

Financial Statements

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

June 30, 2009 and 2008

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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, 2009 and 2008, 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, 2009 and 2008, 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 15, 2009, 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 grant agreements and other matters. The purpose of the report is to describe the scope of our testing of the internal control over financial reporting or on compliance. 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 conducted 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.

HONKAMP KRUEGER & CO., P.C.

Honkamp Krueger & Co.

Dubuque, Iowa
September 15, 2009

Scenic Valley Area VIII Agency on Aging
Statements of Financial Position
June 30, 2009 and 2008

ASSETS	<u>2009</u>	<u>2008</u>
Current Assets		
Cash in Bank	\$ 520,406	\$ 395,607
Certificates of Deposit	238,216	312,352
Accounts Receivable	40,811	26,612
Subcontractor Receivable	-	14,272
Grants Receivable	57,203	11,249
Interest Receivable	504	1,109
Prepaid Expenses	<u>16,122</u>	<u>14,568</u>
Total Current Assets	<u>873,262</u>	<u>775,769</u>
Property and Equipment, at Cost		
Equipment	277,296	274,757
Less: Accumulated Depreciation	<u>192,541</u>	<u>173,348</u>
Property and Equipment, Net	<u>84,755</u>	<u>101,409</u>
Total Assets	<u>\$ 958,017</u>	<u>\$ 877,178</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 93,027	\$ 57,150
Accrued Payroll	3,497	1,492
Accrued Vacation	16,182	16,035
Accrued Pension	25,957	29,887
Other Accrued Expenses	2,924	4,230
Refundable Advances	<u>39,865</u>	<u>39,513</u>
Total Current Liabilities	<u>181,452</u>	<u>148,307</u>
Net Assets		
Unrestricted	614,360	569,551
Temporarily Restricted	<u>162,205</u>	<u>159,320</u>
Total Net Assets	<u>776,565</u>	<u>728,871</u>
Total Liabilities and Net Assets	<u>\$ 958,017</u>	<u>\$ 877,178</u>

See Notes to Financial Statements

**Scenic Valley Area VIII Agency on Aging
Statements of Activities
For the Years Ended June 30, 2009 and 2008**

	2009		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	
	<u>Operations</u>	<u>Operations</u>	<u>Total</u>
SUPPORT AND REVENUE			
Federal Grants	\$ -	\$ 648,569	\$ 648,569
State of Iowa Grants	-	353,561	353,561
Dubuque Racing Association Grant	-	3,875	3,875
Waiver Home Delivered Meals	-	61,256	61,256
County Supervisor	-	9,048	9,048
Contributions	-	318,565	318,565
Donations	2,962	874	3,836
Interest Income	17,457	-	17,457
Other Revenue	201,795	13,266	215,061
In Kind	-	30,985	30,985
Total Support and Revenue	<u>222,214</u>	<u>1,439,999</u>	<u>1,662,213</u>
Net Assets Released from Restrictions:			
Net Assets Released from Restrictions Due to Satisfaction of Program Restrictions	<u>1,437,114</u>	<u>(1,437,114)</u>	<u>-</u>
Total Revenue	<u>1,659,328</u>	<u>2,885</u>	<u>1,662,213</u>
EXPENSES			
Program:			
Area Plan Administration	94,963	-	94,963
Social Services	816,314	-	816,314
Nutrition Services	703,242	-	703,242
Total Expenses	<u>1,614,519</u>	<u>-</u>	<u>1,614,519</u>
Change in Net Assets	44,809	2,885	47,694
Net Assets, Beginning of Year	<u>569,551</u>	<u>159,320</u>	<u>728,871</u>
Net Assets, End of Year	<u>\$ 614,360</u>	<u>\$ 162,205</u>	<u>\$ 776,565</u>

2008

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	
<u>Operations</u>	<u>Operations</u>	<u>Total</u>
\$ -	\$ 613,325	\$ 613,325
-	354,258	354,258
-	-	-
-	86,506	86,506
-	10,366	10,366
-	352,390	352,390
3,904	2,012	5,916
20,855	-	20,855
160,082	9,071	169,153
-	29,263	29,263
<u>184,841</u>	<u>1,457,191</u>	<u>1,642,032</u>
<u>1,455,502</u>	<u>(1,455,502)</u>	<u>-</u>
<u>1,640,343</u>	<u>1,689</u>	<u>1,642,032</u>
95,734	-	95,734
783,963	-	783,963
680,242	-	680,242
<u>1,559,939</u>	<u>-</u>	<u>1,559,939</u>
80,404	1,689	82,093
489,147	157,631	646,778
<u>\$ 569,551</u>	<u>\$ 159,320</u>	<u>\$ 728,871</u>

See Notes to Financial Statements

**Scenic Valley Area VIII Agency on Aging
Statements of Functional Expenses
For the Years Ended June 30, 2009 and 2008**

2009

	<u>Area Plan Administration</u>	<u>Social Services</u>	<u>Nutrition Services</u>	<u>Total</u>
Salaries and Related Expenses:				
Salaries	\$ 60,232	\$ 322,170	\$ 46,772	\$ 429,174
Fringe Benefits	18,298	95,527	14,209	128,034
Total Salaries and Related Expenses	<u>78,530</u>	<u>417,697</u>	<u>60,981</u>	<u>557,208</u>
Operating Expenses:				
Utilities	-	753	-	753
Telephone	137	4,135	118	4,390
Rent	1,472	18,301	1,262	21,035
Insurance	599	7,821	513	8,933
Postage	184	2,476	161	2,821
Dues and Publications	1,056	4,011	132	5,199
Printing	-	1,378	573	1,951
Advertising and Promotion	10	2,414	9	2,433
Supplies	203	4,773	787	5,763
Audit	662	8,222	567	9,451
Maintenance and Repair	299	8,246	4,384	12,929
Travel	2,272	9,626	1,867	13,765
Subcontracted Services	-	249,299	622,162	871,461
Workshops/Training	119	6,493	2,144	8,756
Profit Sharing	3,643	19,485	2,829	25,957
In-Kind Expense	3,333	27,652	-	30,985
Miscellaneous	981	5,355	3,499	9,835
Total Operating Expenses	<u>14,970</u>	<u>380,440</u>	<u>641,007</u>	<u>1,036,417</u>
Total Expenses before Depreciation	<u>93,500</u>	<u>798,137</u>	<u>701,988</u>	<u>1,593,625</u>
Depreciation	<u>1,463</u>	<u>18,177</u>	<u>1,254</u>	<u>20,894</u>
Total Expenses	<u>\$ 94,963</u>	<u>\$ 816,314</u>	<u>\$ 703,242</u>	<u>\$ 1,614,519</u>

2008

<u>Area Plan Administration</u>	<u>Social Services</u>	<u>Nutrition Services</u>	<u>Total</u>
\$ 61,783	\$ 310,234	\$ 24,856	\$ 396,873
<u>17,000</u>	<u>82,847</u>	<u>6,840</u>	<u>106,687</u>
<u>78,783</u>	<u>393,081</u>	<u>31,696</u>	<u>503,560</u>
-	709	-	709
231	4,427	238	4,896
1,368	17,006	1,173	19,547
568	7,593	487	8,648
160	3,055	138	3,353
1,735	564	17	2,316
-	860	-	860
-	3,143	-	3,143
181	4,055	293	4,529
551	6,851	473	7,875
269	6,866	2,077	9,212
1,363	10,180	278	11,821
-	251,138	636,283	887,421
126	7,672	1,020	8,818
4,653	23,362	1,872	29,887
3,328	25,934	-	29,262
<u>1,039</u>	<u>330</u>	<u>3,015</u>	<u>4,384</u>
<u>15,572</u>	<u>373,745</u>	<u>647,364</u>	<u>1,036,681</u>
<u>94,355</u>	<u>766,826</u>	<u>679,060</u>	<u>1,540,241</u>
<u>1,379</u>	<u>17,137</u>	<u>1,182</u>	<u>19,698</u>
<u>\$ 95,734</u>	<u>\$ 783,963</u>	<u>\$ 680,242</u>	<u>\$ 1,559,939</u>

See Notes to Financial Statements

**Scenic Valley Area VIII Agency on Aging
Statements of Cash Flows
For the Years Ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 47,694	\$ 82,093
Adjustments to Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	20,894	19,698
(Increase) Decrease in Current Assets:		
Accounts Receivable	(14,199)	(2,773)
Subcontractor Receivable	14,272	(6,995)
Grants Receivable	(45,954)	(5,841)
Interest Receivable	605	2,514
Prepaid Expenses	(1,554)	(6,887)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	35,877	(28,458)
Accrued Payroll	2,005	1,492
Accrued Vacation	147	(1,036)
Accrued Pension	(3,930)	4,208
Other Accrued Expenses	(1,306)	(1,872)
Refundable Advances	352	(15,086)
Net Cash Provided by Operating Activities	<u>54,903</u>	<u>41,057</u>
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(4,240)	(13,534)
Proceeds from Maturity of Certificates of Deposit	212,378	133,977
Purchase of Certificates of Deposit	<u>(138,242)</u>	<u>(197,845)</u>
Net Cash Provided (Used) by Investing Activities	<u>69,896</u>	<u>(77,402)</u>
Net Increase (Decrease) in Cash	124,799	(36,345)
Cash, Beginning of Year	<u>395,607</u>	<u>431,952</u>
Cash, End of Year	<u>\$ 520,406</u>	<u>\$ 395,607</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 (the "Agency") 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 \$162,205 and \$159,320 for the years ended June 30, 2009 and 2008, 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, 2009 and 2008.

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 activities 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.

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.

Scenic Valley Area VIII Agency on Aging

Notes to Financial Statements

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

Revenue (Continued)

Any of the grant funding sources may, at their 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, 2009 and 2008, 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
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Income Taxes

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

Scenic Valley Area VIII Agency on Aging

Notes to Financial Statements

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

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 \$2,433 and \$3,143 for the years ended June 30, 2009 and 2008, 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.

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

<u>Years Ending June 30</u>	
2010	\$ <u>17,341</u>
	\$ <u>17,341</u>

Total rent expense for the years ended June 30, 2009 and 2008, was \$21,035 and \$19,547, respectively.

Scenic Valley Area VIII Agency on Aging

Notes to Financial Statements

NOTE 3. Grants Receivable

Grants receivable at June 30, 2009 and 2008, consist of the following:

Iowa Department of Elder Affairs:	<u>2009</u>	<u>2008</u>
Title III D	\$ ----	\$ 3,180
Iowa Assessments	----	739
ARRA Grant	4,900	----
Title III C	41,721	----
Title III B	541	----
Dubuque Racing Association	3,875	----
DHS	733	----
Senior Living Program	5,433	6,130
Encryption	----	1,200
	<u>\$ 57,203</u>	<u>\$ 11,249</u>

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, 2009 and 2008, were \$25,957 and \$29,887, respectively.

NOTE 6. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2009 and 2008, are available for the following programs:

	<u>2009</u>	<u>2008</u>
Nutrition Program	<u>\$ 162,205</u>	<u>\$ 159,320</u>

Scenic Valley Area VIII Agency on Aging

Notes to Financial Statements

NOTE 7. Concentration of Risk

During 2009 and 2008, the Agency received 39% and 37%, respectively, of its revenues from Federal grants, and 21% and 22%, 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, 2009**

FUND/SERVICE CATEGORY	<u>Area Plan Budget</u>	<u>Total Receipts</u>	<u>Total Expenditures</u>	<u>Ending Balance</u>
Iowa Dept. of Elder Affairs:				
AAA Administration	\$ 5,132	\$ 5,132	\$ 5,132	\$ -
Elderly Services	20,656	20,656	20,656	-
Case Management	81,755	81,755	81,755	-
Senior Living Program Base	166,589	176,107	176,107	-
Senior Living Program Supplemental	21,425	21,425	21,425	-
Senior Living Program Case Mgt	48,486	48,486	48,486	-
Older American Act:				
Title IIIB Supportive Services	181,104	166,959	166,959	-
Title IIIC(1) Congregate Meals	224,589	189,497	189,497	-
Title IIIC(2) HD Meals	89,634	117,781	117,781	-
Title IIIE Caregiver Support	87,143	77,229	77,229	-
Title IIID Preventive Health	10,720	7,888	7,888	-
Title IIID Preventive Health MM	3,922	1,546	1,546	-
USDA Cash	78,874	75,679	75,679	-
Other Funds:				
Local Public Funds	14,210	16,153	9,048	7,105
Medical Assistance Waiver	151,704	206,080	206,080	-
Other Local Cash	93,916	526,105	19,885	506,220
Senior Living Program Contributions	-	10	10	-
Program Income:				
Title IIIB Supportive Services	15,969	12,464	10,234	2,230
Title IIIC(1)	190,199	307,843	176,652	131,191
Title IIIC(2) HD Meals	164,104	144,955	142,839	2,116
Total Cash	<u>1,650,131</u>	<u>2,203,750</u>	<u>1,554,888</u>	<u>648,862</u>
Non-Cash: In-Kind Matching	<u>242,215</u>	<u>298,833</u>	<u>298,833</u>	<u>-</u>
Total Per Cost Sharing Report	<u>\$ 1,892,346</u>	<u>\$ 2,502,583</u>	<u>\$ 1,853,721</u>	<u>\$ 648,862</u>
Reconciling Items:				
Non-Cash Not on Books		(267,848)	(267,848)	
Title IIIC Program Income		(1,282)	-	
Deferred Living Well		(13,266)	-	
Deferred Donation		(2,432)	-	
Dubuque/Delaware County Transportation		(1,602)	-	
IME		61,256	-	
Depreciation Expense		-	20,894	
Purchase of Property		-	(4,240)	
SMP		5,200	5,200	
State Disaster Money		1,890	1,890	
ARRA Stimulus Money		4,900	4,900	
Deferred Revenue from Prior Year		(627,186)	-	
Rounding		-	2	
Total Per Audit Report		<u>\$ 1,662,213</u>	<u>\$ 1,614,519</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, 2009**

FUND/SERVICE CATEGORY	<u>Total</u>	<u>AAA Administration</u>	<u>Delivered Meals</u>	<u>Adult Daycare 5</u>
Iowa Dept. of Elder Affairs:				
AAA Administration	\$ 5,132	\$ 5,132	\$ -	\$ -
Elderly Services	20,656	-	-	-
Case Management	81,755	-	-	-
Senior Living Program	176,107	11,661	-	57,446
Senior Living Program Supplement	21,425	-	-	-
Senior Living Program Case Management	48,486	3,394	-	-
Older American Act:				
Title IIIB Supportive Services	166,959	45,017	-	13,311
Title IIIC(1) Congregate Meals	189,497	5,000	-	-
Title IIIC(2) HD Meals	117,781	-	98,056	-
Title IIIE Caregiver Support	77,229	8,777	-	-
Title IIID Preventive Health	7,888	-	-	-
Title IIID Preventive Health MM	1,546	-	-	-
USDA Cash	75,679	-	30,272	-
Title XIX Assessments	-	-	-	-
Other Funds:				
Local Public Funds	9,048	-	-	-
Medical Assistance Waiver	206,080	-	-	-
Other Local Cash	19,885	11,188	-	-
Senior Living Program Contributions	10	-	-	-
Program Income:				
Title IIIB Supportive Services	10,234	-	-	-
Title IIIC(1) Congregate Meals	176,652	-	-	-
Title IIIC(2) HD Meals	142,839	-	142,839	-
Total Cash	1,554,888	90,169	271,167	70,757
Non-Cash: In-Kind Matching	298,833	3,333	120,478	39,954
Total Per Cost Sharing Report	<u>\$ 1,853,721</u>	<u>\$ 93,502</u>	<u>\$ 391,645</u>	<u>\$ 110,711</u>

Case Management <u>6</u>	Congregate Meals <u>7</u>	Transportation <u>10</u>	Legal Assistance <u>11S</u>	Information Assistance <u>13</u>	Outreach <u>14S</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	750	-	19,642	-
81,755	-	-	-	-	-
-	-	676	-	-	-
21,425	-	-	-	-	-
45,092	-	-	-	-	-
43,594	-	5,258	10,500	-	33,593
-	184,497	-	-	-	-
-	-	-	-	-	19,725
-	-	-	-	31,466	-
3,588	-	-	-	-	-
-	-	-	-	-	-
-	45,407	-	-	-	-
-	-	-	-	-	-
-	-	9,048	-	-	-
206,080	-	-	-	-	-
-	3,875	-	-	3,414	28
-	-	-	-	-	-
-	-	10,234	-	-	-
-	176,652	-	-	-	-
-	-	-	-	-	-
<u>401,534</u>	<u>410,431</u>	<u>25,966</u>	<u>10,500</u>	<u>54,522</u>	<u>53,346</u>
<u>-</u>	<u>63,197</u>	<u>26,993</u>	<u>1,853</u>	<u>24,577</u>	<u>-</u>
<u>\$ 401,534</u>	<u>\$ 473,628</u>	<u>\$ 52,959</u>	<u>\$ 12,353</u>	<u>\$ 79,099</u>	<u>\$ 53,346</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, 2009**

FUND/SERVICE CATEGORY	Caregiver Support A2	Respite B3	Medical Alert B4	Medical Management B6
Iowa Dept. of Elder Affairs:				
AAA Administration	\$ -	\$ -	\$ -	\$ -
Elderly Services	-	-	-	264
Case Management	-	-	-	-
Senior Living Program	-	23,807	58,707	-
Senior Living Program Supplement	-	-	-	-
Senior Living Program Case Management	-	-	-	-
Older American Act:				
Title IIIB Supportive Services	-	8,950	-	-
Title IIIC(1) Congregate Meals	-	-	-	-
Title IIIC(2) HD Meals	-	-	-	-
Title IIIE Caregiver Support	3,031	12,467	-	-
Title IIID Preventive Health	-	-	-	-
Title IIID Preventive Health MM	-	-	-	1,546
USDA Cash	-	-	-	-
Title XIX Assessments	-	-	-	-
Other Funds:				
Local Public Funds	-	-	-	-
Medical Assistance Waiver	-	-	-	-
Other Local Cash	55	-	-	-
Senior Living Program Contributions	-	-	-	-
Program Income:				
Title IIIB Supportive Services	-	-	-	-
Title IIIC(1) Congregate Meals	-	-	-	-
Title IIIC(2) HD Meals	-	-	-	-
Total Cash	<u>3,086</u>	<u>45,224</u>	<u>58,707</u>	<u>1,810</u>
Non-Cash: In-Kind Matching	<u>600</u>	<u>13,361</u>	<u>3,520</u>	<u>-</u>
Total Per Cost Sharing Report	<u>\$ 3,686</u>	<u>\$ 58,585</u>	<u>\$ 62,227</u>	<u>\$ 1,810</u>

Advocacy C1	Training & Education D1	Material Aid F2	Public Information F3
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	23,810	-
-	-	-	-
-	-	-	-
814	-	5,922	-
-	-	-	-
-	-	-	-
-	5,347	-	16,141
-	4,300	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	125	600	600
-	-	10	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
814	9,772	30,342	16,741
-	-	-	967
<u>\$ 814</u>	<u>\$ 9,772</u>	<u>\$ 30,342</u>	<u>\$ 17,708</u>

**Scenic Valley Area VIII Agency on Aging
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Program Expenditures</u>
Passed Through State of Iowa Department of Elder Affairs:		
U.S. Department of Health and Human Services:		
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 166,959
Title III, Part C - Nutrition Services - Congregate Meals and Home Delivered Meals	93.045	307,278
Title III, Part D - Preventive Health Disaster Flooding	93.043	9,434
	93.048	1,890
Title III, Part E - Caregiver Support	93.052	77,229
ARRA Congregate Meals	93.707	4,900
Operation Restore Trust (Passed through from Hawkeye Valley Agency on Aging)	93.779	<u>5,200</u>
Total Department of Health and Human Services		<u>572,890</u>
 U.S. Department of Agriculture Nutrition Services Incentive Program (Cash and Commodities)		
	10.570	<u>75,679</u>
Total Federal Awards	93.053	<u>\$ 648,569</u>

See Accompanying Independent 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.



**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
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, 2009, and have issued our report thereon dated September 15, 2009. 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.

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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Scenic Valley Area VIII Agency on Aging's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of Scenic Valley Area VIII Agency on Aging in a separate letter dated September 15, 2009.

This report is intended solely for the information and use of the management, Board of Directors, and others within the Agency 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.

HONKAMP KRUEGER & CO., P.C.

A handwritten signature in cursive script that reads "Honkamp Krueger & Co.".

Dubuque, Iowa
September 15, 2009



**Independent Auditor's Report on Compliance
with Requirements Applicable to Each Major
Program and on 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, 2009. 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, 2009.

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, 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 Scenic Valley Area VIII Agency on Aging's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Scenic Valley Area VIII Agency on Aging's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Scenic Valley Area VIII Agency on Aging's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, 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.

HONKAMP KRUEGER & CO., P.C.



Dubuque, Iowa
September 15, 2009

**Scenic Valley Area VIII Agency on Aging
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

Part I. Summary of the Independent Auditors' Results:

- a. An unqualified opinion was issued on the financial statements.
- b. No significant deficiencies 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 significant deficiencies 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 93.045 - Special Programs for the Aging (Title III, Part C) Congregate Meals and Home-Delivered Meals
- 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, 2009**

There were no prior audit findings.



HONKAMP KRUEGER & CO, P.C.

CPAs & Business Consultants

**Scenic Valley Area VIII Agency on Aging
Corrective Action Plan for Federal Audit Findings
For the Year Ended June 30, 2009**

No reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.



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 for the year ended June 30, 2009, and have issued our report thereon dated September 15, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted accounting standards *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated July 15, 2009. Professional standards also require that we communicate to you the following information related our audit.

Review of Internal Control

In planning and performing our audit of the financial statements of Scenic Valley Area VIII Agency on Aging as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Scenic Valley Area VIII Agency on Aging's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Scenic Valley Area VIII Agency on Aging are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

Management's estimate of accrued expenses. We evaluated the key factors and assumptions used to develop the accruals in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of significant concentrations in Note 7 to the financial statements. The Agency is dependent on federal and state funding.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 7, 2009.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other items that we would like to bring to the attention of management at this time are:

Temporary Increase in FDIC Insurance Coverage

As a result of a new law passed by Congress, the basic limit on federal deposit insurance coverage (FDIC) has been temporarily increased from at least \$100,000 to at least \$250,000 per depositor. In addition, through year-end 2013, certain checking account at participant institutions will be fully insured by the FDIC, no matter their balance. The basic FDIC insurance limit is scheduled to return to \$100,000 on January 1, 2014, with the exception of certain retirement accounts, which will continue to be protected up to \$250,000 because that is the permanent level previously set by Congress.

This information is intended solely for the use of the Board of Directors and management of Scenic Valley Area VIII Agency on Aging and is not intended to be and should not be used by anyone other than these specified parties.

HONKAMP KRUEGER & CO., P.C.



Dubuque, Iowa
September 15, 2009

News Release

FOR RELEASE October 23, 2009

Honkamp Krueger & Co., P.C., today, released an audit report on Scenic Valley Area VIII Agency on Aging, Dubuque, Iowa.

Honkamp Krueger & Co., P.C. reported that the Agency had public support and revenues of \$1,662,213 for the year ended June 30, 2009, which was a 1.2% increase from the prior year. Expenses for the Agency's operations totaled \$1,614,519, a 3.5% increase from the prior year. Expenses included \$1,519,556 for program services and \$94,963 for support services.

A copy of the audit report is available for review at Scenic Valley Area VIII Agency on Aging, in the office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/reports/reports.htm> .