

*Financial Statements*

*Scenic Valley Area VIII  
Agency on Aging*

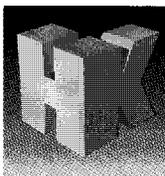
*June 30, 2007 and 2006*

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**Honkamp Krueger & Co., PC.**  
Certified Public Accountants  
& Business Consultants

## Independent Auditor's Report

To the Board of Directors  
Scenic Valley Area VIII Agency on Aging  
Dubuque, Iowa

We have audited the accompanying statements of financial position of Scenic Valley Area VIII Agency on Aging (a non-profit organization) as of June 30, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Scenic Valley Area VIII Agency on Aging's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scenic Valley Area VIII Agency on Aging as of June 30, 2007 and 2006, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 2007, on our consideration of Scenic Valley Area VIII Agency on Aging's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Scenic Valley Area VIII Agency on Aging taken as a whole. The supplemental information included on pages 13 through 15, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Herkamp Krueger & Co.*

Dubuque, Iowa  
September 13, 2007

**Scenic Valley Area VIII Agency on Aging**  
**Statements of Financial Position**  
**June 30, 2007 and 2006**

<b>ASSETS</b>	<u>2007</u>	<u>2006</u>
<b>Current Assets</b>		
Cash in Bank	\$ 431,952	\$ 325,655
Certificates of Deposit	248,484	240,633
Accounts Receivable	23,839	9,195
Subcontractor Receivable	7,277	8,649
Grants Receivable	5,408	55,315
Interest Receivable	3,623	1,206
Prepaid Expenses	7,681	7,296
Total Current Assets	<u>728,264</u>	<u>647,949</u>
 <b>Property and Equipment, at Cost</b>		
Equipment	273,834	301,536
Less: Accumulated Depreciation	<u>166,261</u>	<u>198,767</u>
Property and Equipment, Net	<u>107,573</u>	<u>102,769</u>
Total Assets	<u>\$ 835,837</u>	<u>\$ 750,718</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 85,608	\$ 87,922
Accrued Payroll	-	11,852
Accrued Vacation	17,071	14,676
Accrued Pension	25,679	24,475
Other Accrued Expenses	6,102	2,051
Refundable Advances	54,599	15,819
Total Current Liabilities	<u>189,059</u>	<u>156,795</u>
 <b>Net Assets</b>		
Unrestricted	489,148	459,673
Temporarily Restricted	<u>157,631</u>	<u>134,250</u>
Total Net Assets	<u>646,779</u>	<u>593,923</u>
Total Liabilities and Net Assets	<u>\$ 835,838</u>	<u>\$ 750,718</u>

See Notes to Financial Statements

**Scenic Valley Area VIII Agency on Aging  
Statements of Activities  
For the Years Ended June 30, 2007 and 2006**

**2007**

	<u>2007</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	
<b>SUPPORT AND REVENUE</b>	<u>Operations</u>	<u>Operations</u>	
Federal Grants	\$ -	\$ 681,073	\$ 681,073
State of Iowa Grants	-	380,123	380,123
Dubuque Racing Association Grant	-	4,000	4,000
Waiver Home Delivered Meals	-	94,143	94,143
County Supervisor	-	10,090	10,090
Contributions	-	308,268	308,268
Donations	1,161	-	1,161
Interest Income	20,639	-	20,639
Other Revenue	111,260	7,589	118,849
In Kind	-	31,701	31,701
(Loss) on Disposal of Fixed Assets	(480)	-	(480)
<b>Total Support and Revenue</b>	<u>132,580</u>	<u>1,516,987</u>	<u>1,649,567</u>
<b>Net Assets Released from Restrictions:</b>			
Net Assets Released From			
Restrictions Due to Satisfaction			
of Program Restrictions	<u>1,493,606</u>	<u>(1,493,606)</u>	<u>-</u>
<b>Total Revenue</b>	<u>1,626,186</u>	<u>23,381</u>	<u>1,649,567</u>
<b>EXPENSES</b>			
<b>Program:</b>			
Area Plan Administration	91,715	-	91,715
Social Services	752,436	-	752,436
Nutrition Services	752,561	-	752,561
<b>Total Expenses</b>	<u>1,596,712</u>	<u>-</u>	<u>1,596,712</u>
Change in Net Assets	29,474	23,381	52,855
Net Assets, Beginning of Year	<u>459,673</u>	<u>134,250</u>	<u>593,923</u>
Net Assets, End of Year	<u>\$ 489,147</u>	<u>\$ 157,631</u>	<u>\$ 646,778</u>

**2006**

Unrestricted	Temporarily Restricted	
Operations	Operations	Total
\$ -	\$ 723,963	\$ 723,963
-	398,914	398,914
-	12,083	12,083
-	79,522	79,522
-	10,491	10,491
-	325,004	325,004
4,939	7	4,946
15,826	-	15,826
5,210	6,668	11,878
-	37,252	37,252
(1,900)	-	(1,900)
24,075	1,593,904	1,617,979
1,591,841	(1,591,841)	-
1,615,916	2,063	1,617,979
88,636	-	88,636
703,183	-	703,183
765,807	-	765,807
1,557,626	-	1,557,626
58,290	2,063	60,353
401,383	132,187	533,570
\$ 459,673	\$ 134,250	\$ 593,923

See Notes to Financial Statements

**Scenic Valley Area VIII Agency on Aging  
Statements of Functional Expenses  
For the Years Ended June 30, 2007 and 2006**

**2007**

	Area Plan Administration	Social Services	Nutrition Services	Total
<b>Salaries and Related Expenses:</b>				
Salaries	\$ 57,907	\$ 283,607	\$ 24,639	\$ 366,153
Fringe Benefits	16,943	81,161	7,209	105,313
Total Salaries and Related Expenses	<u>74,850</u>	<u>364,768</u>	<u>31,848</u>	<u>471,466</u>
<b>Operating Expenses:</b>				
Utilities	-	667	-	667
Telephone	155	4,187	195	4,537
Rent	1,484	15,771	1,299	18,554
Insurance	642	7,368	562	8,572
Postage	178	2,823	156	3,157
Dues and Publications	1,722	3,016	63	4,801
Printing	-	1,396	35	1,431
Advertising and Promotion	1	9,760	1	9,762
Supplies	287	3,534	295	4,116
Audit	600	6,375	525	7,500
Maintenance and Repair	442	4,698	3,096	8,236
Travel	1,731	11,037	419	13,187
Subcontracted Services	-	248,806	706,920	955,726
Workshops/Training	298	5,425	180	5,903
Profit Sharing	4,061	19,890	1,728	25,679
In Kind Expense	3,874	27,827	-	31,701
Miscellaneous	4	362	4,026	4,392
Total Operating Expenses	<u>15,479</u>	<u>372,942</u>	<u>719,500</u>	<u>1,107,921</u>
Total Expenses before Depreciation	<u>90,329</u>	<u>737,710</u>	<u>751,348</u>	<u>1,579,387</u>
Depreciation	<u>1,386</u>	<u>14,726</u>	<u>1,213</u>	<u>17,325</u>
Total Expenses	<u>\$ 91,715</u>	<u>\$ 752,436</u>	<u>\$ 752,561</u>	<u>\$ 1,596,712</u>

**2006**

<u>Area Plan Administration</u>	<u>Social Services</u>	<u>Nutrition Services</u>	<u>Total</u>
\$ 57,472	\$ 224,642	\$ 33,249	\$ 315,362
<u>15,790</u>	<u>61,599</u>	<u>9,133</u>	<u>86,522</u>
<u>73,262</u>	<u>286,241</u>	<u>42,382</u>	<u>401,884</u>
-	703	-	703
161	4,724	359	5,244
1,420	13,666	2,662	17,748
574	6,028	1,076	7,678
138	2,472	194	2,804
1,703	6,024	85	7,812
12	2,195	623	2,830
-	8,763	78	8,841
263	2,743	533	3,539
500	4,813	938	6,251
160	3,727	1,788	5,675
1,624	11,638	1,859	15,121
-	275,033	702,354	977,387
154	6,473	23	6,650
4,460	17,435	2,580	24,475
2,580	34,672	-	37,252
22	402	5,267	5,691
<u>13,771</u>	<u>401,511</u>	<u>720,419</u>	<u>1,135,701</u>
<u>87,033</u>	<u>687,751</u>	<u>762,801</u>	<u>1,537,585</u>
<u>1,603</u>	<u>15,432</u>	<u>3,006</u>	<u>20,041</u>
<u>\$ 88,636</u>	<u>\$ 703,183</u>	<u>\$ 765,807</u>	<u>\$ 1,557,626</u>

See Notes to Financial Statements

**Scenic Valley Area VIII Agency on Aging  
Statements of Cash Flows  
For the Years Ended June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ 52,855	\$ 60,353
Adjustments to Change in Net Assets to Cash		
Provided by Operating Activities:		
Loss on Disposal of Fixed Assets	480	1,900
Depreciation	17,325	20,041
(Increase) Decrease in Current Assets:		
Accounts Receivable	(14,644)	(6,252)
Subcontractor Receivable	1,372	807
Grants Receivable	49,907	(16,259)
Interest Receivable	(2,417)	(445)
Prepaid Expenses	(385)	(1,528)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(2,314)	36,551
Accrued Payroll	(11,852)	743
Accrued Vacation	2,395	(1,293)
Accrued Pension	1,204	(3,072)
Other Accrued Expenses	4,051	41
Refundable Advances	38,780	(70,360)
Net Cash Provided by Operating Activities	<u>136,757</u>	<u>21,227</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Property and Equipment	(22,609)	(21,547)
Proceeds From Maturity of Certificates of Deposit	28,178	128,100
Purchase of Certificates of Deposit	(36,029)	(135,852)
Net Cash (Used) by Investing Activities	<u>(30,460)</u>	<u>(29,299)</u>
Net Increase (Decrease) in Cash	106,297	(8,072)
Cash, Beginning of Year	<u>325,655</u>	<u>333,727</u>
Cash, End of Year	<u>\$ 431,952</u>	<u>\$ 325,655</u>

See Notes to Financial Statements

# Scenic Valley Area VIII Agency on Aging

## Notes to Financial Statements

### **NOTE 1. Nature of Business and Significant Accounting Policies**

Scenic Valley Area VIII Agency on Aging was established in 1978, under provisions enacted by the United States Congress (The Older American's Act, Public Law 100-175), and the Iowa General Assembly (Code of Iowa, Chapter 249D). The Agency is responsible for planning, coordinating, and advocating for the development of a comprehensive service delivery system to meet the short and long-term needs of persons aged 60 and older in Delaware, Dubuque, and Jackson Counties. A significant portion of the funding received is dependent upon federal and state agencies.

The financial statements of the Agency have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

The significant accounting policies of the Agency are as follows:

#### **Reporting Entity**

The financial statements include all funds of the Agency. Accordingly, the criteria specified by the Governmental Accounting Standards Board have been applied in determining the scope of the reporting entity for financial reporting purposes. Specifically, those agencies, offices, organizations, commissions, and public authorities over which the Agency's elected officials exercise oversight responsibility are included in the financial statements. Manifestations of oversight responsibility over an entity include: 1) financial interdependency, 2) selection of governing authority, 3) designation of management, 4) ability to significantly influence operations, and 5) accountability for fiscal matters.

#### **Basis of Presentation**

The Agency accounts for its activities in accordance with the provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations" (SFAS No. 117). Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

**Unrestricted Net Assets:** Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets:** Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Agency and/or the passage of time. The Agency had temporarily restricted net assets of \$157,631 and \$134,250 for the years ended June 30, 2007 and 2006, respectively.

# Scenic Valley Area VIII Agency on Aging

## Notes to Financial Statements

### NOTE 1. Nature of Business and Significant Accounting Policies (Continued)

#### Basis of Presentation (Continued)

**Permanently Restricted Net Assets:** Net assets subject to donor-imposed stipulations that neither expire by passage of time, nor can be met by actions of the Agency. The Agency has no permanently restricted net assets for the years ended June 30, 2007 and 2006.

#### Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

#### Contributions

Contributions, including unconditional promises to give, are recognized as revenue when received.

The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of income as net assets released from restrictions.

The Agency reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

# Scenic Valley Area VIII Agency on Aging

## Notes to Financial Statements

### NOTE 1. Nature of Business and Significant Accounting Policies (Continued)

#### Revenue

The Agency receives substantially all of its grant revenue from Federal and State agencies. The Agency recognizes grant revenue (up to the grant ceiling) from its grants, either on a pro-rata basis over a 12-month period, which represents the service period for certain grants, or to the extent of expenses. Revenue recognition depends on the grant. Contributions are recognized as made and interest income is recognized when earned.

Any of the grant funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Agency with the terms of the grants.

#### Refundable Advances

The Agency records grant revenue as a refundable advance until it is expended for the purpose of the grant, at which time, it is recognized as revenue. The balance in refundable advances at June 30, 2007 and 2006, represents amounts received under grant contracts that will be expended in the next fiscal year in accordance with the grant period.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid debt securities purchased with an original maturity of three months or less when purchased to be cash equivalents.

#### Property and Equipment

Property and equipment is stated at cost, if purchased, or at fair market value on the date received, if donated, less accumulated depreciation. Major expenditures for improvements (those greater than \$500) and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as paid. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Proceeds from the sale of property and equipment, if unrestricted, are transferred to the operating fund balances, or, if restricted, to deferred amounts restricted for property and equipment acquisitions. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives are as follows:

Equipment

5 – 20 Years

# Scenic Valley Area VIII Agency on Aging

## Notes to Financial Statements

### NOTE 1. Nature of Business and Significant Accounting Policies (Continued)

#### Income Taxes

The Agency is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### Use of Estimates

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

#### Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$9,762 and \$8,841 for the years ended June 30, 2007 and 2006, respectively.

#### Accounts Receivable

The Agency considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

### NOTE 2. Lease Commitments

The Agency leases its administrative offices under a non-cancelable operating lease which expires June 30, 2010. The lease requires a base rental of \$1,362 plus additional amounts for utilities to be paid at the beginning of the month. On the first day of July every July thereafter, the rent increases by 3% of the prior year's base rental. The lease provides for two additional five-year terms upon written notice.

# Scenic Valley Area VIII Agency on Aging

## Notes to Financial Statements

### NOTE 2. Lease Commitments (Continued)

Future minimum lease payments required over the remainder of the lease are as follows:

<u>Years Ending June 30</u>	
2008	\$ 16,346
2009	16,836
2010	<u>17,341</u>
	<u>\$ 50,523</u>

Total rent expense for the years ended June 30, 2007 and 2006, was \$18,554 and \$17,748, respectively.

### NOTE 3. Grants Receivable

Grants Receivable at June 30, 2007 and 2006, consist of the following:

<b>Iowa Department of Elder Affairs:</b>	<u>2007</u>	<u>2006</u>
Title III C	\$ ----	\$ 13,806
Title III D	643	5,283
Title III E	----	3,229
Iowa Assessments	----	6,314
Dubuque Racing Association	4,000	4,985
Hawkeye Valley AAA	----	1,500
DHS	765	676
Senior Living Program	----	9,477
Case Management	----	<u>10,045</u>
	<u>\$ 5,408</u>	<u>\$ 55,315</u>

# Scenic Valley Area VIII Agency on Aging

## Notes to Financial Statements

### NOTE 4. Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Agency's programs, principally in the nutrition program. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

### NOTE 5. Revenue Sharing Plan

On July 1, 1993, the Agency established a Revenue Sharing Plan for all employees with one year of service who have attained the age of 21 and have at least 1,000 hours of service during the year. Contributions may be made annually at the discretion of the Board of Directors. Participants are 100% vested in the plan after their first qualifying year. Contributions accrued by the Agency for the years ended June 30, 2007 and 2006, were \$25,679 and \$24,475, respectively.

### NOTE 6. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2007 and 2006, are available for the following programs:

	<u>2007</u>	<u>2006</u>
Nutrition Program	<u>\$ 157,631</u>	<u>\$ 134,250</u>

### NOTE 7. Concentration of Risk

During 2007 and 2006, the Agency received 41% and 45%, respectively, of its revenues from Federal grants, and 23% and 25%, respectively, of its revenues from State of Iowa grants. The continued operation of the Agency is dependent upon remaining qualified to receive reimbursements from these sources.

# **Supplementary Information**

**Scenic Valley Area VIII Agency on Aging  
Iowa Department of Elder Affairs Cost Sharing Report/  
Audit Reconciliation Schedule  
For the Year Ended June 30, 2007**

<b>FUND/SERVICE CATEGORY</b>	Area Plan Budget	Beginning Balance	Total Receipts	Total Expenditures	Ending Balance
<b>Iowa Dept. of Elder Affairs:</b>					
AAA Administration	\$ 5,132	\$ -	\$ 5,132	\$ 5,132	\$ -
Elderly Services	20,656	-	20,656	20,656	-
Case Management	97,309	-	97,309	97,309	-
Senior Living Program Base	201,237	-	207,364	207,364	-
Senior Living Program Supplemental	21,425	-	21,425	21,425	-
Senior Living Program Case Mgt	28,237	-	28,237	28,237	-
<b>Older American Act:</b>					
Title IIIB Supportive Services	227,625	-	176,422	176,422	-
Title IIIC(1) Congregate Meals	278,862	-	224,838	224,838	-
Title IIIC(2) HD Meals	87,401	-	89,625	89,625	-
Title IIIE Caregiver Support	99,212	-	81,151	81,151	-
Title IIID Preventive Health	10,720	-	8,109	8,109	-
Title IIID Preventive Health MM	3,922	-	3,611	3,611	-
<b>USDA Cash</b>	84,940	-	79,774	79,774	-
<b>Title XIX Assessment</b>	8,856	-	10,906	10,906	-
<b>Other Funds:</b>					
Local Public Funds	13,809	1,659	12,150	10,090	3,719
Medical Assistance Waiver	72,672	-	104,160	104,160	-
Other Local Cash	106,014	375,295	122,763	73,318	424,740
Senior Living Program Contributions	-	-	-	-	-
<b>Program Income:</b>					
Title IIIB Supportive Services	9,800	1,377	12,251	12,216	1,412
Title IIIC(1)	174,523	113,572	175,888	156,522	132,938
Title IIIC(2) HD Meals	148,646	-	152,792	152,792	-
Total Cash	1,700,998	491,903	1,634,563	1,563,657	562,809
Non-Cash: In-Kind Matching	203,289	-	272,678	272,678	-
Total Per Cost Sharing Report	<u>\$ 1,904,287</u>	<u>\$ 491,903</u>	<u>\$ 1,907,241</u>	<u>\$ 1,836,335</u>	<u>\$ 562,809</u>
<b>Reconciling Items:</b>					
Non-Cash Not on Books			(240,977)	(240,977)	
Title IIIB Supportive Services			-	-	
Title IIIC(1) Congregate Meals			-	-	
Title IIIC(2) HD Meals			-	-	
Title IIIE Caregiver Support			-	-	
Title III C Project Income			-	-	
Deferred Title III B			(18,250)	-	
ORT Deferred Revenue			(5,131)	-	
ORT			6,684	7,121	
Depreciation Expense			-	17,325	
Purchase of Property			-	(22,609)	
Loss on Disposal of Fixed Assets			-	(480)	
Rounding			-	(3)	
Total Per Audit Report			<u>\$ 1,649,567</u>	<u>\$ 1,596,712</u>	

(Continued)

**Scenic Valley Area VIII Agency on Aging  
Iowa Department of Elder Affairs Cost Sharing Report/  
Audit Reconciliation Schedule (Continued)  
For the Year Ended June 30, 2007**

<b>FUND/SERVICE CATEGORY</b>	<b>Total</b>	<b>AAA Administration</b>	<b>Delivered Meals</b>	<b>Adult Daycare 5</b>
<b>Iowa Dept. of Elder Affairs:</b>				
AAA Administration	\$ 5,132	\$ 5,132	\$ -	\$ -
Elderly Services	20,656	-	-	-
Case Management	97,309	-	-	-
Senior Living Program	207,364	14,087	-	68,150
Senior Living Program Supplement	21,425	-	-	-
Senior Living Program Case Management	28,237	1,255	-	-
<b>Older American Act:</b>				
Title IIIB Supportive Services	176,422	44,777	-	-
Title IIIC(1) Congregate Meals	224,838	908	-	-
Title IIIC(2) HD Meals	89,625	-	89,625	-
Title IIIE Caregiver Support	81,151	8,779	-	-
Title IIID Preventive Health	8,109	-	-	-
Title IIID Preventive Health MM	3,611	-	-	-
<b>USDA Cash</b>	<b>79,774</b>	<b>-</b>	<b>35,101</b>	<b>-</b>
<b>Title XIX Assessments</b>	<b>10,906</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Funds:</b>				
Local Public Funds	10,090	-	-	-
Medical Assistance Waiver	104,160	-	-	-
Other Local Cash	73,318	11,520	51,524	-
Senior Living Program Contributions	-	-	-	-
<b>Program Income:</b>				
Title IIIB Supportive Services	12,216	-	-	-
Title IIIC(1) Congregate Meals	156,522	-	-	-
Title IIIC(2) HD Meals	152,792	-	152,792	-
<b>Total Cash</b>	<b>1,563,657</b>	<b>86,458</b>	<b>329,042</b>	<b>68,150</b>
<b>Non-Cash: In-Kind Matching</b>	<b>272,678</b>	<b>3,874</b>	<b>107,127</b>	<b>29,739</b>
<b>Total Per Cost Sharing Report</b>	<b>\$ 1,836,335</b>	<b>\$ 90,332</b>	<b>\$ 436,169</b>	<b>\$ 97,889</b>

<u>Case Management 6</u>	<u>Congregate Meals 7</u>	<u>Transportation 10</u>	<u>Legal Assistance 11S</u>	<u>Information Assistance 13</u>	<u>Outreach 14S</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	11,402	8,617
81,755	-	-	-	-	-
28,315	-	5,000	-	-	-
21,425	-	-	-	-	-
6,555	-	-	-	-	-
56,484	-	11,334	8,701	-	38,831
-	223,930	-	-	-	-
-	-	-	-	-	-
-	-	-	-	38,940	-
8,109	-	-	-	-	-
-	-	-	-	-	-
-	44,673	-	-	-	-
-	-	-	-	-	-
-	-	10,090	-	-	-
-	-	-	-	-	-
70	480	-	-	5,079	3,420
-	-	-	-	-	-
-	-	12,216	-	-	-
-	156,522	-	-	-	-
-	-	-	-	-	-
<u>202,713</u>	<u>425,605</u>	<u>38,640</u>	<u>8,701</u>	<u>55,421</u>	<u>50,868</u>
-	63,730	22,731	1,535	21,081	-
<u>\$ 202,713</u>	<u>\$ 489,335</u>	<u>\$ 61,371</u>	<u>\$ 10,236</u>	<u>\$ 76,502</u>	<u>\$ 50,868</u>

(Continued)

**Scenic Valley Area VIII Agency on Aging  
Iowa Department of Elder Affairs Cost Sharing Report/  
Audit Reconciliation Schedule (Continued)  
For the Year Ended June 30, 2007**

<i>FUND/SERVICE CATEGORY</i>	Caregiver Support A2	Respite B3	Medical Alert B4	Medical Management B6
<b>Iowa Dept. of Elder Affairs:</b>				
AAA Administration	\$ -	\$ -	\$ -	\$ -
Elderly Services	-	-	-	637
Case Management	-	-	-	-
Senior Living Program	-	20,592	49,602	-
Senior Living Program Supplement	-	-	-	-
Senior Living Program Case Management	-	-	-	-
<b>Older American Act:</b>				
Title IIIB Supportive Services	-	10,115	-	-
Title IIIC(1) Congregate Meals	-	-	-	-
Title IIIC(2) HD Meals	-	-	-	-
Title IIIE Caregiver Support	1,294	13,199	-	-
Title IIID Preventive Health	-	-	-	-
Title IIID Preventive Health MM	-	-	-	3,611
<b>USDA Cash</b>	-	-	-	-
<b>Title XIX Assessments</b>	-	-	-	-
<b>Other Funds:</b>				
Local Public Funds	-	-	-	-
Medical Assistance Waiver	-	-	-	-
Other Local Cash	-	-	-	-
Senior Living Program Contributions	-	-	-	-
<b>Program Income:</b>				
Title IIIB Supportive Services	-	-	-	-
Title IIIC(1) Congregate Meals	-	-	-	-
Title IIIC(2) HD Meals	-	-	-	-
<b>Total Cash</b>	<u>1,294</u>	<u>43,906</u>	<u>49,602</u>	<u>4,248</u>
<b>Non-Cash: In-Kind Matching</b>	<u>294</u>	<u>17,591</u>	<u>540</u>	<u>-</u>
<b>Total Per Cost Sharing Report</b>	<u>\$ 1,588</u>	<u>\$ 61,497</u>	<u>\$ 50,142</u>	<u>\$ 4,248</u>

<u>Advocacy C1</u>	<u>Training &amp; Education D1</u>	<u>Case Management E4</u>	<u>Material Aid F2</u>	<u>Public Information F3</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	15,554	-	-
-	-	-	21,618	-
-	-	-	-	-
-	-	20,427	-	-
2,397	-	-	3,783	-
-	-	-	-	-
-	4,655	-	-	14,284
-	-	-	-	-
-	-	-	-	-
-	-	10,906	-	-
-	-	-	-	-
-	-	104,160	-	-
-	-	-	-	1,225
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,397</u>	<u>4,655</u>	<u>151,047</u>	<u>25,401</u>	<u>15,509</u>
<u>-</u>	<u>380</u>	<u>-</u>	<u>-</u>	<u>4,056</u>
<u>\$ 2,397</u>	<u>\$ 5,035</u>	<u>\$ 151,047</u>	<u>\$ 25,401</u>	<u>\$ 19,565</u>

**Scenic Valley Area VIII Agency on Aging  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2007**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Program Expenditures</u>
Passed Through State of Iowa Department of Elder Affairs:		
<b>U.S. Department of Health and Human Services:</b>		
Title III B - Grants for Supportive Services and Senior Centers	93.044	\$ 176,422
Title III C - Nutrition Services - Congregate Meals and Home Delivered Meals	93.045	314,463
Title III D - Preventive Health	93.043	11,720
Title III E - Caregiver Support	93.052	81,151
Title XIX - Medical Assistance	93.778	10,906
Operation Restore Trust (Passed through from Hawkeye Valley Agency on Aging)	93.779	<u>6,637</u>
Total Department of Health and Human Services		<u>601,299</u>
 <b>U.S. Department of Agriculture Nutrition Program for the Elderly (Cash and Commodities)</b>	 10.570	 <u>79,774</u>
Total Federal Awards		<u>\$ 681,073</u>

See Accompanying Auditor's Report and  
Notes to Schedule of Expenditures of Federal Awards

# **Scenic Valley Area VIII Agency on Aging**

## **Notes to Schedule of Expenditures of Federal Awards**

### **NOTE 1. General**

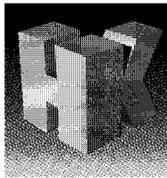
The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Scenic Valley Area VIII Agency on Aging. Scenic Valley Area VIII Agency on Aging is defined in Note 1 of the Agency's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

### **NOTE 2. Basis of Accounting**

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and in accordance with the same method of accounting used in the preparation of the financial statements.

### **NOTE 3. Risk-Based Audit Approach**

The dollar threshold used to distinguish between Type A and Type B programs is \$300,000. The Agency does qualify as a low-risk auditee.



**Honkamp Krueger & Co., P.C.**  
*Certified Public Accountants  
& Business Consultants*

**Independent Auditor's Report on Compliance and  
on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards**

To the Board of Directors  
Scenic Valley Area VIII Agency on Aging  
Dubuque, Iowa

We have audited the financial statements of Scenic Valley Area VIII Agency on Aging (a non-profit organization) as of and for the year ended June 30, 2007, and have issued our report thereon dated September 13, 2007. 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.

**Compliance**

As part of obtaining reasonable assurance about whether Scenic Valley Area VIII Agency on Aging's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control over Financial Reporting**

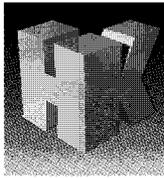
In planning and performing our audit, we considered Scenic Valley Area VIII Agency on Aging's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition

in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Herkamp Granger & Co.*

Dubuque, Iowa  
September 13, 2007



**Honkamp Krueger & Co., PC.**  
*Certified Public Accountants  
& Business Consultants*

## **Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133**

To the Board of Directors  
Scenic Valley Area VIII Agency on Aging  
Dubuque, Iowa

### **Compliance**

We have audited the compliance of Scenic Valley Area VIII Agency on Aging (a non-profit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, that are applicable to its major federal program for the year ended June 30, 2007. Scenic Valley Area VIII Agency on Aging's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Scenic Valley Area VIII Agency on Aging's management. Our responsibility is to express an opinion on Scenic Valley Area VIII Agency on Aging's compliance based on our audit.

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 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 Scenic Valley Area VIII Agency on Aging's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Scenic Valley Area VIII Agency on Aging's compliance with those requirements.

In our opinion, Scenic Valley Area VIII Agency on Aging complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007.

**Internal Control over Compliance**

The management of Scenic Valley Area VIII Agency on Aging is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Scenic Valley Area VIII Agency on Aging's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal controls over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature of Herbert R. Granger in cursive script.

Dubuque, Iowa  
September 13, 2007

**Scenic Valley Area VIII Agency on Aging  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007**

**Part I. Summary of the Independent Auditors' Results:**

- a. An unqualified opinion was issued on the financial statements.
- b. No reportable conditions or material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c. The audit did not disclose any noncompliance which is material to the financial statements.
- d. No reportable conditions or material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- e. An unqualified opinion was issued on compliance with requirements applicable to the major program.
- f. The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget (OMB) Circular A-133, Section .510(a).
- g. Major program was as follows:
  - CFDA Number 93.044 - Special Programs for the Aging (Title III, Part B) Grants for Supportive Services and Senior Centers
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i. Scenic Valley Area VIII Agency on Aging does qualify as a low-risk auditee.

**Part II. Findings Related to the Financial Statements:**

There were no findings related to the financial statements.

**Part III. Findings and Questioned Costs for Federal Awards:**

There were no findings and questioned costs for federal awards.

**Scenic Valley Area VIII Agency on Aging  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2007**

There were no prior audit findings.