

**FOX VALLEY OLDER ADULT SERVICES**

*Sandwich, Illinois*

**ANNUAL FINANCIAL REPORT**

**For the Year Ended  
December 31, 2022 and 2021**

**Fox Valley Older Adult Services**

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For the Calendar Years Ending December 31, 2022 and 2021

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# BRANDT & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Fox Valley Older Adult Services  
Sandwich, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Fox Valley Older Adult Services (an Illinois nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and 2021, and the related statement of activities, functional expenses, and cash flows for the years ended, and the related notes to the financial statements. The financial statements of Fox Valley Older Adult Services as of December 31, 2021, and for the year then ended were audited by other auditors who are no longer providing auditing services. Those auditors expressed an unqualified opinion on those financial statements in their report dated November 7, 2021.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fox Valley Older Adult Services as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fox Valley Older Adult Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fox Valley Older Adult Services ability to continue as a going concern for one year after the date that the financial statements are issued January 22, 2024.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fox Valley Older Adult Services internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fox Valley Older Adult Services ability to continue as a going concern for a reasonable period of time.

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



Brandt & Associates, P.C.  
*Certified Public Accountants*  
Morris, Illinois  
January 23, 2024

# Fox Valley Older Adult Services

## Statement of Financial Position

For the Calendar Years Ending December 31, 2022 and 2021

### ASSETS

	2022	2021
Current Assets		
Cash and cash equivalents	\$ 588,123	\$ 526,351
Accounts receivable	197,200	-
Total current assets	785,323	526,351
Property and Equipment		
Land	\$ 91,250	\$ 91,250
Building and improvements	595,609	520,721
Equipment	58,709	58,709
Less: Accumulated depreciation	(484,510)	(467,420)
Total property and equipment, net	261,058	203,260
Right to use asset	88,154	26,376
Total assets	<u>\$1,134,535</u>	<u>\$ 755,987</u>

### LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 14,540	\$ 32,063
Accrued payroll liabilities	46,511	36,023
Lease liability	83,847	26,376
Notes payable due in less than a year	19,865	21,985
Total current liabilities	164,763	116,447
Long-Term Liabilities		
Notes payable due in over a year	332,930	351,565
Total liabilities	497,693	468,012
Net Assets		
Without Donor Restrictions:		
Undesignated	636,842	287,975
Board designated	-	-
With Donor Restriction	-	-
Total net assets	636,842	287,975
Total liabilities and net assets	<u>\$1,134,535</u>	<u>\$ 755,987</u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements.

# Fox Valley Older Adult Services

## Statement of Activities

For the Calendar Years Ending December 31, 2022 and 2021

	2022		2021
	Without Donor Restriction	With Donor Restriction	Total
Operating activities			
Revenues:			
Program service fees	\$2,279,416	\$ -	\$ 2,279,416
Contributions	267,908	-	267,908
Covid income	-	-	64,170
Grants	49,966	-	49,966
Fundraising	491,297	-	491,297
Interest income	-	-	-
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
Total revenues and other support	3,088,587	-	3,088,587
Expenses:			
Program	2,264,391	-	2,264,391
Management and general	369,099	-	369,099
Fundraising	106,230	-	106,230
Total expenses	2,739,720	-	2,739,720
Change in net assets from operations	348,867	-	348,867
Net assets, beginning of the year	287,975	-	287,975
Net assets, end of the year	\$ 636,842	\$ -	\$ 636,842
			\$ 287,975

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements.

## Fox Valley Older Adult Services

### Statement of Cash Flows

For the Calendar Years Ending December 31, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from:		
Contributions	\$ 267,908	\$ 224,366
Grants	49,966	59,860
Fundraising	491,297	310,326
Services	2,082,216	1,577,614
Miscellaneous	-	64,170
Cash payments for:		
Employees	(2,091,341)	(1,735,480)
Occupancy	(165,803)	(156,736)
Equipment	(74,888)	-
Interest	(18,456)	(20,916)
Administrative expenses	(111,720)	(175,567)
Program	(250,428)	(296,424)
Miscellaneous	(98,344)	(79,860)
Net cash used by operating activities	\$ 80,407	\$ (228,647)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash payments for:		
Principal payments on debt	(18,635)	(18,303)
Net increase in cash, cash equivalents, and restricted cash	61,772	(246,950)
Cash, cash equivalents, and restricted cash at beginning of year	526,351	773,301
Cash, cash equivalents, and restricted cash at end of year	\$588,123	\$526,351

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements.

**Fox Valley Older Adult Services**  
Statement of Functional Expenses

For the Calendar Years Ending December 31, 2022 and 2021

	Program Services	Management and General	Fundraising Activities	2022	2021
Salaries	\$1,625,536	\$ 273,199	\$ 52,688	\$1,951,424	\$ 1,603,497
Payroll taxes	124,354	20,900	4,031	149,284	123,106
Employee benefits	934	157	30	1,121	8,877
Lease expense	14,179	2,757	2,757	19,693	24,000
Federal levied taxes	-	-	-	-	158,918
Interest	13,288	2,584	2,584	18,456	20,916
Insurance	36,001	7,000	7,000	50,002	77,804
Conferences	3,860	751	751	5,361	4,521
Office	25,434	4,946	4,946	35,325	27,412
Marketing & promotions	7,911	1,538	1,538	10,987	4,697
Miscellaneous	-	2,535	-	2,535	1,725
Postage	6,378	1,240	1,240	8,859	7,001
Professional fees	-	22,827	-	22,827	42,657
Repairs & maintenance	35,616	6,925	6,925	49,467	50,036
Transportation	104,146	-	-	104,146	3,953
Training	4,361	-	-	4,361	65,279
Other program expense	150,589	-	-	150,589	133,553
Outside services	68,982	13,413	13,413	95,809	78,135
Utilities	30,518	5,934	5,934	42,386	33,781
Depreciation	12,303	2,392	2,392	17,088	10,414
	<u>\$2,264,391</u>	<u>\$ 369,099</u>	<u>\$ 106,230</u>	<u>\$2,739,720</u>	<u>\$ 2,480,282</u>

These financial statements should be read only in connection with the accompanying auditor's report and notes to the financial statements.

# Fox Valley Older Adult Services

## Notes to the Financial Statements

For the Calendar Years Ending December 31, 2022 and 2021

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### 1. DESCRIPTION OF THE ORGANIZATION

Fox Valley Older Adult Services (the Organization) is an Illinois not-for-profit organization that was established in 1969 to provide adult day services, homemaker services, transportation, senior center, senior lunches and information and assistance for seniors.

Today the Organization operates a regional senior center in Sandwich, Illinois and provides a variety of educational and social programs in addition to providing area seniors with referral assistance. The Organization is a partner in a program which operates a transportation system from the senior center. This transportation service allows area older adults to access local medical facilities, stores and other appointments, including service to an out-of-town dialysis center. It also gives the opportunity for seniors to travel and attend extracurricular events with family and friends. The organization obtained an assumed name certificate for Fox Valley Community Services in 2019.

The Organization is a provider of adult day services in Dekalb, Kane, Kendall, and LaSalle counties. The Organization operates a center in Sandwich, Illinois. These facilities are social model daycare center that provide services for elderly and disabled adults. The program promotes self-esteem and independence while providing emotional support and respite to family members in hopes of eliminating premature nursing home placement.

The Organization provides homemaker assistance to residents of Dekalb and Kendall counties. The Organization is one of the only sources of assistance helping low-income residents of this area.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation** - The financial statements of Fox Valley Older Adult Services have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Fox Valley Older Adult Services to report information regarding its financial position and activities according the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Fox Valley Older Adult Services management and the board of directors.

# Fox Valley Older Adult Services

## Notes to the Financial Statements

For the Calendar Years Ending December 31, 2022 and 2021

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of presentation (Continued)

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Measure of operations** - The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Fox Valley Older Adult Services ongoing animal services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Concentrations of credit risk-** Financial instruments that potentially subject Fox Valley Older Adult Services to concentrations of credit risk consist principally of cash and cash equivalents. Fox Valley Older Adult Services maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Fox Valley Older Adult Services cash and cash equivalent accounts have been placed with high credit quality financial institutions. Fox Valley Older Adult Services has not experienced, nor does it anticipate, any losses with respect to such accounts.

**Accounts Receivable-** Fox Valley Older Adult Services grants trade credit to organizations and individuals located in Illinois. Accounts receivable consists primarily of fees due from program services and are non-interest bearing. Accounts receivable are stated at unpaid balances with no allowance for doubtful accounts. It is management's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**Board Reserve-** Fox Valley Older Adult Services has no board designated funds as of December 31, 2022 and 2021.

## Fox Valley Older Adult Services

### Notes to the Financial Statements

For the Calendar Years Ending December 31, 2022 and 2021

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Property and equipment, net-** Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to seven years. Fox Valley Older Adult Services policy is to capitalize renewals and Betterments acquired for greater than \$2,500 and expense normal repairs and maintenance as incurred. Fox Valley Older Adult Services management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

**Contributions-** Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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

**In-kind donations-** Fox Valley Older Adult Services receives donated office equipment for The organization and furniture and months of rent for clients. In 2022 and 2021 there are no in kind donations.

**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 (1) certain reported amounts of assets and liabilities, including the disclosure of contingent assets and liabilities at the financial statement date and (2) reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Fox Valley Older Adult Services

### Notes to the Financial Statements

For the Calendar Years Ending December 31, 2022 and 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Functional expenses**-The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among housing services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expenses	Method of Allocation
Employees	Time and Effort
Occupancy	Time and Effort
Interest	Time and Effort
Program	Direct
Insurance	Time and Effort
Professional services	Time and Effort
Administrative	Time and Effort
Outside services	Time and Effort
Depreciation	Time and Effort
Conferences	Time and Effort
Equipment rental	Time and Effort
Postage	Time and Effort
Miscellaneous	Time and Effort

**Income taxes** –Fox Valley Older Adult Services is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Fox Valley Older Adult Services has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Fox Valley Older Adult Services has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**Reclassifications** – Certain prior year amounts have been reclassified to conform to the current year presentation.

## Fox Valley Older Adult Services

### Notes to the Financial Statements

For the Calendar Years Ending December 31, 2022 and 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**New Accounting Pronouncement**—On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). The standard has far-reaching implications for every entity that has leases, including not-for-profit entities (NFPs). All leases, including operating leases, will be recognized on the statement of financial position. This is accomplished by recording both a right of use (ROU) asset and lease liability. Executory costs should also be considered in this analysis and recorded based on the specifics of the lease terms.

#### 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the date of the consolidated statement of financial position, comprise the following:

	2022	2021
Cash	\$ 588,123	\$ 526,351
Accounts receivable	197,200	-
Financial assets at year end	785,323	526,351
Less: Donor-imposed restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 785,323</u>	<u>\$ 526,351</u>

#### 4. FIXED ASSETS

The following is a summary of fixed assets as of December 31, 2022 and 2021:

	2022		2021	
	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 91,250	-	-	\$ 91,250
Building	520,721	74,888	-	520,721
Equipment	58,709	-	-	58,709
Accumulated Depreciation	(467,420)	(17,090)	-	(467,420)
	<u>\$ 558,670</u>	<u>\$ 17,090</u>	<u>\$ -</u>	<u>\$ 575,760</u>

**Fox Valley Older Adult Services**

Notes to the Financial Statements

For the Calendar Years Ending December 31, 2022 and 2021

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**5. FIXED ASSETS (Continued)**

For the fiscal years ended December 31, 2022 and 2021, depreciation expense totaled \$17,088 and 10,414, respectively.

**6. NET ASSETS**

The Organization had no donor restricted net assets and the cash and cash equivalents are available for operating use.

**7. DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES**

The following program and supporting services are included in the accompanying Statement of Activities:

**Shelter Program**

Serving those who are 60+ years of age as they approach retirement through collaboration with community partners and a network of resources by offering services and activities for health and wellness, recreation and social.

**Supporting Services:**

**General and Administrative**

This supporting service category includes expenditures which provide the structure necessary to encourage and secure private financial support.

**Fundraising**

This supporting service category includes expenditures which provide the structure necessary to encourage and secure private financial support.

**8. NOTES PAYABLE**

Fox Valley Older Adult Services has a \$352,795 note payable to Heartland Bank with a maturity of February 26, 3035. The note is payable in monthly payments of \$3,268 including interest at 5% and 229 monthly payments of principal plus interest at a variable rate which is calculated by the U.S. Treasury Independent Index rate plus a 3.75% margin. The note is secured by the building.

## Fox Valley Older Adult Services

### Notes to the Financial Statements

For the Calendar Years Ending December 31, 2022 and 2021

#### 8. NOTES PAYABLE (Continued)

The following is a the note activity for the year ending December 31, 2022 and the ending balance as of 2021:

	2022	2021
Beginning Balance		
Additions	\$ 20,755	
Reductions		
Ending Balance	\$ 352,795	
Current Portion	\$ 19,865	
Balance	\$ 373,550	\$ 373,550

Future maturities of long-term notes payable are as follows:

	For the year ended,
2023	22,499
2024-2029	154,293
2030-2034	170,833
2035	6,493
	\$ 354,118

#### 9. LEASE COMMITMENTS

The Organization leases office space under a long-term non-cancelable operating lease. The lease expires January 31, 2023 and the lease renews on February 1, 2023 for another 2 years until January 31, 2025.

In the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The operating lease provides for increases in future minimum annual rental payments.

The weighted-average discount rate is based on the discount rate implicit in the lease 3%. The lease payments used to determine the lease liability and right-of-use assets include residual value guarantees we are probable of paying at the termination of the lease term. Total right-of-use assets and lease liabilities at December 31, 2022 are as follows:

**Fox Valley Older Adult Services**

Notes to the Financial Statements

For the Calendar Years Ending December 31, 2022 and 2021

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**9. LEASE COMMITMENTS (Continued)**

Lease Assets - Classification in Statement of Financial Position  
Operating right-of-use assets - Other assets \$ 88,154

Lease Liabilities - Classification in Statement of Financial Position  
Operating lease liabilities \$ 83,847

Operating lease cost \$ 19,693

Cash paid for amounts included in the measurement of lease liabilities:  
Operating cash flows from operating leases \$ 24,000

Weighted-average remaining lease term in years:  
Operating leases 4.89%

Weighted-average discount rate:  
Operating leases 5.00%

**10. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 23, 2024, which is the date the financial statements were available to be issued. There were no other events that require adjustments or disclosure in the Organization's financial statements for the fiscal year ended December 31, 2022.



# BRANDT & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors of  
Fox Valley Older Adult Services  
Sandwich, Illinois

## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fox Valley Older Adult Services internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fox Valley Older Adult Services internal control. Accordingly, we do not express an opinion on the effectiveness of the Fox Valley Older Adult Services 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 find the deficiencies in the Organization's internal control to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fox Valley Older Adult Services financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions

was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Generally Accepted Auditing Principles.

**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 Generally Accepted Auditing Principles in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Brandt & Associates, P.C.".

Brandt & Associates, P.C.  
*Certified Public Accountants*  
Morris, Illinois  
January 23, 2024



# BRANDT & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors of  
Fox Valley Older Adult Services  
Sandwich, Illinois

We have audited the financial statements Fox Valley Older Adult Services for the year ended December 31, 2022, and we will issue our report thereon dated January 23, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 28, 2023. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Matters

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fox Valley Older Adult Services are described in Note 2 to the financial statements. The Organization has not changed accounting policies in the year December 31, 2022. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was: Management's estimate of the allocation of functional expenses. We evaluated the methods, assumptions, and data used to develop the estimate for allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the Lease Commitments Note 10: The disclosure was describing the lease of office space. This is the most sensitive, because it is being implemented for the first time and has changed the presentation of the financials and the application is advanced. The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 23, 2024.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors.

However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors of Fox Valley Older Adult Services and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Brandt & Associates, P.C.".

Brandt & Associates, P.C.  
*Certified Public Accountants*  
Morris, Illinois  
January 23, 2024