

Iona Senior Services

Financial Statements,
Including Uniform Guidance Reports
and Independent Auditors' Report

September 30, 2021 and 2020

Iona Senior Services

Financial Statements
September 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Iona Senior Services

Report on the Financial Statements

We have audited the accompanying financial statements of Iona Senior Services (“Iona”), which comprise the statements of financial position as of September 30, 2021 and 2020; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iona as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of service statistics, service costs, and the schedule of expenditures of federal and District of Columbia 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 are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to 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. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated March 9, 2022, on our consideration of Iona'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 Iona's internal control over financial reporting and compliance.



Vienna, Virginia
March 9, 2022

Iona Senior Services

Statements of Financial Position September 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 991,950	\$ 1,541,619
Accounts receivable, net	552,541	294,570
Contributions receivable, current portion (Note 6)	513,217	561,243
Grants receivable (Note 7)	330,781	248,182
Prepaid expenses	70,466	68,918
Total current assets	2,458,955	2,714,532
Contributions receivable, long-term, net (Note 6)	273,019	504,405
Investments (Note 5 and Note 16)	8,397,455	7,283,807
Property and equipment, net (Note 8)	5,433,697	5,488,837
Total assets	\$ 16,563,126	\$ 15,991,581
 Liabilities and Net Assets		
 Liabilities		
Current liabilities:		
Accounts payable	\$ 111,621	\$ 64,164
Accrued expenses	274,433	277,733
Security deposits	2,709	2,709
Total current liabilities	388,763	344,606
Deferred rent and lease incentive liability (Note 14)	997,437	999,623
Note payable (Note 9)	350,000	350,000
Total liabilities	1,736,200	1,694,229
 Net Assets		
Without donor restrictions:		
Undesignated (Note 15)	6,141,318	5,768,694
Board-designated (Note 15)	2,919,906	2,463,352
Total without donor restrictions	9,061,224	8,232,046
With donor restrictions (Note 15)	5,765,702	6,065,306
Total net assets	14,826,926	14,297,352
Total liabilities and net assets	\$ 16,563,126	\$ 15,991,581

See accompanying notes.

Iona Senior Services

Statement of Activities For the Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Government grants (Note 7)	\$ 3,047,423	\$ -	\$ 3,047,423
Contributions (Note 10)	1,935,216	756,313	2,691,529
Participant fees and third-party reimbursements	1,116,871	-	1,116,871
In-kind contributions	59,758	-	59,758
Interest and dividends (Note 5)	40,293	70,172	110,465
Other income (Note 11)	144,470	-	144,470
Appropriation of endowment earnings (Note 16)	112,637	(112,637)	-
Released from restrictions — program	722,774	(722,774)	-
Released from restrictions — time	713,495	(713,495)	-
Total operating revenue and support	7,892,937	(722,421)	7,170,516
Expenses			
Program services	6,129,026	-	6,129,026
Total program services	6,129,026	-	6,129,026
Supporting services:			
Management and general	498,031	-	498,031
Fundraising	577,952	-	577,952
Total supporting services	1,075,983	-	1,075,983
Total expenses	7,205,009	-	7,205,009
Change in Net Assets from Operations	687,928	(722,421)	(34,493)
Non-Operating Activities			
Net realized and unrealized gain on investments (Note 5)	190,992	422,817	613,809
Investment management fees (Note 5)	(49,742)	-	(49,742)
Total non-operating activities	141,250	422,817	564,067
Change in Net Assets	829,178	(299,604)	529,574
Net Assets, beginning of year	8,232,046	6,065,306	14,297,352
Net Assets, end of year	\$ 9,061,224	\$ 5,765,702	\$ 14,826,926

See accompanying notes.

Iona Senior Services

Statement of Activities For the Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Government grants (Note 7)	\$ 3,099,805	\$ -	\$ 3,099,805
Contributions (Note 10)	1,687,621	1,972,906	3,660,527
Participant fees and third-party reimbursements	1,057,512	-	1,057,512
In-kind contributions	247,223	-	247,223
Interest and dividends (Note 5)	52,030	76,132	128,162
Other income (Note 11)	163,627	-	163,627
Appropriation of endowment earnings (Note 16)	162,498	(162,498)	-
Released from restrictions — program	1,513,363	(1,513,363)	-
Released from restrictions — time	622,646	(622,646)	-
Total operating revenue and support	8,606,325	(249,469)	8,356,856
Expenses			
Program services	5,948,388	-	5,948,388
Total program services	5,948,388	-	5,948,388
Supporting services:			
Management and general	705,513	-	705,513
Fundraising	414,926	-	414,926
Total supporting services	1,120,439	-	1,120,439
Total expenses	7,068,827	-	7,068,827
Change in Net Assets from Operations	1,537,498	(249,469)	1,288,029
Non-Operating Activities			
Net realized and unrealized gain on investments (Note 5)	154,489	336,673	491,162
Investment management fees (Note 5)	(42,908)	-	(42,908)
Total non-operating activities	111,581	336,673	448,254
Change in Net Assets	1,649,079	87,204	1,736,283
Net Assets, beginning of year	6,582,967	5,978,102	12,561,069
Net Assets, end of year	\$ 8,232,046	\$ 6,065,306	\$ 14,297,352

See accompanying notes.

Iona Senior Services

Statement of Functional Expenses
For the Year Ended September 30, 2021

	Program Services						Supporting Services			Total	
	Social Services	Community Programs	Adult Day Health Center	Long-Term Care	Downtown Clusters	Ward 8	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries and employee benefits	\$ 1,355,725	\$ 697,618	\$ 765,715	\$ -	\$ -	\$ 847,294	\$ 3,666,352	\$ 671,400	\$ 356,736	\$ 1,028,136	\$ 4,694,488
Contract staff	407,737	146,771	26,044	56,840	-	23,148	660,540	77,078	19,886	96,964	757,504
Recruitment	516	-	350	-	-	500	1,366	37,546	1,002	38,548	39,914
Occupancy, expenses	73,234	40,619	33,051	-	-	326,040	472,944	194,746	989	195,735	668,679
Printing and copying	4,836	2,795	3,989	-	-	12,005	23,625	16,277	24,442	40,719	64,344
Advertising, photos, and graphics	300	11,102	-	-	-	-	11,402	57	-	57	11,459
Computer and IT support	13,052	7,300	4,895	80	-	1,745	27,072	87,070	3,672	90,742	117,814
Meals	-	116,098	15,364	-	-	-	131,462	-	-	-	131,462
Special events	11,727	-	104	-	-	59	11,890	1,909	29,771	31,680	43,570
Insurance	-	-	-	-	-	10,000	10,000	70,184	-	70,184	80,184
Accounting and auditing	-	-	5,500	-	-	-	5,500	37,391	-	37,391	42,891
Bank charges	1,131	-	-	-	-	108	1,239	16,498	-	16,498	17,737
Dues and subscriptions	2,589	1,217	1,040	-	-	-	4,846	1,179	3,105	4,284	9,130
Miscellaneous	-	-	-	-	-	-	-	53,077	-	53,077	53,077
Program supplies	14,876	15,827	21,911	-	-	3,116	55,730	3,028	1,732	4,760	60,490
Office supplies	479	107	17	-	-	8,366	8,969	10,015	78	10,093	19,062
Training	2,235	650	1,397	-	-	1,690	5,972	3,422	31,825	35,247	41,219
Postage and delivery	1,470	808	706	-	-	3,084	6,068	5,948	14,919	20,867	26,935
Bus operations	-	660	991	-	-	1,212	2,863	7,133	-	7,133	9,996
Travel	3,952	-	41	-	-	-	3,993	86	40	126	4,119
Indirect expenses	319,327	187,565	178,960	26,633	-	84,729	797,214	(879,285)	82,071	(797,214)	-
Depreciation and amortization	20,380	26,700	51,153	3,096	-	77,703	179,032	64,461	7,684	72,145	251,177
Donated services	40,947	-	-	-	-	-	40,947	18,811	-	18,811	59,758
Total Expenses	\$ 2,274,513	\$ 1,255,837	\$ 1,111,228	\$ 86,649	\$ -	\$ 1,400,799	\$ 6,129,026	\$ 498,031	\$ 577,952	\$ 1,075,983	\$ 7,205,009

See accompanying notes.

Iona Senior Services

Statement of Functional Expenses
For the Year Ended September 30, 2020

	Program Services							Supporting Services			Total
	Social Services	Community Programs	Adult Day Health Center	Long-Term Care	Downtown Clusters	Ward 8	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and employee benefits	\$ 1,349,190	\$ 630,869	\$ 774,337	\$ 661	\$ 390,666	\$ 373,924	\$ 3,519,647	\$ 706,396	\$ 223,737	\$ 930,133	\$ 4,449,780
Contract staff	505,776	197,014	20,584	100,761	16,923	45,513	886,571	129,335	15,452	144,787	1,031,358
Recruitment	-	150	-	-	-	-	150	14,367	662	15,029	15,179
Occupancy, in-kind	-	122,500	-	-	-	-	122,500	-	-	-	122,500
Occupancy, expenses	62,028	28,386	21,794	-	76,772	66,633	255,613	246,432	-	246,432	502,045
Printing and copying	9,215	2,657	6,785	-	-	4,652	23,309	12,949	36,493	49,442	72,751
Advertising, photos, and graphics	359	8,528	-	-	-	300	9,187	-	12,515	12,515	21,702
Computer and IT support	-	35	32	80	-	800	947	98,830	1,121	99,951	100,898
Meals	-	93,847	21,918	-	-	-	115,765	-	89	89	115,854
Special events	7,382	-	-	-	-	238	7,620	2,488	1,086	3,574	11,194
Insurance	-	-	-	-	-	37	37	70,703	-	70,703	70,740
Accounting and auditing	-	-	-	-	-	-	-	39,422	-	39,422	39,422
Bank charges	1,270	-	-	-	-	221	1,491	14,899	-	14,899	16,390
Dues and subscriptions	1,969	1,441	4,247	-	-	413	8,070	3,565	1,055	4,620	12,690
Miscellaneous	-	-	-	-	-	-	-	22,508	-	22,508	22,508
Program supplies	9,271	15,000	13,343	375	-	2,444	40,433	4,026	762	4,788	45,221
Office supplies	456	230	248	55	-	1,144	2,133	14,232	66	14,298	16,431
Training	875	4,024	864	1,099	-	115	6,977	4,329	27,667	31,996	38,973
Postage and delivery	-	-	53	-	-	-	53	9,019	24,013	33,032	33,085
Bus operations	-	749	69	-	-	-	818	1,856	-	1,856	2,674
Travel	4,571	149	76	274	-	475	5,545	(672)	54	(618)	4,927
Indirect expenses	295,268	165,896	166,856	23,247	36,232	89,016	776,515	(839,455)	62,940	(776,515)	-
Depreciation and amortization	19,134	25,068	48,025	2,907	-	20,991	116,125	66,264	7,214	73,478	189,603
Donated services	48,882	-	-	-	-	-	48,882	75,841	-	75,841	124,723
Legal fees	-	-	-	-	-	-	-	8,179	-	8,179	8,179
Total Expenses	\$ 2,315,646	\$ 1,296,543	\$ 1,079,231	\$ 129,459	\$ 520,593	\$ 606,916	\$ 5,948,388	\$ 705,513	\$ 414,926	\$ 1,120,439	\$ 7,068,827

See accompanying notes.

Iona Senior Services

Statements of Cash Flows For the Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 529,574	\$ 1,736,283
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net realized and unrealized gain on investments	(613,809)	(491,162)
Depreciation and amortization	251,177	189,603
Change in allowance for doubtful accounts	-	21,545
Change in discount on multi-year contributions receivable	-	(9,321)
Loss on disposal of property and equipment	51,529	-
Forgiveness of Paycheck Protection Program loans	(794,979)	(705,000)
Donated securities	(236,395)	(56,449)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(257,971)	(211,958)
Contributions receivable	279,412	267,848
Grants receivable	(82,599)	239,660
Prepaid expenses	(1,548)	(7,707)
Increase (decrease) in:		
Accounts payable	47,457	35,863
Accrued expenses	(3,300)	115,067
Deferred revenue	-	(750)
Security deposits	-	2,709
Deferred rent and lease incentive liability	(2,186)	999,623
	(833,638)	2,125,854
Net cash (used in) provided by operating activities		
Cash Flows from Investing Activities		
Purchases of fixed assets	(247,566)	(2,066,058)
Purchases of investments	(3,277,610)	(2,510,565)
Proceeds from sale of investments	3,014,166	2,058,790
	(511,010)	(2,517,833)
Net cash used in investing activities		
Cash Flows from Financing Activities		
Proceeds from conditional contribution – Paycheck Protection Program	794,979	705,000
Proceeds from issuance of note payable	-	350,000
	794,979	1,055,000
Net cash provided by financing activities		
Net (Decrease) Increase in Cash and Cash Equivalents	(549,669)	663,021
Cash and Cash Equivalents, beginning of year	1,541,619	878,598
Cash and Cash Equivalents, end of year	\$ 991,950	\$ 1,541,619

See accompanying notes.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

1. Nature of Operations

Iona Senior Services (“Iona”) has served as a respected and trusted provider of essential senior services for Washington, DC elders, their families, and the community since 1975. Iona fulfills its mission to support people as they experience the challenges and opportunities of aging through education, advocacy, and the provision of community-based programs and services to help people age well and live well. Iona envisions a community that celebrates, values, respects, and protects the contributions and possibilities of every individual. Iona’s activities are primarily funded through DC Government grants and contributions from private foundations, corporations, and individuals.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

Iona’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Measure of Operations

Iona includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities, and excludes realized and unrealized gains and losses and management fees on investments.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for a Board-designated endowment.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets (continued)

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

For the purpose of the statements of cash flows, Iona considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Excluded from this definition of cash equivalents are amounts held for investment.

Accounts Receivable

Iona's accounts receivable are all due in less than one year and are recorded at net realizable value. Iona writes off accounts receivable when they become uncollectible. When necessary, an allowance for uncollectible accounts receivable is determined based upon management's best estimate of the potential future uncollectibility of accounts outstanding. The allowance for doubtful accounts, based on management's evaluation of the collectability of receivables, was \$23,110 and \$34,516 at September 30, 2021 and 2020, respectively. Included in accounts receivable are employee receivables related to their portion of the health insurance premiums in the amount of \$26,057 and \$600 at September 30, 2021 and 2020, respectively.

Contributions Receivable

Contributions receivable include unconditional promises to give from various individuals, organizations, and foundations, to be used in support of Iona's programs. Contributions receivable are reflected at either net realizable value or at net present value based on projected cash flows. Amounts receivable in more than one year were discounted at an average annual rate of 2.4% and 1.7% at September 30, 2021 and 2020, respectively, using a rate that considers market and credit risk.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Contributions Receivable (continued)

Management has not established an allowance for uncollectible contributions, since all amounts are deemed fully collectable at September 30, 2021 and 2020.

Grants Receivable

Grants receivable are stated at the amount management expects to collect for balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding grants receivable, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged-off based on individual credit evaluation and specific circumstances of the parties involved. There was no allowance for doubtful grants receivable at September 30, 2021 and 2020.

Investments

Investments consist of money market funds, fixed income securities, equity securities, and limited partnerships. Investments in marketable securities are recorded at fair value based on quoted market prices. Interests in limited partnerships are reported at net asset value (NAV) as a practical expedient to fair value.

The fair value of investments in real estate funds and equity funds is determined based on NAV provided by the external investment managers of the underlying funds. Several of these investments, particularly those investing in private equity and real assets, hold investments in non-marketable securities for which there are no readily obtainable values. Values for these investments are provided by the investment manager and may be based on appraisals, obtainable prices for similar assets, or other estimates. Due to the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

Realized and unrealized gains and losses, along with investment management fees, are reported as non-operating activities in the accompanying statements of activities.

Property and Equipment

Property and equipment acquisitions with a cost in excess of \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

Depreciation and amortization is computed using the straight-line method over the shorter of the estimated useful lives of the related assets or applicable lease terms. The useful lives range from three to 10 years. Repairs and maintenance costs are expensed as incurred.

Revenue Recognition

Revenue Accounted for as Contracts with Customers

Revenue is recognized when Iona satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration Iona expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, Iona combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met. Specifically, for the various types of contracts, Iona recognizes revenue as follows:

Participant fees and third-party reimbursements from services provided are recognized once the amount of payment to be received is known and collection is considered probable.

License income is recognized at a point in time when a monthly performance obligation is transferred to the subtenants. The amount recognized is the amount that reflects the consideration received or expected to be received in exchange for subtenants' rights of using the rented office space.

Revenue Accounted for in Accordance with Contribution Accounting

Grants that are nonreciprocal are recognized as contributions. For contributions, revenue is recognized when a contribution becomes unconditional. Typically, federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Sponsorship agreements contain a right of return or right of release from obligation should the sponsored event not take place. As such, Iona recognizes revenue for these grants when the conditions on which they depend have been substantially met.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Contributions are recognized when cash, securities, or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Iona reports contributions with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Donated Goods and Services

In-kind contributions consist of professional services and donated facilities that are recognized at fair value at the time of donation. Iona also receives a substantial amount of services donated by volunteers in carrying out its programs. These services, however, are not reflected in the accompanying financial statements since they do not meet the criteria for recognition under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605-25-16, *Contributed Services*.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Recently Issued Accounting Pronouncements

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendment is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements in presentation and disclosure requirements.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (continued)

Under the new ASU, not-for-profit entities will be required to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The guidance is effective beginning in Iona's fiscal year 2023.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in Iona's fiscal year 2023.

Reclassifications

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation. These reclassifications have no effect on the change in net assets previously reported.

Subsequent Events

In preparing these financial statements, Iona has evaluated events and transactions for potential recognition or disclosure through March 9, 2022, the date the financial statements were available to be issued.

3. Liquidity and Availability

Iona's Board-designated endowment is subject to an annual spending rate of 5% as described in Note 16.

Iona's donor-restricted endowments are not available for general expenditures. Income from donor-restricted endowments is restricted for specific purposes. Management periodically reviews Iona's liquid asset needs and adjusts the cash and cash equivalents balances as necessary. Amounts in excess of operating liquidity needs are invested in money market funds. In addition, Iona has an established line of credit of \$300,000, as described in Note 13, that may be drawn upon in the event of financial distress or an immediate liquidity need.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

3. Liquidity and Availability (continued)

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at September 30:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 991,950	\$ 1,541,619
Accounts receivable, net	552,541	294,570
Contributions receivable, current portion	513,217	561,243
Grants receivable	330,781	248,182
Investments	<u>8,397,455</u>	<u>7,283,807</u>
 Total financial assets at year end	 <u>10,785,944</u>	 <u>9,929,421</u>
 Less: amounts not available for general use:		
Board-designated funds	(2,919,906)	(2,463,352)
Donor-restricted endowment	(4,796,849)	(4,416,497)
Donor-restricted – Ward 8 project	<u>(297,684)</u>	<u>(921,489)</u>
 Total financial assets available for general expenditures	 <u>\$ 2,771,505</u>	 <u>\$ 2,128,083</u>

4. Concentrations of Credit Risk

Financial instruments that potentially subject Iona to significant concentrations of credit risk consist of cash and cash equivalents, and investments. Iona maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). Iona has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

5. Investments and Fair Value Measurement

Investment income consists of the following for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 110,465	\$ 128,162
Net realized and unrealized gain	613,809	491,162
Investment management fees	<u>(49,742)</u>	<u>(42,908)</u>
Total investment income	<u>\$ 674,532</u>	<u>\$ 576,416</u>

Iona's Board of Directors approved an endowment appropriation equal to 5% of the average balance of the Building Endowment, Program Endowment, and Caregiver Support Fund over the previous 12 quarters, which amounted to \$145,752 and \$229,716, respectively, for the years ended September 30, 2021 and 2020, appropriated from the net realized and unrealized gain.

Iona follows FASB ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

5. Investments and Fair Value Measurement (continued)

Iona uses the NAV provided by external investment managers as a practical expedient to determine the fair value of all underlying investments that (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company. For such investments, Iona has adopted the guidance outlined in *ASU 2015-07 Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, which does not require these investments to be categorized within the fair value hierarchy. The amendments within ASU 2015-07 also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. Those disclosures are instead limited to investments for which the entity has not elected to measure the fair value using a practical expedient.

In general, and where applicable, Iona uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. Iona considers observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Iona used the following methods and significant assumptions to estimate the fair value of assets:

Fixed Income Securities, Equity Securities, and Money Market Funds: Fair value of Iona's money market, and equity and fixed income mutual funds is determined based on quoted market prices and is classified as Level 1.

Private Equity Funds: Iona's investments in private equity funds are valued based on NAV per share practical expedient in accordance with ASU 2015-07. These instruments do not have a readily determinable fair value. Private equity funds are measured at NAV per share (or its equivalent) using the practical expedient, and have not been categorized in the fair value hierarchy. The fair value amounts presented in the following table are intended to permit reconciliation of the fair value hierarchy to the amounts present in the accompanying statements of financial position.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

5. Investments and Fair Value Measurement (continued)

The following table presents Iona's fair value hierarchy for those investments measured on a recurring basis at September 30:

	Total fair value	Level 1	Level 2	Level 3	NAV
<u>2021:</u>					
Fixed income:					
U.S. Treasury note	\$ 2,329,159	\$ 2,329,159	\$ -	\$ -	-
Bank loans	5,401	5,401	-	-	-
Consumer notes	475,988	475,988	-	-	-
Equity:					
U.S. equities	2,811,694	2,811,694	-	-	-
International equities	335,602	335,602	-	-	-
Money market funds	2,042,641	2,042,641	-	-	-
Private equity:					
Real estate investment trust	349,815	-	-	-	349,815
Global income trust	47,155	-	-	-	47,155
Total investments	\$ 8,397,455	\$ 8,000,485	\$ -	\$ -	\$ 396,970
<u>2020:</u>					
Fixed income:					
U.S. Treasury note	\$ 1,773,095	\$ 1,773,095	\$ -	\$ -	-
Bank loans	123,057	123,057	-	-	-
Consumer notes	505,060	505,060	-	-	-
Equity:					
U.S. equities	2,688,530	2,688,530	-	-	-
International equities	257,108	257,108	-	-	-
Money market funds	1,507,193	1,507,193	-	-	-
Private equity:					
Real estate investment trust	388,323	-	-	-	388,323
Global income trust	41,441	-	-	-	41,441
Total investments	\$ 7,283,807	\$ 6,854,043	\$ -	\$ -	\$ 429,764

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

5. Investments and Fair Value Measurement (continued)

The following table summarizes the nature of Iona's private equity funds valued based on NAV as a practical expedient and its ability to redeem these funds as of September 30, 2021:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Private equity funds:				
Real estate investment trusts:				
KBS Real Estate Investment Trust III, Inc.	\$ 196,272	\$ -	Illiquid	Illiquid
Phillips Edison Grocery Center Real Estate Investment Trust I	94,003	-	Illiquid	Illiquid
NorthStar Healthcare Income, Inc.	59,540	-	Illiquid	Illiquid
Global income trust:				
HMS Income Fund, Inc.	47,155	-	Illiquid	Illiquid
Total investments based on NAV	<u>\$ 396,970</u>	<u>\$ -</u>		

The following table summarizes the nature of Iona's private equity funds valued based on NAV as a practical expedient and its ability to redeem these funds as of September 30, 2020:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Private equity funds:				
Real estate investment trusts:				
KBS Real Estate Investment Trust III, Inc.	\$ 212,309	\$ -	Illiquid	Illiquid
Phillips Edison Grocery Center Real Estate Investment Trust I	80,351	-	Illiquid	Illiquid
NorthStar Healthcare Income, Inc.	95,663	-	Illiquid	Illiquid
Global income trust:				
HMS Income Fund, Inc.	41,441	-	Illiquid	Illiquid
Total investments based on NAV	<u>\$ 429,764</u>	<u>\$ -</u>		

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

5. Investments and Fair Value Measurement (continued)

Private equity funds consist of funds that directly invest in real estate investment trusts and a global income trust. The fair value of the investments in this category has been estimated using the NAV of Iona's partnership interest in partners' capital. Investments in this class cannot be redeemed. Instead, distributions are made from operating proceeds on a periodic basis. Iona currently does not intend to liquidate these various funds in the foreseeable future.

Iona's private equity fund investments consist of the following funds:

Real Estate Investment Trusts

KBS Real Estate Investment Trust III, Inc. (KBS) is a non-traded real estate investment trust that includes a diverse portfolio of real estate properties across the United States, as well as real estate-related loans and securities. Its strategy involves focusing on investing in a portfolio of core office properties and other types of properties. KBS performs monthly and annual valuation procedures for each Partnership Investment. The investments in this fund are valued at their NAV as reported by the underlying investment manager. Iona had an investment in KBS totaling \$196,272 and \$212,309 at September 30, 2021 and 2020, respectively.

Phillips Edison Grocery Center Real Estate Investment Trust I ("Phillips Edison") is an internally-managed, publicly-registered, non-traded real estate investment trust that seeks to invest primarily in grocery-anchored shopping centers. Phillips Edison performs only quarterly valuation procedures for each Partnership Investment. The investments in this fund are valued at their NAV as reported by the underlying investment manager. Iona had an investment in Phillips Edison totaling \$94,003 and \$80,351 at September 30, 2021 and 2020, respectively.

NorthStar Healthcare Income, Inc. ("NorthStar Healthcare") is a public, non-traded real estate investment trust that was formed to originate, acquire, and manage asset equity and debt investments in healthcare real estate. NorthStar Healthcare is focused on investing in the needs-driven senior housing sector, including independent living facilities, assisted living, memory care, and skilled nursing facilities. NorthStar Healthcare performs quarterly and annual valuation procedures for each Partnership Investment. The investments in this fund are valued at their NAV as reported by the underlying investment manager. Iona had an investment in NorthStar Healthcare totaling \$59,540 and \$95,663 at September 30, 2021 and 2020, respectively.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

5. Investments and Fair Value Measurement (continued)

Global Income Trust

HMS Income Fund, Inc. (“the Fund”) is a public, non-traded business development company that focuses on income and capital appreciation. The Fund’s strategy is to make debt investments in syndicated middle-market companies as well as self-originated debt and equity investments in lower middle-market companies. The Fund performs quarterly and annual valuation procedures for each Partnership Investment. The investments in this fund are valued at their NAV as reported by the underlying investment manager. Iona had an investment in the Fund totaling \$47,155 and \$41,441 at September 30, 2021 and 2020, respectively.

6. Contributions Receivable

Contributions receivable are promised as follows at September 30:

	2021	2020
Receivable in less than one year	\$ 513,217	\$ 561,243
Receivable in one to five years	284,870	519,033
Total contributions receivable	798,087	1,080,276
Less: discount	(11,851)	(14,628)
Contributions receivable, net	\$ 786,236	\$ 1,065,648

7. Grants Receivable

Iona has been awarded grants for Senior Services from the Department of Aging and Community Living (DACL) in order to provide a comprehensive array of services to older adults in Washington, DC during the project period of October 1, 2020 through September 30, 2021. The total project expenditures amounted to \$3,083,377, during the year ended September 30, 2021. Of the total expenditures, DACL funded \$3,047,423, and Iona funded the remaining \$35,954.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

7. Grants Receivable (continued)

The amounts not received from DACL as of year end have been recorded as grants receivable in the amount of \$330,781 and \$248,182 at September 30, 2021 and 2020, respectively. Under the terms of the agreement, Iona may include donated services as part of the local cost share that do not meet the criteria for recording donated services under generally accepted accounting principles. Accordingly, these donated services have not been recorded in Iona's financial statements.

8. Property and Equipment

Iona held the following property and equipment at September 30:

	2021	2020
Building and improvements	\$ 7,216,443	\$ 7,191,841
Furniture and equipment	1,547,363	1,435,134
Software	56,455	-
Website	54,300	54,300
Vehicles	26,868	24,118
	<hr/>	<hr/>
Total property and equipment	8,901,429	8,705,393
Less: accumulated depreciation and amortization	(3,467,732)	(3,216,556)
	<hr/>	<hr/>
Property and equipment, net	<u>\$ 5,433,697</u>	<u>\$ 5,488,837</u>

As part of the Ward 8 program, Iona entered into an operating lease for additional office space located in The Shops at Park Village in Washington, DC. For the year ended September 30, 2020, additions to leasehold improvements under this lease totaled \$2,019,872, of which \$1,000,000 is covered by a tenant improvement allowance (see details in Note 14).

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

9. Note Payable

On January 17, 2020, Iona entered into a promissory note agreement with the landlord of the premises rented for its Ward 8 program in The Shops at Park Village in Washington, DC (see Note 14). This note bears zero interest with a principal payment of \$350,000 due on January 17, 2025. Any outstanding principal after January 17, 2025 will bear annual interest of 6%. Iona did not record imputed interest for fiscal year 2021 and 2020 due to immateriality.

10. Conditional Contributions – Paycheck Protection Program

Under the Paycheck Protection Program administered by the U.S. Small Business Administration, on April 6, 2020, Iona received \$705,000 from United Bank (“the PPP Loan”). The PPP Loan is subject to full forgiveness upon use of the funds for payroll and other eligible costs and compliance with certain limitations on payroll and staffing reductions over a 24-week period. As such, Iona has accounted for this PPP Loan as a conditional contribution.

During the covered period from April 6, 2020 to August 5, 2020, Iona had incurred qualifying expenditures, and on January 11, 2021, the PPP Loan forgiveness was approved for the full amount of the loan. Management has determined the conditions have been substantially satisfied as of September 30, 2020, and the related contribution was recognized as contribution revenue in the accompanying statement of activities for the year ended September 30, 2020.

On February 10, 2021, Iona received \$794,979 from a second draw of the PPP Loan. During the covered period from February 10, 2021 to July 28, 2021, Iona had incurred qualifying expenditures. Subsequent to year end, on November 9, 2021, the PPP Loan forgiveness was approved for the full amount of the loan. Management has determined the conditions have been substantially satisfied as of September 30, 2021, and the related contribution was recognized as contribution revenue in the accompanying statement of activities for the year ended September 30, 2021.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

11. Economic Injury Disaster Loan Advance

Iona applied for a loan advance under the Economic Injury Disaster Loan Assistance program (EIDL) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The EIDL program is designed to provide economic relief to small businesses that are currently experiencing a temporary loss of revenue due to COVID-19. The loan advance was granted to Iona on July 2, 2020 in the amount of \$10,000. The loan advance is included in other income in the accompanying statement of activities for the year ended September 30, 2020.

12. Downtown Cluster's Geriatric Day Care Center

Downtown Cluster's Geriatric Day Care Center ("the Center") was a nonprofit, community-based tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). The Center's mission was to improve the quality of life for the elderly residents in the District of Columbia.

On October 4, 2017, Iona entered into an agreement with the DACL to sponsor the Center and assume temporary fiduciary control of the Center's grant from DACL for the period commencing October 1, 2017 through September 30, 2018.

On September 30, 2018, the fiduciary agency agreement with the Center was extended to cover the fiscal period from October 1, 2018 through September 30, 2019. The extended agreement transferred the fiduciary responsibility for all the funds awarded under this grant to Iona. According to the terms of the agreement, Iona served as the trustee and had total responsibility for all DACL grant funds awarded to the Center.

On October 1, 2019, Iona entered into a transition of grant services agreement with the Center. Under this agreement, Iona was the recipient of the DACL grant for geriatric day care services for the period from October 1, 2019 to September 30, 2020. The Center was managing the provision of services under the DACL grant on behalf of Iona, and Iona was reimbursing the Center from the DACL grant funds for services provided, until Iona opened its new geriatric day care program in Ward 8. For the year ended September 30, 2020, Iona received a grant from DACL for the Geriatric Day Care Center program in the total amount of \$636,947, which is included in government grant revenue in the accompanying statements of activities.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

12. Downtown Cluster's Geriatric Day Care Center (continued)

Effective August 1, 2020, Iona and the Center entered into a Medicaid services agreement. Under this agreement, all employees of the Center have been transferred and became the employees of Iona. Upon approval of Iona's new Adult Day Center as a Medicaid provider, the Center was closed and ceased operations. With Iona's assistance, the Center continued to provide services to Medicaid participants until April 2021 when Iona's Washington Home Center became a Medicaid-approved adult day health provider.

13. Line of Credit

On August 15, 2017, Iona opened a line of credit with a financial institution in the amount of \$300,000, which is secured by a blanket lien. The interest rate is based on the thirty-day LIBOR rate plus 2.75%, floating with a floor of 4.8%. There was no outstanding balance on the line of credit at September 30, 2021 and 2020.

14. Commitments and Contingencies

Operating Leases

Albemarle Street Lease

In December 1991, Iona signed an operating lease agreement with the Government of the District of Columbia ("the District") for the property and land located at 4125 Albemarle Street, which expires in 2041.

The annual rent is fixed at the below-market rate of \$1 annually over the term of the lease, including any extensions that Iona elects to exercise. Iona has the absolute right to renew the lease for an additional 50-year period after the expiration date. The lease stipulates that replacement buildings, whether paid for with funds contributed by the District or by Iona, will immediately vest in the District, and will belong to the District subject to the rights of Iona under the lease.

Because Iona used funds contributed by donors to raze the existing building, ready the land for usage, and construct the building that currently occupies the land at 4125 Albemarle Street, the cost of the building and land improvement is recorded as a leasehold asset in the statements of financial position, and is depreciated over an estimated useful life of 60 years, which is less than the remaining life of the lease plus the automatic 50-year renewal.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

14. Commitments and Contingencies (continued)

Operating Leases (continued)

Albemarle Street Lease (continued)

Regarding the below market rent on the leased land, Iona does not record the fair value of use of the land as an in-kind donation, since it is impracticable to establish an estimated fair value. The leasehold assets are utilized in the direct conduct of Iona's programs.

Ward 8 Lease

As part of the Ward 8 program, Iona entered into an operating lease for additional office space located in The Shops at Park Village in Washington, DC. The lease commenced on July 1, 2020 with an initial term expiring on July 1, 2030. Iona was granted three, five-year extension terms until July 1, 2045, which Iona plans to exercise. The terms of the lease contain future fixed rent increases of 2% per year, as well as certain lease incentives, including a tenant improvement allowance not to exceed \$1,000,000. In addition to the tenant improvement allowance, the landlord provided to Iona a five-year, \$350,000 zero interest loan (see details in Note 9).

Iona may terminate this lease with nine months' prior written notice to the landlord, in the event that DACL significantly reduces or ceases its funding of the adult day healthcare.

Iona also leases office equipment under several operating leases. Rent expense for the office equipment amounted to \$39,890 and \$43,668, respectively, for the years ended September 30, 2021 and 2020.

License Agreements

Iona has three operating license agreements to utilize several offices on the second and third floors. One of the license agreements contains fixed monthly payments over a five-year term, commencing on September 1, 2018 and expiring on August 31, 2023. Another license agreement is renewed annually on a calendar-year basis. Each renewal year, the license contains fixed monthly payments. This license agreement expires May 31, 2023.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

14. Commitments and Contingencies (continued)

License Agreements (continued)

The other license agreement on the second and third floors commenced on December 20, 2011 for a period of five years with a renewal option. The terms of this agreement require monthly payments of \$4,554 for the second-floor space and \$5,666 for the third-floor space, with annual escalations of 2%. Deferred license asset was not recorded in the accompanying statements of financial position due to immateriality. The license agreement was amended in August 2018 to include only the third-floor space, and renewed for an additional five-year term through August 2023.

Future minimum lease payments and license receipts under all non-cancellable operating leases and license agreements are as follows for the years ending September 30:

	Lease Payments	License Receipts	Net
2022	\$ 161,366	\$ (45,000)	\$ 116,366
2023	164,196	(41,250)	122,946
2024	167,048	-	167,048
2025	150,719	-	150,719
2026	151,913	-	151,913
Thereafter	3,482,948	-	3,482,948
Total	\$ 4,278,190	\$ (86,250)	\$ 4,191,940

For the years ended September 30, 2021 and 2020, Iona recognized licensee income related to these agreements in the amount of \$143,978 and \$146,033, respectively. In addition, due to the nominal amounts, future minimum land rental payments of \$1 per year through 2041 are not disclosed.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

15. Net Assets

Net Assets Without Donor Restrictions

Undesignated net assets without donor restrictions are comprised of the following funds at September 30:

	<u>2021</u>	<u>2020</u>
Property and equipment	\$ 5,433,697	\$ 5,488,837
Undesignated	<u>707,621</u>	<u>279,857</u>
 Total undesignated net assets without donor restrictions	 <u>\$ 6,141,318</u>	 <u>\$ 5,768,694</u>

Iona's Board of Directors has internally designated a portion of net assets without donor restrictions for the following purposes for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Facility replacement fund	\$ 1,080,751	\$ 972,764
Program endowment fund	1,020,610	1,110,588
Reserve fund	575,000	-
IT infrastructure fund	243,545	300,000
Operations fund	<u>-</u>	<u>80,000</u>
 Total Board-designated net assets without donor restrictions	 <u>\$ 2,919,906</u>	 <u>\$ 2,463,352</u>

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

15. Net Assets (continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or special projects at September 30:

	2021	2020
Program restricted – Ward 8 project	\$ 297,684	\$ 921,489
Time restricted – multi-year contribution receivables	671,169	727,320
Total program and time restricted	968,853	1,648,809
Endowment earnings:		
Building fund earnings	1,790,237	1,521,650
Braxton I Warner Memorial earnings	17,123	14,618
Caregiver support fund earnings	62,787	46,940
Jerome Jacobson Foundation earnings	505,438	412,025
Endowment corpus:		
Building fund	1,317,533	1,317,533
Caregiver support fund	171,251	171,251
Braxton I Warner Memorial fund	24,350	24,350
Jerome Jacobson Foundation fund	908,130	908,130
Total endowment	4,796,849	4,416,497
Total net assets with donor restrictions	\$ 5,765,702	\$ 6,065,306

Building Fund: Net assets with donor restrictions that consist of funds received by Iona in relation to its capital campaign, which ended in 1999, to raise endowment funds to provide investment income for use in maintaining its building.

Braxton I Warner Memorial: Net assets with donor restrictions that consist of funds received by Iona that, according to the donor's wishes, are to be used to establish a training fund to be maintained separately and in perpetuity. The income from the fund is to be used to provide special training on an annual basis for the staff of Iona.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

15. Net Assets (continued)

Net Assets With Donor Restrictions (continued)

Caregiver Support Fund: Net assets with donor restrictions that consist of funds received by Iona that, according to the donor's wishes, are to be used to provide scholarships and related support for needy senior citizens in the Washington, DC area to attend Iona Wellness and Arts Programs.

Jerome Jacobson Foundation: Net assets with donor restrictions that consist of funds received by Iona that, according to the donor's wishes, are to be held in perpetuity. The income from the fund is to be used in support of Iona's programs and services at management's discretion; however, the principal is to be held in perpetuity as a part of Iona's endowment portfolio.

16. Endowment

Iona's endowment has been funded by donor-restricted contributions to be held in perpetuity, the earnings of which are to be used for building-related expenditures including operations, maintenance, repairs and replacements, and capital improvements. In addition, Iona maintains a Board-designated endowment fund for support of Iona's programs. Under accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Iona has interpreted the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, Iona classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, Iona considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of Iona and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of Iona; and (7) investment policies of Iona.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

16. Endowment (continued)

Return Objectives and Risk Parameters

Iona follows a conservative investment policy for endowment assets that attempts to preserve fully the original corpus and optimize returns. Under such a policy, the endowment assets would be invested in a manner that is intended to produce results exceeding major investment benchmarks while assuming a moderate level of risk. The Administration and Finance Committee shall make available, as needed each year, an amount that is equal to 5% of the average balance of the Building Endowment and Program Endowment over the previous 12 quarters (three years ending March 31), provided sufficient net appreciation is available over the historic dollar amount of those two funds. The Building Endowment fund can be used for general and operating expenses, and the Program Endowment fund can be used to support Iona's programs.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Iona relies on a total return strategy in which investment returns are achieved both through capital appreciation (realized and unrealized) and current yield (interest and dividends). Iona targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. There were no fund deficiencies at September 30, 2021 and 2020.

Composition of Endowment Funds

Endowment net asset composition was as follows as of September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	\$ -	\$ 4,796,849	\$ 4,796,849
Board-designated endowment	2,101,361	-	2,101,361
Total endowment funds	<u>\$ 2,101,361</u>	<u>\$ 4,796,849</u>	<u>\$ 6,898,210</u>

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

16. Endowment (continued)

Composition of Endowment Funds (continued)

Endowment net asset composition was as follows as of September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	\$ -	\$ 4,416,497	\$ 4,416,497
Board-designated endowment	2,083,352	-	2,083,352
	<hr/>		
Total endowment funds	<u>\$ 2,083,352</u>	<u>\$ 4,416,497</u>	<u>\$ 6,499,849</u>

Changes in Endowment Funds

Changes in endowment net assets were as follows for the year ended September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ 2,083,352	\$ 4,416,497	\$ 6,499,849
Investment return:			
Interest and dividends	39,070	70,172	109,242
Net appreciation	190,853	422,817	613,670
	<hr/>		
Total investment return	229,923	492,989	722,912
	<hr/>		
Appropriation of assets for expenditure	(211,914)	(112,637)	(324,551)
	<hr/>		
Endowment net assets, ending	<u>\$ 2,101,361</u>	<u>\$ 4,796,849</u>	<u>\$ 6,898,210</u>

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

16. Endowment (continued)

Changes in Endowment Funds (continued)

Changes in endowment net assets were as follows for the year ended September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ 2,018,231	\$ 4,166,190	\$ 6,184,421
Investment return:			
Interest and dividends	45,669	76,132	121,801
Net appreciation	153,768	336,673	490,441
Total investment return	199,437	412,805	612,242
Appropriation of assets for expenditure	(134,316)	(162,498)	(296,814)
Endowment net assets, ending	\$ 2,083,352	\$ 4,416,497	\$ 6,499,849

17. In-Kind Contributions

Donated Services and Goods

During the years ended September 30, 2021 and 2020, Iona received donated legal, consulting, and medical services amounting to \$59,758 and \$124,723, respectively, which are included in in-kind contributions in the accompanying statements of activities. Also included in the accompanying statement of activities are donated facilities in the form of free rent for events and activities, amounting to \$122,500 for the year ended September 30, 2020. There were no donated facilities in the form of free rent for events and activities received in the year ended September 30, 2021.

In addition, Iona receives donated services and facilities relating to the DACL grant described in Note 7. Iona received donated services in the form of volunteers, who delivered meals or paid social visits to seniors. However, these donated services are not reflected in the accompanying financial statements, since they do not meet the criteria for recognition under FASB ASC 958-605-25-16, *Contributed Services*.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

17. In-Kind Contributions (continued)

Donated Services and Goods (continued)

Donated goods are recorded in the accompanying statements of activities at their estimated fair value at the date of receipt. There were no donated goods for the years ended September 30, 2021 and 2020.

18. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Where feasible, Iona allocates its expenses directly to specific functions. The expenses that are allocated indirectly include salaries and benefits, which are allocated on the basis of estimates of time and effort. Additionally, expenses such as occupancy, printing and copying, dues and subscriptions, supplies, postage and delivery, travel, and depreciation and amortization are allocated utilizing an overhead cost allocation methodology based on estimates of staff time and effort spent on the specific function.

19. Retirement Plan

Iona sponsors a defined contribution plan under IRC Section 403(b), covering all employees who meet certain eligibility requirements. Participating employees may contribute up to the current dollar limit as defined by the IRC. Iona makes contributions of 2% of employees' salaries. Iona's contribution to the plan was \$68,823 and \$59,524 for the years ended September 30, 2021 and 2020, respectively.

20. Donor-Advised Fund

In 1998, an agreement was signed between the Estate of Pauline Shackleton ("the Estate") and the Community Foundation for the National Capital Region ("the Community Foundation") to create a donor-advised fund entitled *The Polly Shackleton Fund for IONA Senior Services* ("the Fund"). The Community Foundation has legal control of the Fund and determines the amount and timing of distributions to Iona, while the Estate retains advisory privileges. As of September 30, 2021 and 2020, total assets of the fund amounted to \$395,985 and \$370,998, respectively, which are not included in the accompanying statements of financial position. During the years ended September 30, 2021 and 2020, Iona received distributions in the amount of \$18,408 and \$18,471, respectively, which are included in contributions income in the accompanying statements of activities.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

21. Program Services

Consultation, Care Management, and Counseling

Iona's core programs are built around the needs of older adults and family caregivers who are facing difficult transitions, isolation, loss of family and social supports, and/or serious health challenges that impact their safety, well-being, and ability to remain in the home of their choice.

Through the Consultation, Care Management, and Counseling programs, compassionate and highly trained social workers, psychotherapists, and registered nurses provide intensive, customized, person-centered support and solutions to older adults and families, helping them navigate complex challenges.

In addition, Iona offers mental health counseling and support groups to help people better cope with caregiver stress, grief, loss, depression, chronic illness such as Parkinson's, low vision or other disabilities, memory loss, and major life transitions.

Harry and Jeanette Weinberg Adult Day Health, Wellness, and Arts Center

Iona's Harry and Jeanette Weinberg Adult Day Health, Wellness, and Arts Center is an award-winning, state-of-the-art adult day health program that provides holistic, individualized care and robust programming, including art therapies for older adults in a safe, medically-supervised and social community. Iona's trained and experienced staff members care for and engage older adults living with Alzheimer's or Parkinson's disease, diabetes, stroke, and many other chronic conditions and/or physical and intellectual disabilities, while providing support and respite to their family caregivers.

Information, Referral, and Community Programming

In addition to the 4,719 older adults and family caregivers annually who are directly helped by Iona to cope with the complex challenges of aging, Iona reaches 80,000 people with information from its website and free Resource Guide. In fiscal year 2021, 4,248 calls to Iona's Helpline from 2,178 people were answered by expert staff comprised of social workers and nurses who connect people to resources at Iona and beyond. Iona also supports active older adults who want to live vibrant lives through the innovative Take Charge/Age Well Academy, fitness classes in Iona's exercise studio, and the Lois and Richard England Gallery at Iona. Iona's Active Wellness Program at St. Alban's provides opportunities for socializing, life-long learning, and wellness classes. Activities include a nutritious lunch, exercise, a Farmer's Market, nutrition education, and field trips.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

21. Program Services (continued)

Information, Referral, and Community Programming (continued)

In fiscal year 2021, 179 volunteers gave 5,134 hours of their time and talent in service to Iona's mission.

Advocacy

Iona hosts three advocacy groups that work to improve the quality of life for older adults and their families in Washington, DC. The DC Coalition on Long-Term Care ("the Coalition") was founded in 1995 by concerned consumers, advocates, and healthcare providers to develop quality and affordable long-term care options for low-income DC older adults and persons with disabilities or chronic healthcare needs to age in place. The Coalition's current work is focused on wage improvement, health benefits, training, supervision, and opportunities for advancement of the necessary long-term care workforce.

The DC Senior Advisory Coalition (S.A.C.) was founded in 2009 by community-based providers to be a supportive voice for and with older adults in the District of Columbia, to build a community where all seniors thrive. Iona's Executive Director currently co-chairs the group of more than 50 member service providers and dedicated individual advocates as they work in four important areas: the provision of food, transportation, assistance at home, and housing for the most vulnerable, low-income older adults in the city.

Iona's Citizens Advisory Group (CAG) members are designated representatives of local aging-in-place villages, citizen advocacy initiatives, Advisory Neighborhood Commissions, local congregations, and respected activists. CAG members discuss critical issues affecting older adults living in Washington, DC and the impact of public policy on the quality of life of older adults. The members advocate and provide education that will empower and inform their fellow 60+ residents.

Corporate Eldercare

Iona provides confidential, comprehensive support and resources to help employees through the challenges of caregiving. The services Iona provides include full- or part-time onsite professional consulting by a licensed social worker, in-depth customized resources and referrals, educational seminars on caregiving and retirement, professionally-facilitated support groups, and articles for employees on aging/caregiving issues.

Iona Senior Services

Notes to Financial Statements
September 30, 2021 and 2020

22. Income Taxes

Under IRC Section 501(c)(3), Iona is exempt from federal and state income taxes other than unrelated business income, and is classified as other than a private foundation according to IRC Section 509(a)(1). Contributions to Iona are deductible as provided in IRC Section 170(b)(1)(A)(vi). At September 30, 2021 and 2020, no income tax provision was made, as Iona did not have any unrelated business income. Management has evaluated Iona's tax positions, and concluded that Iona's financial statements do not include any uncertain tax positions.

SUPPLEMENTARY INFORMATION

Iona Senior Services

Supplementary Schedule of Service Statistics
For the Year Ended September 30, 2021

<u>Service Category</u>	Congregate Meals, Weekday	Counseling	Health Promotion	Nutrition Counseling	Nutrition Education	Recreation/Socialization	Home Delivered Meals, Weekend
Units of service per IONA records	638	2,930	1,283	630	694	1,373	121,379
Audit adjustments	-	-	-	-	-	-	-
Actual audited units of service	638	2,930	1,283	630	694	1,373	121,379

<u>Service Category</u>	Transportation of Home Delivered Meals	Transportation to Sites/Activities	Comprehensive Assessment	Case Management	Home Delivered Meals, Weekday	Geriatric Day Care	Literacy
Units of service per IONA records	18,168	614	114	3,385	734	5,299	16
Audit adjustments	-	-	-	-	-	-	-
Actual audited units of service	18,168	614	114	3,385	734	5,299	16

Iona Senior Services

Supplementary Schedule of Service Statistics for
Ward 8 Geriatric Day Care Center
For the Year Ended September 30, 2021

	<u>Units of Services</u> <u>2021</u>
Units of Service	
Counseling	43
Health Promotion	45
Ext Day Care	220
Geriatric Day Care	8,199
Audit Adjustments	-

Iona Senior Services

Supplementary Schedule of Service Costs For the Year Ended September 30, 2021

<u>Service Category</u>	Total	Local Share	OoA Share	Actual Service Units	OoA Unit Cost	Total Unit Cost
Congregate meals, weekday	\$ 8,133	\$ -	\$ 8,133	638	\$ 3	\$ 13
Counseling	192,068	-	192,068	2,930	29	66
Health promotion	4,855	-	4,855	1,283	2	4
Nutrition counseling	115,850	-	115,850	630	232	184
Nutrition education	10,686	-	10,686	694	15	15
Recreation/socialization	4,855	-	4,855	1,373	1	12
Comprehensive assessment	17,282	-	17,282	114	58	152
Case management	433,186	-	433,186	3,385	124	128
Geriatric day care	298,379	15,000	283,379	5,299	40	56
Ensure Program	106,476	-	106,476	734	177	145
Elder Abuse Services	23,544	-	23,544	16	392	1,519
LGBTQ Peer Counseling Program	71,695	-	71,695	614	143	117
Wellness and Satellite Program	224,144	-	224,144	18,168	15	12
COVID Home Delivered Meal	172,444	-	172,444	121,379	2	1
Individual Socialization	7,398	-	7,398	977	2	8
VR Adult Day Health	10,800	-	10,800	N/A	N/A	N/A
Totals	\$ 1,701,795	\$ 15,000	\$ 1,686,795			
Percentage of Costs	100.00%	0.88%	99.12%			

Iona Senior Services

Supplementary Schedule of Service Costs for
Ward 8 Geriatric Day Care Center
For the Year Ended September 30, 2021

	<u>Total</u>	<u>Local Share</u>	<u>DACL</u>	<u>Actual Service Unit</u>	<u>DACL Unit Unit Cost</u>
Service Category:					
Counseling	\$ -	\$ -	\$ -	43	-
Health Promotion	-	-	-	45	-
Ext Day Care	-	-	-	220	-
Day Care	<u>650,768</u>	<u>-</u>	<u>650,768</u>	8,199	79.37
Total Cost	<u><u>\$ 650,768</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 650,768</u></u>	8,507	
Percentage of Costs	100%	0%	100%		

**SUPPLEMENTARY SCHEDULE AND REPORTS REQUIRED
BY THE UNIFORM GUIDANCE**

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

To the Board of Directors of
Iona Senior Services

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 Iona Senior Services ("Iona"), which comprise the statement of financial position as of September 30, 2021; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements; and have issued our report thereon dated March 9, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iona's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iona's internal control. Accordingly, we do not express an opinion on the effectiveness of Iona'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.

Internal Control over Financial Reporting (continued)

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
March 9, 2022

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

To the Board of Directors of
Iona Senior Services

Report on Compliance for Each Major Federal Program

We have audited Iona Senior Services' ("Iona") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Iona's major federal program for the year ended September 30, 2021. Iona's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Iona'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 Iona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Auditor's Responsibility (continued)

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Iona's compliance.

Opinion on the Major Federal Program

In our opinion, Iona complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of Iona 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 Iona's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Iona's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Internal Control Over Compliance (continued)

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.

Rogers + Company PLLC

Vienna, Virginia
March 9, 2022

Iona Senior Services

Schedule of Expenditures of Federal and District of Columbia Awards
For the Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Agency or Pass-Through Grant Number	Federal ALN Number	Expenditures	Subrecipient Awards
DC Office on Aging – Department of Aging and Community Living:				
Aging Cluster – Special Programs for the Aging – Title III, Part B				
Grants for Supportive Services and Senior Centers:				
Federal:				
Ward 3 – Supporting Services and Senior Centers	LA-ION017-21	93.044	\$ 50,359	\$ -
District/Local:				
Ward 3 – Supporting Services	LA-ION017-21	93.044	1,179,139	-
Wards 2 & 3 Wellness Satellite Programs	LA-ION017-21	93.044	224,144	-
LGBTQ Peer Counseling	LA-ION017-21	93.044	71,695	-
Ward 8 – Adult Day Care Center Services	IONA-DCW8-21	93.044	606,892	-
Total Aging Cluster			<u>2,132,229</u>	<u>-</u>
Alzheimer's Disease Initiative	ALZ901-21	93.763	<u>724,000</u>	<u>-</u>
Total DC Office on Aging – Department of Aging and Community Living			<u>2,856,229</u>	<u>-</u>
U.S. Department of Health & Human Services:				
Passed through from DC Office on Aging – Department of Aging and Community Living:				
Federal:				
Ward 8 – National Family Caregiver Support Services	IONA-DCW8-21	93.052	43,876	-
LGBTQ Programming	LA-ION017-21	93.048	61,695	-
Wards 2 & 3 Wellness Satellite Programs	LA-ION017-21	93.048	26,505	-
Ward 3 – National Family Caregiver Support Services	LA-ION017-21	93.052	35,574	-
Ward 3 – Prevention of Elder Abuse, Neglect, and Exploitation	LA-ION017-21	93.041	23,544	-
Total U.S. Department of Health & Human Services			<u>191,194</u>	<u>-</u>
Total Federal			<u>241,553</u>	<u>-</u>
Total District/Local			<u>2,805,870</u>	<u>-</u>
Total expenditures of awards			<u>\$ 3,047,423</u>	<u>\$ -</u>

Iona Senior Services

Notes to the Schedule of Expenditures of Federal and District of Columbia Awards For the Year Ended September 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Iona under the programs of the federal government for the year ended September 30, 2021. The information in the SEFA 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 SEFA presents only a selected portion of the operations of Iona, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of Iona.

2. Summary of Significant Accounting Policies

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

For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the SEFA follow the cost principles contained in the Uniform Guidance. For existing awards prior to December 26, 2014, the expenditures follow the cost principles contained in OMB Circular A-122, *Cost Principles for Nonprofit Organizations*. The cost principles indicate that certain types of expenditures are not allowable or reimbursements of allowable costs are limited as to reimbursement.

3. Indirect Cost Rates

Iona records its expenditures of federal awards using the indirect cost and fringe benefit rates per the nonprofit rate agreement with the DC government, which was approved in accordance with the authority in the Uniform Guidance. In this manner, Iona has elected not to use the 10% *de minimis* indirect cost rate, which is allowed in accordance with the Uniform Guidance.

Iona Senior Services

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section I – Summary of Independent Auditors’ Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over the major program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor’s report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ Yes X No

Identification of major program:

<u>Federal ALN Number</u>	<u>Name of Federal Program or Cluster</u>
93.044	Aging Cluster (federal awards) and Aging Cluster (DC Office on Aging awards)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Iona Senior Services

Schedule of Findings and Questioned Costs (continued)
For the Year Ended September 30, 2021

Section II – Financial Statement Findings

There were no financial statement findings reported during the 2021 audit.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the 2021 audit.

Iona Senior Services

Corrective Action Plan
For the Year Ended September 30, 2021

There were no findings for the year ended September 30, 2021 and therefore, a corrective action plan was not needed.

Iona Senior Services

Schedule of Prior Audit Findings
For the Year Ended September 30, 2021

There were no findings or questioned costs reported for the 2020 audit.