VANTAGE AGING

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

September 30, 2019 and 2018

VANTAGE AGING

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INDEPENDENT AUDITORS' REPORT

Board of Directors
VANTAGE Aging
Akron, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of VANTAGE Aging (the "Organization"), which comprise the statement of financial position as of September 30, 2019 and the related statements of activities, cash flows and functional expenses for the year 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 the Organization as of September 30, 2019, and the changes in its net assets and its cash flows for the year end ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 financial statements, and in our report dated February 19, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2020, on our consideration of the Organization'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 to describe the scope of our testing of internal control over financial reporting or on 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 the Organization's internal control over financial reporting and compliance.

Bober, Markey, Fedorovich & Company

BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

March 5, 2020

VANTAGE AGING
STATEMENTS OF FINANCIAL POSITION
September 30, 2019 and 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 823,584	$ 727,281
Grants and contracts receivable, net	788,386	718,361
Inventories	32,127	-
Prepaid expenses	22,682	16,562
TOTAL CURRENT ASSETS	1,666,779	1,462,204
NONCURRENT ASSETS		
Restricted cash	330,759	344,949
Fixed assets, net	2,383,085	1,346,906
Beneficial interests held by community foundations	149,004	48,890
Investments	1,731,982	-
Deposits	36,018	40,704
Construction in progress	-	128,279
TOTAL NONCURRENT ASSETS	4,630,848	1,909,728
TOTAL ASSETS	$ 6,297,627	$ 3,371,932
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of note payable	$ 61,990	$ 61,990
Current portion of capital lease	8,878	4,248
Accounts payable	125,231	111,906
Accrued payroll and related expenses	757,186	673,776
Unearned revenue	109,907	116,815
TOTAL CURRENT LIABILITIES	1,063,192	968,735
NONCURRENT LIABILITIES		
Note payable, net of current portion	1,079,666	1,141,656
Capital lease, net of current portion	30,383	15,770
Other noncurrent liabilities	77,457	-
TOTAL NONCURRENT LIABILITIES	1,187,506	1,157,426
NET ASSETS		
Without donor restrictions	4,000,377	1,203,815
With donor restrictions	46,552	41,956
TOTAL NET ASSETS	4,046,929	1,245,771
TOTAL LIABILITIES AND NET ASSETS	$ 6,297,627	$ 3,371,932

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

VANTAGE AGING
STATEMENTS OF ACTIVITIES
For the Year Ended September 30, 2019
With Comparative Totals for the Year Ended September 30, 2018

	Without Donor Restrictions	With Donor Restrictions	2019	2018
REVENUES, GAINS AND OTHER SUPPORT				
Grants	$ 9,206,723	$ -	$ 9,206,723	$ 9,001,305
Contributions, including in-kind	391,675	2,503	394,178	100,079
Program service fees	3,265,530	-	3,265,530	2,929,475
Event revenue	80,190	-	80,190	33,867
Other revenue	5,341	-	5,341	2,370
Net assets released from restriction	25,412	(25,412)	-	-
Total revenue	12,974,871	(22,909)	12,951,962	12,067,096
EXPENSES				
Program services				
Home Wellness Solutions	264,746	-	264,746	398,767
Behavioral Health Solutions	533,610	-	533,610	565,582
Senior Community Service Employment Program	7,207,453	-	7,207,453	7,933,141
Encore Staffing Network	433,127	-	433,127	397,388
RSVP	117,725	-	117,725	104,267
Meals on Wheels	3,310,407	-	3,310,407	1,634,481
Total program services	11,867,068	-	11,867,068	11,033,626
Supporting services				
Management and general	1,463,741	-	1,463,741	1,289,635
Community Engagement	79,684	-	79,684	39,282
Total supporting services	1,543,425	-	1,543,425	1,328,917
Total expenses	13,410,493	-	13,410,493	12,362,543
NONOPERATING INCOME (LOSS)				
Investment income, net	163,675	-	163,675	3,616
Gain on sale of assets	500	-	500	400
Loss on abandonment of construction in progress	(143,275)	-	(143,275)	-
Total nonoperating income (loss)	20,900	-	20,900	4,016
CHANGE IN NET ASSETS	(414,722)	(22,909)	(437,631)	(291,431)
NET ASSETS AT BEGINNING OF YEAR	1,203,815	41,956	1,245,771	1,537,202
NET ASSETS FROM MERGER (NOTE 16)	3,211,284	27,505	3,238,789	-
NET ASSETS AT END OF YEAR	$ 4,000,377	$ 46,552	$ 4,046,929	$ 1,245,771

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

VANTAGE AGING
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (437,631)	$ (291,431)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	147,780	77,707
Gain on sale of asset	(500)	(400)
Unrealized gains	(111,384)	(1,178)
Realized (gains) losses	(27,549)	265
Loss on abandonment of construction in progress	143,275	-
Investment income, net	(30,921)	(1,129)
Changes in operating assets and liabilities:		
Grants and contracts receivable	44,119	181,760
Inventory	3,928	-
Prepaid expenses	(6,120)	28,925
Deposits	19,067	(15,625)
Accounts payable	(8,798)	(16,189)
Accrued payroll and related expenses	34,694	8,950
Other liabilities	17,267	-
Unearned revenue	(6,908)	18,352
NET CASH USED IN OPERATING ACTIVITIES	(219,681)	(9,993)
CASH FLOWS FROM INVESTING ACTIVITIES		
Beneficial interests	(1,364)	(5,451)
Construction in progress	(14,996)	(14,925)
Proceeds on sale of asset	500	400
Proceeds from the sale of investments	263,733	-
Purchases of fixed assets	(93,933)	-
Purchases of investments	(928,378)	-
Cash acquired in merger with Meals on Wheels of Stark & Wayne Counties	1,146,159	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	371,721	(19,976)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease	(7,937)	(3,958)
Principal payment on note payable	(61,990)	(36,161)
Proceeds from note payable	-	199,912
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(69,927)	159,793
NET CHANGE IN CASH AND CASH EQUIVALENTS	82,113	129,824
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,072,230	942,406
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,154,343	$ 1,072,230
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 62,888	$ 51,411

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

VANTAGE AGING
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2019
With Comparative Totals for the Year Ended September 30, 2018

	Program Services							Supporting Services				
	Home Wellness Solutions	Behavioral Health Solutions	Senior Community Service Employment Program	Encore Staffing Network	RSVP	Meals on Wheels	Total	Management and General	Community Engagement	Total	2019 Total	2018 Total
Salaries	$ 209,083	$ 330,264	$ 624,975	$ 312,934	$ 63,066	$ 993,569	$ 2,533,891	$ 966,583	$ 27,837	$ 994,420	$ 3,528,311	$ 3,268,964
SCSEP participant salaries	-	-	5,548,372	-	-	-	5,548,372	-	-	-	5,548,372	5,500,003
Payroll taxes and related expenses	23,371	73,361	545,802	46,614	14,870	273,021	977,039	239,843	5,893	245,736	1,222,775	1,438,304
Total salaries and related expenses	232,454	403,625	6,719,149	359,548	77,936	1,266,590	9,059,302	1,206,426	33,730	1,240,156	10,299,458	10,207,271
Program supplies	3,939	3,023	9,108	212	7,996	105,434	129,712	252	11,462	11,714	141,426	84,573
Food and packaging	-	-	-	-	-	1,358,135	1,358,135	-	-	-	1,358,135	773,905
Training	870	4,892	13,494	672	196	1,047	21,171	3,998	326	4,324	25,495	42,110
Travel	2,439	9,074	48,387	2,054	433	30,602	92,989	1,451	721	2,172	95,161	83,292
Fleet vehicle and other travel	1,522	4,658	-	-	-	38,049	44,229	-	-	-	44,229	28,533
Postage and printing	1,241	8,360	28,280	4,501	941	13,166	56,489	5,557	4,831	10,388	66,877	65,593
Recruitment	1,931	3,470	41,864	8,371	1,414	7,968	65,018	3,858	3,125	6,983	72,001	70,049
Rent	-	-	99,701	15,720	20,183	142,528	278,132	60	-	60	278,192	221,114
Utilities and property taxes	5,232	7,370	50,796	3,949	595	69,302	137,244	62,757	2,484	65,241	202,485	132,162
Repairs and maintenance	580	3,090	6,744	30	353	39,811	50,608	60,235	1,644	61,879	112,487	38,608
Interest	586	5,273	2,373	-	586	4,887	13,705	39,253	9,930	49,183	62,888	51,412
Contract services	3,933	18,599	78,359	26,845	1,926	31,254	160,916	9,672	351	10,023	170,939	214,024
Office supplies	158	838	4,182	1,346	159	6,314	12,997	3,779	2,441	6,220	19,217	21,218
Insurance	6,431	6,388	43,348	4,858	2,459	30,393	93,877	9,694	27	9,721	103,598	115,420
IT expenses	2,830	15,167	53,788	5,020	2,055	47,385	126,245	16,111	3,170	19,281	145,526	114,241
Bad debt	100	29,878	-	-	-	26,463	56,441	-	440	440	56,881	16,814
Other expenses	10	79	25	1	2	2,909	3,026	2,145	2,547	4,692	7,718	4,497
Total expenses before depreciation	264,256	523,784	7,199,598	433,127	117,234	3,222,237	11,760,236	1,425,248	77,229	1,502,477	13,262,713	12,284,836
Depreciation	490	9,826	7,855	-	491	88,170	106,832	38,493	2,455	40,948	147,780	77,707
Total expenses	$ 264,746	$ 533,610	$ 7,207,453	$ 433,127	$ 117,725	$ 3,310,407	$ 11,867,068	$ 1,463,741	$ 79,684	$ 1,543,425	$ 13,410,493	$ 12,362,543
Fiscal 2018 expenses	$ 398,767	$ 565,582	$ 7,933,141	$ 397,388	$ 104,267	$ 1,634,481	$ 11,033,626	$ 1,289,635	$ 39,282	$ 1,328,917	$ 12,362,543	

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

NOTE 1 - ORGANIZATION

Nature of Operations

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

On January 1, 2019, Meals on Wheels of Stark & Wayne Counties ("MOW") merged with VANTAGE Aging, with VANTAGE Aging as the surviving Organization. As a result of the merger, the assets and liabilities of MOW were carried over and recorded in the statement of financial position of the Organization. Accordingly, the related activities and transactions of the former MOW are included in the statement of activities of the Organization for the period January 1, 2019 through September 30, 2019.

Programs of the Organization include Senior Community Service Employment Program (SCSEP), Encore Staffing Network, Meals on Wheels of Northeast Ohio, Behavioral Health Solutions, Home Wellness Solutions and Retired Senior Volunteer Program (RSVP).

Senior Community Service Employment Program (SCSEP)

The Senior Community Service Employment Program (SCSEP) is a job training program for older adults located in 38 Ohio counties. Funded under grants from the U.S. Department of Labor and Ohio Department of Aging, the program provides paid, part-time job training in community service assignments. Program participants are low-income adults age 55 and older placed with nonprofit and government agencies (host sites) for training. SCSEP provides a dual benefit to the communities it serves: improving job readiness of older workers while expanding the services provided by local host sites. Annual job fairs and workshops are organized and administered as part of the program to connect older workers to available employment opportunities.

Encore Staffing Network

The Encore Staffing Network is a program funded in part by The Cleveland Foundation that provides placement of older workers who want to stay engaged in the workforce while dedicating their skills and talents to a variety of employers with profits being re-invested into the agency's mission.

Meals on Wheels of Northeast Ohio

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

Behavioral Health Solutions

Behavioral Health Solutions provides specialized integrated mental health and alcohol and other drug treatment and prevention services to persons age fifty and older and adults with disabilities. A team of licensed professional focus on the continuum of care, addressing physical, mental, and socio-economic aspects of an individual's health. Specializing in the unique issues facing the older population and identifying physical factors that can attribute to increased impairment or risk, our team partners with other programs within the Organization to address the person as a whole. Services include group and individual counseling, intensive outpatient, case management, crisis management intervention, assessment, peer coaching, mentoring, and recovery support services. Outreach, training, and prevention services are provided throughout the community.

Home Wellness Solutions

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

Retired Senior Volunteer Program (*RSVP)*

As one of the largest volunteer networks in the nation, RSVP is a program of the Corporation for National and Community Service and provides volunteers age 55 and older with service opportunities with Summit and Medina counties. RSVP volunteers address critical community needs and take on new national initiatives to meet those needs. With a strong corps of experienced volunteers, RSVP helps to build capacity and outreach efforts for over 70 organizations including food pantries, health and wellness programs, and social service agencies. A Tele-Care program provides outreach to homebound seniors, helping to address social isolation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>New Accounting Pronouncement</u>

On August 18, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-for Profit Entities*. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Organization's financial statements.

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new required disclosure about liquidity and availability of resources (Note 17).
- Investments fees are now required to be presented, net with investment income on the statements of activities.

Financial Statement Presentation

As required by the Not for Profit Entities Topic of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”), the Organization reports information regarding its financial position and activities according to two classes of net assets, net assets without donor restrictions and net assets with donor restrictions.

Reclassifications

Certain amounts previously reported in the prior year financial statements have been reclassified to conform to the presentation in the current year financial statements. The reclassifications had no impact on previously reported net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Concentration of Credit Risk and Funding

The Organization maintains its cash balances in commercial banks located in Ohio. Accounts maintained in commercial banks are guaranteed by the Federal Deposit Insurance Corporation. At times balances held at financial institutions were in excess of the federally insured limits. The Organization believes no significant concentration of risk exists with respect to these cash investments.

The Organization is funded from grants and reimbursements from various governmental agencies. The Organization anticipates the renewal of all its grants and federal awards. The Organization received approximately 60% and 68% of their revenue from the Department of Labor for each of the years ended September 30, 2019 and 2018, respectively.

Fair Value of Financial Instruments

Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Revenues and Accounts Receivable

The Organization carries its accounts receivable at cost less an allowance for doubtful accounts. Monthly, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on both its history in collections from each payer and of each payers' aging balance. Accounts are written off as uncollectible when the Organization determines the amount cannot be collected. The allowance for doubtful accounts balance was $36,343 and $32,007 as of September 30, 2019 and 2018 respectively.

Inventories

Inventories consist of food and related supplies and are carried at the lower of cost (first-in, first-out) or net realizable value.

Investments

Investments consist of marketable equity securities and funds. All marketable securities are reported at fair value. Realized gains and losses are determined on the specific-identification method and are reflected as part of investment income. Unrealized gains and losses are reflected as part of investment income.

Beneficial Interests Held by Community Foundations

The Organization carries beneficial interests in assets held by Stark Community Foundation and Akron Community Foundation. Realized and unrealized gains and losses are included in investment income on the accompanying statement of activities.

Fixed Assets

Purchased fixed assets are recorded at cost and donated fixed assets are recorded at fair value at the date of donation (items valued at $5,000 and over are capitalized). Routine maintenance, repairs, renewals and replacement costs are charged against income. Expenditures that significantly increase values, change capacities or extend useful lives are capitalized.

Depreciation is computed by the straight-line method, using the half-year convention, at rates calculated to amortize the cost or fair value at date of donation of the assets over their estimated useful lives as indicated below:

Building	20 years
Furniture and equipment	5-10 years
Leasehold improvements	*

*Leasehold improvements are amortized over the lesser of their estimated useful lives or the lease term, including renewals.

Construction in Progress

During 2017, the Organization started plans to renovate the building to construct an additional kitchen area. The construction project was abandoned during the year ended September 30, 2019 and the related construction in progress balance of $143,275 was written off and reported as an abandonment loss on the statement of activities.

Interest-Rate Swap

The organization has an interest-rate swap in place to mitigate interest-rate risk on a note payable (Note 5 & 8). The related liability or asset is reported at fair-value in the statements of financial position, and unrealized gains or losses are included in the statement of activities.

Unearned Revenue

Unearned revenue represents monies received for which expenditures have not yet been incurred or services have not yet been performed.

Contributions

Pledges and contributions are recorded as revenue at the time the Organization receives the funds or a written communication from a donor indicating the amount and nature of the gift and that the gift is unconditional.

Unconditional gifts are recognized as restricted revenues if the donor's intention for the use of the funds is restricted for time or purpose. These gifts increase donor restricted net assets until they are used for the purpose intended or until the restricted time has passed.

Conditional gifts are recognized when the conditions on which they depend are substantially met. Conditional gifts include grants and contributions requiring that other funds are raised by the Organization as a match. Once the match has been raised as required, the original gift is recorded as revenue based on donor restrictions.

Grants, pledges and contributions with no donor restrictions or requirements as to their intended use are considered unrestricted in nature and recognized as revenues and net assets without donor restrictions.

Gifts received that are designated for the beneficial interest in trust held at the Akron Community Foundation, Senior Love Fund, are classified as permanently restricted net assets on the statements of financial position and reported in investing activities in the statements of cash flows.

Functional Expenses

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

Tax Status

The Organization is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Under the Income Tax Topic of the FASB ASC, the Organization is required to identify uncertain tax positions taken, assess and quantify those positions and record reserves. As of and for the years ended September 30, 2019 and 2018, the Organization has identified no uncertain tax positions.

The Organization files informational tax filings in United States Federal and State of Ohio jurisdictions.

Subsequent Events
The Organization has evaluated subsequent events through March 5, 2020, the date the financial statements were available to be issued.

NOTE 3 - BENEFICIAL INTERESTS HELD BY COMMUNITY FOUNDATIONS

The FASB ASC provides guidance on the net asset classification of donor-restricted endowments and board designated funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”).

The Organization’s endowment consists of a beneficial interest in asset held at the Akron Community Foundation (“ACF”) and Stark Community Foundation, Inc. (“SCF”). As required by accounting principles generally accepted in the United States of America (“GAAP”), net assets associated with endowment funds are classified and reported on the existence or absence of donor or board imposed restrictions.

Interpretation of Relevant Law
The Organization believes that absent explicit donor stipulations to the contrary, fiduciary standards require the preservation of the “historic dollar value” of donor-restricted endowment funds. Historic dollar value as to any donor-restricted endowment fund means the aggregate fair value of (a) the original value of gifts donated to such fund, (b) the original value of subsequent gifts to such fund, and (c) accumulations to such fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accordingly, the Organization classifies the historic dollar value of donor-restricted endowment funds as permanently restricted net assets. Notwithstanding the foregoing accounting classifications, unless the gift instrument creating a donor-restricted endowment fund expressly provides otherwise, the Board of Directors (the “Board”) of the Organization may, as provided in Ohio UPMIFA, from time to time, appropriate for expenditure such portion of the permanently restricted net assets as the Board determines is prudent, after application of the factors set forth below.

In accordance with Ohio UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds
- The purpose of the Organization and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization follows investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that over time will average the level of the approved Organization endowment spending rate plus inflation. Actual results in any given year may vary from this desired goal.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation in order to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The endowments of the Organization held at ACF operate under a spending policy determined by ACF. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held into perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The following is a reconciliation of beneficial interest fund held at the Akron Community Foundation for the years ended September 30:

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Beginning balance	$ 6,935	$ 41,956	$ 4,893	$ 36,505
Contributions	-	2,504	-	5,451
Interest and dividends	1,345	-	1,129	-
Net unrealized (loss) gain	(66)	-	1,178	-
Net realized (loss) gain	(699)	-	(265)	-
Ending balance	$ 7,515	$ 44,460	$ 6,935	$ 41,956

The Organization also has funds invested with the SCF, as a result of the merger, and they are held in a pooled investment fund. All contributions to the fund are held, invested and managed by the SCF. The Organization has not granted SCF variance power. Income from the fund's assets is available for distribution to the Organization upon request from its board of directors. The agreement also provides for distributions of principal to the Organization, upon approval of the board or directors.

The Organization has adopted SCF's specific investment and spending policies for pooled investment assets that attempt to preserve the portfolio's purchasing power through asset growth in excess of the spending rate plus rate of inflation. The long-term objective of SCF's fund is that it will earn a return of at least the consumer price index plus 5.75%. The objective is to maximize the long-term return while assuming a reasonable level of risk.

The following is a reconciliation of beneficial interest fund held at the Stark Community Foundation for the period ended September 30, 2019

	Without Donor Restrictions
Beginning balance January 1, 2019	$ 87,898
Contributions	-
Interest and dividends	961
Net unrealized (loss) gain	7,651
Net realized (loss) gain	519
Ending balance September 30, 2019	$ 97,029

NOTE 4 - RESTRICTED CASH

Cash in the amount of $273,801 and $271,326 is held and designated for use by the board as of September 30, 2019 and 2018, respectively. There is also restricted cash of $56,958 and $73,623 for employee health savings accounts at September 30, 2019 and 2018, respectively.

NOTE 5 – FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The Organization entered into an interest swap agreement in February 2018 to fix the interest rate at 2.89% on the Organizations variable interest note payable, to reduce exposure to interest rate fluctuations. The Organization's interest rate swap notional amount was $1,141,656 and $1,208,812 as of September 30, 2019 and 2018, respectively. The term of this swap agreement expires in February 2023. As of September 30, 2019 and 2018, the fair value of the interest rate swap was $(52,666) and $0, respectively. The related interest rate swap liability is included in other liabilities on the statement of financial position.

Investments are classified in the other assets section of the statements of financial position and include the following as of September 30:

	2019		2018	
	Market Value	Cost	Market Value	Cost
Money market funds	$ 510,002	$ 510,002	$ -	$ -
Equity securities	907,003	530,447	-	-
Mutual funds				
Blend	246,333	240,236	-	-
Bond	578,646	563,580	-	-
	$ 2,241,984	$ 1,844,265	$ -	$ -

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Organization uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets measured at fair value on a recurring basis are as follows:

September 30, 2019	Fair Value	Level 1	Level 2	Level 3
Money market funds	$ 510,002	$ -	$ 510,002	$ -
Equity securities	$ 907,003	907,003	$ -	$ -
Mutual funds			-	-
Blend	$ 246,333	246,333	-	-
Bond	$ 578,646	578,646	-	-
Beneficial interest:				
Stark Community Foundation	$ 97,030	-	97,030	-
Akron Community Foundation	$ 51,974	-	51,974	-
	$ 2,390,988	$ 1,731,982	$ 659,006	$ -

The classification of fair value measurement within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value as are follows:

- *Money market:* Valued based on the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds*: Valued at net asset value of shares held.

- *Equity securities*: Valued at the closing price reported on the active market on which the individual securities are traded.
- *Beneficial interest in trust:* This investment pool, in which the Organization participates, includes investments in equities, mutual funds, and fixed income funds. The Organization's separate accounts are adjusted with its proportion of investment activity from the investment pool throughout the year. The fair value of both, the beneficial interest in fund and beneficial interest in perpetual fund, is equal to the Organization's proportion of the quoted price obtained for total investments in the investment pool.

NOTE 6 - FIXED ASSETS

The following is a summary of fixed assets, at cost, less accumulated depreciation at September 30:

	2019	2018
Furniture and equipment	$ 1,386,598	$ 477,293
Leasehold improvements	6,600	6,600
Building	1,689,283	871,257
Land	720,800	431,813
	3,803,281	1,786,963
Less: accumulated depreciation	(1,420,196)	(440,057)
Total fixed assets	$ 2,383,085	$ 1,346,906

NOTE 7 - LINE OF CREDIT

The Organization has a $250,000 revolving line of credit with Chase Bank. The line of credit accrues interest at the Prime rate plus one quarter percent (5.25% and 5.00% at September 30, 2019 and 2018, respectively), payable monthly. The line of credit is secured by all assets of the Organization. There were no borrowings outstanding under this line of credit at September 30, 2019 and 2018.

NOTE 8 – NOTE PAYABLE

In March 2017, the Organization entered into a bank loan agreement for the purchase of building and land. The related note payable was due in monthly installments of interest only commencing May 1, 2017 through December 1, 2017. Subsequently, on October 31, 2017 the Organization signed an extension on the loan maturity. Under the terms of the extension, interest only payments continued until the principal was paid in full on March 1, 2018. The note payable bore interest at daily LIBOR plus 2.00% (3.23% as of September 30, 2017) and was collateralized by the building.

In February 2018, the Organization renegotiated the note payable on the building. Under the terms of the new note payable, principal is payable in fifty-nine equal consecutive monthly payments of approximately $5,166, plus interest based on the daily LIBOR rate plus 2.00% (4.89% and 4.26% as of September 30, 2019 and 2018, respectively), with a balloon payment due in February 2023 for any outstanding principal or accrued interest, of approximately $935,000. The note is collateralized by the building.

Future maturities of the note payable as of September 30, 2019 are:

2020	$ 61,990
2021	61,990
2022	61,990
2023	955,686
	$ 1,141,656

NOTE 9 - OPERATING LEASES

The Organization leases office space under non-cancelable operating lease agreements. Certain leases contain provisions whereby if the Organization loses funding, the lease obligation can be terminated after a specific time period.

Future minimum lease payments under operating leases are as follows:

2020	$ 74,394
2021	42,170
2022	26,751
2023	24,180
	$ 167,495

Rent expense was $118,978 and $135,505 for the years ended September 30, 2019 and 2018, respectively.

NOTE 10 - CAPITAL LEASE OBLIGATIONS

The Organization entered into a capital lease for a vehicle for a period of five years and a capital lease for a copier for a period of five years. The capital lease obligation consists of the following as of September 30:

	2019	2018
Capital lease obligation with monthly payments of $461, including interest at 7.08%, due June 2022. Collateralized by vehicle.	$ 15,770	$ 20,018
Less: Current portion	(4,558)	(4,248)
Capital lease, less current portion	$ 11,212	$ 15,770
Capital lease obligation with monthly payments of $645, including interest at 15.86%, due November 2023. Collateralized by copier.	$ 23,490	$ -
Less: Current portion	(4,319)	-
Capital lease, less current portion	$ 19,171	$ -

Future minimum payments required under the lease are as follows for the years ended September 30:

	2020	$ 13,268
	2021	13,268
	2022	14,288
	2023	7,740
	2024	1,290
Total minimum lease payments		$ 49,854
Less: Interest		(10,593)
Present value of minimum lease payments		$ 39,261

NOTE 11 - EMPLOYEE BENEFIT PLANS

The Organization sponsors a tax deferred savings plan which covers all eligible employees. Employees are permitted to make pre-tax deferrals of up to 25% of compensation or maximum amounts as allowed by law. The plan does not provide for an employer contribution.

The Organization also offers a comprehensive medical plan, life insurance and other customary benefits to eligible employees.

NOTE 12 - IN-KIND SUPPORT

The Organization receives volunteer services primarily to assist in serving their clients. In accordance with generally accepted accounting principles, this in-kind support is not recognized in the statement of activities. The fair value of this in-kind support was $1,560,323 and $1,283,431 for the years ended September 30, 2019 and 2018, respectively. Donated goods, training, advertising and rent of $183,896 and $79,699 are recognized in the statement of activities within "Contributions, including in-kind" for the years ending September 30, 2019 and 2018, respectively.

NOTE 13 - OHIO DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES AND COUNTY OF SUMMIT ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD

The Organization has recorded $368,238 and $359,818 in revenues from the Ohio Department of Mental Health & Addiction Services & County of Summit Alcohol, Drug Addiction & Mental Health Services Board for years ending September 30, 2019 and 2018, respectively, for various addiction services. This amount is included in grants revenue in the accompanying statement of activities. The accounts receivable from the Ohio Department of Mental Health & Addiction Services & County of Summit Alcohol, Drug Addiction & Mental Health Services Board at September 30, 2019 and 2018 were $97,136 and $112,807 respectively.

NOTE 14 - OHIO DEPARTMENT OF AGING

The Organization has been awarded contracts from the Ohio Department of Aging for contract years July 2019 through June 2020 and July 2018 through June 2019 in the amounts of $3,244,593 and $3,395,904 respectively. Revenues earned under these contracts were $3,349,119 and $3,419,856 for the fiscal years ending September 30, 2019 and 2018, respectively. These amounts are included grants revenue in the statement of activities.

NOTE 15 - CAPTIVE INSURANCE AGREEMENT

Effective July 1, 2015, the Organization entered into a group captive insurance agreement with a segregated account insurance company based in Bermuda. The Organization and six unrelated nonprofit organizations were members of a self-funded group medical captive program called Roundstone Mid Market Med Group Captive ("captive program") owned by the segregated accounting insurance company. The members of the captive program share in its annual underwriting results and risks.

Occasionally, reserves for self-insurance are recorded based on incurred loss estimates and management's judgement. The assessment of contingencies is a highly subjective process that requires judgements about future events and are reviewed annually to determine the adequacy of the related accrual. The ultimate settlement of contingencies may differ materially from the $37,816 accrued in the statement of financial position as of September 30, 2019.

As required by the agreement with the segregated account insurance company, the Organization has contributed indemnity collateral to the captive program. The indemnity collateral paid as of September 30, 2019 and 2018 was $29,849 and $34,535, respectively. The indemnity collateral is included in prepaid expenses on the statements of financial position.

The Organization terminated the captive insurance agreement in accordance with the agreement's provision and was replaced with a fully insured program with similar coverage effective January 1, 2019.

NOTE 16 – MERGER OF WHEELS ON MEALS OF STARK AND WAYNE COUNTIES

In November 2018, the Organization entered into an Agreement and Plan of Merger ("Agreement") with Meals on Wheels of Stark and Wayne Counties ("MOWSW"). The agreement was approved by the Board of Directors of both organizations, with an effective date of January 1, 2019. Under the Agreement, the Organization is the surviving entity and operations of both Organizations will continue under the name Vantage Aging and operate under a combined code approved by both Board of Directors. All funds held by MOWSW were transferred the Organization with $1,000,000 of the funds board restricted solely for the meals program benefiting Stark and Wayne Counties for a period of three years. As of the effective date, the following schedule of asset and liabilities were carried over and recorded and on the statement of financial position of the Organization:

Assets:		
Cash	$	1,146,159
Accounts receivable		114,144
Investments		855,669
Assets held at Stark Community Foundation		87,898
Inventory		36,066
Property and equipment		1,090,025
Other		14,381
		3,344,342
Liabilities:		
Accounts payable	$	22,123
Accrued expenses		48,716
Capital lease		27,190
Other		7,524
		105,553
Net Assets:		
With donor restrictions		27,505
Without donor restrictions		3,211,284
	$	3,238,789

NOTE 17 – AVAILABILITY AND LIQUIDITY

The Organization's working capital and cash flows are influenced by the availability of grant funding, program activity, fundraising and donations. The Organization invests cash in excess of daily requirements in short-term investments. To manage unanticipated liquidity needs, the Organization has available a line of credit in the amount of $250,000 (Note 7).

The Organization's financial assets available for general expenditure within one year are as follows, as of September 30, 2019:

Financial assets at the end of the year	
Cash and cash equivalents	1,154,343
Accounts and grants receivable	788,386
Beneficial interests held by community foundations	149,004
Investment securities, at fair value	1,731,982
Total financial assets	3,823,715
Less amounts not available to be used within one year	
Net assets with donor restrictions	(46,552)
Board designated funds	(2,256,250)
Cash designated for specific purposes	(330,759)
Total amounts not available to be used within one year	(2,633,561)
Financial assets available to meet general expenditures over the next twelve months	$ 1,190,154

The Organization has sufficient financial assets at year end to meet approximately nine months of supporting service expenditures, or approximately one month of total expenditures. Program service expenses over the next twelve months are expected to be funded by government support, non-government revenue and program revenue.

NOTE 18 – NET ASSETS

Net assets with donor restrictions include the following as of September 30, 2019 and 2018:

	2019
Subject to expenditure for a specified purpose:	
Akron Community Foundation - programs and services for older adults	$ 44,459
Wheels for Wags - pet food purchases	2,093
	$ 46,552

Net assets without donor restrictions include amounts designated by the board for the following purpose as of September 30:

	2019
Investments to be used for Meals on Wheels Program	$ 817,529
Investments to be used for Meals on Wheels of Stark & Wayne Counties	1,117,890
Meals on Wheels of Stark & Wayne Counties capital purchases	150,000
Endowment to be used for Meals on Wheels Program	97,030
Vantage Aging Board Reserve use to be determined by board	73,801
	$ 2,256,250

VANTAGE AGING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF LABOR			
Senior Community Service Employment Program:			
United States Department of Labor	17.235	$ 4,434,669	$ -
Ohio Department of Aging	17.235	$ 3,349,119	$ -
		7,783,788	-
Workforce Innovation & Opportunities Act--WIOA Adult & Dislocated Workers:			
Cuyahoga County Workforce Development	17.258/17.260	126,936	-
		126,936	-
TOTAL U.S. DEPARTMENT OF LABOR		7,910,724	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Aging Cluster:			
Special Programs for the Aging Title III Part B Senior Centers Passed Through:			
Direction Home Akron Canton Area Agency on Aging	93.044	1,417	-
Special Programs for the Aging Title III Part C Nutrition Services Passed Through:			
Direction Home Akron Canton Area Agency on Aging	93.045	601,940	-
Nutrition Services Incentive Program Passed Through:			
Direction Home Akron Canton Area Agency on Aging	93.053	102,967	-
Total Aging Cluster:		706,324	-
Social Services Block Grant Passed Through:			
Summit County Department of Job and Family Services	93.667	65,765	-
		65,765	-
Special Programs for the Aging Title III Part D Health Promotion Passed Through:			
Direction Home Akron Canton Area Agency on Aging	93.043	4,728	-
		4,728	-
County of Summit Alcohol, Drug Addiction and Mental Health Services Board:			
Opioid STR	93.788	20,249	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	66,529	-
		86,778	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		863,595	-
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants--Entitlement Grants Passed Through:			
City of Akron	14.218	15,877	-
City of Cuyahoga Falls	14.218	4,254	-
		20,131	-
CORPORATION OF NATIONAL AND COMMUNITY SERVICE			
Retired and Senior Volunteer Program:	94.002	118,084	-

VANTAGE AGING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARMENT OF AGRICULTURE			
Senior Farmers Market Nutrition Program:			
Direction Home Akron Canton Area Agency on Aging	10.576	$ 46,614	$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 8,959,148	$ -

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

This schedule of expenditures of federal awards includes the federal grant activity of VANTAGE Aging and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule my differ from the amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - DE MINIMIS COST RATE

The Agency did not elect to use the 10% de minimis cost rate in accordance with 2 CFR 200.510(b)(6).

VANTAGE AGING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2019

SUMMARY OF THE AUDITORS' RESULTS

- Unqualified opinion issued on the financial statements.
- No significant deficiencies or material weaknesses in internal control over financial reporting were disclosed.
- No material instances of noncompliance were disclosed.
- No significant deficiencies or material weaknesses in internal control over major programs were disclosed.
- Unqualified opinion issued on compliance for major programs.
- The audit disclosed no audit findings required to be reported under OMB Uniform Guidance.
- The auditee qualified as a low-risk auditee.
- Identification of major programs:
    - U.S. Department of Labor – Title V of Older Americans Act –
        - 17.235 Senior Community Service Employment
    - Department of Health and Human Services – Aging Cluster
        - 93.044 Special Programs for the Aging Title III Part B Senior Centers
        - 93.045 Special Programs for the Aging Title III Part C Nutrition Services
        - 93.053 Nutrition Services Incentive Program
- The dollar threshold used to distinguish Type A and Type B programs was $750,000.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

- No findings to be reported.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

- No findings to be reported.

PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

- No findings to be reported.

BOBER MARKEY FEDOROVICH
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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
VANTAGE Aging
Akron, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of VANTAGE Aging (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 5, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bober, Markey, Fedorovich & Company

BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

March 5, 2020

BOBER MARKEY FEDOROVICH
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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
VANTAGE Aging
Akron, Ohio

Report on Compliance for Each Major Federal Program

We have audited VANTAGE Aging's (the "Organization") compliance with the types of compliance requirements described in the *Office of Management and Budget ("OMB") Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2019. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 the 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 Organization'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 on the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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, 2019.

Report on Internal Control Over Compliance

Management of the Organization 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 the Organization'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 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 Organization'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.

Bober, Markey, Fedorovich & Company

BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

March 5, 2020