

CONNECTIONS AREA AGENCY ON AGING, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022

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**CONNECTIONS AREA AGENCY ON AGING, INC.**

**OFFICIALS**

Year Ended June 30, 2022

**Name**

**Title**

**State:**

Honorable Kim Reynolds

Governor

Linda Miller

Director, Iowa Department on Aging

**Board of Directors:**

Thomas Hoogestraat

Chair

Bonnie Godden

Vice-Chair

Kari Livermore

Secretary

George Gillespie

Treasurer

Barbara Redmond

Member

Mark Monson

Member

Cathay Pringnitz

Member

Cindy Buntten

Member

**Agency:**

Kelly Butts-Elston

CEO

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Connections Area Agency on Aging, Inc.  
Council Bluffs, Iowa

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Connections Area Agency on Aging, Inc. which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Connections Area Agency on Aging, Inc., as of June 30, 2022, and the results of its operations and 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Connections Area Agency on Aging, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 Connections Area Agency, Inc.'s ability to continue as a going concern for the period July 1, 2022 through June 30, 2023.

### 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 and *Government Auditing Standards*

will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We did not audit the financial statements of Riverside Gardens, Inc., Fairmount Park Senior Housing, Inc., or Diamond Heights, Inc., controlled subsidiaries, which statements reflect total assets constituting 68 percent of consolidated total assets at June 30, 2022, and total revenues constituting 8 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Riverside Gardens, Inc., Fairmount Park Senior Housing, Inc., or Diamond Heights, Inc., is based solely on the reports of the other auditors. 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 consolidated financial statements are free from material misstatement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 including 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 Connections Area Agency on Aging, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Connections Area Agency on Aging, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statement of financial position, the consolidating statement of activities, and the 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 requirements for federal awards are presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying cumulative expenditure report is presented for purposes of additional analysis as required by the Iowa Department of Aging and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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. We did not perform procedures on the information in the Schedule of Expenditures of Federal Awards for Riverside Gardens, Inc., Fairmount Park Senior Housing, Inc., or Diamond Heights, Inc., controlled subsidiaries, whose separate statements reflect all of the expenditures for CFDA numbers 14.157 and 14.195 presented in Connections Area Agency on Aging Inc.'s Schedule of Expenditures of Federal Awards. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for CFDA numbers 14.157 and 14.195, is based solely on the reports of the other auditors. 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 April 19, 2024 on our consideration of Connections Area Agency on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Connections Area Agency on Aging, Inc.'s internal control over financial reporting and compliance.

*Hamilton Associates, P.C.*

Council Bluffs, Iowa  
April 19, 2024

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

June 30, 2022

**ASSETS**

CURRENT ASSETS

Cash and cash equivalents	\$ 600,601
Accounts receivable	289,995
Prepaid expense	78,660
Total current assets	<u>\$ 969,256</u>

CAPITAL ASSETS

Property and equipment, at cost	\$ 7,917,506
Less accumulated depreciation	<u>(4,947,644)</u>
Total capital assets	<u>\$ 2,969,862</u>

OTHER ASSETS

Restricted cash	<u>\$ 400,964</u>
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Total assets \$ 4,340,082

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Accounts payable	\$ 285,302
Current portion of long-term debt	29,330
Accrued payroll expenses	55,687
Accrued vacation	129,142
Other accrued expenses	55,210
Prepaid rent	244
Refundable advances	<u>218,578</u>
Total current liabilities	<u>\$ 773,493</u>

OTHER LIABILITIES

Long-term debt	\$ 6,083,387
Tenant deposits	<u>36,070</u>
Total other liabilities	<u>\$ 6,119,457</u>

NET ASSETS

Net assets without donor restrictions	
Aging services	<u>\$ (2,552,868)</u>

Total liabilities and net assets \$ 4,340,082

**See Notes to Financial Statements**

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

Year Ended June 30, 2022

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

Revenues and support	
Federal funds	
Title III B	\$ 668,638
Title III C-1 & 2	1,339,047
Title IIID	61,790
Title IIIE	346,820
Nutrition services incentive program	131,336
Other federal programs	758,586
Total federal revenues	<u>\$ 3,306,217</u>
State funds	1,439,719
Nutrition contributions	415,513
Matching funds	-
Rent	513,954
Local and other income funds	1,042,837
Interest	810
Total revenues and support	<u>\$ 6,719,050</u>
Expenses	
Program services:	
Nutrition services	\$ 2,574,454
Case Management and care transitions	527,154
Housing	646,835
Transportation	478,869
Information	436,786
Home and community based services	314,357
Other Services	1,095,661
	<u>\$ 6,074,116</u>
Supporting services	
General and administrative	<u>\$ 829,747</u>
Total expenses	<u>\$ 6,903,863</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ (184,813)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>(2,368,055)</b></u>
<b>NET ASSETS, END OF YEAR</b>	<u><u><b>\$ (2,552,868)</b></u></u>

**See Notes to Financial Statements**

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

	Nutrition Services	Case Management and Care Transitions	Housing	Transportation	Information
Salaries	\$ 640,745	\$ 308,570	\$ 49,897	\$ 7,708	\$ 274,442
Employee health and retirement benefits	119,725	71,215	-	2,719	59,208
Payroll taxes and insurance	56,564	26,744	5,901	639	22,572
Total salaries and related expenses	<u>\$ 817,034</u>	<u>\$ 406,529</u>	<u>\$ 55,798</u>	<u>\$ 11,066</u>	<u>\$ 356,222</u>
Contract services	-	52,887	-	465,209	513
Volunteer expenses	-	-	-	-	-
Advertising	782	644	897	-	9,446
Bad debt	216	140	688	-	-
Cleaning	1,044	491	-	24	492
Dues and subscriptions	13,867	2,447	-	25	3,060
Employee Training	2,036	2,552	-	-	741
Food	1,521,514	-	-	-	-
Insurance	8,258	1,083	40,011	51	1,129
Interest	-	-	-	-	-
Occupancy	56,308	3,662	129,642	76	4,302
Postage	10,293	791	-	1,046	1,026
Printing	1,389	14	-	-	62
Professional fees	1,396	508	97,286	12	524
Repairs and maintenance	35,086	21,246	113,144	756	23,128
Supplies	46,242	18,838	23,395	509	13,042
Telephone and internet	20,222	4,948	-	80	7,088
Travel	38,767	5,397	-	-	2,755
Miscellaneous	-	4,977	15,954	15	13,256
Total operating expenses before depreciation	<u>\$ 2,574,454</u>	<u>\$ 527,154</u>	<u>\$ 476,815</u>	<u>\$ 478,869</u>	<u>\$ 436,786</u>
Depreciation	<u>-</u>	<u>-</u>	<u>170,020</u>	<u>-</u>	<u>-</u>
Total expenses	<u><u>\$ 2,574,454</u></u>	<u><u>\$ 527,154</u></u>	<u><u>\$ 646,835</u></u>	<u><u>\$ 478,869</u></u>	<u><u>\$ 436,786</u></u>

**See Notes to Financial Statements**

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

	Home and Community Based Services	Other Services	Total Program Services	General and Administrative	Total
Salaries	\$ 33,477	\$ 510,134	\$ 1,824,973	\$ 334,247	\$ 2,159,220
Employee health and retirement benefits	9,348	118,974	381,189	62,461	443,650
Payroll taxes and insurance	2,456	42,196	157,072	25,416	182,488
Total salaries and related expenses	<u>\$ 45,281</u>	<u>\$ 671,304</u>	<u>\$ 2,363,234</u>	<u>\$ 422,124</u>	<u>\$ 2,785,358</u>
Contract services	257,835	179,269	955,713	-	955,713
Volunteer expenses	-	221	221	-	221
Advertising	-	19,247	31,016	96	31,112
Bad debt	-	-	1,044	-	1,044
Cleaning	35	649	2,735	8,588	11,323
Dues and subscriptions	1,418	4,993	25,810	29,176	54,986
Employee Training	22	14,164	19,515	3,689	23,204
Food	-	76,926	1,598,440	-	1,598,440
Insurance	56	5,066	55,654	32,341	87,995
Interest	-	-	-	7,141	7,141
Occupancy	430	8,009	202,429	88,208	290,637
Postage	5	2,099	15,260	6,165	21,425
Printing	-	3,539	5,004	43	5,047
Professional fees	28	821	100,575	6,295	106,870
Repairs and maintenance	1,359	37,690	232,409	59,896	292,305
Supplies	3,408	28,274	133,708	31,435	165,143
Telephone and internet	479	6,427	39,244	18,967	58,211
Travel	758	7,800	55,477	1,564	57,041
Miscellaneous	3,243	29,163	66,608	53,074	119,682
Total operating expenses before depreciation	<u>\$ 314,357</u>	<u>\$ 1,095,661</u>	<u>\$ 5,904,096</u>	<u>\$ 768,802</u>	<u>\$ 6,672,898</u>
Depreciation	<u>-</u>	<u>-</u>	<u>170,020</u>	<u>60,945</u>	<u>230,965</u>
Total expenses	<u><u>\$ 314,357</u></u>	<u><u>\$ 1,095,661</u></u>	<u><u>\$ 6,074,116</u></u>	<u><u>\$ 829,747</u></u>	<u><u>\$ 6,903,863</u></u>

**See Notes to Financial Statements**

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year Ended June 30, 2022

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ (184,813)
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation	230,965
Changes in operating assets and liabilities	
(Increase)/Decrease in Accounts receivable	(31,971)
(Increase)/Decrease in Prepaid expense	(5,896)
Increase/(Decrease) in Accounts payable	86,584
Increase/(Decrease) in Accrued payroll expenses	13,405
Increase/(Decrease) in Accrued vacation	4,568
Increase/(Decrease) in Other accrued expenses	14,054
Increase/(Decrease) in Prepaid rent	(1,145)
Increase/(Decrease) in Refundable advances	(824,480)
Increase/(Decrease) in Tenant deposits	(1,892)
Net cash flows from operating activities	<u>\$ (700,621)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Acquisition of capital assets	\$ (26,120)
Net cash flows used in investing activities	<u>\$ (26,120)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments on long-term debt	\$ (27,600)
Net cash flows used in financing activities	<u>\$ (27,600)</u>

**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** \$ (754,341)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** 1,755,906

**CASH AND CASH EQUIVALENTS AT END OF YEAR** \$ 1,001,565

**CASH PRESENTED ON STATEMENT OF FINANCIAL POSITION AS:**

Cash and cash equivalents	\$ 600,601
Restricted cash	400,964
	<u>\$ 1,001,565</u>

**SUPPLEMENTAL CASH FLOW INFORMATION**

Interest paid	\$ 7,141
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**See Notes to Financial Statements**

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended June 30, 2022

**1. Nature of Activities and Summary of Significant Accounting Policies**

Organization:

Connections Area Agency on Aging, Inc. (the Organization), was formed and incorporated in the State of Iowa on July 1, 2013, as the result of a merger of Southwest 8 Senior Services, and Siouxland Aging Services. The State of Iowa mandated that the 13 area agencies on aging in the state be consolidated into six area agencies effective July 1, 2013. In November 2012, Southwest 8 Senior Services was designated by the Commission on Aging as the new area agency for Planning and Service Area 6. This designation necessitated the merging of Southwest 8 Senior Services with Siouxland Aging Services.

Connections Area Agency on Aging, Inc. is a nonprofit organization granted corporate status under the Iowa Nonprofit Corporation Act. The Organization is dedicated to cooperating with government officials, providers of services and senior citizens in establishing educational, legislative, scientific research, safety, charitable and action programs to improve the quality of life for older citizens in the area served by the Organization and further, to promote social service programs which allow senior adults to live with independence, dignity and pride.

The planning and services area for the Organization is comprised of Adair, Adams, Cass, Cherokee, Clark, Decatur, Fremont, Harrison, Ida, Mills, Monona, Montgomery, Page, Plymouth, Pottawattamie, Ringgold, Shelby, Taylor, Union and Woodbury counties in Iowa.

The Organization is funded primarily by the Federal Older Americans Act (Titles III-B, III-C, III-D and III-E), Nutritional Services Incentive Program, State funding and local funding. The Organization qualifies as a nonprofit corporation under the provisions of Section 501(c)(3) of the Internal Revenue Code.

The Organization's subsidiaries are Riverside Gardens, Inc., Fairmount Park Senior Housing, Inc., and Diamond Heights, Inc. They provide housing under Section 202 of the National Housing Act. Siouxland Aging Services Holding Co., L.L.C. is a wholly-owned subsidiary which holds title to real estate for the Organization.

Financial Statement Presentation:

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Without Donor Restrictions*– Net assets that are not subject to grant or donor-imposed stipulations.

*With Donor Restrictions* – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended June 30, 2022

**1. Nature of Activities and Summary of Significant Accounting Policies – Continued**

Principles of Consolidation:

The consolidated financial statements include the accounts and transactions of Connections Area Agency on Aging, Inc., Siouxland Aging Services Holding Co., L.L.C., Riverside Gardens, Inc., Fairmount Park Senior Housing, Inc., and Diamond Heights, Inc. All significant intercompany transactions and balances have been eliminated through consolidation.

Revenue Recognition:

Program revenues are recognized only when persuasive evidence of arrangements exist through contracts or agreements, an exchange of goods or services has occurred, the price for goods or services have been fixed through contracts or agreements, and collectability is reasonably assured.

Pledges and contributions are generally recognized as earned in the reporting period received or pledged. All pledges and contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor-restricted support and increase that net asset class.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of \$218,578 that have not been recognized at June 30, 2022 because qualifying expenditures have not yet been incurred.

The Organization recognizes revenue for certain donated services received in the period they are received at the fair value of those services. Those services include donated time and services and funding received by service contractors from other agencies or individuals acquired to fulfill service contract requirements. These revenues are classified as matching funds and other local funds on the statement of activities and the cumulative expenditure report.

Rent revenue from the leasing of apartments is recognized on the operating method under which aggregate rentals are reported as revenue over the life of the leases.

Use of Estimates:

The preparation of the Organization's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 estimates.

Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on hand and in bank deposit accounts.

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended June 30, 2022

**1. Nature of Activities and Summary of Significant Accounting Policies – Continued**

Accounts Receivable:

Accounts receivable consist primarily of earned grants and program service reimbursements and are stated at amounts the Organization expects to collect.

Property and Equipment:

Property and equipment are valued at cost at the date of acquisition. Depreciation is provided on a straight-line method over the estimated useful lives of the property, normally 5 to 40 years.

Income Taxes:

The Organization qualifies as a nonprofit corporation under the provisions of Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization accounts for uncertainties in accounting for income tax assets and liabilities using the guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*. There are no uncertainties that are reflected in the consolidated financial statements and, with few exceptions, the organization is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2019.

Functional Allocation of Expenses:

The costs of providing the program and support services have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited. Facility expenses including insurance, facility salaries, rent and facility supplies are allocated on the basis of estimates of square footage. The administrative expenses allocated include salaries, employee benefits, copier lease, depreciation, insurance, miscellaneous expenses, professional fees, supplies, postage, advertising, dues and subscriptions, printing, and telephone, which are allocated on the basis of modified total direct costs.

Risks and Uncertainties:

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. As of June 30, 2022, cash deposits were within FDIC-insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash or cash equivalents.

Subsequent Events:

The Organization has evaluated subsequent events through April 19, 2024, the date on which the financial statements were available to be issued.

**CONNECTIONS AREA AGENCY ON AGING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2022

**2. Liquidity and Availability**

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

Cash	\$	600,601
Accounts receivable		289,995
		890,596
		890,596

The Organization has a goal to maintain cash on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$1,670,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

**3. Restricted Cash**

Restricted cash consists of replacement reserves as required by HUD, residual receipts, and tenant security deposits. The breakdown of these amounts as of June 30, 2022 are as follows:

Replacement reserves	\$	320,845
Escrow deposits		27,822
Residual receipts		15,316
Tenant security deposits		36,981
		400,964
		400,964

**4. Property and Equipment**

Property and equipment consists of the following groups of depreciable assets at June 30, 2022:

Equipment	5-15 years	\$ 704,634
Leasehold Improvements	15-40 years	84,257
Land and land improvements	15 years (improvements)	649,194
Buildings and fixed equipment	10-40 years	6,398,994
Furnishings	5 years	76,677
Construction in progress	-	3,750
		\$7,917,506
Less accumulated depreciation		(4,947,644)
		\$2,969,862

Depreciation expense for the year ending June 30, 2022 was \$230,965.

**CONNECTIONS AREA AGENCY ON AGING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2022

**5. Long Term Debt**

Long term debt consisted of a promissory note and HUD Housing Project mortgages as follows:

Promissory note	\$	107,617
HUD Housing Projects		<u>6,005,100</u>
	\$	6,112,717
Less current portion		<u>(29,330)</u>
	\$	<u>6,083,387</u>

The promissory note is payable in monthly installments of \$2,895 at an interest rate of 5.75%. The note matures on November 15, 2025 and is secured by real estate.

The HUD Housing Project mortgages are Section 202 capital advances. The mortgages bear no interest, and repayment is not required as long as the housing remains available for low-income elderly persons for 40 years.

Future maturities of long-term debt are as follows:

Year ending June 30,	
2023	29,330
2024	31,062
2025	32,896
2026	14,329
Thereafter	<u>6,005,100</u>
	<u>\$ 6,112,717</u>

**6. Pension and Retirement Benefits**

The Organization contributes to the Iowa Public Employees Retirement System (IPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute for plan members and beneficiaries.

Plan members are required to contribute 6.29% of their annual salary and the Organization is required to contribute 9.44% of annual covered payroll. Contribution requirements are established by State statute. The Organization's contributions to IPERS for the year ended June 30, 2022 were \$197,143, which met the required contributions for the year.

**7. Commitments and Contingencies**

The Organization receives funds under various federal grant programs to be expended in accordance with the provisions of the grants. Compliance with grant provisions is subject to audit by various governmental agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and results of adjustment, if any, relating to such audits would not have any material impact.

**CONNECTIONS AREA AGENCY ON AGING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2022

**8. Lease Commitments**

The Organization leases office space and equipment under non-cancelable operating leases. The leases expire at various dates through June 2024 and provide for renewal options ranging from no renewal option to three years. In the normal course of business, it is expected that these leases will be renewed or replaced by leases on other properties. The scheduled future minimum lease payments are as follows:

Year ending June 30:

2023	81,361
2024	<u>74,770</u>
	<u>\$ 156,131</u>

The Organization leases a building for office space from its subsidiary Siouxland Aging Services Holding Co., L.L.C. The lease runs on a month-to-month basis. Associated rental expense incurred was \$3,300 per month during the year ending June 30, 2022. Siouxland Aging Services Holding Co., LLC. records the receipt of lease payments as rent revenue, and the Organization records them as occupancy expense. The related revenues and expenses are eliminated during consolidation.

**9. Residual Receipts – Fairmount Park**

On June 19, 2015, a memorandum was issued requiring the US Department of Housing and Urban Development (HUD) to recapture residual receipt balances in excess of \$250 per unit. These funds are to be remitted to HUD at the termination of the PRAC (Project Rental Assistance Contract). As of June 30, 2022, the Organization's subsidiary, Fairmount Park Senior Housing, Inc., had \$15,045 in its residual receipts account, which is \$2,506 greater than the \$250 per unit maximum allowed. Fairmount Park's PRAC expires August 31, 2022. The residual receipt recapture of \$3,545 is included as a liability at June 30, 2022.

**CONNECTIONS AREA AGENCY ON AGING, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
June 30, 2022

	Connections Area Agency on Aging	Siouxland LLC	Riverside Gardens Inc.
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 398,844	\$ 167,575	\$ 11,792
Accounts receivable	284,403	-	1,765
Prepaid expense	72,524	-	-
Total current assets	\$ 755,771	\$ 167,575	\$ 13,557
CAPITAL ASSETS			
Property and equipment, at cost	\$ 668,745	\$ 691,161	\$ 2,461,779
Less accumulated depreciation	(539,234)	(343,587)	(1,563,159)
Total capital assets	\$ 129,511	\$ 347,574	\$ 898,620
OTHER ASSETS			
Investment in subsidiaries	\$ (2,736,973)	\$ -	\$ -
Restricted cash	-	-	189,787
Total other assets	\$ (2,736,973)	\$ -	\$ 189,787
Total assets	\$ (1,851,691)	\$ 515,149	\$ 1,101,964
<b>LIABILITIES AND NET ASSETS</b>			
CURRENT LIABILITIES			
Accounts payable	\$ 247,646	\$ -	\$ 11,333
Current portion of long-term debt	-	29,330	-
Accrued payroll expenses	55,687	-	-
Accrued vacation	129,142	-	-
Other accrued expenses	50,124	-	1,198
Prepaid rent	-	-	161
Refundable advances	218,578	-	-
Total current liabilities	\$ 701,177	\$ 29,330	\$ 12,692
OTHER LIABILITIES			
Long-term debt	\$ -	\$ 78,287	\$ 2,206,900
Tenant deposits	-	-	12,400
Total other liabilities	\$ -	\$ 78,287	\$ 2,219,300
NET ASSETS			
Member capital	\$ -	\$ 1,000	\$ -
Retained earnings	-	406,532	-
Net assets without donor restrictions:			
Aging services	(2,552,868)	-	-
Housing projects	-	-	(1,130,028)
Total net assets	\$ (2,552,868)	\$ 407,532	\$ (1,130,028)
Total liabilities and net assets	\$ (1,851,691)	\$ 515,149	\$ 1,101,964

**CONNECTIONS AREA AGENCY ON AGING, INC.**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
June 30, 2022

Fairmount Park Senior Housing Inc.	Diamond Heights Inc.	Eliminations	Total
\$ 19,913	\$ 2,477	\$ -	\$ 600,601
2,513	1,314	-	289,995
6,136	-	-	78,660
<u>\$ 28,562</u>	<u>\$ 3,791</u>	<u>\$ -</u>	<u>\$ 969,256</u>
\$ 2,922,283	\$ 1,173,538	\$ -	\$ 7,917,506
(1,784,793)	(716,871)	-	(4,947,644)
<u>\$ 1,137,490</u>	<u>\$ 456,667</u>	<u>\$ -</u>	<u>\$ 2,969,862</u>
\$ -	\$ -	\$ 2,736,973	\$ -
139,926	71,251	-	400,964
<u>\$ 139,926</u>	<u>\$ 71,251</u>	<u>\$ 2,736,973</u>	<u>\$ 400,964</u>
<u>\$ 1,305,978</u>	<u>\$ 531,709</u>	<u>\$ 2,736,973</u>	<u>\$ 4,340,082</u>
\$ 18,559	\$ 7,764	\$ -	\$ 285,302
-	-	-	29,330
-	-	-	55,687
-	-	-	129,142
3,545	343	-	55,210
73	10	-	244
-	-	-	218,578
<u>\$ 22,177</u>	<u>\$ 8,117</u>	<u>\$ -</u>	<u>\$ 773,493</u>
\$ 2,668,600	\$ 1,129,600	\$ -	\$ 6,083,387
18,197	5,473	-	36,070
<u>\$ 2,686,797</u>	<u>\$ 1,135,073</u>	<u>\$ -</u>	<u>\$ 6,119,457</u>
\$ -	\$ -	\$ (1,000)	\$ -
-	-	(406,532)	-
-	-	-	(2,552,868)
(1,402,996)	(611,481)	3,144,505	-
<u>\$ (1,402,996)</u>	<u>\$ (611,481)</u>	<u>\$ 2,736,973</u>	<u>\$ (2,552,868)</u>
<u>\$ 1,305,978</u>	<u>\$ 531,709</u>	<u>\$ 2,736,973</u>	<u>\$ 4,340,082</u>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

Year Ended June 30, 2022

	<u>Connections Area Agency on Aging</u>	<u>Siouxland LLC</u>	<u>Riverside Gardens Inc.</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>			
Revenues and support			
Federal funds			
Title III B	\$ 668,638	\$ -	\$ -
Title III C-1 & 2	1,339,047	-	-
Title III D	61,790	-	-
Title III E	346,820	-	-
Nutrition services incentive program	131,336	-	-
Other federal programs	758,586	-	-
Total federal revenues	<u>\$ 3,306,217</u>	<u>\$ -</u>	<u>\$ -</u>
State funds	1,439,719	-	-
Nutrition contributions	415,513	-	-
Rent	-	43,560	208,934
Local and other income funds	1,026,139	-	5,824
Net income (loss) from subsidiaries	(111,874)	-	-
Interest	173	-	314
Total revenues and support	<u>\$ 6,075,887</u>	<u>\$ 43,560</u>	<u>\$ 215,072</u>
Expenses			
Program services:			
Nutrition services	\$ 2,579,727	\$ -	\$ -
Case Management and care transitions	529,846	-	-
Housing	-	-	250,190
Transportation	479,094	-	-
Information	438,983	-	-
Home and community-based services	314,355	-	-
Other services	1,097,693	-	-
	<u>\$ 5,439,698</u>	<u>\$ -</u>	<u>\$ 250,190</u>
Supporting services			
General and administrative	821,002	39,888	-
Total expenses	<u>\$ 6,260,700</u>	<u>\$ 39,888</u>	<u>\$ 250,190</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>\$ (184,813)</u>	<u>\$ 3,672</u>	<u>\$ (35,118)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>(2,368,055)</u>	<u>403,860</u>	<u>(1,094,910)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ (2,552,868)</u></u>	<u><u>\$ 407,532</u></u>	<u><u>\$ (1,130,028)</u></u>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

Year Ended June 30, 2022

<u>Fairmount Park Senior Housing Inc.</u>	<u>Diamond Heights Inc.</u>	<u>Eliminations</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 668,638
-	-	-	1,339,047
-	-	-	61,790
-	-	-	346,820
-	-	-	131,336
-	-	-	758,586
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,306,217</u>
-	-	-	1,439,719
-	-	-	415,513
210,551	94,469	(43,560)	513,954
6,549	4,325	-	1,042,837
-	-	111,874	-
218	105	-	810
<u>\$ 217,318</u>	<u>\$ 98,899</u>	<u>\$ 68,314</u>	<u>\$ 6,719,050</u>
\$ -	\$ -	\$ (5,270)	\$ 2,574,457
-	-	(2,694)	527,152
270,494	126,127	-	646,811
-	-	(225)	478,869
-	-	(2,197)	436,786
-	-	-	314,355
-	-	(2,033)	1,095,660
<u>\$ 270,494</u>	<u>\$ 126,127</u>	<u>\$ (12,419)</u>	<u>\$ 6,074,090</u>
24	-	(31,141)	829,773
<u>\$ 270,518</u>	<u>\$ 126,127</u>	<u>\$ (43,560)</u>	<u>\$ 6,903,863</u>
\$ (53,200)	\$ (27,228)	\$ 111,874	\$ (184,813)
<u>(1,349,796)</u>	<u>(584,253)</u>	<u>2,625,099</u>	<u>(2,368,055)</u>
<u>\$ (1,402,996)</u>	<u>\$ (611,481)</u>	<u>\$ 2,736,973</u>	<u>\$ (2,552,868)</u>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CUMULATIVE EXPENDITURE REPORT**

Year Ended June 30, 2022

Funds/Service Category	Area Plan <u>Budget</u>	Beginning <u>Balance</u>	Total <u>Revenue</u>	Total <u>Expense</u>
Iowa Department of Elder Affairs				
Elderly Services	941,379	-	941,379	941,379
LifeLong Links	128,959	-	128,959	128,959
Elder Abuse Prev & Awareness	69,381	-	69,381	69,381
Older Americans Act				
Title III-B	668,637	-	668,637	668,637
Title III-B - Vaccines	25,146	-	25,146	25,146
Title III-B - ARPA	156,397	-	156,397	156,397
Title III-C1	696,421	-	696,421	696,421
Title III-C1 - ARPA	30,591	-	30,591	30,591
Title III-C2	642,626	-	642,626	642,626
Title III-C2 - Supplemental Nutrition	189,535	-	189,535	189,535
Title III-C2 - ARPA	124,558	-	124,558	124,558
Title III-E	346,819	-	346,819	346,819
Title III-E - ARPA	6,691	-	6,691	6,691
Title III-D	61,791	-	61,791	61,791
Nutrition Services Incentive Program	131,336	-	131,336	131,336
Other Funds				
Federal Non-IDA	154,531	-	154,531	154,531
State Non-IDA	224,069	-	224,069	224,069
Local public funds	97,659	-	97,659	97,659
Other local cash	137,550	-	137,550	137,550
Elderly Services Contributions	815	-	815	815
Program Income		-	-	-
Title III-B	55,772	-	55,772	55,772
Title III-C1	204,956	-	204,956	204,956
Title III-C2	201,955	-	201,955	201,955
Title III-E	14,265	-	14,265	14,265
Title III-D	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>\$ 5,311,839</b>	<b>\$ -</b>	<b>\$ 5,311,839</b>	<b>\$ 5,311,839</b>
Non-Cash: In-kind Match	222,705	-	222,705	222,705
<b>Totals per Cost Sharing Report</b>	<b>\$ 5,534,544</b>	<b>\$ -</b>	<b>\$ 5,534,544</b>	<b>\$ 5,534,544</b>
Reconciling Items				
Depreciation			-	34,049
Purchase of new assets			-	-
Indirect costs			-	(18,174)
State Non-IDEA			-	-
Other local cash			8,602	-
Iowa Return to Community Program			300,000	300,000
Capable Program			67,057	67,057
RSVP Program			78,174	78,174
Rounding			(2)	-
From subsidiaries				
Adjusting entries				
Non-Cash: In-Kind Match			-	-
Per statement of activities			<b>\$ 6,362,694</b>	<b>\$ 6,512,621</b>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CUMULATIVE EXPENDITURE REPORT**

Year Ended June 30, 2022

<u>AAA Administration</u>	<u>Personal Care</u>	<u>Homemaker</u>	<u>Chore</u>	<u>Home Delivered Meals</u>	<u>Case Management</u>	<u>Nutrition Counseling</u>	<u>Assisted Transportation</u>
70,602	2,498	67,204	60,065	280,097	102,797	-	-
-	-	-	-	-	-	-	-
5,204	-	-	-	-	-	-	-
54,389	-	28,987	1,745	-	208,501	641	12,697
-	-	-	-	-	-	-	-
15,679	1,102	52,629	11,027	-	51,467	-	1,607
72,900	-	-	-	93,951	-	-	-
4,330	-	-	-	12,709	-	817	-
37,554	-	-	-	605,072	-	-	-
-	-	-	-	-	-	-	-
11,190	-	-	-	113,368	-	-	-
26,332	-	-	-	143	10,086	-	-
-	-	-	-	3,105	-	-	-
-	-	-	-	131,336	-	-	-
-	-	-	-	-	40,884	-	-
-	-	-	-	-	-	-	-
-	-	-	-	28,225	-	-	2,302
15,211	-	-	23,658	28,088	-	-	-
-	-	-	480	-	335	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	201,955	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 313,391</b>	<b>\$ 3,600</b>	<b>\$ 148,820</b>	<b>\$ 96,975</b>	<b>\$ 1,498,049</b>	<b>\$ 414,070</b>	<b>\$ 1,458</b>	<b>\$ 16,606</b>
34,078	-	-	-	69,437	-	-	-
<b>\$ 347,469</b>	<b>\$ 3,600</b>	<b>\$ 148,820</b>	<b>\$ 96,975</b>	<b>\$ 1,567,486</b>	<b>\$ 414,070</b>	<b>\$ 1,458</b>	<b>\$ 16,606</b>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CUMULATIVE EXPENDITURE REPORT**

Year Ended June 30, 2022

<u>Transportation</u>	<u>Legal Assistance</u>	<u>Nutrition Education</u>	<u>Information &amp; Assistance</u>	<u>Outreach</u>	<u>Material Aid: Home Mod/Repair</u>	<u>Preventive Health</u>	<u>Emergency Response System</u>
2,396	-	-	15,636	-	9,677	-	17,609
-	-	-	90,117	-	-	-	-
-	-	-	-	-	-	-	-
121,955	49,921	2,676	25,407	-	620	225	-
7,791	11,979	1,159	-	25,146	-	-	-
-	-	5,702	-	-	-	-	-
-	-	-	-	-	-	-	-
2,388	-	-	-	-	-	-	-
-	-	-	-	-	-	1,333	-
-	-	-	-	-	-	-	-
-	-	-	82,654	-	-	-	-
215,465	8,604	-	-	-	-	-	-
67,132	-	-	-	-	-	-	-
609	-	-	1,163	-	32,881	-	-
-	-	-	-	-	-	-	-
55,702	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 473,438</b>	<b>\$ 70,504</b>	<b>\$ 9,537</b>	<b>\$ 214,977</b>	<b>\$ 25,146</b>	<b>\$ 43,178</b>	<b>\$ 1,558</b>	<b>\$ 17,609</b>
-	1,878	-	-	-	16,010	1,305	-
<b>\$ 473,438</b>	<b>\$ 72,382</b>	<b>\$ 9,537</b>	<b>\$ 214,977</b>	<b>\$ 25,146</b>	<b>\$ 59,188</b>	<b>\$ 2,863</b>	<b>\$ 17,609</b>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CUMULATIVE EXPENDITURE REPORT**

Year Ended June 30, 2022

<u>Evidence Based Health Activities</u>	<u>EAPA Consultation</u>	<u>EAPA A&amp;I</u>	<u>EAPA Training &amp; Education</u>	<u>Training &amp; Education</u>	<u>Options Counseling</u>	<u>Material Aid - DME</u>	<u>Material Aid - Consumable Supplies</u>
1,388	-	-	-	31,550	62,300	737	1,122
-	-	-	-	-	38,842	-	-
-	25,748	32,645	5,784	-	-	-	-
-	-	-	-	77,285	33,858	4,495	11,849
-	-	-	-	1,957	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
57,353	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,329	2,213	-	5,479	13,180	-	-
-	-	-	-	-	-	-	-
-	-	-	-	987	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>\$ 58,741</b>	<b>\$ 29,077</b>	<b>\$ 34,858</b>	<b>\$ 5,784</b>	<b>\$ 117,258</b>	<b>\$ 148,180</b>	<b>\$ 5,232</b>	<b>\$ 12,971</b>
-	-	-	-	-	-	-	-
<b>\$ 58,741</b>	<b>\$ 29,077</b>	<b>\$ 34,858</b>	<b>\$ 5,784</b>	<b>\$ 117,258</b>	<b>\$ 148,180</b>	<b>\$ 5,232</b>	<b>\$ 12,971</b>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CUMULATIVE EXPENDITURE REPORT**

Year Ended June 30, 2022

<u>Material Aid - Other</u>	<u>Caregiver Counseling</u>	<u>Caregiver Information Services</u>	<u>Caregiver Supplemental Services</u>	<u>Caregiver Home Del. Meals</u>	<u>Caregiver Options Counseling</u>	<u>Caregiver Case Management</u>	<u>Caregiver Information &amp; Assistance</u>
752	127	18,273	16,138	21,553	6,494	10,669	12,052
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,386	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,767	360	46,626	45,932	91,056 6,115	5,396 439	15,337 137	17,792
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	365	-	-	983	2,048	3,396
-	-	-	-	-	-	-	-
33,800	-	153	-	-	-	-	-
-	-	-	-	-	-	-	-
70	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	14,215	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 71,775	\$ 487	\$ 65,417	\$ 62,070	\$ 132,939	\$ 13,312	\$ 28,191	\$ 33,240
-	-	4,812	-	4,389	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 71,775	\$ 487	\$ 70,229	\$ 62,070	\$ 137,328	\$ 13,312	\$ 28,191	\$ 33,240

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**CUMULATIVE EXPENDITURE REPORT**  
Year Ended June 30, 2022

Caregiver Support Groups	Caregiver Training	Caregiver Emergency Response	Caregiver Respite In-Home	Caregiver Respite Out-of-Home	Grandparent Counseling	Grandparent Supplemental Services	Grandparent Support Groups	Combined
5,637	8,864	852	1,223	-	11	534	80	941,379
-	-	-	-	-	-	-	-	128,959
-	-	-	-	-	-	-	-	69,381
-	-	-	-	-	-	-	-	668,637
-	-	-	-	-	-	-	-	25,146
-	-	-	-	-	-	-	-	156,397
-	-	-	-	-	-	-	-	696,421
-	-	-	-	-	-	-	-	30,591
-	-	-	-	-	-	-	-	642,626
-	-	-	-	-	-	-	-	189,535
16,043	25,436	1,893	2,620	-	34	1,382	224	124,558
-	-	-	-	-	-	-	-	346,819
-	-	-	-	-	-	-	-	6,691
-	-	-	-	-	-	-	-	61,791
-	-	-	-	-	-	-	-	131,336
-	-	-	-	-	-	-	-	154,531
-	-	-	-	-	-	-	-	224,069
-	52	-	-	-	-	-	-	97,659
-	-	-	-	-	-	-	-	137,550
-	-	-	-	-	-	-	-	815
-	-	-	-	-	-	-	-	55,772
-	-	-	-	-	-	-	-	204,956
-	-	-	-	-	-	-	-	201,955
-	50	-	-	-	-	-	-	14,265
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<b>\$ 21,680</b>	<b>\$ 34,402</b>	<b>\$ 2,745</b>	<b>\$ 3,843</b>	<b>\$ -</b>	<b>\$ 45</b>	<b>\$ 1,916</b>	<b>\$ 304</b>	<b>\$ 5,311,839</b>
-	-	-	-	-	-	-	-	222,705
<b>\$ 21,680</b>	<b>\$ 34,402</b>	<b>\$ 2,745</b>	<b>\$ 3,843</b>	<b>\$ -</b>	<b>\$ 45</b>	<b>\$ 1,916</b>	<b>\$ 304</b>	<b>\$ 5,534,544</b>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2022

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b>U.S. Department of Housing and Urban Development:</b>			
<i>Direct:</i>			
Section 202 Capital Advance	14.157		\$ 6,005,100
Section 202 Project Rental Assistance	14.195		<u>129,453</u>
Total U.S. Department of Housing and Urban Development Direct Program			<u>\$ 6,134,553</u>
<b>Corporation for National and Community Services:</b>			
<i>Direct:</i>			
Retired and Senior Volunteer Program	94.002	17SRNIA006	<u>\$ 50,000</u>
Total Corporation for National and Community Services			<u>\$ 50,000</u>
<b>U.S. Department of Labor:</b>			
<i>Indirect:</i>			
Pass-Through Iowa Vocational Rehabilitation Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	14-AAA-CON-01	<u>\$ 88,086</u>
Total U.S. Department of Labor Indirect Program			<u>\$ 88,086</u>
<b>U.S. Department of Health and Human Services:</b>			
<i>Indirect:</i>			
Pass-Through Iowa Department on Aging:			
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	XX01IAOASS	\$ 668,638
Vaccines	93.044	2101IAVAC5	25,146
ARPA - Supportive Services	93.044	2101IASSC6	156,396
Title IIIC-1 Nutrition Services - Congregate Meals	93.045	XX01IAOACM	696,421
ARPA - Congregate Meals	93.045	2101IACMC6	30,590
Title IIIC-2 Nutrition Services - Home Delivered Meals	93.045	XX01IAOAHM	642,626
Home Delivered Meals - Supplemental Nutrition	93.045	2101IAHDC5	189,535
Nutrition Services Incentive Program	93.053	XX01IAOANS	<u>131,336</u>
Subtotal Aging Cluster			<u>\$ 2,540,688</u>
Title IIID Preventive Health	93.043	XX01IAOAPH	61,790
Title IIIE Caregiver Support	93.052	XX01IAOAFM	346,820
ADRC Medicaid Administrative Claiming	93.778		154,531
SUA Health Aging - Falls Prevention	93.761		<u>67,057</u>
Total Pass-Through Iowa Department on Aging			<u>\$ 3,170,886</u>
Total U.S. Department of Health and Human Services Indirect Program			<u>\$ 3,170,886</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 9,443,525</u></u>

**CONNECTIONS AREA AGENCY ON AGING, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2022

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Connections Area Agency on Aging, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Connections Area Agency on Aging, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Connections Area Agency on Aging, Inc.

**2. Summary of Significant Accounting Policies**

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

**3. Indirect Cost Rate**

Connections Area Agency on Aging, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**4. Loans Outstanding**

Federal expenditures for the Section 202 Capital Advance program are as follows:

<u>Federal CFDA Number</u>	<u>Balance of loans at July 1, 2021</u>	<u>Balance of loans at June 30, 2022</u>
14.157	\$ 6,005,100	\$ 6,005,100

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

To the Board of Directors  
Connections Area Agency on Aging, Inc.  
Council Bluffs, Iowa

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 Connections Area Agency on Aging, Inc., as of and for the period ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Connections Area Agency on Aging, Inc.'s basic financial statements, and have issued our report thereon dated April 19, 2024. Our report includes a reference to other auditors who audited the financial statements of Riverside Gardens, Inc., Fairmount Park Senior Housing, Inc., and Diamond Heights, Inc., as described in our report on Connections Area Agency on Aging, Inc.'s financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Connections Area Agency on Aging, Inc.'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Connections Area Agency on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Connections Area Agency on Aging, Inc.'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 and the other auditors 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 Connections Area Agency on Aging Inc.'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 and those of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Hamilton Associates, P.C.*

Council Bluffs, Iowa  
April 19, 2024

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

To the Board of Directors  
Connections Area Agency on Aging, Inc.  
Council Bluffs, Iowa

**Report on Compliance for Each Major Federal Program**

We have audited Connections Area Agency on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Connections Area Agency on Aging, Inc.'s major federal programs for the year ended June 30, 2022. Connections Area Agency on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Connections Area Agency on Aging, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Connections Area Agency on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We did not audit the major federal programs for Riverside Gardens, Inc., Fairmount Park Senior Housing, Inc., or Diamond Heights, Inc., controlled subsidiaries, which statements reflect expenditures for CFDA number 14.157 which is a major program for Connections Area Agency on Aging, Inc. That major program was audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the compliance for the major program CFDA number 14.157 is based solely on the reports of the other auditors.

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

## Opinion on Each Major Federal Program

In our opinion, Connections Area Agency on Aging, Inc. 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 June 30, 2022.

## Report on Internal Control Over Compliance

Management of Connections Area Agency on Aging, Inc. 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 Connections Area Agency on Aging, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Connections Area Agency on Aging, Inc.'s internal control over compliance.

We did not audit the major federal programs for Riverside Gardens, Inc., Fairmount Park Senior Housing, Inc., or Diamond Heights, Inc., controlled subsidiaries. This report includes our consideration of the results of the other auditor's testing of internal control over compliance with the types of compliance requirements referred to above that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

*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 and the other auditors 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.

*Hamilton Associates, P.C.*

Council Bluffs, Iowa  
April 19, 2024

