received to support the operations of the corporate office, the Waynesboro Senior Center, and the Buena Vista Senior Center and are recognized at fair value.

VALLEY PROGRAM FOR AGING SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

Note 2. Significant Accounting Policies (Continued)

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.

Investments:

Investments consist of one account held with Community Foundation of the Central Blue Ridge, and are recorded at fair value as determined by the Community Foundation. Underlying investments consist of cash and mutual funds.

Advertising:

The costs of advertising are expensed as incurred.

Credit risk concentrations:

Financial instruments which potentially subject VPAS to concentrations of credit risk consist principally of cash. At certain times during the year, a portion of VPAS's bank deposits may at times exceed federally insured limits. However, efforts are made to keep the balance within the \$250,000 FDIC limit for each bank account.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

Income taxes:

VPAS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Subsequent events:

Subsequent events were considered through January 9, 2017 the date the financial statements were available to be issued.

VALLEY PROGRAM FOR AGING SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

Note 3. Property and Equipment

Property and equipment consist of the following:

	Estimated Useful Life	2016	2015
Land	-	\$ 3,000	\$ 3,000
Building	40 years	97,685	97,685
Equipment	2-10 years	927,974	872,027
Leasehold improvements	3-15 years	654,012	654,012
Parking lot	15 years	20,716	20,716
		1,703,387	1,647,440
Accumulated depreciation		(1,058,897)	(967,595)
		<u>\$ 644,490</u>	<u>\$ 679,845</u>

Note 4. Employee Benefits

Retirement benefits are provided for all employees still employed on the last day of the plan year and accumulating at least 1,000 working hours through a defined contribution retirement plan. Contributions are made on a discretionary basis. No contributions were made for the years ended September 30, 2016 and 2015.

Note 5. Board Designated Cash Held for Reserve

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.

Note 6. Donor Bequest

In 2009, the Community Foundation received a \$100,000 bequest from the estate of a donor, the income earned to benefit VPAS. VPAS receives a distribution allowance of 4% of the average balance of the previous five years as approved by the Community Foundation. Distributions are unrestricted and can be used for any purpose to help the Organization accomplish its mission. As this investment is an asset of the Community Foundation, its value is not recorded in these financial statements. The value of the investment at the Community Foundation at September 30, 2016 and 2015 was \$123,109 and \$116,267, respectively.

VALLEY PROGRAM FOR AGING SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted funds for the programs of VPAS as well as amounts restricted for future periods:

	<u>2016</u>	<u>2015</u>
Restricted for specific programs	\$ 185,186	\$ 253,867
Restricted for future periods	411,423	323,861
	<u>\$ 596,609</u>	<u>\$ 577,728</u>

Note 8. Commitments, Contingencies, and Concentrations

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.

VPAS currently rents its Waynesboro premises from the City of Waynesboro for \$1 per year under a 15 year lease with one 15 year renewal option. The value of the rent is recorded as an in-kind contribution along with a corresponding expense. The lease calls for the cost of all major maintenance projects to be split between the VPAS and the City.

Note 9. Long-Term Debt

	<u>2016</u>	<u>2015</u>
Note to BB&T for leasehold improvements, 180 monthly payments of \$2,820. Interest rate of 6.37%, secured by a deed of trust and all equipment and inventory of VPAS.	\$ 269,984	\$ 285,787
Less current maturities	<u>(17,177)</u>	<u>(16,119)</u>
	<u>\$ 252,807</u>	<u>\$ 269,668</u>

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

2017	\$ 17,177
2018	18,303
2019	19,504
2020	20,783
2021	22,146
Thereafter	<u>172,071</u>
	<u>\$ 269,984</u>

SUPPLEMENTARY INFORMATION

FUND	UNENCUMBERED FUNDS ON HAND OCTOBER 1, 2015	TOTAL FUNDS RECEIVED DURING PERIOD	FUNDS REQUESTED BY SEPTEMBER 30, 2016 BUT NOT RECEIVED BY SEPTEMBER 30, 2016	TOTAL OF FUNDS AVAILABLE DURING PERIOD	ACCRUED COSTS TO CONTRACT PERIOD	UNENCUMBERED FUNDS ON HAND SEPTEMBER 30, 2016
Older Americans Act						
Title III-B	-\$25,284	\$546,416		\$521,132	\$486,476	\$34,656
Title III-C(1)		\$283,328		\$283,328	\$283,328	\$0
Title III-C(2)	\$20,879	\$258,868		\$279,747	\$279,747	\$0
Title III-D		\$6,307		\$6,307	\$6,307	\$0
Title III-E	\$217	\$131,089		\$131,306	\$125,223	\$6,083
Title VII-Elder Abuse		\$4,313		\$4,313	\$4,313	\$0
Title VII-Ombudsman		\$9,901		\$9,901	\$9,901	\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other Federal						
Title V-(PY 06/30/16 Award)				\$0		\$0
Title V-(PY 06/30/17 Award)				\$0		\$0
NSIP		\$94,393		\$94,393	\$94,393	\$0
VICAP-(PY 03/31/16 Award)	-\$2,000	\$21,595		\$19,595	\$19,595	\$0
VICAP-(PY 03/31/17 Award)				\$0		\$0
Aging & Disability Resource Center Options Counseling "C"				\$0		\$0
DMAS Ombudsman FY 14				\$0		\$0
DMAS Ombudsman FY 15				\$0		\$0
DMAS Ombudsman FY 16		\$4,524		\$4,524	\$4,524	\$0
Virginia Elder Justice				\$0		\$0
MIPPA - Priority 1 - SHIP				\$0		\$0
MIPPA - Priority 2 - AAA				\$0		\$0
MIPPA - Priority 3 - ADRC	\$42	\$38,216		\$38,258	\$39,571	-\$1,313
CMS Demonstration Duals				\$0		\$0
SNAP		\$22,184		\$22,184	\$22,184	\$0
Senior Farmers Market		\$285		\$285	\$285	\$0
WIC Farmers Market				\$0		\$0
CDSME	\$90,655			\$90,655	\$29,821	\$60,834
Affordable Transportation Options				\$0		\$0
VHQC- Diabetes Self Mgmt. Program		\$1,645		\$1,645	\$1,645	\$0
CAP SAW CSB	-\$6,000	\$36,000		\$30,000	\$30,000	\$0
City of Harrisonburg-CDBG	-\$1,213		\$20,439	\$19,226	\$19,226	\$0
DRPT Federal Transit Act Section 5510		\$61,153		\$61,153	\$61,153	\$0
Other: HRHA		\$11,146		\$11,146	\$11,146	\$0
Other				\$0		\$0
Other				\$0		\$0
General Funds						
Title III Match-(PY 06/30/16)		\$28,557		\$28,557	\$28,557	\$0
Title III Match-(PY 06/30/17)		\$9,519		\$9,519	\$9,519	\$0
Community Based-(PY 06/30/16)	-\$9,253	\$142,662		\$133,409	\$133,409	\$0
Community Based-(PY 06/30/17)		\$17,410		\$17,410	\$8,680	\$8,730
Transportation-(PY 06/30/16)		\$53,045		\$53,045	\$53,045	\$0
Transportation-(PY 06/30/17)		\$17,681		\$17,681	\$17,681	\$0
Home Delivered Meals-(PY 06/30/16)	-\$10,329	\$246,991		\$236,662	\$236,662	\$0
Home Delivered Meals-(PY 06/30/17)		\$61,654		\$61,654	\$61,654	\$0
Supplemental Nutrition-(PY 06/30/16)		\$46,290		\$46,290	\$46,290	\$0
Supplemental Nutrition-(PY 06/30/17)		\$15,430		\$15,430	\$15,430	\$0
Ombudsman-(PY 06/30/16)		\$12,631		\$12,631	\$12,631	\$0
Ombudsman-(PY 06/30/17)		\$4,210		\$4,210	\$4,210	\$0
Census Adjustment-(PY 06/30/16)	-\$1,701	\$54,113		\$52,412	\$52,412	\$0
Census Adjustment-(PY 06/30/17)		\$18,800		\$18,800	\$18,800	\$0
Care Coordination-(PY 06/30/16)	-\$9,560	\$55,218		\$45,658	\$45,658	\$0
Care Coordination-(PY 06/30/17)		\$12,117		\$12,117	\$8,419	\$3,698
Respite Care-(PY 06/30/16)				\$0		\$0
Respite Care-(PY 06/30/17)				\$0		\$0
Guardianship-(PY 06/30/16)				\$0		\$0
Guardianship-(PY 06/30/17)				\$0		\$0
Transportation Services for the Elderly				\$0		\$0
Fan Care (Dominion Power)	-\$223	\$967		\$744	\$1,252	-\$508
Care Coordination-(PY 06/30/15)	\$9,550	-\$9,550		\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
Other				\$0		\$0
*Note: PY means Program Year Ending						
GRAND TOTAL:	\$55,779	\$2,319,108	\$20,439	\$2,395,327	\$2,283,147	\$112,180

SCHEDULE B - COSTS BY PROGRAM ACTIVITY

9/30/2016

TO

10/1/2015

FROM	COSTS TO FEDERAL III B FUNDS	COSTS TO FEDERAL III C1 FUNDS	COSTS TO FEDERAL III C2 FUNDS	COSTS TO FEDERAL III D FUNDS	COSTS TO FEDERAL III E FUNDS	COSTS TO FEDERAL VII OMB FUNDS	VOLUNTARY CONTRIBUT.	COSTS TO OTHER NON- FED FUNDS	FEES	DNAS ONBUSSING N	COSTS TO TITLE V FUNDS	COSTS TO NSIP FUNDS	COSTS TO G.F. T III MATCH FUNDS	COSTS TO G.F. COMM. BASED FUNDS	COSTS TO G.F. SPEC. TRANS. FUNDS	COSTS TO G.F. HO MEALS FUNDS	COSTS TO G.F. SUPP NUTRITION FUNDS	COSTS TO G.F. OMBUDS FUNDS	COSTS TO G.F. CENSUS ADJUST.	IN KIND	TOTAL TITLE III & VII COSTS
TITLE III (EXCEPT III-E)																					
OLDER AMERICAN ACT FUNDS:																					
Adult Day Care																					
Chore								303						1,553						479	2,334
Home Health																					
Homemaker								6,197						4,031							
Personal Care	40,573							10,863	378					30,166					1,309	176	10,278
Res. Repair and Renovation																					83,415
Care Coordination																					
Care Transitions																					
Comm. Referral Info. & Assist	217,395							53,850						16,410					42,380	6,033	336,228
Options Counseling																					
Transportation	64,833							8,214							70,726					1,723	147,031
Assisted Transportation																					
Congregate Meals		268,216						17,840								42,920			34	51,571	497,542
Home Delivered Meals			266,185					44,603								298,316			1,026	115,508	848,862
Disease Prevention								18,112													
Emergency Services																					
Employment																					
Health Screening / Education																					
L.D. Discount																					
LTC Coordinating Activity																					
Medication Management																					
Money Management																					
Public Information & Education	11,844							7													
Socialization/Recreation	61,337							3,033	4,703					1,000					26,463	32,559	12,882
Volunteer Programs														18,866							145,960
Legal Assistance	13,294								3,766												
Elder Abuse Prevention																					
LTC Ombudsman Program	826																				
Pres. and Admin.	76,394	15,112	13,562			4,313	9,901	25,961		4,524								16,841		10,671	62,366
TITLE III-E								27,530						1,800							145,059
OLDER AMERICAN ACT FUNDS:																					
Individual Counseling																					
Support Groups																					
Caregiver Training																					
Public Information/Education																					
Adult Day Care					6,417										146						
Homemaker																					
Personal Care					54,341										106,193					20	160,127
Institutional Respite																					
Direct Respite Services Payments																					
Other Respite Services																					
Chore																					
Congregate Meals																					
Home Delivered Meals					9,511			6,131													15,642
Direct Supplemental Service Payments																					
Other Supplemental Services					15,310																15,310
Comm. Referral Info. & Assist					22,083			4,070											229		26,343
Care Coordination																					
Transportation					10,764																10,764
Assisted Transportation																					
Pres. and Admin.					6,417			3,000													9,847
TITLE III & TITLE VII	486,476	283,328	279,747	6,307	125,223	4,313	9,901	304,974	551	4,524	0	94,393	38,076	142,089	70,726	298,316	61,720	16,841	71,212	218,773	2,564,848
GRANDPARENTS & OLDER INDIVIDUALS WHO ARE RELATIVE CAREGIVERS OF CHILDREN																					
Individual Counseling																					
Support Groups																					
Caregiver Training																					
Public Information/Education																					
Adult Day Care																					
Homemaker																					
Personal Care																					
Institutional Respite																					
Direct Respite Services Payments																					
Other Respite Services																					
Chore																					
Congregate Meals																					
Home Delivered Meals																					
Direct Supplemental Service Payments																					
Other Supplemental Services																					
Comm. Referral Info. & Assist																					
Care Coordination																					
Transportation																					
Assisted Transportation																					

SCHEDULE C - STATUS OF INVENTORIES
YEAR ENDED SEPTEMBER 30, 2016

Fund Source and Type of Inventory	Value on Hand 10/1/2015	Increase (Decrease) During Period	Value on Hand 9/30/2016
Title III-B Older Americans Act	2,200	-655	1,546
Title III-C(1) Older Americans Act			0
Title III-C(2) Older Americans Act			0
Title III-D Older Americans Act			0
Title III-E Older Americans Act			0
Title VII Elder Abuse			0
Title VII Ombudsman			0
Federal Transit Act Section 5310	284,597	8,327	292,924
Agency Real Estate and Leasehold Improvements	528,265	-42,790	485,475
Agency Funds		5,970	5,970
Other Funds (Specify funds)			0
Other Funds (Specify funds)			0
Other Funds (Specify funds)			0
Other Funds (Specify funds)			0
Other Funds (Specify funds)			0
Other Funds (Specify funds)			0
GRAND TOTAL	815,063	-29,147	785,915

VALLEY PROGRAM FOR AGING SERVICES, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
September 30, 2016

ASSETS	VPAS	Maury River Home Care	Inter- Departmental Eliminations	Total
Current assets				
Cash and cash equivalents	\$ 467,492	\$ 86,559	\$ -	\$ 554,051
Investments	19,668	-	-	19,668
Unconditional promises to give	411,423	-	-	411,423
Accounts receivable	217,087	26,995	(191,127)	52,955
Interdepartmental receivable from MRHC	187,193	-	(187,193)	-
Inventory, at cost	2,208	-	-	2,208
Prepaid expenses	21,248	-	-	21,248
Total current assets	1,326,319	113,554	(378,320)	1,061,553
Property and equipment (Note 3)	644,490	-	-	644,490
Board designated cash held for reserve (Note 5)	96,729	-	-	96,729
Total assets	<u>\$ 2,067,538</u>	<u>\$ 113,554</u>	<u>\$ (378,320)</u>	<u>\$ 1,802,772</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 105,345	\$ 186,692	\$ (191,127)	\$ 100,910
Accrued expenses	141,793	13,475	-	155,268
Interdepartmental payable to VPAS	-	187,193	(187,193)	-
Current maturities of long-term debt (Note 9)	17,177	-	-	17,177
Refundable advances and deferred revenue	114,313	-	-	114,313
Total current liabilities	378,628	387,360	(378,320)	387,668
Long-term debt (Note 9)	252,807	-	-	252,807
Total liabilities	631,435	387,360	(378,320)	640,475
Net assests				
Unrestricted	839,494	(273,806)	-	565,688
Temporarily restricted (Note 7)	596,609	-	-	596,609
Total net assets	1,436,103	(273,806)	-	1,162,297
Total liabilities and net assets	<u>\$ 2,067,538</u>	<u>\$ 113,554</u>	<u>\$ (378,320)</u>	<u>\$ 1,802,772</u>

VALLEY PROGRAM FOR AGING SERVICES, INC.

COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2016

	VPAS	Maury River Home Care	Inter- Departmental Eliminations	Total
REVENUES AND SUPPORT				
Grant revenues:				
Federal	\$ 1,524,339	\$ -	-	\$ 1,524,339
State	759,732	-	-	759,732
Local government	399,483	-	-	399,483
Other grants and support	78,698	-	-	78,698
Program income and fees	61,354	254,952	(82,236)	234,070
Contributions and other income	172,438	890	-	173,328
Investment income	2,962	-	-	2,962
Gain on disposition of equipment	3,010	-	-	3,010
Fundraising revenue	19,432	-	-	19,432
In-kind contributions	59,634	1,150	-	60,784
	<u>3,081,082</u>	<u>256,992</u>	<u>(82,236)</u>	<u>3,255,838</u>
Total revenues and support				
EXPENSES				
Salaries, wages, and benefits	1,567,853	310,880	-	1,878,733
Resources and memberships	11,557	-	-	11,557
Licenses & Permits	428	1,671	-	2,099
Travel	44,969	-	-	44,969
Training	7,904	-	-	7,904
Staff and volunteer recruitment and recognition	4,716	4,613	-	9,329
Professional fees	20,358	136	-	20,494
Rent and utilities	106,467	1,678	-	108,145
Office supplies	19,616	5,320	-	24,936
Phone and internet	30,603	1,517	-	32,120
Marketing Expense	-	658	-	658
Printing	850	61	-	911
Advertisement and public notices	4,633	-	-	4,633
Computer	17,467	2,770	-	20,237
Postage	7,118	377	-	7,495
Copier rental	5,745	654	-	6,399
Vehicle costs	54,570	9,969	-	64,539
Food and beverage - center and other	6,119	-	-	6,119
Client expenses	12,203	1,627	-	13,830
Meals	506,024	-	-	506,024
Contractual services	283,518	-	(82,236)	201,282
General insurance	13,777	409	-	14,186
In-kind	59,519	1,265	-	60,784
Depreciation	77,438	-	-	77,438
Leashold amortization	40,992	-	-	40,992
Interest	17,929	-	-	17,929
Fundraising	1,860	-	-	1,860
	<u>2,924,233</u>	<u>343,605</u>	<u>(82,236)</u>	<u>3,185,602</u>
Total expenses				
Change in net assets	156,849	(86,613)	-	70,236
NET ASSETS				
Beginning	<u>1,279,254</u>	<u>(187,193)</u>	<u>-</u>	<u>1,092,061</u>
Ending	<u>\$ 1,436,103</u>	<u>\$ (273,806)</u>	<u>-</u>	<u>\$ 1,162,297</u>

COMPLIANCE

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

To the Board of Directors
Valley Program for Aging Services, Inc.
Waynesboro, Virginia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Valley Program for Aging Services, Inc. (VPAS) which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 9, 2017.

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) to determine the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
January 9, 2017

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

To the Board of Directors
Valley Program for Aging Services, Inc.
Waynesboro, Virginia,

Report on Compliance for Each Major Federal Program

We have audited the Valley Program for Aging Services, Inc. (VPAS)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on VPAS's major federal programs for the year ended September 30, 2016. The entity's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the entity's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the entity's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the entity's compliance.

Opinion on Each Major Federal Program

In our opinion, the Valley Program for Aging Services, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2016.

Report on Internal Control over Compliance

Management of VPAS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered VPAS's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the VPAS's internal control over compliance.

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

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
January 9, 2017

VALLEY PROGRAM FOR AGING SERVICES, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2016**

Federal Grantor/Pass-through Grantor/Program Title	Federal Catalog Number	Expenditures
<u>Department of Health and Human Services:</u>		
Passed through Virginia Department for the Aging:		
Special Programs for the Aging-Title III,		
Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 486,476
Part C - Nutrition Services		
Congregate	93.045	283,328
Home-Delivered	93.045	279,747
Nutrition Services Incentive Program	93.053	94,393
Total for cluster		1,143,944
Part E - National Family Caregiver Support Program	93.052	125,223
Part D - Disease Prevention and Health Promotion Services	93.043	6,307
Special Programs for the Aging-Title VII,		
Prevention of Elder Abuse, Neglect, and Exploitation	93.041	4,313
Ombudsman Program	93.042	9,901
ARRA - Communities Putting Prevention to Work:		
Chronic Disease Self-Management Program	93.725	29,821
Administration for Community Living		
State Health Insurance Assistance Program		
(VICAP)		
Period October 1, 2015-March 31, 2016	93.324	19,595
Medicare Enrollment Assistance Program	93.071	39,571
MIPPA Priority #3 ADRC		
Medical Assistance Program		
DMAS Ombudsman	93.778	4,524
Center for Medicare and Medicaid Services	93.569	1,645
NGA PPHR-2016 Everyone with Diabetes Counts		
Passed through Community Action Partnership-Staunton, Augusta, Waynesboro		
Administration for Children and Families		
Community Services Block Grant	93.569	25,500
Total Department of Health and Human Services		1,410,344

(Continued)

VALLEY PROGRAM FOR AGING SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-through Grantor/Program Title	Federal Catalog Number	Expenditures
<u>Department of Transportation:</u>		
Passed through Virginia Department of Rail and Public Transportation Capital Assistance Program for Elderly Persons and Persons with Disabilities FTA Section 5310	20.513	\$ 61,153
<u>Department of Housing and Urban Development:</u>		
Passed through Harrisonburg Redevelopment and Housing Authority: Office of Multifamily Housing Programs Service Coordinator in Multifamily Housing Grant	14.191	11,146
Passed through City of Harrisonburg: Office of Community Planning and Development Community Development Block Grant Entitlement Grants	14.218	19,227
Total Department of Housing and Urban Development		30,373
<u>Department of Agriculture:</u>		
Passed through Virginia Department for the Aging: Senior Farmers' Market Nutrition Program	10.576	285
Supplemental Nutrition Assistance Program	10.551	22,184
Total Department of Agriculture		22,469
Total		\$ 1,524,339

VALLEY PROGRAM FOR AGING SERVICES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Valley Program for Aging Services under programs of the federal government for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Valley Program for Aging Services, 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.

Note 2. Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

Valley Program for Aging Services did not elect to use the 10% de minimis indirect cost rate.

VALLEY PROGRAM FOR AGING SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended September 30, 2016

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies** relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies** relating to the audit of the major federal award program were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relative to the major programs**.
7. The programs tested as major programs included:

Aging cluster:

93.044	Title III-B – Supportive services
93.045	Title III-C (1) and (2) – Nutrition services
93.053	Nutrition Services Incentive Program (NSIP)
8. The **threshold** for distinguishing Types A and B programs was **\$750,000**.
9. VPAS was determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

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

None.