

**VISITING NURSE SERVICES OF IOWA  
DBA: EVERystep**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2025 AND 2024**



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**VISITING NURSE SERVICES OF IOWA DBA EVERystep  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2025 AND 2024**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS</b>	<b>5</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>8</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>CONSOLIDATING STATEMENT OF FINANCIAL POSITION</b>	<b>29</b>
<b>CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS</b>	<b>30</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Visiting Nurse Services of Iowa dba: EveryStep  
Des Moines, Iowa

### Report on the Audit of the Consolidated Financial Statements

#### **Opinion**

We have audited the consolidated financial statements of Visiting Nurse Services of Iowa dba: EveryStep (the Organization), which comprise the consolidated statement of financial position as of June 30, 2025 and 2024, the related consolidated statements of operations and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 audit. 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 consolidated 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 consolidated 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 December 5, 2025, on our consideration of Organization'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 Organization's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Des Moines, Iowa  
December 5, 2025

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,101,928	\$ 1,431,561
Patient Accounts Receivable	1,436,451	2,877,174
Allowance for Credit Losses	(351,440)	(1,524,344)
Grants and Contracts Receivable, Net	1,804,334	2,268,207
Interest in Charitable Trusts, Current Portion	88,169	142,257
Pledge Receivables, Current Portion	175,836	1,083,995
Prepaid Expenses and Other	743,700	410,064
Total Current Assets	4,998,978	6,688,914
<b>PROPERTY AND EQUIPMENT, Net</b>	7,919,300	8,479,762
<b>INVESTMENTS</b>	15,389,792	18,454,821
<b>INTEREST IN CHARITABLE TRUSTS, Net of Current Portion</b>	902,719	817,360
<b>PLEDGE RECEIVABLES, Net of Current Portion</b>	-	47,458
<b>OPERATING RIGHT-OF-USE ASSETS</b>	214,479	343,421
<b>OTHER ASSETS</b>	228,578	283,389
Total Assets	\$ 29,653,846	\$ 35,115,125
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of Credit	\$ 2,608,000	\$ 5,608,509
Accounts Payable	1,735,265	3,362,643
Accrued Payroll and Other Related Benefits	1,901,939	1,980,023
Operating Lease Liability, Current Portion	110,364	175,515
Deferred Revenue	99,556	233,122
Total Current Liabilities	6,455,124	11,359,812
<b>OPERATING LEASE LIABILITY, Net of Current Portion</b>	104,115	167,906
Total Liabilities	6,559,239	11,527,718
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Board-Designated	8,878,644	8,448,012
Undesignated	12,510,128	12,366,213
Total Without Donor Restrictions	21,388,772	20,814,225
With Donor Restrictions	1,705,835	2,773,182
Total Net Assets	23,094,607	23,587,407
Total Liabilities and Net Assets	\$ 29,653,846	\$ 35,115,125

See accompanying Notes to Consolidated Financial Statements.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Net Patient and Program Service Revenue	\$ 20,456,720	\$ -	\$ 20,456,720
Fees and Grants from Governmental Agencies	7,514,781	-	7,514,781
Contributions	2,252,890	679,414	2,932,304
Other Revenue	816,439	-	816,439
Net Assets Released from Restrictions	<u>2,409,941</u>	<u>(2,409,941)</u>	<u>-</u>
Total Support and Revenue	33,450,771	(1,730,527)	31,720,244
<b>EXPENSES</b>			
Salaries and Wages	19,556,535	-	19,556,535
Payroll Taxes	1,442,989	-	1,442,989
Employee Benefits	2,375,992	-	2,375,992
Professional Fees	2,160,562	-	2,160,562
Pharmacy and Supplies	1,296,524	-	1,296,524
Contracted Food Service	106,770	-	106,770
Telephone	420,604	-	420,604
Postage and Shipping	40,065	-	40,065
Occupancy	1,004,427	-	1,004,427
Printing and Publication	148,917	-	148,917
Travel and Mileage	1,219,964	-	1,219,964
Conferences, Trainings, and Meetings	186,972	-	186,972
Client Instructional Resources	944,222	-	944,222
Other Patient Care	1,058,613	-	1,058,613
Subscriptions and Publications	84,746	-	84,746
Advertising and Public Relations	425,555	-	425,555
Miscellaneous	587,407	-	587,407
Depreciation	669,128	-	669,128
Interest	<u>357,419</u>	<u>-</u>	<u>357,419</u>
Total Expenses	<u>34,087,411</u>	<u>-</u>	<u>34,087,411</u>
<b>OPERATING LOSS</b>	(636,640)	(1,730,527)	(2,367,167)
<b>NONOPERATING INCOME</b>			
Investment Income	932,747	-	932,747
Net Realized and Unrealized Gains on Investments and Charitable Trusts	<u>278,440</u>	<u>663,180</u>	<u>941,620</u>
Total Nonoperating Income	<u>1,211,187</u>	<u>663,180</u>	<u>1,874,367</u>
<b>CHANGE IN NET ASSETS</b>	574,547	(1,067,347)	(492,800)
Net Assets - Beginning of Year	<u>20,814,225</u>	<u>2,773,182</u>	<u>23,587,407</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 21,388,772</u>	<u>\$ 1,705,835</u>	<u>\$ 23,094,607</u>

See accompanying Notes to Consolidated Financial Statements.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Net Patient and Program Service Revenue	\$ 21,224,224	\$ -	\$ 21,224,224
Fees and Grants from Governmental Agencies	8,220,477	-	8,220,477
Contributions	2,122,295	840,622	2,962,917
Other Revenue	797,180	-	797,180
Net Assets Released from Restrictions	<u>369,652</u>	<u>(369,652)</u>	<u>-</u>
Total Support and Revenue	32,733,828	470,970	33,204,798
<b>EXPENSES</b>			
Salaries and Wages	19,954,608	-	19,954,608
Payroll Taxes	1,421,750	-	1,421,750
Employee Benefits	2,282,921	-	2,282,921
Professional Fees	2,531,308	-	2,531,308
Pharmacy and Supplies	1,693,746	-	1,693,746
Contracted Food Service	103,590	-	103,590
Telephone	492,894	-	492,894
Postage and Shipping	42,681	-	42,681
Occupancy	991,165	-	991,165
Printing and Publication	146,980	-	146,980
Travel and Mileage	1,278,796	-	1,278,796
Conferences, Trainings, and Meetings	132,447	-	132,447
Client Instructional Resources	1,102,982	-	1,102,982
Other Patient Care	2,139,674	-	2,139,674
Subscriptions and Publications	92,479	-	92,479
Advertising and Public Relations	521,803	-	521,803
Miscellaneous	550,803	-	550,803
Depreciation	814,650	-	814,650
Interest	<u>299,718</u>	<u>-</u>	<u>299,718</u>
Total Expenses	<u>36,594,995</u>	<u>-</u>	<u>36,594,995</u>
<b>OPERATING INCOME (LOSS)</b>	(3,861,167)	470,970	(3,390,197)
<b>NONOPERATING INCOME</b>			
Investment Income	641,478	-	641,478
Net Realized and Unrealized Gains on Investments and Charitable Trusts	<u>1,963,913</u>	<u>307,920</u>	<u>2,271,833</u>
Total Nonoperating Income	<u>2,605,391</u>	<u>307,920</u>	<u>2,913,311</u>
<b>CHANGE IN NET ASSETS</b>	(1,255,776)	778,890	(476,886)
Net Assets - Beginning of Year	<u>22,070,001</u>	<u>1,994,292</u>	<u>24,064,293</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 20,814,225</u>	<u>\$ 2,773,182</u>	<u>\$ 23,587,407</u>

See accompanying Notes to Consolidated Financial Statements.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (492,800)	\$ (476,886)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
Change in Interest in Charitable Trusts	(173,528)	(341,789)
Change in Allowance for Credit Losses	(1,172,904)	424,344
Depreciation	669,128	814,650
Net Unrealized and Realized Gains on Investments	(1,729,971)	(2,092,543)
Changes in Operating Assets and Liabilities:		
Patient Accounts Receivable	1,440,723	843,968
Grants and Contracts Receivable	463,873	508,591
Pledges Receivable	955,617	(894,778)
Prepaid Expenses and Other	(333,636)	223,746
Other Assets	54,811	20,574
Accounts Payable	(1,627,378)	424,565
Accrued Payroll and Other Related Benefits	(55,593)	(248,972)
Deferred Revenue	(133,566)	(31,538)
Net Cash Used by Operating Activities	(2,135,224)	(826,068)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(108,666)	(102,961)
Cash Received from Charitable Trusts	142,257	33,869
Proceeds from Sales of Investments	4,795,000	108,801
Net Cash Provided by Investing Activities	4,828,591	39,709
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Line of Credit	25,953,000	24,612,000
Payments on Line of Credit	(28,976,000)	(23,142,491)
Net Cash Provided (Used) by Financing Activities	(3,023,000)	1,469,509
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(329,633)	683,150
Cash and Cash Equivalents - Beginning of Year	1,431,561	748,411
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,101,928	\$ 1,431,561
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 343,863	\$ 299,718

See accompanying Notes to Consolidated Financial Statements.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Visiting Nurse Services of Iowa dba: EveryStep is incorporated under the provisions of the Iowa Nonprofit Corporation Act, Chapter 504A of the Code of Iowa and is the sole member of Hospice of Central Iowa, an Iowa nonprofit Organization (collectively, EveryStep). Hospice of Central Iowa was dissolved in August 2022. EveryStep is the sole member of Hospice of Central Iowa Foundation EveryStep Foundation (the Foundation), an Iowa nonprofit Organization (collectively, the Organization).

EveryStep offers hospice care, home health services, community health programs for growing families, and support for grief and loss. EveryStep operates more than 20 programs and services across the state. Additional information is available at [www.everystep.org](http://www.everystep.org).

The EveryStep Foundation raises funds to support the organizations 20+ programs, including hospice charity care, grief & loss support programs, quality of life final wishes and emergency requests, and budget shortfalls.”

**Basis of Consolidation**

The consolidated financial statements (collectively, the financial statements) include the accounts of EveryStep and the Foundation (on a consolidated basis, the Organization). All significant intercompany accounts and transactions have been eliminated in the consolidation.

**Basis of Accounting**

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Consolidated Financial Statement Presentation**

Consolidated financial statement presentation follows the recommendations of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the standards, net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

*Without Donor Restrictions* – Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate net assets without restrictions for specific operational purposes from time to time. The Foundation’s board has designated certain investments as endowment assets.

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

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

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

**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments of operating cash purchased with an original maturity of three months or less to be cash equivalents. The Organization maintains cash balances at various financial institutions and from time to time, the cash balances may exceed the amounts insured by the Federal Deposit Insurance Corporation. However, the Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to those accounts.

**Patient Accounts Receivable**

The patient accounts receivable balance represents the unpaid amounts billed to patients and third-party payors, net of any explicit price concessions (formerly known as contractual adjustments and discounts) and implicit price concessions. Explicit and implicit price concessions are recorded to report receivables for patient care services at net realizable value. Past due receivables are determined based on contractual terms. Patient accounts receivable are reported net of an allowance for credit losses to represent the Organization's estimate of expected losses at the statement of financial position date. The adequacy of the Organization's allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor sources and aging of receivables, a review of specific accounts, as well as expected future economic conditions and market trends, and adjustments are made to the allowance as necessary.

Changes in the allowance for credit losses for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Allowance for Credit Losses		
Balance, Beginning of the Year	\$ 1,524,344	\$ 1,100,000
Provision for Losses	99,565	990,158
Amounts Written Off	(1,272,469)	(565,814)
Balance, End of Year	\$ 351,440	\$ 1,524,344

The opening and closing balances were as follows:

	Accounts Receivable, Net
Balance as of July 1, 2024	\$ 2,621,142
Balance as of June 30, 2024	1,352,830
Balance as of June 30, 2025	1,085,011

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**Grants and Contracts Receivable**

Grants and contracts receivable are primarily generated from billings of various governmental agencies and other entities for services provided by the Organization. The receivables are stated at the amount management expects to collect from balances outstanding at year-end. Management periodically reviews receivable balances and determines whether any balances are uncollectible. Receivables are considered impaired if payments are not received in accordance with the contractual terms.

There was no allowance for doubtful accounts on grants and contracts receivable at June 30, 2025 and 2024.

**Property and Equipment**

Property and equipment are stated at cost or, if donated to the Organization, at fair value on the date of the gift. Additions and improvements over \$5,000 are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method.

Gifts of long-lived assets such as land, buildings, and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

**Impairment of Long-Lived Assets**

On an ongoing basis, the Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Organization recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2025 and 2024, management believes that no impairments existed.

**Investments**

All investments are valued at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. See Notes 4 and 13 for additional information on the Organization's investments.

**Interest in Charitable Trusts**

The Organization has various interests in charitable remainder trusts and charitable lead trusts. The charitable remainder trust values have been estimated by management based on the fair value of the underlying assets, the terms of the benefits using actuarial tables and the benefits paid to the income beneficiary. The charitable lead trust values have been estimated by management using the present value of future payments based on the fair value of the underlying assets.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**Pledge Receivables**

Pledge receivables represent the remaining balance of unconditional promises to give that have not yet been paid, net of any allowance for doubtful pledges. Pledges that are expected to be collected within one year or less are recorded at net realizable value. Pledges that are expected to be collected beyond one year are recorded at the present value of their estimated future cash flows. The pledges have been discounted using a rate commensurate with risk applicable during the time the pledge was made. Amortization of the pledge discount is recognized as contribution revenue each year until the pledge is paid in full. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Leases**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets-operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the consolidated statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of the lease liabilities.

**Net Patient and Program Service Revenue**

Patient and program service revenues are reported at the amount that reflects the ultimate consideration the Organization expects to receive in exchange for providing patient care. These amounts are due from third-party payors, primarily commercial health insurers and government programs (Medicare and Medicaid), and includes variable consideration for revenue adjustments due to settlements of audits and reviews, as well as certain hospice-specific revenue capitations. Amounts are generally billed monthly or subsequent to patient discharge.

Subsequent changes in the transaction price initially recognized are not significant.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**Net Patient and Program Service Revenue (Continued)**

Hospice services are provided on a daily basis and the type of service provided is determined based on a physician's determination of each patient's specific needs on that given day. Reimbursement rates for hospice services are on a per diem basis regardless of the type of service provided or the payor.

Reimbursement rates from government programs are established by the appropriate governmental agency and are standard across all hospice providers. Reimbursement rates from health insurers are negotiated with each payor and generally structured to closely mirror the Medicare reimbursement model. The types of hospice services provided and associated reimbursement model for each are as follows:

**Routine Hospice Care**

Routine hospice care occurs when a patient receives hospice care in their home, including a nursing home setting. The routine home care rate is paid for each day that a patient is in a hospice program and is not receiving one of the other categories of hospice care. For Medicare patients, the routine home care rate reflects a two-tiered rate, with a higher rate for the first 60 days of a hospice patient's care and a lower rate for days 61 and after. In addition, there is a Service Intensity Add-on payment which covers direct home care visits conducted by a registered nurse or social worker in the last seven days of a hospice patient's life, reimbursed up to four hours per day in 15-minute increments at the continuous home care rate.

**General Inpatient Hospice Care**

General inpatient hospice care occurs when a patient requires services in a controlled setting for a short period of time for pain control or symptom management which cannot be managed in other settings.

General inpatient care services must be provided in a Medicare or Medicaid certified hospital or long-term care facility or at a freestanding inpatient hospice facility with the required registered nurse staffing.

**Continuous Hospice Care**

Continuous hospice care is provided to patients while at home, including a nursing home setting, during periods of crisis when intensive monitoring and care, primarily nursing care, is required in order to achieve palliation or management of acute medical symptoms. Continuous home care requires a minimum of eight hours of care within a 24-hour day, which begins at midnight. The care must be predominantly nursing care provided by either a registered nurse or licensed nurse practitioner. While the published Medicare continuous home care rates are daily rates, Medicare pays for continuous home care in 15-minute increments. This 15-minute rate is calculated by dividing the daily rate by 96.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**Net Patient and Program Service Revenue (Continued)**

Respite Hospice Care

Respite hospice care permits a hospice patient to receive services on an inpatient basis for a short period of time in order to provide relief for the patient's family or other caregivers from the demands of caring for the patient. A hospice can receive payment for respite care for a given patient for up to five consecutive days at a time, after which respite care is reimbursed at the routine home care rate.

Each level of care represents a separate promise under the contract of care and is provided independently for each patient, contingent upon the patient's specific medical needs as determined by a physician. However, the clinical criteria used to determine a patient's level of care is consistent across all patients, given that each patient is subject to the same payor rules and regulations. As a result, the Organization has concluded that each level of care is capable of being distinct and is distinct in the context of the contract. Furthermore, the Organization has determined that each level of care represents a stand ready service provided as a series of either days or hours of patient care. The Organization believes that the performance obligations for each level of care meet criteria to be satisfied over time. The Organization recognizes revenue based on the service output. The Organization believes this to be the most faithful depiction of the transfer of control of services as the patient simultaneously receives and consumes the benefits provided by the Organization's performance. Revenue is recognized on a daily or hourly basis for each patient in accordance with the reimbursement model for each type of service. The Organization's performance obligations relate to contracts with an expected duration of less than one year. Therefore, the Organization has elected to apply the optional exception provided in Topic 606 and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially satisfied performance obligations referred to above relate to bereavement services provided to patients' families for up to 12 months after death.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance which vary in amount. The Organization also provides service to patients without a reimbursement source and may offer those patients discounts from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance, along with those uninsured patients, based on historical experience and current conditions. The estimate of any explicit or implicit price concessions reduces the amount of revenue initially recognized. Subsequent changes to the estimate of the transaction price are recorded as adjustments to patient service revenue in the period of change. Subsequent changes that are determined to be the result of an adverse change in the patients' ability to pay (i.e., change in credit risk) are recorded as bad debt expense. The Organization has no material adjustments related to subsequent changes in the estimate of the transaction price or subsequent changes as the result of an adverse change in the patient's ability to pay for any period reported.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**Net Patient and Program Service Revenue (Continued)**

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. Compliance with such laws and regulations may be subject to future government review and interpretation. Additionally, the contracts the Organization has with commercial health insurance payors provide for retroactive audit and review of claims. Settlement with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. The variable consideration is estimated based on the terms of the payment agreement, existing correspondence from the payor and our historical settlement activity. These estimates are adjusted in future periods, as new information becomes available. Management intends to fully cooperate with any governmental agencies in requests for information. Noncompliance with laws and regulations can make the Organization subject to regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

For the Organization's patients in the nursing home setting in which Medicaid pays the nursing home room and board, the Organization serves as a pass-through between Medicaid and the nursing home. The Organization is responsible for paying the nursing home for that patient's room and board. Medicaid reimburses the Organization for 95% of the amount paid to the nursing home. The Organization has concluded that the 5% difference between the amount paid to the nursing home and the amount received from Medicaid is an adjustment to transaction price and, as a result, the 5% is recognized as a reduction to revenue recognized in the accompanying financial statements.

Hospice organizations are subject to two specific payment limit caps under the Medicare program. One limit relates to inpatient care days that exceed 20% of the total days of hospice care provided for the year. The Organization did not exceed the 20% cap related to inpatient days for the years ended June 30, 2025 and 2024.

The second limit relates to an aggregate Medicare reimbursement cap calculated by the Organization. The Organization did not exceed the Medicare reimbursement cap for the years ended June 30, 2025 and 2024.

In addition, EveryStep receives overhead reimbursement through an indirect rate calculation which is determined by the U.S. Department of Health and Human Services (HHS). EveryStep operates under a provisional rate during the year prior to the receipt of the final rate determined by HHS. Upon receipt of the final rate, EveryStep may need to return funds to various agencies in the event the final rate is lower than the initial provisional rate. Due to the timing of notification of final rates, it is possible that the related estimate may change significantly in the near term.

Approximately 63% and 81% of net patient and program service revenue was from Medicare for the years ended June 30, 2025 and 2024, respectively. Patient receivables from Medicare as of June 30, 2025 and 2024 was 79% and 66% of patient accounts receivable, respectively.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

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

**Charity Care**

The Organization has a policy of providing charity care to patients who are unable to pay. Such patients are identified based on financial information obtained from the patient and subsequent analysis. Since the Organization does not expect payment for such services, there is no revenue recognized for the value of charity care. Charity care is underwritten by the Organization and is reported as contributions revenue. The estimated cost of charity care charges was approximately \$111,341 and \$51,200 for the years ended June 30, 2025 and 2024, respectively. The cost estimate was based on the organization-wide cost to charge ratio.

**Contributions**

Contributions received and unconditional promises to give are recorded as revenue without donor restrictions or revenue with donor restrictions depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

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 consolidated statements of operations and changes in net assets as net assets released from restrictions.

If a restriction is fulfilled in the same accounting period in which the contribution is received, the contribution is reported as without donor restrictions.

**Operating Activities**

The consolidated statements of operations and changes in net assets reflect a subtotal for operating income (loss) including amounts appropriated from endowment. This subtotal reflects the revenues that the Organization received for operating purposes. Nonoperating activity reflects all other activity, including but not limited to investment income, net realized and unrealized gains (losses) on investments and charitable trusts, and gain (loss) on disposal of property and equipment.

**Donated Services**

Donated services provided by volunteers for patient care, bereavement and thrift store operations amounted to approximately \$227,000 and \$320,000 for the years ended June 30, 2025 and 2024, respectively (unaudited), have not been recorded by the Organization as the criteria under current accounting guidance for recognition have not been met. Donated materials are recorded at fair value when received, and correspondingly charged to operations. The Organization operates a resale shop that sells primarily donated merchandise. The fair value of the donated merchandise sold approximates the revenue generated from its sale and is reported as other revenue on the consolidated statements of operations and changes in net assets.

**Advertising**

The Organization expenses advertising costs as incurred. Advertising costs for the years ended June 30, 2025 and 2024, were approximately \$407,235 and \$515,800, respectively.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

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

**Income Taxes**

The Organization and its affiliates are exempt from income taxes on income from related activities under Section 501(c)(3) of the Internal Revenue Code (IRC) and corresponding state tax law.

Accordingly, no provision has been made for federal or state income taxes.

U.S. GAAP requires that a tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

The Organization’s Forms 990 have not been subject to examination by the Internal Revenue Service (IRS) or the state of Iowa for the last three years. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense. The Organization did not have any amounts accrued for interest and penalties at June 30, 2025 or 2024.

**Subsequent Events**

The Organization has evaluated subsequent events through December 5, 2025, the date the report was available for issuance.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following (including amounts the Board could un-designate):

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 1,101,928	\$ 1,431,561
Patient Accounts Receivable, Net	1,085,011	1,352,830
Grants and Contracts Receivable, Net	1,804,334	2,268,207
Pledge Receivables, Current Portion	175,836	1,083,995
Investments	15,389,792	18,454,821
Less: Certain Net Assets With Donor Restrictions	<u>(422,729)</u>	<u>(397,982)</u>
Total	<u>\$ 19,134,172</u>	<u>\$ 24,193,432</u>

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

As part of the Organization's liquidity management plan, management invests cash in excess of daily requirements in short-term investments and money market funds. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization typically collects patient accounts receivable within one year of the date of service. Collections by payor type may vary based on payor source liquidity and timeliness of claims processing. In the event of an unanticipated liquidity need, the Organization also could draw upon its available line of credit (as further discussed in Note 6).

The Organization's endowment fund consists of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. Of the total amount of investments, \$8,878,644 and \$8,448,012 are designated by the Board of Directors as of June 30, 2025 and 2024, respectively, and must be undesignated to be spent for general expenditures.

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment and the related accumulated depreciation are as follows at June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,068,532	\$ 1,068,532
Buildings and Improvements	12,221,718	12,187,366
Furniture and Equipment	3,870,757	3,796,442
Software	1,289,297	1,289,297
Vehicles	<u>156,210</u>	<u>156,210</u>
Total Property and Equipment	18,606,514	18,497,847
Less: Accumulated Depreciation	<u>(10,687,214)</u>	<u>(10,018,085)</u>
Property and Equipment, Net	<u>\$ 7,919,300</u>	<u>\$ 8,479,762</u>

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 4 INVESTMENTS**

The following are the major types of investments held by the Organization at June 30:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 1,187,795	\$ 1,537,438
Fixed Income Securities and Mutual Funds	2,227,010	2,921,277
Equity Securities and Mutual Funds	10,053,268	11,399,957
Corporate Debt Securities	1,921,719	2,596,149
Total	<u>\$ 15,389,792</u>	<u>\$ 18,454,821</u>

Investment securities are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near-term. Such changes could materially affect the amounts reported in the consolidated financial statements of the Organization.

**NOTE 5 PLEDGES RECEIVABLE**

The Organization recognizes unconditional promises of contributions at fair value in the period the promise is made. Contributions receivable at June 30, are as follows:

	<u>2025</u>	<u>2024</u>
Less Than One Year	\$ 194,107	\$ 1,083,995
One to Five Years	-	61,482
Total Contributions	194,107	1,145,477
Less: Allowance for Uncollectible Pledges and Discount	(18,271)	(14,023)
Pledges Receivable, Net of Current Portion	<u>\$ 175,836</u>	<u>\$ 1,131,454</u>

**NOTE 6 LINE OF CREDIT AND LETTER OF CREDIT**

The Organization maintains a \$8,000,000 line of credit with a financial institution that expires on January 15, 2026. The line of credit is secured by substantially all assets of the Organization and carries an interest rate at the bank's prime lending rate less 1%, with a floor of 3.25%. The interest rate was 6.77% and 7.50% at June 30, 2025 and 2024, respectively. The outstanding balance was \$2,608,000 and \$5,608,509 at June 30, 2025 and 2024, respectively.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 7 RETIREMENT PLANS**

The Organization participates in a defined contribution retirement plan for the benefit of its eligible employees. Employees are automatically enrolled on the 91st day of employment unless they opt not to be enrolled. The Organization matches contributions 100% up to 1% and then 50% of the next 5% for a maximum match of 3.5%. Employees are 100% vested in the employer match after two years of employment and will forfeit all employer contributions received if they terminate employment before two years of service. For the years ended June 30, 2025 and 2024, the Organization contributed \$503,160 and \$446,945, respectively, to the plan.

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, are as follows:

	2025	2024
Hospice Patient Needs	\$ 633,148	\$ 1,327,920
Capital Campaign	-	8,035
Interest in Charitable Trusts	990,888	959,617
Earnings on Donor Restricted Endowment	-	395,811
Endowment Restricted in Perpetuity	81,799	81,799
Total	\$ 1,705,835	\$ 2,773,182

Net assets with donor restrictions have been released from restriction due to the purpose or time restriction being met for the years ending June 30, are as follows:

	2025	2024
Hospice Patient Needs	\$ 2,372,426	\$ 335,783
Interest in Charitable Trusts	37,515	33,869
Total	\$ 2,409,941	\$ 369,652

**NOTE 9 ENDOWMENT ASSETS**

**Overview**

The Organization's endowment consists of numerous gifts established to fund and support the mission of the Organization. The endowment is made up of board-designated, time and purpose restricted, and perpetually restricted net assets. As required by U.S. GAAP, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 9 ENDOWMENT ASSETS (CONTINUED)**

**Interpretation of Relevant Law**

The Foundation's Board of Trustees has determined the requirements of Iowa's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to center around the preservation of the fair value of the original investment as of the date of the asset transfers.

Investments resulting from donations directing that they be invested in perpetuity are classified as net assets with donor restrictions that are perpetual in nature. The earnings generated by these investments are classified as without donor restrictions or time and purpose restricted depending on the donors' stipulations. The time and purpose restricted net assets are reclassified as without donor restrictions upon their appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by Iowa's version of UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate its endowment funds:

1. The duration and preservation of the fund
2. The purposes of Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of Foundation
7. The investment policies of Foundation

**Return Objectives and Risk Parameters**

Foundation has adopted investment and spending policies for endowment assets that attempt to achieve long-term asset appreciation. The investment policy establishes an achievable return objective through diversification of asset classes. The target rate of return for the fund's investable assets is based on the assumption that future real returns will approximate the long-term real rates of return experience for each asset class.

**Strategies Employed for Achieving Objectives**

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

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Board of Trustees adopted a spending policy for the endowment assets which allows disbursements in an amount up to 5% of the average fair value, based upon the previous 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. The amount appropriated is evaluated prior to the beginning of the fiscal year in which the disbursement was approved by the Board of Trustees based on availability of funds and market conditions.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 9 ENDOWMENT ASSETS (CONTINUED)**

**Fund 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. Cumulative deficiencies of this nature that are in excess of related time and purpose restricted amounts are reported in net assets with donor restrictions. There were no such deficiencies as of June 30, 2025 and 2024.

**Endowment Net Asset Composition by Type of Fund**

The Organization's composition of endowment assets for the years ended June 30, is as follows:

	2025			
	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift	
Board-Designated	\$ 8,878,644	\$ -	\$ -	\$ 8,878,644
Donor-Restricted	-	410,805	81,799	492,604
Total Endowment	<u>\$ 8,878,644</u>	<u>\$ 410,805</u>	<u>\$ 81,799</u>	<u>\$ 9,371,248</u>

  

	2024			
	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift	
Board-Designated	\$ 8,448,012	\$ -	\$ -	\$ 8,448,012
Donor-Restricted	-	395,811	81,799	477,610
Total Endowment	<u>\$ 8,448,012</u>	<u>\$ 395,811</u>	<u>\$ 81,799</u>	<u>\$ 8,925,622</u>

**Change in Endowment Net Assets**

The Organization's change in endowment assets, by net asset composition, for the years ended June 30, is as follows:

	2025			
	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift	
Beginning Balance	\$ 8,448,012	\$ 395,811	\$ 81,799	\$ 8,925,622
Investment Income and Gains	220,695	14,994	-	235,689
Contributions	638,937	-	-	638,937
Appropriations for Expenditure	(429,000)	-	-	(429,000)
Total Endowment	<u>\$ 8,878,644</u>	<u>\$ 410,805</u>	<u>\$ 81,799</u>	<u>\$ 9,371,248</u>

  

	2024			
	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Earnings	Original Gift	
Beginning Balance	\$ 7,712,331	\$ 341,545	\$ 81,799	\$ 8,135,675
Investment Income and Gains	798,734	54,266	-	853,000
Contributions	352,947	-	-	352,947
Appropriations for Expenditure	(416,000)	-	-	(416,000)
Total Endowment	<u>\$ 8,448,012</u>	<u>\$ 395,811</u>	<u>\$ 81,799</u>	<u>\$ 8,925,622</u>

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 10 FUNCTIONAL EXPENSES**

The operating expenses of the Organization presented by their natural classification within the consolidated statements of operations and changes in net assets are summarized by function as follows:

	2025			
	Program	General and		Total
		Administrative	Fundraising	
Salaries and Wages	\$ 15,759,938	\$ 3,521,028	\$ 275,569	\$ 19,556,535
Payroll Taxes	1,134,153	287,707	21,129	1,442,989
Employee Benefits	1,713,622	631,313	31,057	2,375,992
Professional Fees	1,284,668	852,613	23,281	2,160,562
Pharmacy and Supplies	1,284,812	11,712	-	1,296,524
Contracted Food Service	106,770	-	-	106,770
Telephone	294,840	119,612	6,152	420,604
Postage and Shipping	11,650	10,466	17,949	40,065
Occupancy	660,489	343,938	-	1,004,427
Printing and Publication	89,994	58,923	-	148,917
Travel and Mileage	1,201,727	15,964	2,272	1,219,964
Conferences, Trainings, and Meetings	126,319	60,653	-	186,972
Client Instructional Resources	913,879	30,343	-	944,222
Other Patient Care	1,056,407	2,206	-	1,058,613
Subscriptions and Publications	65,442	19,304	-	84,746
Advertising and Public Relations	-	1,391	424,164	425,555
Miscellaneous	216,892	309,893	60,621	587,407
Depreciation	261,581	407,547	-	669,128
Interest	-	357,419	-	357,419
Total Expenses by Function	<u>\$ 26,183,184</u>	<u>\$ 7,042,032</u>	<u>\$ 862,195</u>	<u>\$ 34,087,411</u>

  

	2024			
	Program	General and		Total
		Administrative	Fundraising	
Salaries and Wages	\$ 16,080,731	\$ 3,592,698	\$ 281,178	\$ 19,954,607
Payroll Taxes	1,117,460	283,472	20,818	1,421,750
Employee Benefits	1,646,497	606,584	29,840	2,282,921
Professional Fees	1,505,113	998,919	27,276	2,531,308
Pharmacy and Supplies	1,678,446	15,300	-	1,693,746
Contracted Food Service	103,590	-	-	103,590
Telephone	345,515	140,170	7,209	492,894
Postage and Shipping	12,410	11,149	19,121	42,680
Occupancy	651,768	339,397	-	991,165
Printing and Publication	88,823	58,157	-	146,980
Travel and Mileage	1,259,681	16,734	2,382	1,278,797
Conferences, Trainings, and Meetings	89,482	42,965	-	132,447
Client Instructional Resources	1,067,537	35,445	-	1,102,982
Other Patient Care	2,135,216	4,458	-	2,139,674
Subscriptions and Publications	71,413	21,066	-	92,479
Advertising and Public Relations	-	1,705	520,098	521,803
Miscellaneous	203,377	290,583	56,844	550,804
Depreciation	318,470	496,180	-	814,650
Interest	-	299,718	-	299,718
Total Expenses by Function	<u>\$ 28,375,529</u>	<u>\$ 7,254,700</u>	<u>\$ 964,766</u>	<u>\$ 36,594,995</u>

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 10 FUNCTIONAL EXPENSES (CONTINUED)**

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation, professional and contract services, and facilities, which are allocated similarly to the overall salaries and benefits allocation.

**NOTE 11 LEASES**

The Organization has operating leases for various facilities and equipment that expire on various dates through 2025. At inception of the lease the liability is calculated using the risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended June 30, 2025:

	<u>2025</u>	<u>2024</u>
Lease Expense:		
Operating Lease Cost	\$ 200,244	\$ 137,906
Total	<u>\$ 200,244</u>	<u>\$ 137,906</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 200,244	\$ 137,906
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 29,379	\$ 281,838
Weighted-Average Remaining Lease Term	2.0 Years	2.3 Years
Weighted-Average Discount Rate	3.71%	3.71%

Future undiscounted cash flows for each of the next five years and a reconciliation to the lease liabilities recognized on the consolidated statements of financial position are as follows as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 120,120
2027	88,231
2028	7,182
2029	6,603
Total Lease Payments	<u>222,136</u>
Less: Amounts Representing Lease Interest	(7,657)
Total Present Value of Operating Lease Liabilities	<u>\$ 214,479</u>

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 12 COMMITMENTS AND UNCERTAINTIES**

**Government Regulation**

The Organization by operating the in the health care industry is subject to certain inherent risks, including the following:

The Organization's operations are subject to a variety of federal, state, and local legal and regulatory risks, including, without limitation, the federal Anti-Kickback Statute and the federal Ethics in Patient Referral Act (more commonly called the Stark Law), many of which apply to virtually all entities engaged in the healthcare services industry. The Anti-Kickback Statute prohibits, among other things, the offer, payment, solicitation, or receipt of any form of remuneration in return for the referral of Medicare and Medicaid patients. The Stark Law prohibits, with limited exceptions, financial relationships between ancillary service providers and referring physicians. Information based on industry standards.

The health care industry is highly regulated. The failure of the Organization to comply with applicable regulations could indirectly adversely affect the Organization's business. It is not possible to quantify fully the effect of potential legislative or regulatory changes, the administration of such legislation or any other governmental initiatives on the Organization's business. Accordingly, there can be no assurance that the impact of these changes or any future healthcare legislation will not indirectly adversely affect the Organization's business. There can be no assurance that payments under governmental and private third-party payor programs will be timely, will remain at levels comparable to present levels or will, in the future, be sufficient to cover the costs allocable to patients eligible for reimbursement pursuant to such programs.

**Professional Liability**

The Organization maintains malpractice insurance policies, with coverage of \$1,000,000 per incident and \$3,000,000 aggregate per individual per policy per year. The Organization believes this is adequate coverage to protect against any outstanding claims and litigation. Malpractice insurance expense was approximately \$16,285 and \$15,552 for the years ended June 30, 2025 and 2024, respectively.

**Litigation**

From time to time, the Organization may be named as a party to various legal claims and proceedings in the ordinary course of business. Adverse results in one or more cases could have a material adverse effect on the Organization. The Organization is not aware of any such cases and believes that the ultimate resolution of any such claims will not have a material effect on the consolidated financial statements.

**Self-Insurance**

Effective January 1, 2025, the organization terminated their self-funding insurance plan and switched to a company sponsored Individual Coverage Health Reimbursement Arrangement (ICHRA). The ICHRA is managed by a third-party administrator. The organization is still liable for claims covered by the self-funding insurance plan during the policy period January 1, 2020 through December 31, 2024.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 12 COMMITMENTS AND UNCERTAINTIES (CONTINUED)**

**Self-Insurance (continued)**

Effective January 1, 2023, the Organization is liable for employee's health care claims up to \$80,000 per employee and unlimited in the aggregate. The Organization has third-party insurance coverage for any claims in excess of such amounts. Costs are accrued based on claims reported as well as an estimated liability for claims incurred but not reported of \$170,268 and \$168,000 at June 30, 2025 and 2024, respectively, recorded in accrued payroll and other related benefits on the consolidated statements of financial position. The expense for this plan for the years ended June 30, 2025 and 2024, was approximately \$1,536,000 and \$1,760,000, respectively, recorded in employee benefits in the consolidated statements of operations and changes in net assets.

Effective January 1, 2025, the Organization terminated their self-funded insurance plan. The employee health plan is now administered by a third-party insurance provider. The organization is still liable for claims covered by the self-funded insurance plan during the policy period January 1, 2020 through December 31, 2024.

**NOTE 13 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

*Level 1* – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of cash and cash equivalents, fixed income mutual funds, equity securities and mutual funds, and international mutual funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

*Level 2* – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. The fair values of the Organization's corporate debt securities and certain fixed income securities are determined by matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities.

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 13 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)**

*Level 3* – Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability. The Organization’s Level 3 investments are not subject to redemption by the Organization and consist of interest in charitable trusts, which are valued at their estimated present value using the Organization’s estimated discount rate and life expectancies of donors.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

**Assets Measured on a Recurring Basis**

Assets measured at fair value on a recurring basis are summarized below:

	Fair Value	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2025</u>				
Investments:				
Cash and Cash Equivalents	\$ 1,187,795	\$ 1,187,795	\$ -	\$ -
Fixed Income Securities and Mutual Funds	2,227,010	-	2,227,010	-
Equity Securities and Mutual Funds	10,053,268	10,053,268	-	-
Corporate Debt Securities	1,921,719	-	1,921,719	-
Total Investments	15,389,792	11,241,063	4,148,729	-
Interest in Charitable Trusts	990,888	-	-	990,888
Total Assets	<u>\$ 16,380,680</u>	<u>\$ 11,241,063</u>	<u>\$ 4,148,729</u>	<u>\$ 990,888</u>
<u>June 30, 2024</u>				
Investments:				
Cash and Cash Equivalents	\$ 1,537,438	\$ 1,537,438	\$ -	\$ -
Fixed Income Securities and Mutual Funds	2,921,277	-	2,921,277	-
Equity Securities and Mutual Funds	11,399,957	11,399,957	-	-
Corporate Debt Securities	2,596,149	-	2,596,149	-
Total Investments	18,454,821	12,937,395	5,517,426	-
Interest in Charitable Trusts	959,617	-	-	959,617
Total Assets	<u>\$ 19,414,438</u>	<u>\$ 12,937,395</u>	<u>\$ 5,517,426</u>	<u>\$ 959,617</u>

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 13 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)**

A reconciliation of beginning and ending balances for the Organization's fair value measurements using Level 3 inputs is as follows:

Balance at June 30, 2024	\$ 651,697
Distributions from Charitable Trusts	(35,868)
Fair Market Value Adjustment to Charitable Trusts	<u>343,788</u>
Balance at June 30, 2025	959,617
Distributions from Charitable Trusts	(37,515)
Fair Market Value Adjustment to Charitable Trusts	<u>68,786</u>
Balance at June 30, 2026	<u><u>\$ 990,888</u></u>

## **SUPPLEMENTARY INFORMATION**

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2025**

	EveryStep	EveryStep Foundation	Eliminations	Consolidated Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 488,556	\$ 613,372	\$ -	\$ 1,101,928
Patient Accounts Receivable	1,436,451	-	-	1,436,451
Allowance for Credit Losses	(351,440)	-	-	(351,440)
Grants and Contracts Receivable, Net	1,804,334	-	-	1,804,334
Interest in Charitable Trusts, Current Portion	-	88,169	-	88,169
Pledge Receivables, Current Portion	-	175,836	-	175,836
Prepaid Expenses and Other	701,227	42,473	-	743,700
Total Current Assets	<u>4,079,128</u>	<u>919,850</u>	<u>-</u>	<u>4,998,978</u>
<b>PROPERTY AND EQUIPMENT, Net</b>	7,919,300	-	-	7,919,300
<b>INVESTMENTS</b>	-	15,389,792	-	15,389,792
<b>INTEREST IN CHARITABLE TRUSTS, Net of Current Portion</b>	-	902,719	-	902,719
<b>PLEDGE RECEIVABLES, Net of Current Portion</b>	-	-	-	-
<b>OPERATING RIGHT-OF-USE ASSETS</b>	214,479	-	-	214,479
<b>OTHER ASSETS</b>	165,222	63,356	-	228,578
<b>BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION</b>	<u>17,110,523</u>	<u>-</u>	<u>17,110,523</u>	<u>-</u>
Total Assets	<u>\$ 29,488,652</u>	<u>\$ 17,275,717</u>	<u>\$ 17,110,523</u>	<u>\$ 29,653,846</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Line of Credit	\$ 2,608,000	\$ -	\$ -	\$ 2,608,000
Accounts Payable	1,734,125	1,140	-	1,735,265
Accrued Payroll and Other Related Benefits	1,884,912	17,027	-	1,901,939
Operating Lease Liability, Current Portion	110,364	-	-	110,364
Deferred Revenue	99,556	-	-	99,556
Due to/from EveryStep	(147,027)	147,027	-	-
Total Current Liabilities	<u>6,289,930</u>	<u>165,194</u>	<u>-</u>	<u>6,455,124</u>
<b>OPERATING LEASE LIABILITY, Net of Current Portion</b>	<u>104,115</u>	<u>-</u>	<u>-</u>	<u>104,115</u>
Total Liabilities	6,394,045	165,194	-	6,559,239
<b>NET ASSETS</b>				
Without Donor Restrictions:				
Board-Designated	-	8,878,644	-	8,878,644
Undesignated	5,984,084	6,526,044	-	12,510,128
Total Without Donor Restrictions	<u>5,984,084</u>	<u>15,404,688</u>	<u>-</u>	<u>21,388,772</u>
With Donor Restrictions	17,110,523	1,705,835	17,110,523	1,705,835
Total Net Assets	<u>23,094,607</u>	<u>17,110,523</u>	<u>17,110,523</u>	<u>23,094,607</u>
Total Liabilities and Net Assets	<u>\$ 29,488,652</u>	<u>\$ 17,275,717</u>	<u>\$ 17,110,523</u>	<u>\$ 29,653,846</u>

**VISITING NURSE SERVICES OF IOWA DBA: EVERystep**  
**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2025**

	EveryStep	EveryStep Foundation	Eliminations	Consolidated Total
<b>SUPPORT AND REVENUE</b>				
Net Patient and Program Service Revenue	\$ 20,456,720	\$ -	\$ -	\$ 20,456,720
Fees and Grants from Governmental Agencies	7,514,781	-	-	7,514,781
Contributions	1,625,930	2,835,240	1,528,866	2,932,304
Other Revenue	816,439	-	-	816,439
Total Support and Revenue	<u>30,413,870</u>	<u>2,835,240</u>	<u>1,528,866</u>	<u>31,720,244</u>
<b>EXPENSES</b>				
Salaries and Wages	19,199,120	357,415	-	19,556,535
Payroll Taxes	1,412,974	30,015	-	1,442,989
Employee Benefits	2,310,538	65,454	-	2,375,992
Professional Fees	1,855,594	304,968	-	2,160,562
Pharmacy and Supplies	1,296,524	-	-	1,296,524
Contracted Food Service	106,770	-	-	106,770
Telephone	414,433	6,171	-	420,604
Postage and Shipping	34,091	5,974	-	40,065
Occupancy	990,235	14,192	-	1,004,427
Printing and Publication	130,303	18,614	-	148,917
Travel and Mileage	1,214,900	5,064	-	1,219,964
Conferences, Trainings, and Meetings	186,972	-	-	186,972
Client Instructional Resources	944,222	-	-	944,222
Other Patient Care	1,058,613	-	-	1,058,613
Subscriptions and Publications	84,746	-	-	84,746
Advertising and Public Relations	407,235	18,320	-	425,555
Miscellaneous	118,414	468,993	-	587,407
Depreciation	669,128	-	-	669,128
Interest	357,419	-	-	357,419
Contributions to Affiliate	-	1,528,866	1,528,866	-
Total Expenses	<u>32,792,231</u>	<u>2,824,046</u>	<u>1,528,866</u>	<u>34,087,411</u>
<b>OPERATING INCOME (LOSS)</b>	(2,378,361)	11,194	-	(2,367,167)
<b>NONOPERATING INCOME</b>				
Investment Income	-	932,747	-	932,747
Net Realized and Unrealized Gains on Investments and Charitable Trusts	-	941,620	-	941,620
Total Nonoperating Income	<u>-</u>	<u>1,874,367</u>	<u>-</u>	<u>1,874,367</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	(2,378,361)	1,885,561	-	(492,800)
<b>OTHER CHANGES</b>				
Net Asset Transfer	6,091,338	(6,091,338)	-	-
Change in Beneficial Interest in Foundation	(4,205,777)	-	(4,205,777)	-
<b>CHANGE IN NET ASSETS</b>	(492,800)	(4,205,777)	(4,205,777)	(492,800)
Net Assets - Beginning of Year	<u>23,587,407</u>	<u>21,316,300</u>	<u>21,316,300</u>	<u>23,587,407</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 23,094,607</u>	<u>\$ 17,110,523</u>	<u>\$ 17,110,523</u>	<u>\$ 23,094,607</u>



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