

**191—102.5(523D) Certified financial statements, studies, and forecasts.**

**102.5(1)** Certified financial statements, as required by Iowa Code section 523D.3(1) “i,” shall be prepared in accordance with generally accepted accounting principles (GAAP).

**102.5(2)** Certified financial statements shall be presented in a format that allows financial analysis of the contracting party undertaking to provide the continuing care. The contracting party may consist of an individual facility or numerous operating units. In some cases, where the financial condition and financial obligations of affiliated legal entities are relevant to the financial condition of the contracting party, preparation on a consolidated basis may be necessary. Certified financial statements shall provide sufficient financial disclosure to the continuing care resident to enable the resident to make an informed decision.

**102.5(3)** Studies or forecasts must disclose the basic assumptions used.

**102.5(4)** The following certified financial statements must be filed with the annual disclosure statement:

- a.* An income statement or a statement of revenues and expenses;
- b.* A statement of changes in equity or changes in fund balances;
- c.* A balance sheet; and
- d.* A statement of cash flow.

[ARC 2826C, IAB 11/23/16, effective 12/28/16]