

**SOUTH CENTRAL COMMUNITY
ACTION PARTNERSHIP, INC.**

**TWIN FALLS, IDAHO
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023 AND 2022**

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.

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Mahlke Hunsaker & Company PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

INDEPENDENT AUDITORS' REPORT

Board of Directors
South Central Community Action Partnership, Inc.
Twin Falls, ID 83301

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of South Central Community Action Partnership, Inc. (a non-profit organization) and affiliates, which comprise the consolidated statement of financial position as of December 31, 2023 and 2022, and the related consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of South Central Community Action Partnership, Inc. and affiliates as of December 31, 2023 and 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 South Central Community Action Partnership, Inc. 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 opinions.

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 South Central Community Action Partnership, Inc.'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 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 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 South Central Community Action Partnership, Inc.'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 South Central Community Action Partnership, Inc.'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 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Consolidating Statement of Financial Position, Consolidating Statement of Activities, Schedules of Program Expenditures and Indirect Costs on pages 17 - 33 are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain additional limited procedures, which consist principally of analytical procedures and inquiries of management regarding the methods and measurement and presentation of the additional information. However, we did not audit the information and express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024, on our consideration of South Central Community Action Partnership, Inc.'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 South Central Community Action Partnership, Inc.'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 South Central Community Action Partnership, Inc.'s internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho
April 29, 2024

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Current Assets		
Cash	\$ 2,163,219	\$ 1,780,607
Cash-Restricted	355,710	952,869
Accounts Receivable	16,702	1,599
Grant Receivable	754,587	417,196
Due From Federal and State Governments	5,565,029	3,862,223
Prepaid Expenses	1,464	3,593
Inventory	486,815	386,759
Land Held for Resale	1,160,000	938,000
Total Current Assets	10,503,526	8,342,846
Non-Current Assets		
Loan Receivable	18,523	38,523
Total Non-Current Assets	18,523	38,523
Property and Equipment		
Fixed Assets, net	582,473	638,723
Operating Lease Right of Use Asset	25,969	46,722
Total Property and Equipment	608,442	685,445
Total Assets	\$ 11,130,491	\$ 9,066,814
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 295,851	\$ 201,605
Accrued Expenses	122,715	107,423
Funds Held in Trust	294,312	410,392
Current Portion of Long-Term Debt	165,000	105,000
Current Portion of Operating Lease Liabilities	12,943	20,753
Deferred Grant and Contract Revenue	5,514,622	3,808,151
Total Current Liabilities	6,405,443	4,653,324
Long-Term Liabilities		
Long-Term Debt, Less Current Portion	825,000	870,000
Operating Lease Liabilities	13,026	25,969
Total Long-Term Liabilities	838,026	895,969
Total Liabilities	7,243,469	5,549,293
Net Assets		
Without Donor Restrictions	2,361,281	2,266,973
Without Donor Restrictions, Board Designated	198,518	178,669
With Donor Restrictions	1,327,223	1,071,879
Total Net Assets	3,887,022	3,517,521
Total Liabilities and Net Assets	\$ 11,130,491	\$ 9,066,814

See Notes to Financial Statements.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
<u>SUPPORT AND REVENUE</u>				
Support				
Contributions and Other	\$ 181,736	\$ 228,036	\$ 409,772	\$ 788,726
Grant Income	-	6,241,085	6,241,085	4,622,522
In-Kind Materials and Labor	-	70,468	70,468	72,784
Service Income - Home Energy Management	102,204	-	102,204	215,005
Total Support	283,940	6,539,589	6,823,529	5,699,037
Net Assets Released from Restrictions	6,284,245	(6,284,245)	-	-
Total Revenue and Gains (Losses)	6,284,245	(6,284,245)	-	-
TOTAL SUPPORT AND REVENUE	6,568,185	255,344	6,823,529	5,699,037
<u>EXPENSES</u>				
Program Support and Service	2,763,437	-	2,763,437	2,647,502
Indirect Costs	443,257	-	443,257	323,423
In-Kind Program Expenses	70,468	-	70,468	72,784
Home Energy Management	117,118	-	117,118	212,147
Mutual Self Help	3,100,468	-	3,100,468	1,784,586
Total Program Activities	6,494,748	-	6,494,748	5,040,442
Management & General	(40,720)	-	(40,720)	164,600
Total Expenses	6,454,028	-	6,454,028	5,205,042
CHANGE IN NET ASSETS	114,157	255,344	369,501	493,995
Net Assets, Beginning of Year	2,445,642	1,071,879	3,517,521	3,023,526
Net Assets, End of Year	\$ 2,559,799	\$ 1,327,223	\$ 3,887,022	\$ 3,517,521

See Notes to Financial Statements.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
<i>Cash Flows From Operating Activities</i>		
Change in Net Assets	\$ 369,501	\$ 493,995
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	56,250	56,747
(Gain) or Loss on Assets Sold	-	(417,356)
(Increase) Decrease in Cash-Restricted	597,159	(435,016)
(Increase) Decrease in Accounts Receivable	(136,659)	747,055
(Increase) Decrease in Loan Receivable	(195,835)	(417,196)
(Increase) Decrease in Due from Federal and State Government	(1,702,806)	(113,963)
(Increase) Decrease in Prepaid Expenses	2,129	(2,129)
(Increase) Decrease in Inventory	(100,056)	56,265
(Increase) Decrease in Other Current Assets	-	-
Increase (Decrease) in Accounts Payable and Other Payables	(21,834)	65,588
Increase (Decrease) in Accrued Expenses	15,292	(3,011)
Increase (Decrease) in Deferred Revenue	1,706,471	38,897
	589,612	69,876
<i>Cash Flows From Financing Activities</i>		
Purchase of Fixed Assets	-	-
Proceeds from Sale of Fixed Assets	-	426,210
Purchase of Lots for Sale	(1,160,000)	(544,000)
Proceeds from Sale of Lots	938,000	432,000
Proceeds from Long-Term Borrowing	120,000	-
Principal Payments on Long-Term Debt	(105,000)	(150,000)
	(207,000)	164,210
Net Cash Provided (Used) By Financing Activities	(207,000)	164,210
Net Increase (Decrease) in Cash and Cash Equivalents	382,612	234,086
Cash and Cash Equivalents, Beginning of Year	1,780,607	1,546,521
Cash and Cash Equivalents, End of Year	\$ 2,163,219	\$ 1,780,607

Supplemental Disclosure:

Interest and income taxes paid during 2023 were \$0 and \$0 respectively.

Interest and income taxes paid during 2022 were \$0 and \$0 respectively.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

2023

	Federal/State Share	Private Sector Share	In-Kind Contributions	Indirect	2023 Total
Expenses					
Personnel	\$ 745,346	\$ 14,887	\$ -	\$ 299,922	\$ 1,060,155
Fringe Benefits	147,481	-	-	49,453	196,934
Travel	50,933	-	-	1,832	52,765
Consumables	41,902	4,876	70,468	35,870	153,116
Equipment	-	-	-	-	-
Contractual	10,881	490	-	16,071	27,442
Space Costs	45,570	16,643	-	10,245	72,458
Other	1,264,967	419,461	-	29,864	1,714,292
Total Expenses	\$ 2,307,080	\$ 456,357	\$ 70,468	\$ 443,257	\$ 3,277,162

2022

	Federal/State Share	Private Sector Share	In-Kind Contributions	Indirect	2022 Total
Expenses					
Personnel	\$ 665,953	\$ 19,430	\$ -	\$ 219,433	\$ 904,816
Fringe Benefits	148,741	-	-	34,621	183,362
Travel	28,934	-	-	5,563	34,497
Consumables	45,872	2,824	72,784	16,591	138,071
Contractual	16,186	-	-	6,691	22,877
Space Costs	64,688	11,331	-	10,489	86,508
Other	1,466,071	177,472	-	30,035	1,673,578
Total Expenses	\$ 2,436,445	\$ 211,057	\$ 72,784	\$ 323,423	\$ 3,043,709

See Notes to Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the South Central Community Action Partnership, Inc.'s (the Organization) more significant accounting policies are presented to assist the reader in interpreting the financial statements and other data in this report. The accounting policies of the South Central Community Action Partnership, Inc. conform to generally accepted accounting principles. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements.

NATURE OF THE ORGANIZATION

The Organization is a non-profit organization incorporated under the laws of the State of Idaho for the purpose of providing a wide range of services in an effort to improve the quality of life for people with an economic disadvantage. The Organization's affiliate is a for profit limited liability company Home Energy Management, L.L.C. (HEM).

BASIS OF ACCOUNTING

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to nonprofit organizations.

BASIS OF PRESENTATION

The Organization presents its financial statements in accordance with the FASB Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Accordingly, the Organization reports 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 – net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management to fulfill the mission and vision of the Organization. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. At December 31, 2023 and 2022, the governing board designated \$198,518 and \$178,669 respectively for homeless prevention.

Net Assets with Donor Restrictions – net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Revenues are reported as increases in without donor restriction net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in without donor restriction net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in without donor restriction net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of South Central Community Action Partnership and its wholly owned subsidiary, Home Energy Management. All material intercompany transactions have been eliminated in consolidation.

CASH AND CASH EQUIVALENTS

For purposes of the Consolidated Statement of Cash Flows, the Organization considers all unrestricted highly- liquid investments with an initial maturity of three months or less to be cash equivalents. As of December 31, 2023 and 2022, the Organization had no cash equivalents.

The Organization maintains a general bank account into which funds are deposited. At the end of each day, balances in excess of \$5,000 are automatically swept into interest-bearing repurchase agreements. The amounts are secured for the full amount by the banking repurchase agreements. The securities are direct obligations of or guaranteed by the United States, its agencies or instrumentalities. They have a current market value equal to or greater than the principal amount of the transaction.

ACCOUNTS RECEIVABLE

Bad debts have been immaterial in the past so the Organization uses the direct write-off method. When an amount becomes uncollectible, it is charged to expense in the year it is deemed to be uncollectible. During the years ended December 31, 2023 and 2022, there were no bad debts. Receivables are considered past due if not collected within 90 days. As of December 31, 2023, and 2022, all receivables are current and management estimated that all accounts receivable were collectible.

DUE FROM OTHER AGENCIES, STATE OR FEDERAL GOVERNMENT

Grant or contract amounts awarded for organizational use that are not drawn upon at December 31, 2023 and 2022.

INVENTORY

Inventory is stated at cost. Inventory consists of food, dry goods, and weatherization materials.

LAND HELD FOR RESALE

The Organization owns land in conjunction with the self-help housing program that is held for sale. The Organization assists families building homes by purchasing tracts of land to resell to program participants. Proceeds from the sale of land are used to purchase additional tracts of land.

PROPERTY AND EQUIPMENT

Purchased property and equipment are stated at cost. Property and equipment received by donation are recorded at their estimated fair value on the date received. Maintenance and repairs are charged to expense as incurred. The Organization follows the practice of capitalizing all expenditures for improvements, furniture & fixtures and equipment with useful lives greater than one year and costs in excess of \$5,000.

Depreciation is determined by the straight-line method over an asset's estimated useful life. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the consolidated statement of activities.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

PROPERTY AND EQUIPMENT-continued

Property and equipment acquired are owned by South Central Community Action Partnership while used in the programs for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds; therefore, the disposition of property and equipment, as well as the ownership of any proceeds therefrom, are subject to funding source regulations.

LEASES

The Organization determines if an arrangement is a lease at inception. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options. For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease costs on a straight-line basis over the lease term and variable lease costs in the period in which the obligation is incurred. The Organization elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable and to not separate the lease and non-lease components of a contract and to account for them as a single lease component. Variable lease costs paid to or on behalf of the lessor, consisting of maintenance, services, and supplies, are excluded from the measurement of the ROU and lease liability, and are expensed in the period incurred. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment

DEFERRED REVENUES

Grant funds not expended are shown as deferred revenues. Revenues are recognized from grants when expenditures are incurred.

REVENUE RECOGNITION FROM CONTRACTS WITH CUSTOMERS

The Organization follows ASU 2014-09, "Revenue from Contracts with Customers" and all subsequent amendments to the ASU (collectively, "ASC 606"), to recognize revenue from contracts with customers. ASU 606 creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The majority of the Organization's revenues come from donations and grants, which fall outside of the scope of ASC 606.

DONATED SERVICES, SUPPLIES, AND PROPERTY AND EQUIPMENT

Donated property and equipment and services, which meet the criteria for recognition, are reflected as contributions at their estimated fair values at the date of donation. Donated property and equipment are recorded as without donor restriction support in the absence of donor restrictions as to how long the asset must be used.

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

CONTRIBUTIONS

The Organization accounts for its contributions using ASU 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made”. In accordance with the ASU, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets without donor restrictions consist of resources available for the various programs and administration of the Organization which have not been restricted by a donor or other outside party (donors include other types of contributors, including makers of certain grants). Net assets with donor restrictions are those assets that are designated by the donor for a specific purpose. In certain instances where donor-restricted support and the related donor-imposed conditions and restrictions are met in the same reporting, such contributions are classified as net assets without donor restrictions.

GRANTS

A significant portion of the Organization’s revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the occurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. As of December 31, 2023, and 2022, grants receivable in the amount of \$754,587 and \$417,196 respectively were recognized as revenue due to request made for grant monies expensed during those years.

COST ALLOCATION

Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are cost incurred for the common benefit of more than one program which cannot be readily identified with a final cost objective.

TAX STATUS AND NATURE OF THE CORPORATION

South Central Community Action Partnership, Inc. is a non-profit Corporation exempt from federal income tax under Section 501(c) (3).

The Organization files a consolidated 990 tax return with Home Energy Management whose net income is subject to the unrelated business tax on for 990-T. The Organization paid no federal taxes for the 2022 and 2021 tax returns.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

FUNCTIONAL ALLOCATION OF EXPENSES

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

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

CUSTODIAL CREDIT RISK

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterpart, the Organization will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The Organization does not have a policy for custodial credit risk outside of the deposit and investment agreements.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and grants receivable. The Organization does not require collateral to support financial instruments.

The Organization maintains its cash balances in two financial institution located in Twin Falls, Idaho. At times, these deposits exceeded the Federal Deposit Insurance Corporation (FDIC) coverage.

LIQUIDITY MANAGEMENT

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 invests cash in excess of daily requirements into interest-bearing repurchase agreements. The Organization has \$2,934,508 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of \$2,163,219 and unrestricted receivables of \$771,289 as of December 31, 2023. The Organization had \$2,199,402 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of \$1,780,607 and receivables of \$418,795 as of December 31, 2022. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

USE OF ESTIMATES

The preparation of consolidated 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 disclosures 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.

EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 29, 2024, the date which the consolidated financial statements were available to be issued.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization applies generally accepted accounting principles (GAAP) for fair value measurements of financial instruments that are recognized or disclosed at fair value in the financial statements. The Organization's financial instruments consist of cash and accounts receivable, all of which are measured at fair value in the statement of financial position.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 – ECONOMIC DEPENDENCY

The Organization's primary sources of revenue are Community Service Block Grant (CSBG), Low Income Home Energy Assistance Program (LIHEAP), Department of Energy (DOE), Department of Housing & Urban Development (HUD) and the United States Department of Agriculture (USDA). These are federal funds passed through the Idaho Department of Health and Welfare and Idaho Housing and Finance Association. Continued operations are contingent upon future funding. Use of these funds is subject to the administrative directives, rules and regulations related to the contracts with the Idaho Department of Health and Welfare and Idaho Housing and Finance Association. These programs are subject to change by an act of Congress or administrative changes mandated by the U.S. Department of Health and Human Services. Contracts from Idaho Housing and Finance Association, Continuum of Care (COC) and Emergency Solutions Grant (ESG) are in place until June 30, 2024 and September 30, 2024 respectively. The contracts with the Idaho Department of Health and Welfare are in place for CSBG, LIHEAP, Bonneville Power Association (BPA) and The Emergency Food Assistance Program (TEFAP) through September 30, 2024. A contract with the Department of Energy is in place through March 2024. A contract is also in place with United States Department of Agriculture for the Mutual Self Help Housing Technical Assistance grant through October 31, 2025.

NOTE 3 – WEATHERIZATION INVENTORIES

Purchases of weatherization supplies and materials to be used to weatherize homes are recognized in accordance with grantor policies as expenses in all programs during the current period. Amounts purchased but not yet installed totaled \$166,624 at December 31, 2023 and \$84,977 at December 31, 2022. This significant increase is reflected in the negative balance of management and general expenses.

NOTE 4 – LAND HELD FOR RESALE

Parcels of land have been purchased for the self-help housing program and will be sold to low income families when they have received a loan from USDA Rural Development to build a house on the land. The amount of land held for sale is \$1,160,000 at December 31, 2023 and \$938,000 at December 31, 2022.

NOTE 5 – SELF HELP FAMILY ACCOUNTS

For the year ended December 31, 2023 as part of the audit testing, we tested the Self-Help Family Accounts. Part of the responsibilities of the Organization as a recipient of a Self-Help Technical Assistance grant from USDA is to manage the loan funds of all the participating families and report monthly activity to the families. The Organization draws funds from the loans and purchases all the materials and sub-contractors, as needed, to build the homes. The testing included reviewing the agreements and tracing the ending balances to supporting documentation and agreements. We also verified any activity during the 2023 calendar year by tracing to supporting documentation. We did not have any issues or concerns from testing the Self-Help Family Accounts.

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 - COMMODITY FOOD

South Central Community Action Partnership, Inc. receives commodity food from the State of Idaho Department of Health and Welfare for distribution to low income households. Food distributed during the years ended December 31, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Baking Mix	\$ -	\$ 7,283
Beans	13,685	17,905
Beef, Chicken, Fish, Pork and Tu	364,520	730,155
Butter and Milk	3,610	102,274
Cheese	103,987	174,855
Fruit	261,947	153,460
Juice	11,790	16,036
Nuts	353,740	349,212
Pasta	-	2,603
Potatoes	-	14,218
Rice	20,660	15,115
Soup	17,579	38,188
Stew, Beef	27,039	26,621
Vegetables	<u>57,990</u>	<u>62,826</u>
 Total	 <u>\$1,236,547</u>	 <u>\$ 1,710,751</u>

The estimated value of remaining food commodities at December 31, 2023 and 2022 were \$309,601 and \$293,594 respectively.

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT

Land, Building and Equipment are summarized as follows:

	12/31/2022		Accumulated		12/31/2023
		Additions	Disposals	Depreciation	
Land	\$ 198,223	\$ -	\$ -	\$ -	\$ 198,223
Buildings & Improvements	919,173	-	-	-	919,173
Equipment	853,538	-	(14,688)	-	838,850
HEM	8,948	-	-	-	8,948
Accum. Deprec.	(1,341,159)	-	14,688	(56,250)	(1,382,721)
Total	\$ 638,723	\$ -	\$ -	\$ (56,250)	\$ 582,473

Depreciation expense amounted to \$56,250 in 2023 and \$56,748 in 2022.

NOTE 8 – LONG-TERM DEBT

In 2013, 2014, 2015, 2021, 2022 and 2023, the Organization received Self-Help Homeownership Opportunity Program (SHOP) funds for \$165,000, \$345,000, \$180,000, \$180,000 and \$120,000 respectively to purchase land for the Self-Help Housing Opportunity Program. The funds were used to purchase 27 lots in Kimberly, Idaho, 64 lots in Filer Idaho and 8 lots in Heyburn, Idaho. At year end the Organization has recorded a liability for these funds.

Maturities for Long-Term debt are as follows:

	SHOP 10	SHOP 12	SHOP 17	SHOP 18	SHOP 19	SHOP 20	SHOP 21	Total
2024	\$ 165,000	\$ -	\$ -		\$ -			\$ 165,000
2025	105,000	240,000	-		-			345,000
2030	-	-	105,000		75,000			180,000
2031	-	-	-	30,000	-	150,000		180,000
2033	60,000	-	-	-	-	-	60,000	120,000
Total	\$ 330,000	\$ 240,000	\$ 105,000	\$ 30,000	\$ 75,000	\$ 150,000	\$ 60,000	\$ 990,000

The Self-Help Homeownership Opportunity Program (SHOP) funds of \$990,000 do not accrue interest and no monthly payments are required. When SHOP funded lots are sold, the funds are available for future land purchases and thus are revolved. The payable is forgiven 10 years from the date of commitment.

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 – LONG-TERM DEBT-continued

The following changes occurred in long-term debt:

	Balance at 1/1/2023	Additions	Payments/ Forgiven	Balance at 12/31/2023
Shop-10	\$ 375,000	\$ 60,000	\$(105,000)	\$ 330,000
Shop-12	240,000	-	-	240,000
Shop-17	105,000	-	-	105,000
Shop-18	30,000	-	-	30,000
Shop-19	75,000	-	-	75,000
Shop-20	150,000	-	-	150,000
Shop-20	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total	<u>\$ 975,000</u>	<u>\$ 120,000</u>	<u>\$(105,000)</u>	<u>\$ 990,000</u>

NOTE 9 – LEASING ACTIVITIES

The Organization leases various facilities and office equipment for administration purposes and programs, as well as for commodity programs and weatherization inventories which are considered operating leases. The leases have remaining lease terms of 1 to 4 years. The following summarizes the line items in the statements of financial position.

Operating Leases	
Operating lease right-of-use-assets	<u>\$25,969</u>
Operating lease liabilities	<u>\$25,969</u>

The maturities of lease liabilities as of December 31, 2023 are as follows:

Year Ending December 31:	
2024	\$ 12,953
2025	5,153
2026	4,559
2027	<u>3,304</u>
Total	<u>\$ 25,969</u>

SUPPLEMENTARY INFORMATION

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC./HOME ENERGY MANAGEMENT, L.L.C.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

Assets	South Central Community Action Partnership	Home Energy Management	Eliminations	Total
Current Assets				
Cash	\$ 1,985,879	\$ 177,340	\$ -	\$ 2,163,219
Cash-Restricted	355,710			355,710
Accounts Receivable	16,702	-	-	16,702
Grants Receivable	719,536	35,051		754,587
Due From Federal and State Governments	5,565,029	-	-	5,565,029
Prepaid Expenses	-	1,464	-	1,464
Inventory	476,225	10,590	-	486,815
Land Held for Resale	1,160,000	-	-	1,160,000
Other Current Assets		-	-	-
Total Current Assets	10,279,081	224,445	-	10,503,526
Non-Current Assets				
Loan Receivable	18,523	-	-	18,523
Total Non-Current Assets	18,523	-	-	18,523
Property and Equipment				
Fixed Assets, net	580,025	2,448	-	582,473
Operating Lease Right of Use Asset	25,969			25,969
Total Property and Equipment	605,994	2,448	-	608,442
Total Assets	\$ 10,903,598	\$ 226,893	\$ -	\$ 11,130,491
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	\$ 274,860	\$ 20,991	\$ -	\$ 295,851
Accrued Expenses	121,810	905	-	122,715
Funds Held in Trust	294,312	-	-	294,312
Current Portion of Long-Term Debt	165,000	-	-	165,000
Current Portion of Operating Lease Liabilities	12,943			12,943
Deferred Grant and Contract Revenue	5,514,622	-	-	5,514,622
Total Current Liabilities	6,383,547	21,896	-	\$ 6,405,443
Long-Term Liabilities				
Long-Term Debt, Less Current Portion	825,000	-	-	825,000
Lease Liabilities	13,026			13,026
Total Long-Term Liabilities	838,026	-	-	838,026
Total Liabilities	7,221,573	21,896	-	7,243,469
Net Assets				
Without Donor Restrictions	2,354,802	204,997	-	2,559,799
With Donor Restrictions	1,327,223	-	-	1,327,223
Total Net Assets	3,682,025	204,997	-	3,887,022
Total Liabilities and Net Assets	\$ 10,903,598	\$ 226,893	\$ -	\$ 11,130,491

See Notes to the Financial Statements

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC./HOME ENERGY MANAGEMENT, L.L.C.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	South Central Community Action Partnership	Home Energy Management	Eliminations	Total
<u>SUPPORT AND REVENUE</u>				
Support				
Contributions and Other	\$ 409,772	\$ -	\$ -	\$ 409,772
Grant Income	3,140,617	-	-	3,140,617
In-Kind Materials and Labor	70,468	-	-	70,468
Mutual Self Help	3,100,468	-	-	3,100,468
Service Income - Home Energy Management	-	102,204	-	102,204
Total Support	6,721,325	102,204	-	6,823,529
TOTAL SUPPORT AND REVENUE	6,721,325	102,204	-	6,823,529
<u>EXPENSES</u>				
Program Support and Service	2,763,437	-	-	2,763,437
Indirect	443,257	-	-	443,257
In-Kind Program Expenses	70,468	-	-	70,468
Home Energy Management	-	117,118	-	117,118
Mutual Self Help-Construction Costs	3,100,468	-	-	3,100,468
Total Program Expenditures	6,377,630	117,118	-	6,494,748
Management & General	(40,720)	-	-	(40,720)
Total Expenses	6,336,910	117,118	-	6,454,028
CHANGE IN NET ASSETS	384,415	(14,914)	-	369,501
Net Assets, January 1, 2023	3,297,610	219,911	-	3,517,521
Net Assets, December 31, 2023	\$ 3,682,025	\$ 204,997	\$ -	\$ 3,887,022

See Notes to the Financial Statements

SCHEDULES OF PROGRAM EXPENDITURES

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	State of Idaho	Idaho Housing & Finance Association	Other Federal Funding Sources	Other Funding Sources	Total
Expenditures					
Grant Share Direct Costs					
Salaries & Wages	\$ 506,750	\$ 65,527	\$ 173,069	\$ -	\$ 745,346
Fringe Benefits	110,692	-	36,789	-	147,481
Travel	33,023	-	17,909	-	50,932
Space	44,906	-	664	-	45,570
Consumables	14,052	16,978	10,871	-	41,901
Contractual	6,249	-	4,632	-	10,881
Indirect expenses	323,201	6,096	40,594	34,802	404,693
Other	29,741	-	5,564	-	35,305
Training	41,231	-	2,859	-	44,090
Client Assistance	42,006	124,316	-	18,017	184,339
Support-Labor	421,966	-	-	263,322	685,288
Support-Other	63,138	-	-	41,836	104,974
Materials	491,277	-	-	-	491,277
Liability	5,347	-	-	-	5,347
Leveraging	1,426	-	-	-	1,426
Health and Safety	36,108	-	-	14,201	50,309
Total Direct Costs	2,171,113	212,917	292,951	372,178	3,049,159
Private Sector Share Cash Expenditures					
Program Expenses					
Salaries & Benefits	14,887	-	-	-	14,887
Consultants	490	-	-	-	490
Other	3,843	-	15,284	18,808	37,935
Consumables	2,616	-	2,259	-	4,875
Space	-	-	16,643	-	16,643
Indirect expenses	-	-	5,494	33,059	38,553
Client Assistance	12,128	32,024	-	-	44,152
Total Cash Expenditures	33,964	32,024	39,680	51,867	157,535
In-Kind Contributions					
Consumables	70,468	-	-	-	70,468
Total In-Kind Contributions	70,468	-	-	-	70,468
Total Private Sector Cash & In-Kind Contributions	104,432	32,024	39,680	51,867	228,003
Total Expenditures	\$ 2,275,545	\$ 244,941	\$ 332,631	\$ 424,045	\$ 3,277,162

See Notes to Financial Statements

PASSED THROUGH THE STATE OF IDAHO

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
PASSED THROUGH THE STATE OF IDAHO
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Community Service Block Grant CSBG -23	Community Service Block Grant CSBG -22	USDA TEFAP 23	USDA TEFAP 24	Bonnville Power Administration BPA-420	Bonnville Power Administration BPA-22	Low Income Home Energy Assistance Program EA-24	Low Income Home Energy Assistance Program EA-23
	1/1/2023 9/30/2023	1/1/2023 9/30/2023	1/1/2023 9/30/2023	10/1/2023 12/31/2023	10/1/2023 12/31/2023	1/1/2023 12/31/2023	10/1/2023 12/31/2023	1/1/2023 12/31/2023
Expenditures								
State Contract Share								
Salaries & Wages	\$ 165,886	\$ 105,328	\$ 27,186	\$ 11,616	\$ -	\$ -	66,293	\$ 108,230
Fringe Benefits	49,643	35,447	-	-	-	-	7,690	17,912
Consultants	275	2,651	-	-	-	-	-	828
Travel	2,941	9,269	4,886	13,667	-	259	(1,631)	3,632
Consumables	3,500	4,189	1,288	682	-	-	708	3,685
Space	10,262	9,694	15,152	5,159	-	-	836	3,803
Other	5,932	1,370	-	5,405	-	-	(22)	1,409
Training	-	2,865	159	-	-	8,343	(2,576)	2,576
Indirect expenses	80,064	47,071	7,933	5,396	2,764	23,770	10,052	24,121
Client Assistance	-	-	-	-	-	-	-	-
Support-Labor	-	-	-	-	20,453	120,785	-	-
Support-Other	-	-	-	-	3,211	17,984	-	-
Materials	-	-	-	-	-	-	-	-
Liability	-	-	-	-	-	-	-	-
Leveraging	-	-	-	-	-	-	-	-
Health and Safety	-	-	-	-	-	-	-	-
Total Direct Costs	318,503	217,884	56,604	41,925	26,428	171,141	81,350	166,196
Grantee's Share								
Cash Expenditures								
Program Expenses								
Salaries & Wages	-	-	6,284	5,143	-	-	-	-
Consultants	-	-	-	-	-	-	-	-
Travel	-	-	231	490	-	-	-	-
Client Assistance	-	-	11,768	-	-	-	360	-
Consumables	-	107	664	974	-	-	-	-
Other	-	11	-	3,111	-	-	-	-
Total Cash Expenditures	-	118	18,947	9,718	-	-	360	-
In-Kind Contributions								
Consumables	70,468	-	-	-	-	-	-	-
Total In-Kind Contributions	70,468	-	-	-	-	-	-	-
Total Expenditures	\$ 388,971	\$ 218,002	\$ 75,551	\$ 51,643	\$ 26,428	\$ 171,141	\$ 81,710	\$ 166,196

See Notes to Financial Statements

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
PASSED THROUGH THE STATE OF IDAHO
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Low Income Household							
	Water Assistance Program	Department of Energy	Department of Energy	Department of Energy	LIHEAP Weatherization Program	LIHEAP Weatherization Program	LIHEAP Weatherization Program	Total
	LIHWAP-23	DOE-22	DOE-23	DOE-BIL	LPW-24	LPW-23	LPW-22	
	1/1/2023	1/1/2023	4/1/2023	7/30/2023	1/1/2023	1/1/2023	1/1/2023	
	<u>11/17/2023</u>	<u>3/31/2023</u>	<u>12/31/2023</u>	<u>12/31/2023</u>	<u>12/31/2023</u>	<u>12/31/2023</u>	<u>9/30/2023</u>	
Expenditures								
State Contract Share								
Salaries & Wages	\$ 5,475	\$ 16,736	\$ -		\$ -	\$ -	\$ -	\$ 506,750
Fringe Benefits	-	-	-		-	-	-	110,692
Consultants	-	-	2,495		-	-	-	6,249
Travel	-	-	-		-	-	-	33,023
Consumables	-	-	-		-	-	-	14,052
Space	-	-	-		-	-	-	44,906
Other	-	15,647	-		-	-	-	29,741
Training	-	2,365	27,499		-	-	-	41,231
Indirect expenses	7,739	17,776	35,336	4,008	11,359	33,736	12,076	323,201
Client Assistance	42,006	-	-		-	-	-	42,006
Support-Labor	-	59,441	133,287	20,161	47,822	(9,365)	29,382	421,966
Support-Other	-	7,804	24,184	3,399	-	7,479	(923)	63,138
Materials	-	-	-		68,636	330,339	92,302	491,277
Liability	-	-	5,347		-	-	-	5,347
Leveraging	-	713	713		-	-	-	1,426
Health and Safety	-	13,069	21,549	1,490	-	-	-	36,108
Total Direct Costs	55,220	133,551	250,410	29,058	127,817	362,189	132,837	2,171,113
Grantee's Share								
Cash Expenditures								
Program Expenses								
Salaries & Wages	-	-	3,460	-	-	-	-	14,887
Consultants	-	-	490	-	-	-	-	490
Travel	-	-	-	-	-	-	-	721
Client Assistance	-	-	-	-	-	-	-	12,128
Consumables	-	-	871	-	-	-	-	2,616
Other	-	-	-	-	-	-	-	3,122
Total Cash Expenditures	-	-	4,821	-	-	-	-	33,964
In-Kind Contributions								
Consumables	-	-	-	-	-	-	-	70,468
Total In-Kind Contributions	-	-	-	-	-	-	-	70,468
Total Expenditures	\$ 55,220	\$ 133,551	\$ 255,231	\$ 29,058	\$ 127,817	\$ 362,189	\$ 132,837	\$ 2,275,545

PASSED THROUGH THE IDAHO HOUSING AND FINANCE ASSOCIATION

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
PASSED THROUGH THE IDAHO HOUSING AND FINANCE ASSOCIATION
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	ESG Emergency Services Grant <u>22-24</u> 1/1/2023 <u>9/30/2023</u>	ESG Emergency Services Grant <u>22-34</u> 1/1/2023 <u>9/30/2023</u>	ESG Emergency Services Grant <u>20-13</u> 1/1/2023 <u>6/30/2023</u>	ESG Emergency Services Grant <u>23-24</u> 10/1/2023 <u>12/31/2023</u>	Continium of Care <u>22-65</u> 7/1/2023 <u>12/31/2023</u>
Expenditures					
Grant/Federal Share Direct Costs					
Salaries & Wages	\$ -	\$ -	\$ 904	\$ -	\$ 10,772
Consumables	-	-	-	-	16,978
Rent/Mortgage Assistance	11,530	12,769	37,671	7,276	38,671
Utility Assistance	1,147	825	686	(83)	2,110
Indirect Costs	528	566	-	300	2,157
Total Expenditures	<u>13,205</u>	<u>14,160</u>	<u>39,261</u>	<u>7,493</u>	<u>70,688</u>
Grantee's Share					
Cash Expenditures					
<u>Program Expenses</u>					
Client Assistance	-	-	-	-	32,024
Total Cash Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,024</u>
Total	<u>\$ 13,205</u>	<u>\$ 14,160</u>	<u>\$ 39,261</u>	<u>\$ 7,493</u>	<u>\$ 102,712</u>

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
PASSED THROUGH THE IDAHO HOUSING AND FINANCE ASSOCIATION
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Continium of Care	Continium of Care	Continium of Care	Emergency Rental Assistance	Total
	<u>21-77D</u> 1/1/2023 <u>6/30/2023</u>	<u>21-65</u> 1/1/2023 <u>6/30/2023</u>	<u>21-77D</u> 7/1/2023 <u>12/31/2023</u>	<u>2201</u> 1/1/2023 <u>12/31/2023</u>	
Expenditures					
Grant/Federal Share Direct Costs					
Salaries & Wages	\$ 27,298	\$ 2,600	\$ 23,253	\$ 700	\$ 65,527
Consumables	-	-	-	-	16,978
Rent/Mortgage Assistance	-	10,986	-	-	118,903
Utility Assistance	-	728	-	-	5,413
Indirect Costs	975	444	1,056	70	6,096
Total Expenditures	<u>28,273</u>	<u>14,758</u>	<u>24,309</u>	<u>770</u>	<u>212,917</u>
Grantee's Share					
Cash Expenditures					
<u>Program Expenses</u>					
Client Assistance	-	-	-	-	32,024
Total Cash Expenditures	-	-	-	-	<u>32,024</u>
Total	<u>\$ 28,273</u>	<u>\$ 14,758</u>	<u>\$ 24,309</u>	<u>\$ 770</u>	<u>\$ 244,941</u>

OTHER FEDERAL FUNDING SOURCES

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
OTHER FEDERAL FUNDING SOURCES
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	USDA Rural Development Mutual Self-Help <u>21</u> 1/1/2023 <u>12/31/2023</u>	USDA Rural Development Mutual Self-Help <u>23</u> 10/1/2023 <u>12/31/2023</u>	<u>Total</u>
<i>Expenditures</i>			
Grant/Federal Share Direct Costs			
Salaries & Wages	\$ 169,723	\$ 3,346	\$ 173,069
Fringe Benefits	36,199	590	36,789
Space	664	-	664
Training	2,859	-	2,859
Indirect Costs	40,742	(148)	40,594
Travel	17,909	-	17,909
Contracts	4,632	-	4,632
Consumables	14,224	(3,353)	10,871
Other	7,564	(2,000)	5,564
Total Direct Costs	294,516	(1,565)	292,951
Grantee's Share			
Cash Expenditures			
<u>Program Expenses</u>			
Space	14,856	1,787	16,643
Consumables	2,165	94	2,259
Other	10,884	4,400	15,284
Indirect Costs	3,423	2,071	5,494
Total Cash Expenditures	31,328	8,352	39,680
Total Expenditures	\$325,844	\$6,787	\$332,631

See Notes to Financial Statements

OTHER FUNDING SOURCES

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
OTHER FUNDING SOURCES
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Idaho Power Company-2021 01/01/2023 - <u>12/31/2023</u>	IP Easy Savings HVAC Tune-Up 21-22 01/01/2023 - <u>12/31/2023</u>	IP Easy Savings HVAC Tune-Up 23-24 4/1/2023 <u>12/31/2023</u>	Fund Development	Total
Expenditures					
Grant Share Direct Costs					
Support-Labor	\$ 263,322	\$ -	\$ -	\$ -	\$ 263,322
Support-Other	41,836	-	-	-	41,836
Health & Safety	14,201	-	-	-	14,201
Indirect Costs	31,936	288	2,578	-	34,802
Client Assistance	-	2,032	15,985	-	18,017
Total Expenditures	<u>351,295</u>	<u>2,320</u>	<u>18,563</u>	-	<u>372,178</u>
Grantee's Share					
Cash Expenditures					
<u>Program Expenses</u>					
Other	-	-	-	505	505
Rehabilitation	-	-	-	8,895	8,895
Fund Raising	-	-	-	9,408	9,408
Indirect expenses	31,960	-	-	1,099	33,059
Total Cash Expenditures	<u>31,960</u>	-	-	19,907	51,867
Total	<u>\$ 383,255</u>	<u>\$ 2,320</u>	<u>\$ 18,563</u>	<u>\$ 19,907</u>	<u>\$ 424,045</u>

See Notes to Financial Statements

INDIRECT COSTS

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
INDIRECT COSTS
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

		01/01/2023- <u>12/31/2023</u>
<i>Expenditures</i>		
Salaries & Wages	\$	299,922
Fringe Benefits		49,453
Contracts		16,071
Training		586
Travel		1,832
Board Expense		2,227
Space		10,245
Consumables		35,870
Telephone		21,254
Other		5,797
Total Expenditures	\$	<u><u>443,257</u></u>

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
South Central Community Action Partnership, Inc.
Twin Falls, Idaho 83301

We have audited, 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, the consolidated financial statements of South Central Community Action Partnership, Inc. (a nonprofit organization) which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Central Community Action Partnership, Inc.’s internal control over financial reporting (internal control) as a basis for designing 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 South Central Community Action Partnership, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of South Central Community Action Partnership, Inc.’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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Central Community Action Partnership, Inc.'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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho
April 29, 2024

SOUTH CENTRAL COMMUNITY ACTION AGENCY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Pass-Through Entity #</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
Food Distribution Cluster-Cluster					
United States Department of Agriculture					
Emergency Food Assistance Program (Administrative Costs)	10.568	Idaho Department of Health & Welfare	23	\$	56,605
Emergency Food Assistance Program (Administrative Costs)	10.568	Idaho Department of Health & Welfare	24		41,925
Total Emergency Food Assistance Program (Administrative Costs)				0	98,530
<i>Total United States Department of Agriculture</i>					98,530
Total Food Distribution Cluster-Cluster					
Other Programs (Treated individually for major program determination)					
United States Department of Agriculture					
Rural Self-Help Housing Technical Assistance	10.420		23		49,600
Rural Self-Help Housing Technical Assistance	10.420		21		302,848
Total Rural Self-Help Housing Technical Assistance				0	352,448
<i>Total United States Department of Agriculture</i>					352,448
Department of Housing and Urban Development					
Emergency Solutions Grants Program	14.231	Idaho Housing & Finance Association	20-13		39,261
Emergency Solutions Grants Program	14.231	Idaho Housing & Finance Association	22-34		14,160
Emergency Solutions Grants Program	14.231	Idaho Housing & Finance Association	23-24		7,492
Emergency Solutions Grants Program	14.231	Idaho Housing & Finance Association	22-24		13,206
Total Emergency Solutions Grants Program				0	74,119
Self-Help Homeownership Opportunity Program					
Self-Help Homeownership Opportunity Program	14.247	Community Frameworks	Shop 10		60,000
Self-Help Homeownership Opportunity Program	14.247	Community Frameworks	Shop 21		60,000
Total Self-Help Homeownership Opportunity Program				0	120,000
Continuum of Care Program					
Continuum of Care Program	14.267	Idaho Housing and Finance Association	22-65		70,687
Continuum of Care Program	14.267	Idaho Housing & Finance Association	22-77		24,308
Continuum of Care Program	14.267	Idaho Housing & Finance Association	21-77		28,274
Continuum of Care Program	14.267	Idaho Housing & Finance Association	21-65		14,758
Total Continuum of Care Program				0	138,027
<i>Total Department of Housing and Urban Development</i>					332,146
Department of the Treasury					
Emergency Rental Assistance Program	21.023	Idaho Housing & Finance Association	22-01		770
Total Emergency Rental Assistance Program				0	770
<i>Total Department of the Treasury</i>					770
Department of Energy					
Weatherization Assistance for Low-Income Persons	81.042	Idaho Department of Health & Welfare	22		133,551
Weatherization Assistance for Low-Income Persons	81.042	Idaho Department of Health & Welfare	23		250,409
Weatherization Assistance for Low-Income Persons	81.042	Bonneville Power Agency	24		26,428
Weatherization Assistance for Low-Income Persons	81.042	Bonneville Power Agency	22		171,142
Weatherization Assistance for Low-Income Persons	81.042	Idaho Department of Health & Welfare	BIL		29,058
Total Weatherization Assistance for Low-Income Persons				0	610,588
<i>Total Department of Energy</i>					610,588
Department of Health and Human Services					
Low-income Household Water Assistance Program	93.499	Idaho Department of Health & Welfare	22		55,220
Total Low-income Household Water Assistance Program				0	55,220
Low-Income Home Energy Assistance					
Low-Income Home Energy Assistance	93.568	Idaho Department of Health & Welfare	23		166,195
Low-Income Home Energy Assistance	93.568	Idaho Department of Health & Welfare	24		81,350
Low-Income Home Energy Assistance	93.568	Idaho Department of Health & Welfare	22		132,837
Low-Income Home Energy Assistance	93.568	Idaho Department of Health & Welfare	23		362,190
Low-Income Home Energy Assistance	93.568	Idaho Department of Health & Welfare	24		127,817
Total Low-Income Home Energy Assistance				0	870,388
Community Services Block Grant					
Community Services Block Grant	93.569	Idaho Department of Health & Welfare	22		217,884
Community Services Block Grant	93.569	Idaho Department of Health & Welfare	23		318,503
Total Community Services Block Grant				0	536,387
<i>Total Department of Health and Human Services</i>					1,461,995
Total Other Programs (Treated individually for major program determination)					2,757,947
Total Expenditures of Federal Awards					\$ 0 \$ 2,856,477

The accompanying notes are an integral part of this schedule

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023**

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of South Central Community Action Partnership, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

Note 2: Indirect Cost Rate

South Central Community Action Partnership, Inc. has elected not to use the 10 percent de Minimis indirect cost rate as allowed under the Uniform Guidance. South Central Community Action Partnership, Inc. has an indirect rate that has been approved by the US Department of the Interior.

Note 3: Department of Housing and Urban Development Loan Programs

The loan program listed subsequently are administered by South Central Community Action Partnership, Inc., and balances are included in South Central Community Action Partnership, Inc.'s basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2023 consist of:

CFDA Number	Program Name	Outstanding Balance at December 31, 2023
14.247	Self-Help Homeownership Opportunity Program	<u>\$120,000</u>



Mahlke Hunsaker & Company PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

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

Board of Directors
South Central Community Action Partnership, Inc.
Twin Falls, Idaho 83301

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South Central Community Action Partnership, Inc.'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 each of South Central Community Action Partnership, Inc.'s major federal programs for the year ended December 31, 2023. South Central Community Action Partnership, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, South Central Community Action Partnership, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

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; 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 South Central Community Action Partnership, Inc. 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 compliance for each major federal program. Our audit does not provide a legal determination of South Central Community Action Partnership, Inc.'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 South Central Community Action Partnership, Inc.'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 South Central Community Action Partnership, Inc.'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 a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about South Central Community Action Partnership, Inc.'s compliance with the requirements of each 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 South Central Community Action Partnership, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of South Central Community Action Partnership, Inc.'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 South Central Community Action Partnership, Inc.'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 a 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, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance 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.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho
April 29, 2024

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023**

Section I----Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *unmodified*
Internal control over financial reporting:

- * Material weakness identified? _____yes ___x___no
- * Significant deficiency identified
that are not considered to be
a material weakness? _____yes ___x___none reported
- Noncompliance material to financial
statements noted? _____yes ___x___no

Federal Awards

Internal control over major programs:

- * Material weakness identified? _____yes ___x___no
- * Significant deficiency identified
that are not considered to be
a material weakness? _____yes ___x___none reported

Type of auditor's report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are
required to be reported in accordance
with the Uniform Guidance 2 CFR 200.516? _____yes ___x___no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
81.042	Weatherization Assistance for Low-Income Persons

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

Auditee qualified as low-risk auditee? ___X___yes _____no

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section II -- Financial Statement Findings

None

Section III -- Federal Award Findings and Questioned Costs

None

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

No findings were reported in the prior year.