

**Disability Rights Iowa  
Des Moines, Iowa**

**FINANCIAL REPORT**

**September 30, 2022 and 2021**

**C O N T E N T S**

	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS</b>	3-5
<b>FINANCIAL STATEMENTS</b>	
Statements of financial position	6
Statements of activities	7
Statements of functional expenses	8-11
Statements of cash flows	12
Notes to financial statements	13-20
<b>SUPPLEMENTARY INFORMATION</b>	21
Schedule of expenditures of federal awards - cash basis	22
Notes to schedule of expenditures of federal awards - cash basis	23
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	24-25
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	26-28
Schedule of findings and questioned costs	29

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Disability Rights Iowa  
Des Moines, Iowa

### Opinion

We have audited the accompanying financial statements of Disability Rights Iowa (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Disability Rights Iowa as of September 30, 2022 and 2021, 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.

### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Disability Rights Iowa's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards 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 January 18, 2023, on our consideration of Disability Rights Iowa'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 solely 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 the effectiveness of Disability Rights Iowa's 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 Disability Rights Iowa's internal control over financial reporting and compliance.

**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
January 18, 2023

**Disability Rights Iowa  
STATEMENTS OF FINANCIAL POSITION**

	<b>September 30</b>	
<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 248,081	\$ 71,215
Grants and contracts receivable	120,333	96,766
Other receivables	600	-
Prepaid expenses	9,214	9,537
Total current assets	378,228	177,518
<b>OTHER ASSETS</b>		
Security deposit	12,336	12,336
Investments	331,087	-
Total other assets	343,423	12,336
Totals	\$ 721,651	\$ 189,854
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 7,566	\$ 4,290
Accrued salaries and related expenses	63,162	53,556
Accrued vacation pay	48,853	47,387
Deferred grant and contract revenue	13,940	-
Total current liabilities	133,521	105,233
<b>NET ASSETS</b>		
Net assets without donor restrictions	559,140	56,500
Net assets with donor restrictions	28,990	28,121
Total net assets	588,130	84,621
Totals	\$ 721,651	\$ 189,854

**Disability Rights Iowa  
STATEMENTS OF ACTIVITIES**

	<u>Year ended September 30, 2022</u>			<u>Year ended September 30, 2021</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>						
Fees and grants from federal government agencies	\$1,852,581	\$ –	\$1,852,581	\$1,719,787	\$ –	\$1,719,787
Litigation settlement	572,297	–	572,297	–	–	–
Contributions	19,346	–	19,346	8,349	–	8,349
Investment income (loss)	(66,219)	31	(66,188)	63	–	63
Miscellaneous income	1,060	968	2,028	14,634	14,355	28,989
Net assets released from restriction	130	(130)	–	–	–	–
Total public support and revenue	<u>2,379,195</u>	<u>869</u>	<u>2,380,064</u>	<u>1,742,833</u>	<u>14,355</u>	<u>1,757,188</u>
<b>EXPENSES</b>						
Program services						
Protection and Advocacy for Individuals with Mental Illness	355,256	–	355,256	408,001	–	408,001
Protection and Advocacy for Individuals with Developmental Disabilities	395,043	–	395,043	369,830	–	369,830
Protection and Advocacy of Individual Rights	167,525	–	167,525	132,555	–	132,555
Protection and Advocacy of Traumatic Brain Injury	60,588	–	60,588	29,007	–	29,007
Protection and Advocacy of Voting Access	26,140	–	26,140	30,690	–	30,690
Protection and Advocacy for Beneficiaries of Social Security	98,804	–	98,804	92,004	–	92,004
Protection and Advocacy of Assistive Technology	34,776	–	34,776	48,080	–	48,080
Work Incentives Planning and Assistance	238,290	–	238,290	150,622	–	150,622
Protection and Advocacy for Benefits Representative Payee	230,990	–	230,990	247,009	–	247,009
Protection and Advocacy for Access to COVID-19 Vaccines	28,590	–	28,590	7,486	–	7,486
Expanding the Public Health Workforce	4,937	–	4,937	–	–	–
Other services	23,510	–	23,510	13,491	–	13,491
Total program services	<u>1,664,449</u>	<u>–</u>	<u>1,664,449</u>	<u>1,528,775</u>	<u>–</u>	<u>1,528,775</u>
Supporting services						
Management and general	212,106	–	212,106	212,915	–	212,915
Total supporting services	<u>212,106</u>	<u>–</u>	<u>212,106</u>	<u>212,915</u>	<u>–</u>	<u>212,915</u>
Total expenses	<u>1,876,555</u>	<u>–</u>	<u>1,876,555</u>	<u>1,741,690</u>	<u>–</u>	<u>1,741,690</u>
<b>CHANGE IN NET ASSETS</b>	502,640	869	503,509	1,143	14,355	15,498
<b>NET ASSETS</b> , beginning of year	<u>56,500</u>	<u>28,121</u>	<u>84,621</u>	<u>55,357</u>	<u>13,766</u>	<u>69,123</u>
<b>NET ASSETS</b> , end of year	<u>\$ 559,140</u>	<u>\$ 28,990</u>	<u>\$ 588,130</u>	<u>\$ 56,500</u>	<u>\$ 28,121</u>	<u>\$ 84,621</u>

See Notes to Financial Statements.

**Disability Rights Iowa  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended September 30, 2022**

	<u>Protection and Advocacy for Individuals with Mental Illness</u>	<u>Protection and Advocacy for Individuals with Developmental Disabilities</u>	<u>Protection and Advocacy of Individual Rights</u>	<u>Protection and Advocacy of Traumatic Brain Injury</u>	<u>Protection and Advocacy of Voting Access</u>	<u>Protection and Advocacy for Beneficiaries of Social Security</u>
Salaries	\$ 230,111	\$ 261,262	\$ 110,523	\$ 39,668	\$ 15,829	\$ 63,725
Employee benefits	24,800	25,587	11,161	4,146	1,477	8,325
Payroll taxes	<u>16,965</u>	<u>18,963</u>	<u>8,053</u>	<u>2,903</u>	<u>1,155</u>	<u>4,696</u>
Total salaries and related expenses	271,876	305,812	129,737	46,717	18,461	76,746
Professional fees and contract services	18,167	22,869	8,400	3,425	948	5,473
Supplies	1,684	1,786	740	304	68	487
Telephone	1,304	1,481	627	239	71	414
Postage and shipping	340	387	164	55	26	108
Occupancy	26,950	30,690	13,047	4,784	1,800	8,566
Public information and outreach	4,697	2,072	687	353	200	774
Travel and transportation	5,226	4,564	1,659	540	3,268	633
Conferences and staff development	1,690	671	286	110	31	175
Subscriptions and publications	4,839	4,751	1,403	389	-	987
Insurance	7,414	8,497	3,620	1,335	504	2,361
Organization dues	4,601	4,833	2,095	735	576	1,095
Equipment, repairs and maintenance	3,116	3,536	1,503	629	120	985
Monitoring, investigation and client work	<u>3,352</u>	<u>3,094</u>	<u>3,557</u>	<u>973</u>	<u>67</u>	<u>-</u>
Total expenses	<u>\$ 355,256</u>	<u>\$ 395,043</u>	<u>\$ 167,525</u>	<u>\$ 60,588</u>	<u>\$ 26,140</u>	<u>\$ 98,804</u>



Preliminary Draft  
For Discussion Only

Protection and Advocacy of Assistive Technology	Work Incentives Planning and Assistance	Protection and Advocacy for Benefits Representative Payee	Protection and Advocacy for Access to COVID-19 Vaccines	Expanding the Public Health Workforce	Other Services	Total Program Services	Management and General	Total Expenses
\$ 22,319	\$ 167,603	\$ 137,662	\$ 10,415	\$ 3,621	\$ 3,178	\$1,065,916	\$ 163,294	\$1,229,210
2,263	18,264	20,138	1,468	4	166	117,799	14,216	132,015
<u>1,668</u>	<u>12,215</u>	<u>9,691</u>	<u>802</u>	<u>217</u>	<u>159</u>	<u>77,487</u>	<u>12,135</u>	<u>89,622</u>
26,250	198,082	167,491	12,685	3,842	3,503	1,261,202	189,645	1,450,847
4,523	11,432	12,086	840	140	103	88,406	4,232	92,638
96	1,052	1,467	143	8	54	7,889	571	8,460
92	946	1,015	61	33	10	6,293	707	7,000
26	685	233	18	5	2	2,049	243	2,292
1,905	720	19,278	2,097	–	200	110,037	14,768	124,805
304	5,318	229	11,269	390	18,548	44,841	105	44,946
535	6,226	4,545	83	–	1	27,280	–	27,280
115	4,441	448	22	14	971	8,974	57	9,031
–	–	–	–	–	–	12,369	89	12,458
582	6,388	5,799	597	–	65	37,162	–	37,162
120	1,999	2,137	130	–	13	18,334	–	18,334
198	418	3,378	176	34	24	14,117	1,689	15,806
<u>30</u>	<u>583</u>	<u>12,884</u>	<u>469</u>	<u>471</u>	<u>16</u>	<u>25,496</u>	<u>–</u>	<u>25,496</u>
<u>\$ 34,776</u>	<u>\$ 238,290</u>	<u>\$ 230,990</u>	<u>\$ 28,590</u>	<u>\$ 4,937</u>	<u>\$ 23,510</u>	<u>\$1,664,449</u>	<u>\$ 212,106</u>	<u>\$1,876,555</u>

See Notes to Financial Statements.

**Disability Rights Iowa  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended September 30, 2021**

	<u>Protection and Advocacy for Individuals with Mental Illness</u>	<u>Protection and Advocacy for Individuals with Developmental Disabilities</u>	<u>Protection and Advocacy of Individual Rights</u>	<u>Protection and Advocacy of Traumatic Brain Injury</u>	<u>Protection and Advocacy of Voting Access</u>	<u>Protection and Advocacy for Beneficiaries of Social Security</u>
Salaries	\$ 269,912	\$ 239,270	\$ 86,903	\$ 18,862	\$ 13,531	\$ 59,402
Employee benefits	30,537	24,720	9,041	2,178	1,869	7,836
Payroll taxes	<u>21,113</u>	<u>18,203</u>	<u>6,634</u>	<u>1,437</u>	<u>1,054</u>	<u>4,690</u>
Total salaries and related expenses	321,562	282,193	102,578	22,477	16,454	71,928
Professional fees and contract services	24,500	24,402	7,729	1,747	3,215	5,700
Supplies	1,227	1,082	381	85	179	274
Telephone	1,182	1,117	400	85	130	299
Postage and shipping	284	259	87	19	26	69
Occupancy	30,359	29,051	10,194	2,217	2,971	7,539
Public information and outreach	1,513	1,963	449	188	5,272	49
Travel and transportation	3,203	4,988	1,537	237	304	627
Conferences and staff development	1,267	1,227	406	87	151	430
Subscriptions and publications	4,384	4,640	1,320	363	-	948
Insurance	8,500	8,129	2,863	620	824	2,190
Organization dues	5,450	5,265	1,918	470	619	926
Equipment, repairs and maintenance	3,781	3,492	1,225	264	393	914
Monitoring, investigation and client work	<u>789</u>	<u>2,022</u>	<u>1,468</u>	<u>148</u>	<u>152</u>	<u>111</u>
Total expenses	<u>\$ 408,001</u>	<u>\$ 369,830</u>	<u>\$ 132,555</u>	<u>\$ 29,007</u>	<u>\$ 30,690</u>	<u>\$ 92,004</u>

Preliminary Draft  
For Discussion Only

Protection and Advocacy of Assistive Technology	Work Incentives Planning and Assistance	Protection and Advocacy for Benefits Representative Payee	Protection and Advocacy for Access to COVID-19 Vaccines	Other Services	Total Program Services	Management and General	Total Expenses
\$ 32,489	\$ 102,003	\$ 151,133	\$ 5,240	\$ 8,241	\$ 986,986	\$ 162,808	\$1,149,794
2,949	9,838	21,270	117	201	110,556	12,034	122,590
<u>2,461</u>	<u>8,078</u>	<u>11,497</u>	<u>426</u>	<u>396</u>	<u>75,989</u>	<u>12,920</u>	<u>88,909</u>
37,899	119,919	183,900	5,783	8,838	1,173,531	187,762	1,361,293
2,835	10,142	17,343	593	4,053	102,259	7,285	109,544
129	900	780	10	77	5,124	448	5,572
135	409	823	4	11	4,595	563	5,158
31	349	190	1	2	1,317	230	1,547
3,549	344	20,900	134	256	107,514	14,545	122,059
—	7,500	—	914	41	17,889	—	17,889
677	1,062	1,358	—	13	14,006	—	14,006
1,186	2,488	765	—	63	8,070	271	8,341
—	—	—	—	—	11,655	126	11,781
1,022	3,799	6,094	32	82	34,155	—	34,155
213	1,068	2,170	7	17	18,123	—	18,123
404	2,146	3,077	8	38	15,742	1,685	17,427
<u>—</u>	<u>496</u>	<u>9,609</u>	<u>—</u>	<u>—</u>	<u>14,795</u>	<u>—</u>	<u>14,795</u>
<u>\$ 48,080</u>	<u>\$ 150,622</u>	<u>\$ 247,009</u>	<u>\$ 7,486</u>	<u>\$ 13,491</u>	<u>\$1,528,775</u>	<u>\$ 212,915</u>	<u>\$1,741,690</u>

**Disability Rights Iowa  
STATEMENTS OF CASH FLOWS**

	<b>Year ended September 30</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 503,509	\$ 15,498
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in beneficial interest in net assets of Community Foundation of Greater Des Moines	66,913	-
Changes in assets and liabilities		
Grants and contracts receivable	(23,567)	4,450
Other receivables	(600)	-
Prepaid expenses	323	(541)
Accounts payable	3,276	(1,919)
Accrued salaries and related expenses	9,606	4,524
Accrued vacation pay	1,466	(4,562)
Deferred grant and contract revenue	13,940	-
Net cash flows from operating activities	574,866	17,450
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(398,000)	-
Net cash flows from investing activities	(398,000)	-
<b>NET CHANGE IN CASH</b>	176,866	17,450
<b>CASH</b>		
Beginning	71,215	53,765
Ending	\$ 248,081	\$ 71,215

**Disability Rights Iowa  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Disability Rights Iowa (the Organization) was organized in August 1984 to provide protection and advocacy services for developmentally disabled persons and individuals with mental illness in Iowa.

Disability Rights Iowa provides free legal and non-legal advocacy assistance to persons with disabilities. Services include individual representation to protect rights or to secure entitlements and services, self-help information, educational programs, and administrative and legislative advocacy. Service priorities center on prevention of abuse and neglect, access to entitlements, and least restrictive environment issues.

The Organization administers several programs, each of which has its own eligibility criteria and service priorities and a parent support program. These programs are:

Protection and Advocacy for Individuals with Mental Illness – Provides advocacy to remedy abuse or neglect of individuals with mental illness who are residents of certain care and treatment facilities (e.g., mental health institutes, nursing facilities, community hospitals, assisted living facilities, and mental health facilities for children) or in home and community based settings. Legal assistance to protect rights and advocate for services to individuals with mental illness, living in facilities or the community and even in their homes.

Protection and Advocacy for Individuals with Developmental Disabilities – Provides advocacy to remedy abuse or neglect of individuals with developmental disabilities and assistance accessing entitlements and services (e.g., special education, day programs, and residential services). A developmental disability is a severe physical, cognitive, or emotional impairment that begins before age twenty-two, likely to continue indefinitely, and interferes with three or more major life activities.

Protection and Advocacy of Individual Rights – Provides advocacy to individuals with disabilities who are not eligible for the mental health or developmental disabilities programs described above and who require advocacy assistance to overcome discrimination or barriers to living independently.

Protection and Advocacy of Traumatic Brain Injury – Funded by the Children’s Health Act of 2000, the program has been established to provide services to individuals with traumatic brain injury. Services may include the provision of (1) information, referrals, and advice; (2) individual and family advocacy; (3) legal representation; and (4) specific assistance in self-advocacy.

Protection and Advocacy of Voting Access – Funded by the Help America Vote Act of 2002, the program has been established to advance the participation of individuals with disabilities in the electoral process. Each state must use their allotted money by means of training, education, and assistance with voter rights, responsibilities, registration, and election day process.

Protection and Advocacy for Beneficiaries of Social Security – The program assists social security beneficiaries who are trying to obtain, maintain, or regain employment and provides legal and advocacy assistance with Ticket to Work issues.

Protection and Advocacy of Assistive Technology – Provides protection and advocacy services to assist individuals of all ages with disabilities in the acquisition, utilization or maintenance of assistive technology services or devices.

Work Incentives Planning and Assistance (WIPA) – The program is funded by the Social Security Administration (SSA) to provide benefits planning and assistance to Social Security beneficiaries.

**Disability Rights Iowa  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Organization (continued)**

Protection and Advocacy for Benefits Representative Payee – The program was formed to mitigate the risk of organizational fraud and abuse to beneficiaries whose representative payees are also their employers by conducting site reviews of representative payee organizations on behalf of the Social Security Administration.

Protection and Advocacy for Access to COVID-19 Vaccines – Provides advocacy to individuals with disabilities by expanding access to COVID-19 vaccines.

Expanding the Public Health Workforce – The American Rescue Plan Act of 2021 (ARPA) provided funding to recruit, hire, and train public health workers to respond to the COVID-19 pandemic and prepare for future public health challenges. ARPA directed that funds may be used to offset costs of hiring a range of public health professionals, including but not limited to social support professionals, community health workers, communication, and policy experts and “other positions as may be required to prevent, prepare for, and respond to COVID-19.” Professionals funded through this program may provide a wide range of public health services and supports, including culturally affirmative and linguistically accessible information, assistance with accessing vaccines (including boosters) and connecting to other services, transition and diversion from high-risk congregate settings to community living, health and wellness program, activities that address social isolation and social determinants of health, and other activities that support the public health and wellbeing of older adults and people with disabilities.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification*. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions* represent resources used in carrying on the general operations of the Organization and are given with no time or purpose restriction by the donor. They also include funds which have been designated internally by the Organization. There is a total of \$331,087 of assets designated by the Organization for endowment purposes as of September 30, 2022.

*Net assets with donor restrictions* consist of net assets which have a time or purpose restriction placed on them by the donor or are held in perpetuity pursuant to donor stipulations. Time and purpose restriction net assets have restrictions placed on them by the donor at the time of the gift. When a restriction expires, they are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets held in perpetuity are assets donated with a donor’s stipulation that they will be invested to provide a permanent source of income.

**Grants and Contracts Receivable, Deferred Grant and Contract Revenue, and Fees and Grants from Federal Government Agencies**

Revenue from government grants and contracts is generally considered to be subject to conditions that must be met before the Organization is entitled to funding. The Organization recognizes revenue from grants and contracts at estimated realizable amounts when all material barriers have been overcome in order for the Organization to be entitled to the funding. Typically these barriers are overcome when qualifying expenditures have been incurred or defined outcomes have been achieved, which is generally as services under the grants and contracts are performed. Revenues from grants and contracts whose conditions have been met are recorded as grants and contracts receivable until funded by the government agency. Certain grants and contracts provide for payments in advance based upon estimated costs incurred or billings based upon actual costs incurred plus allocated indirect costs. Funding received prior to the conditions being met is recorded as deferred grant revenue.

**Disability Rights Iowa  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Grants and Contracts Receivable, Deferred Grant and Contract Revenue, and Fees and Grants from Federal Government Agencies (continued)**

All grants and contracts receivable are considered collectible, therefore no allowance for doubtful accounts was recorded at September 30, 2022 and 2021.

There was \$13,940 and \$-0- of deferred grant and contract revenue at September 30, 2022 and 2021, respectively.

**Property and Equipment**

Property and equipment purchases in excess of \$5,000 are capitalized and stated at cost when placed in service. Donated items are recorded at estimated fair market value. Maintenance and repairs are charged to activities when incurred. Depreciation is computed using the straight-line method over the estimated useful lives ranging from 3 to 10 years for software, furniture and equipment.

**Beneficial Interest in Net Assets of Community Foundation of Greater Des Moines**

The Organization recognizes its interest in the net assets of Community Foundation of Greater Des Moines, CFGDM, as an asset fair value. Distributions received from CFGDM decrease this asset, and transfers to CFGDM increase this asset. The Organization recognizes the changes in its interest in the net assets of CFGDM on the statements of activities as investment income or loss.

**Advertising Costs**

Advertising costs are charged to operations in the period in which they are incurred. Advertising costs for both of the years ended September 30, 2022 and 2021 were \$-0-.

**Allocation of Functional Expenses**

The allocations of expenses shown on the statements of functional expenses were made first by direct allocation to either administrative or program services, then on the basis of time spent in the activity. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**Concentrations**

The Organization is primarily funded through direct federal grants. The Department of Health and Human Services provided 43% and 57% of the total public support and revenue during the years ended September 30, 2022 and 2021, respectively. The Department of Education provided 9% of the total public support and revenue during both of the years ended September 30, 2022 and 2021. The Social Security Administration provided 27% and 32% of the total public support and revenue during the years ended September 30, 2022 and 2021, respectively.

**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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Disability Rights Iowa  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes has been made.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated their material tax positions and determined there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. Management believes the Organization is no longer subject to income tax examinations for tax years prior to 2019.

**NOTE 2 GRANTS AND CONTRACTS RECEIVABLE AND FEES AND GRANTS FROM FEDERAL GOVERNMENT AGENCIES**

The composition of grants and contracts receivable and fees and grants from federal government agencies is as follows:

	<u>Grants and contracts receivable</u>	<u>Fees and grants from federal government agencies</u>
<b><u>Year ended September 30, 2022</u></b>		
U.S. Department of Health and Human Services		
Protection and Advocacy for Individuals with Developmental Disabilities	\$ 13,880	\$ 444,324
Protection and Advocacy for Individuals with Mental Illness	31,116	397,692
Protection and Advocacy of Traumatic Brain Injury	5,237	67,661
Protection and Advocacy of Voting Access	8,759	30,108
Protection and Advocacy of Assistive Technology	15,805	39,191
Protection and Advocacy for Access to COVID-19 Vaccines	-	31,493
Expanding the Public Health Workforce	2,099	5,780
U.S. Department of Education		
Protection and Advocacy of Individual Rights	11,106	188,632
Social Security Administration		
Protection and Advocacy for Beneficiaries of Social Security	16,468	112,549
Protection and Advocacy for Benefits Representative Payee	7,915	263,362
Work Incentives Planning and Assistance	<u>7,948</u>	<u>271,789</u>
Totals	<u>\$ 120,333</u>	<u>\$1,852,581</u>



**Disability Rights Iowa  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 GRANTS AND CONTRACTS RECEIVABLE AND FEES AND GRANTS FROM FEDERAL GOVERNMENT AGENCIES (continued)**

	<u>Grants and contracts receivable</u>	<u>Fees and grants from federal government agencies</u>
<b><u>Year ended September 30, 2021</u></b>		
U.S. Department of Health and Human Services		
Protection and Advocacy for Individuals with Developmental Disabilities	\$ 12,995	\$ 419,807
Protection and Advocacy for Individuals with Mental Illness	29,181	462,658
Protection and Advocacy of Traumatic Brain Injury	5,760	32,928
Protection and Advocacy of Voting Access	6,586	34,339
Protection and Advocacy of Assistive Technology	3,753	54,696
Protection and Advocacy for Access to COVID-19 Vaccines	3,345	8,216
U.S. Department of Education		
Protection and Advocacy of Individual Rights	8,757	150,984
Social Security Administration		
Protection and Advocacy for Beneficiaries of Social Security	15,592	106,231
Protection and Advocacy for Benefits Representative Payee	7,795	285,858
Work Incentives Planning and Assistance	<u>3,002</u>	<u>164,070</u>
Totals	<u>\$ 96,766</u>	<u>\$1,719,787</u>

**NOTE 3 LITIGATION SETTLEMENT**

During the year ended September 30, 2022, the Organization received litigation settlement proceeds totaling \$572,297. The litigation involved a case brought against Iowa officials responsible for the administration of the Boys State Training School in Eldora, Iowa, by the Organization and other concerned parties. The case centered on the evidential improper mental health care being provided at the School,.

**NOTE 4 BENEFICIAL INTEREST IN NET ASSETS OF COMMUNITY FOUNDATION OF GREATER DES MOINES AND FAIR VALUE MEASUREMENTS**

During the year the Organization transferred \$398,000 to the Community Foundation of Greater Des Moines, CFGDM, under an agency agreement. The transferred assets are held in their Indexed Growth Portfolio pooled fund and managed by CFGDM. The Organization may request distributions from the fund of up to 5% of the fund's balance at December 31 of the previous year.

The Organization follows the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standard Codification, which establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs used to measure fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Disability Rights Iowa  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 BENEFICIAL INTEREST IN NET ASSETS OF COMMUNITY FOUNDATION OF GREATER DES MOINES  
AND FAIR VALUE MEASUREMENTS (continued)**

*Beneficial interest in assets held by Community Foundation of Greater Des Moines* – The Organization holds a share of the pooled funds held by the Community Foundation of Greater Des Moines and not direct ownership of the underlying investments. Although the pooled funds include investments in equity, fixed income, real assets, and other marketable securities, the pool itself is not a publicly traded instrument. Management estimates the fair value of its pooled investments at the statement of financial position date based on its relative ownership investment in the pool. All funds at the Community Foundation of Greater Des Moines are measured at fair value using the net asset value per share, or its equivalent practical expedient.

	<u>Fair value as of September 30, 2022</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if currently eligible)</u>	<u>Redemption notice period</u>
Beneficial interest in assets held at Community Foundation of Greater Des Moines Indexed Growth Portfolio	\$ <u>331,087</u>	None	Daily	None

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 10,472	\$ 10,472
Less accumulated depreciation	<u>(10,472)</u>	<u>(10,472)</u>
Property and equipment, net	<u>\$ —</u>	<u>\$ —</u>

**NOTE 6 LINE OF CREDIT**

The Organization had a \$50,000 line of credit with Bankers Trust Company (the Bank), that matured August 3, 2022. Interest was payable monthly at the Wall Street Journal Prime Rate plus 1.50 percent. The Organization had \$0-outstanding on this line of credit at September 30, 2022 and 2021. The Organization elected not to renew the line of credit upon maturity.

**NOTE 7 LITIGATION REIMBURSEMENTS**

In performing its purpose of protection and advocacy of the rights of persons with disabilities, the Organization pursues various legal remedies on behalf of persons in the State of Iowa. Accordingly, the Organization does receive reimbursements for costs incurred in the settlement of some cases. These litigation reimbursements are considered program income under guidelines established by the federal agencies that primarily fund the Organization through federal awards. This income is available to be spent in furtherance of the goals and objectives of some cases. For the years ended September 30, 2022 and 2021, the Organization received \$968 and \$14,355, respectively, in litigation reimbursements, and are included in miscellaneous income.

**Disability Rights Iowa  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Organization has total net assets without donor restrictions totaling \$559,140 and \$56,500 as of September 30, 2022 and 2021, respectively. The Organization has set aside funds for endowment purposes, which are board designated, and included in net assets without donor restrictions as of September 30, 2022 follows:

	<b>2022</b>
Disability Rights Iowa Endowment – GFGDM	<u>\$ 331,087</u>

The Organization's endowment fund consists of investments of board designated assets to provide a source of long term income for maintenance of the Organization. The amounts invested are currently included in the Beneficial Interests in net assets of Community Foundation \$331,087 on the Statement of Financial Position as of September 30, 2022.

The Disability Rights Iowa Board of Directors has designated funds that are functioning as endowments and there is no donor-imposed restriction on the spending of these funds. The Organization approves an amount from the endowment fund to be spent on operations. Investment management expenses of \$844 and \$-0- were paid from the endowment fund during 2022 and 2021, respectively.

A summary of changes in the endowment fund net assets is as follows:

<b>September 30, 2022</b>	<b>Without donor restrictions (board designated)</b>
Net assets, beginning of year	\$ –
Contributions	398,000
Change in beneficial interest	<u>(66,913)</u>
Net assets, end of year	<u>\$ 331,087</u>

Investment (loss) for the year ended September 30, 2022 consists of interest income earned of \$725, reduced by endowment fund losses of \$66,913, for a net total of \$66,188. Investment income earned during the year ended September 30, 2021 consisted of interest income earned of \$63.

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are derived from litigation reimbursements, which are considered program income and are required to be spent in accordance with the applicable grant requirements. At September 30, 2022 and 2021, net assets were restricted for the following programs:

	<b>2022</b>	<b>2021</b>
Protection and Advocacy for Individuals with Developmental Disabilities	\$ 23,118	\$ 22,367
Protection and Advocacy for Individuals with Mental Illness	<u>5,872</u>	<u>5,754</u>
	<u>\$ 28,990</u>	<u>\$ 28,121</u>

**Disability Rights Iowa  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 RETIREMENT PLAN**

The Organization sponsors a 403(b) Salary Deferral Plan which covers all eligible employees. Employees who have attained the age of 18 are eligible to participate in the plan for salary deferral immediately. The Organization contributes 5% of eligible employee wages after one year of service. Total contributions to the plan were \$50,471 and \$55,130 for the years ended September 30, 2022 and 2021, respectively.

**NOTE 11 OPERATING LEASES**

The Organization entered into a office facilities lease that began on June 1, 2020 and will expire May 31, 2030. Total base monthly payments under the agreement are \$10,096 and will increase each year by approximately 2.3%. Total office lease expense charged to program expenses for 2022 and 2021 was \$124,805 and \$122,057, respectively.

The Organization also leases various office equipment under noncancellable operating leases expiring October 31, 2027.

Future minimum lease payments are as follows:

**Year ending September 30**

2023	\$ 134,033
2024	137,205
2025	140,457
2026	143,790
2027	146,052
Thereafter	<u>351,790</u>
 Total	 <u>\$1,053,327</u>

**NOTE 12 LIQUIDITY**

The Organization's financial assets available within one year of the statement of financial position date of September 30, 2022 and 2021 for general expenditure are as follows:

	<b>2022</b>	<b>2021</b>
Cash	\$ 248,081	\$ 71,215
Grants and contracts receivable	120,333	96,766
Other receivables	<u>600</u>	<u>—</u>
	<u>\$ 369,014</u>	<u>\$ 167,981</u>

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 13 SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 18, 2023, the date which the financial statements were available to be issued. There were no subsequent events required to be accrued or disclosed.

**SUPPLEMENTARY INFORMATION**

**Disability Rights Iowa**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS**  
**Year ended September 30, 2022**

<u>Federal grantor/pass-through grantor/grant description</u>	<u>Assistance listing number</u>	<u>Agency or pass-through number</u>	<u>Federal expenditures</u>
<b>US Department of Health and Human Services</b>			
<i>Direct Award</i>			
Development Disabilities Basic Support and Advocacy Grants	93.630	2101IAPADD 2201IAPADD	\$ 136,610 <u>306,830</u> <u>443,440</u>
Expanding Disabilities Network's Access to COVID-19 Vaccines	93.630	2101IAPAC5	<u>34,842</u>
Expanding the Public Health Workforce withing the Disabilities Network	93.630	2201IAPAPH	<u>3,682</u>
Protection and Advocacy for Individuals with Mental Illness	93.138	6X98SM082846 6X98SM085932	167,770 <u>227,987</u> <u>395,757</u>
Protection and Advocacy for Persons with Traumatic Brain Injury	93.873	2101IAPATB 2201IAPATB	34,868 <u>33,317</u> <u>68,185</u>
Voting Access for Individuals with Disabilities – Grants for Protection and Advocacy Systems	93.618	2101IAPAVA	<u>27,936</u>
<b>Subtotal direct programs</b>			<u>973,842</u>
<i>Passed through The University of Iowa</i>			
Protection and Advocacy of Assistive Technology	93.843	2101IAPAAT	<u>39,181</u>
<b>Total US Department of Health and Human Services</b>			<u>1,013,023</u>
<b>US Department of Education</b>			
<i>Direct Award</i>			
Protection and Advocacy of Individual Rights	84.240	H240A210016 H240A220016	70,852 <u>115,431</u> <u>186,283</u>
<b>Total US Department of Education</b>			<u>186,283</u>
<b>Social Security Administration</b>			
<i>Direct Award</i>			
Protection and Advocacy for Beneficiaries of Social Security	96.009	PAB19020336 PAB19020336-01	20,195 <u>91,479</u> <u>111,674</u>
Protection and Advocacy for Benefits Representative Payee	96.009	SPS18000018-03 SPS18000018-04 SPS18000018-05	24,373 229,167 9,703 <u>263,243</u>
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	96.008	WIP21050490-01 WIP21050490-02	200,499 <u>66,344</u> <u>266,843</u>
<b>Total Social Security Administration</b>			<u>641,760</u>
<b>Total expenditures of federal awards</b>			<u>\$1,841,066</u>

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards - Cash Basis

**Disability Rights Iowa**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS**  
**Year ended September 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Disability Rights Iowa under programs of the federal government for the year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not intended to, and does not, present the financial position, change in net assets, or cash flows of Disability Rights Iowa.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular 122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Disability Rights Iowa has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**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**

Board of Directors  
Disability Rights Iowa  
Des Moines, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Disability Rights Iowa (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated January 18, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Disability Rights Iowa's internal control over financial reporting (internal control) as a basis for designing 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 Disability Rights Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of Disability Rights Iowa's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we 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.



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

As part of obtaining reasonable assurance about whether Disability Rights Iowa'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *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 Disability Rights Iowa's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Disability Rights Iowa's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
January 18, 2023

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

Board of Directors  
Disability Rights Iowa  
Des Moines, Iowa

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

***Opinion on Each Major Federal Program***

We have audited Disability Rights Iowa's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Disability Rights Iowa's major federal program for the year ended September 30, 2022. Disability Rights Iowa's major federal program is identified in the summary of independent auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Disability Rights Iowa 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Disability Rights Iowa and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the major federal program. Our audit does not provide a legal determination of Disability Rights Iowa's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Disability Rights Iowa's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Disability Rights Iowa's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Disability Rights Iowa's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Disability Rights Iowa's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Disability Rights Iowa's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Disability Rights Iowa's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
January 18, 2023

**Disability Rights Iowa  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended September 30, 2022**

**SECTION I – SUMMARY OF INDEPENDENT AUDITOR’S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified opinion**

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None Reported

Type of auditor’s report issued on compliance for major federal programs: **Unmodified opinion**

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

Identification of major federal programs: **Assistance Listing Number 93.138 – Protection and Advocacy for Individuals with Mental Illness**

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

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

**Internal Control Deficiencies** – No matters were noted.

**Instances of Noncompliance** – No matters were noted.

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**Internal Control Deficiencies** – No matters were noted.

**Instances of Noncompliance** – No matters were noted.