

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

**TWIN FALLS, IDAHO
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020, 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 taken as a whole. The Consolidating Statement of Financial Position, Consolidating Statement of Activities, Schedules of Program Expenditures and Indirect Costs on pages 17 - 32 are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain additional analytical 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 May 13, 2022, 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
May 13, 2022

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Current Assets		
Cash	\$ 1,546,521	\$ 1,049,135
Cash-Restricted	517,853	438,690
Accounts Receivable	439,323	1,303
Grant Receivable	309,331	311,442
Due From Federal and State Governments	3,748,260	2,909,367
Prepaid Expenses	1,464	1,464
Inventory	443,024	692,262
Land Held for Resale	788,000	672,000
Other Current Assets	-	-
Total Current Assets	7,793,776	6,075,663
Non-Current Assets		
Loan Receivable	38,523	38,523
Total Non-Current Assets	38,523	38,523
Fixed Assets		
Fixed Assets, net	742,324	917,332
Total Fixed Assets	742,324	917,332
 Total Assets	 \$ 8,574,623	 \$ 7,031,518
 Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 147,033	\$ 142,427
Accrued Expenses	110,434	117,812
Funds Held in Trust	399,376	204,213
Current Portion of Long-Term Debt	150,000	-
Deferred Grant and Contract Revenue	3,769,254	2,954,210
Total Current Liabilities	4,576,097	3,418,662
Long-Term Liabilities		
Mortgage Payable, Less Current Portion	975,000	945,000
Total Long-Term Liabilities	975,000	945,000
 Total Liabilities	 5,551,097	 4,363,662
Net Assets		
Without Donor Restrictions	886,053	900,464
Without Donor Restrictions, Board Designated	160,352	151,055
With Donor Restrictions	1,977,121	1,616,337
Total Net Assets	3,023,526	2,667,856
 Total Liabilities and Net Assets	 \$ 8,574,623	 \$ 7,031,518

See Notes to Financial Statements.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<u>SUPPORT AND REVENUE</u>				
Support				
Contributions and Other	\$ 27,045	\$ 852,468	\$ 879,513	\$ 312,944
Grant Income	-	4,711,832	4,711,832	4,524,145
In-Kind Materials and Labor	-	70,283	70,283	72,263
Service Income - Home Energy Management	87,797	-	87,797	48,953
Total Support	114,842	5,634,583	5,749,425	4,958,305
Net Assets Released from Restrictions	5,156,927	(5,156,927)	-	-
Total Revenue and Gains (Losses)	5,156,927	(5,156,927)	-	-
TOTAL SUPPORT AND REVENUE	5,271,769	477,656	5,749,425	4,958,305
<u>EXPENSES</u>				
Program Support and Service	2,772,724	-	2,772,724	2,695,092
Indirect Costs	316,257	-	316,257	317,667
In-Kind Program Expenses	70,283	-	70,283	72,263
Home Energy Management	83,255	-	83,255	87,945
Mutual Self Help	1,730,812	-	1,730,812	1,565,670
Total Program Activities	4,973,331	-	4,973,331	4,738,637
Management & General	303,552	116,872	420,424	76,722
Total Expenses	5,276,883	116,872	5,393,755	4,815,359
CHANGE IN NET ASSETS	(5,114)	360,784	355,670	142,946
Net Assets, Beginning of Year	1,051,519	1,616,337	2,667,856	2,524,910
Net Assets, End of Year	\$ 1,046,405	\$ 1,977,121	\$ 3,023,526	\$ 2,667,856

See Notes to Financial Statements.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<i>Cash Flows From Operating Activities</i>		
Change in Net Assets	\$ 355,670	\$ 142,946
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	58,136	71,378
(Gain) or Loss on Assets Sold	(687,386)	1,091
(Increase) Decrease in Cash-Restricted	(79,163)	(230,134)
(Increase) Decrease in Accounts Receivable	(126,578)	(3,842)
(Increase) Decrease in Loan Receivable	(309,331)	-
(Increase) Decrease in Due from Federal and State Government	(838,893)	(136,394)
(Increase) Decrease in Inventory	249,238	96,823
Increase (Decrease) in Accounts Payable and Other Payables	199,769	(42,287)
Increase (Decrease) in Accrued Expenses	(7,378)	29,943
Increase (Decrease) in Deferred Revenue	815,044	157,692
	(370,872)	87,216
<i>Cash Flows From Financing Activities</i>		
Purchase of Fixed Assets	(60,788)	(94,271)
Proceeds from Sale of Fixed Assets	673,446	-
Purchase of Lots for Sale	(302,000)	-
Proceeds from Sale of Lots	377,600	655,000
Proceeds from Long-Term Borrowing	518,000	180,000
Principal Payments on Long-Term Debt	(338,000)	(604,800)
	868,258	135,929
Net Cash Provided (Used) By Financing Activities		
	497,386	223,145
Net Increase (Decrease) in Cash and Cash Equivalents		
	1,049,135	825,990
Cash and Cash Equivalents, Beginning of Year		
	\$ 1,546,521	\$ 1,049,135
Cash and Cash Equivalents, End of Year		
	\$ 1,546,521	\$ 1,049,135

Supplemental Disclosure:

Interest and income taxes paid during 2021 were \$0 and \$0 respectively.

Interest and income taxes paid during 2020 were \$0 and \$0 respectively.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

2021

	Federal/State Share	Private Sector Share	In-Kind Contributions	Indirect	2021 Total
Expenses					
Personnel	\$ 655,250	\$ 10,799	\$ -	\$ 221,658	\$ 887,707
Fringe Benefits	151,881	-	-	38,730	190,611
Travel	20,427	-	-	1,711	22,138
Consumables	85,064	2,329	70,283	12,753	170,429
Equipment	42,528	-	-	-	42,528
Contractual	9,750	-	-	7,301	17,051
Space Costs	40,742	10,809	-	14,359	65,910
Other	1,588,882	154,263	-	19,745	1,762,890
Total Expenses	\$ 2,594,524	\$ 178,200	\$ 70,283	\$ 316,257	\$ 3,159,264

2020

	Federal/State Share	Private Sector Share	In-Kind Contributions	Indirect	2020 Total
Expenses					
Personnel	\$ 584,992	\$ 437	\$ -	\$ 214,843	\$ 800,272
Fringe Benefits	133,415	-	-	34,906	168,321
Travel	14,187	-	-	496	14,683
Consumables	59,307	2,641	72,263	12,084	146,295
Contractual	10,251	-	-	7,510	17,761
Space Costs	-	16,854	-	29,401	46,255
Other	1,643,744	163,608	-	18,427	1,825,779
Total Expenses	\$ 2,511,552	\$ 183,540	\$ 72,263	\$ 317,667	\$ 3,085,022

See Notes to Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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, 2021 and 2020, the governing board designated \$160,352 and \$151,055 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.

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.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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, 2021 and 2020, 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 \$250,000 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, 2021 and 2020, there were no bad debts. Receivables are considered past due if not collected within 90 days. As of December 31, 2021, and 2020, 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, 2021 and 2020.

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.

FIXED ASSETS

Purchased fixed assets are stated at cost. Fixed assets 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.

Fixed assets 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 fixed assets purchased with grant funds; therefore, the disposition of fixed assets, as well as the ownership of any proceeds therefrom, are subject to funding source regulations.

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

DEFERRED REVENUES

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

DONATED ASSETS

Donated assets and services are reflected as non-federal contributions based on the fair market value of such assets or services. These assets and services are presented in the statements to disclose community participation and matching requirements of federal programs.

CONTRIBUTIONS

Contributions are recognized when the donor makes the contribution. Contributions that are restricted by the donor are reported as increases in without donor restriction net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restrictions net assets depending on the nature of the restriction. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

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, 2021, and 2020, grants receivable in the amount of \$309,331 and \$311,442 respectively were recognized as revenue due to request made for grant monies expended 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 2020 tax return and \$1,077 for the 2019 tax return.

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.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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.

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 one 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 \$2,115,175 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 \$1,546,521 and unrestricted receivables of \$568,654 as of December 31, 2021. The Organization had \$1,361,880 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 \$1,049,135 and receivables of \$312,745 as of December 31, 2020. 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 May 13, 2022, the date which the consolidated financial statements were available to be issued.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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.

CURRENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issues clarifying ASU's replaced most existing revenue recognition guidance under accounting principles generally accepted in the United States of America (U.S. GAAP). The ASU's also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard for the year ended December 31, 2021, using the full retrospective method.

In June 2018, the FASB released ASU 2018-08, Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made. This update provides clarifying guidance on accounting for grants and contracts of nonprofit organizations as they relate to the new revenue recognition standards implemented by ASU 2014-09 and aims to minimize diversity in the classification of grants and contract that exist under current guidance.

The adoption of these ASU's did not have a significant impact on the financial statements. Based on the Organization's evaluation process and review of its contracts and contributions, the timing and amount of the revenue recognized previously is consistent with how revenue is recognized under the new standards. No changes were required to previously reported revenues as a result of adoption.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. In addition to enhanced disclosures for contributed nonfinancial assets, this ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact this standard will have on its financial statements.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new guidance will require all leases to be recorded as assets and liabilities on the statement of financial position. This update would require capitalization of the "right to use" an asset and recognition of an obligation for future lease payments for most leases currently classified as operating leases. Other leases currently classified as capital leases will be referred to as financing leases and will continue to be recorded as assets and liabilities in a similar manner. In June 2020, the FASB issued ASU No. 2020-05 which defers the effective date one year making it effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. The provisions of this ASU are to be applied using either the retrospective approach or modified retrospective approach. The Organization is currently evaluating the impact this standard will have on its financial statements.

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, 2022 and September 30, 2022 respectively. The contracts with the Idaho Department of Health and Welfare are in place for CSBG through September 30, 2022, for LIHEAP and Bonneville Power Association (BPA) and The Emergency Food Assistance Program (TEFAP) through September 30, 2021. A contract is also in place with United States Department of Agriculture for the Mutual Self Help Housing Technical Assistance grant through October 15, 2023.

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 \$39,085 at December 31, 2021 and \$63,064 at December 31, 2020.

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 \$788,000 at December 31, 2021 and \$672,000 at December 31, 2020.

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 5 – SELF HELP FAMILY ACCOUNTS

For the year ended December 31, 2021 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 2021 calendar year by tracing to supporting documentation. We did not have any issues or concerns from testing the Self-Help Family Accounts.

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, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Baking Mix	\$ 2,349	\$ 33,541
Beans	30,697	27,694
Beef, Chicken, Fish, Pork and Tu	285,157	455,119
Butter and Milk	103,595	83,913
Cheese	38,990	31,716
Fruit	244,792	130,280
Juice	91,776	92,961
Nuts	23,847	39,227
Pasta	9,514	4,531
Peanut Butter	-	90,468
Potatoes	144,071	-
Rice	22,056	18,011
Rolled Oats, Cereal	11,724	3,125
Soup	45,028	92,825
Stew, Beef	14,025	46,011
Tomatoes/Spaghetti Sauce	58,707	54,616
Vegetables	16,480	4,906
	<u> </u>	<u> </u>
Total	<u>\$1,142,808</u>	<u>\$1,208,944</u>

The estimated value of remaining food commodities at December 31, 2021 and 2020 were \$399,302 and \$620,702 respectively.

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 – FIXED ASSETS

Land, Building and Equipment are summarized as follows:

	<u>12/31/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Accumulated Depreciation</u>	<u>12/31/2021</u>
Land	\$ 244,223	\$ -	\$ (33,532)	\$ -	\$ 210,691
Buildings & Improvements	1,415,660	-	(384,275)	-	1,031,385
Equipment	792,750	60,788	-	-	853,538
HEM	8,948	-	-	-	8,948
Accum. Deprec.	(1,544,249)	-	240,147	(58,136)	(1,362,238)
Total	<u>\$ 917,332</u>	<u>\$ 60,788</u>	<u>\$ (177,660)</u>	<u>\$ (58,136)</u>	<u>\$ 742,324</u>

Depreciation expense amounted to \$58,136 in 2021 and \$71,378 in 2020.

NOTE 8 – LONG-TERM DEBT

In 2012, 2013, 2014, 2015, 2020 and 2021, the Organization received Self-Help Homeownership Opportunity Program (SHOP) funds for \$150,000, \$105,000, \$165,000, \$345,000, \$180,000 and \$180,000 respectively to purchase land for the Self-Help Housing Opportunity Program. The funds were used to purchase 30 lots in Kimberly, Idaho and 45 lots in Filer Idaho. At year end the Organization has recorded a liability for these funds.

Maturities for Long-Term debt are as follows:

	SHOP 09	SHOP 10	SHOP 12	SHOP 17	SHOP 18	SHOP 19	SHOP 20	Total
2022	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
2023	-	105,000	-	-	-	-	-	105,000
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
Total	<u>\$ 150,000</u>	<u>\$ 375,000</u>	<u>\$ 240,000</u>	<u>\$ 105,000</u>	<u>\$ 30,000</u>	<u>\$ 75,000</u>	<u>\$ 150,000</u>	<u>\$ 1,125,000</u>

The Self-Help Homeownership Opportunity Program (SHOP) funds of \$1,125,000 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, 2021 AND 2020**

NOTE 8 – LONG-TERM DEBT-continued

The following changes occurred in long-term debt:

	Balance at 1/1/2021	Additions	Payments	Balance at 12/31/2021
Shop-09	\$ 150,000	\$ -	\$ -	\$ 150,000
Shop-10	375,000	-	-	375,000
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
Capella Corp	-	338,000	(338,000)	-
Total	\$ 945,000	\$ 518,000	\$ (338,000)	\$ 1,125,000

NOTE 9 – LEASES

The Organization leases various facilities and office equipment for administration purposes and programs, as well as for commodity programs and weatherization inventories. These are operating leases which are renewed as the leases expire.

Future minimum lease payments under the leases are as follows:

Year Ending December 31:	
2022	\$ 16,788
2023	16,788
2024	8,988
2025	1,188
2026	<u>594</u>
Total	<u>\$ 44,346</u>

NOTE 10 – RISKS AND UNCERTAINTIES

The World Health Organization has declared the spread of the coronavirus disease (“COVID-19”) a world-wide pandemic. COVID-19 is impacting global markets, supply chains, businesses, and communities. With regard specifically to South Central Community Action Partnership, Inc., the organization has experienced some negative impacts, such as inability to perform program objectives due to inability to enter clients’ homes for a number of months, production slowdowns due to COVID-19 reentry protocols, and cost and/or unavailability of materials. It has also been difficult to hire a workforce when it’s more financially beneficial to stay on unemployment that pays more than wages. The Organization believes it is taking appropriate actions to mitigate this negative impact.

SUPPLEMENTARY INFORMATION

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC./HOME ENERGY MANAGEMENT, L.L.C.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

	South Central Community Action Partnership	Home Energy Management	Eliminations	Total
Assets				
Current Assets				
Cash	\$ 1,364,111	\$ 182,410	\$ -	\$ 1,546,521
Cash-Restricted	517,853			517,853
Accounts Receivable	406,285	33,038	-	439,323
Grants Receivable	309,331	-	-	309,331
Due From Federal and State Governments	3,748,260	-	-	3,748,260
Prepaid Expenses	-	1,464	-	1,464
Inventory	438,387	4,637	-	443,024
Land Held for Resale	788,000	-	-	788,000
Other Current Assets	-	-	-	-
Total Current Assets	<u>7,572,227</u>	<u>221,549</u>	<u>-</u>	<u>7,793,776</u>
Non-Current Assets				
Loan Receivable	38,523	-	-	38,523
Total Non-Current Assets	<u>38,523</u>	<u>-</u>	<u>-</u>	<u>38,523</u>
Fixed Assets				
Fixed Assets, net	739,450	2,874	-	742,324
Total Fixed Assets	<u>739,450</u>	<u>2,874</u>	<u>-</u>	<u>742,324</u>
Total Assets	<u>\$ 8,350,200</u>	<u>\$ 224,423</u>	<u>\$ -</u>	<u>\$ 8,574,623</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	\$ 139,747	\$ 7,286	\$ -	\$ 147,033
Accrued Expenses	110,350	84	-	110,434
Funds Held in Trust	399,376	-	-	399,376
Current Portion of Long-Term Debt	150,000	-	-	150,000
Deferred Grant and Contract Revenue	3,769,254	-	-	3,769,254
Total Current Liabilities	<u>4,568,727</u>	<u>7,370</u>	<u>-</u>	<u>\$ 4,576,097</u>
Long-Term Liabilities				
Mortgage Payable, Less Current Portion	975,000	-	-	975,000
Total Long-Term Liabilities	<u>975,000</u>	<u>-</u>	<u>-</u>	<u>975,000</u>
Total Liabilities	<u>5,543,727</u>	<u>7,370</u>	<u>-</u>	<u>5,551,097</u>
Net Assets				
Without Donor Restrictions	829,352	217,053	-	1,046,405
With Donor Restrictions	1,977,121	-	-	1,977,121
Total Net Assets	<u>2,806,473</u>	<u>217,053</u>	<u>-</u>	<u>3,023,526</u>
Total Liabilities and Net Assets	<u>\$ 8,350,200</u>	<u>\$ 224,423</u>	<u>\$ -</u>	<u>\$ 8,574,623</u>

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, 2021

	South Central Community Action Partnership	Home Energy Management	Eliminations	Total
<u>SUPPORT AND REVENUE</u>				
Support				
Contributions and Other	\$ 879,513	\$ -	\$ -	\$ 879,513
Grant Income	2,981,020	-	-	2,981,020
In-Kind Materials and Labor	70,283	-	-	70,283
Mutual Self Help	1,730,812	-	-	1,730,812
Service Income - Home Energy Management	-	87,797	-	87,797
Total Support	5,661,628	87,797	-	5,749,425
TOTAL SUPPORT AND REVENUE	5,661,628	87,797	-	5,749,425
<u>EXPENSES</u>				
Program Support and Service	2,772,724	-	-	2,772,724
Indirect	316,257	-	-	316,257
In-Kind Program Expenses	70,283	-	-	70,283
Home Energy Management	-	83,255	-	83,255
Mutual Self Help-Construction Costs	1,730,812	-	-	1,730,812
Total Program Expenditures	4,890,076	83,255	-	4,973,331
Management & General	420,424	-	-	420,424
Total Expenses	5,310,500	83,255	-	5,393,755
CHANGE IN NET ASSETS	351,128	4,542	-	355,670
Net Assets, January 1, 2021	2,455,345	212,511	-	2,667,856
Net Assets, December 31, 2021	\$ 2,806,473	\$ 217,053	\$ -	\$ 3,023,526

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, 2021**

	State of Idaho	Idaho Housing & Finance Association	Other Federal Funding Sources	Other Funding Sources	Total
Expenditures					
Grant Share Direct Costs					
Personnel	\$ 437,348	\$ 86,471	\$ 131,431	\$ -	\$ 655,250
Fringe Benefits	117,869	-	34,012	-	151,881
Travel	14,315	-	6,112	-	20,427
Space	40,443	-	299	-	40,742
Consumables	19,825	31,213	34,026	-	85,064
Contractual	5,973	-	3,777	-	9,750
Indirect expenses	220,402	48,946	24,906	6,747	301,001
Other	17,922	-	6,739	-	24,661
Training	18,497	-	1,925	-	20,422
Client Assistance	287,343	538,044	-	11,900	837,287
Support-Labor	412,567	-	-	23,543	436,110
Support-Other	81,663	-	-	7,925	89,588
Materials	193,260	-	-	38,837	232,097
Equipment	26,630	-	15,898	-	42,528
Liability	5,347	-	-	-	5,347
Health and Safety	25,447	-	-	-	25,447
Total Direct Costs	1,924,851	704,674	259,125	88,952	2,977,602
Private Sector Share Cash Expenditures					
Program Expenses					
Salaries & Benefits	10,449	228	122	-	10,799
Other	3,974	22,949	13,191	7,836	47,950
Consumables	1,581	-	376	372	2,329
Space	-	-	10,809	-	10,809
Indirect expenses	-	2,511	2,474	10,400	15,385
Client Assistance	24,107	-	-	-	24,107
Total Cash Expenditures	40,111	25,688	26,972	18,608	111,379
In-Kind Contributions					
Consumables	70,283	-	-	-	70,283
Total In-Kind Contributions	70,283	-	-	-	70,283
Total Private Sector Cash & In-Kind Contributions	110,394	25,688	26,972	18,608	181,662
Total Expenditures	\$ 2,035,245	\$ 730,362	\$ 286,097	\$ 107,560	\$ 3,159,264

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, 2021**

	Community Service Block Grant CSBG -21	Community Service Block Grant CSBG 98600	Community Service Block Grant CSBG CARES	USDA TEFAP 21	USDA TEFAP 22	Bonniville Power Administration BPA-100000	Low Income Home Energy Assistance Program LP-100800
	1/1/2021 12/31/2021	1/1/2021 9/30/2021	1/1/2021 12/31/2021	1/1/2021 10/31/2021	10/1/2021 12/31/2021	1/1/2021 9/30/2021	1/1/2021 9/30/2021
Expenditures							
State Contract Share							
Personnel	\$ 119,536	\$ 93,364	\$ -	\$ 21,348	\$ 9,925	\$ 7,481	\$ 99,862
Fringe Benefits	50,769	43,032	-	-	-	-	18,219
Contractual	2,832	-	-	-	-	-	691
Travel	1,831	1,013	-	5,810	2,966	-	1,671
Consumables	5,215	6,026	-	317	81	-	1,569
Space	6,200	6,140	-	19,246	6,673	-	1,678
Other	6,063	3,986	-	(20)	5,357	-	656
Training	(1,495)	2,140	-	-	-	-	-
Indirect expenses	33,049	46,587	30,212	5,673	2,622	13,405	14,637
Client Assistance	-	-	274,121	-	-	-	-
Support-Labor	-	-	-	-	-	31,531	-
Support-Other	-	-	-	-	-	10,788	-
Materials	-	-	-	-	-	65,301	-
Equipment	-	-	-	26,630	-	-	-
Liability	-	-	-	-	-	-	-
Health and Safety	-	-	-	-	-	-	-
Total Direct Costs	224,000	202,288	304,333	79,004	27,624	128,506	138,983
Grantee's Share							
Cash Expenditures							
Program Expenses							
Personnel	-	-	-	10,449	-	-	-
Travel	-	-	-	707	-	-	-
Client Assistance	12,713	-	-	11,394	-	-	-
Consumables	449	-	-	1,132	-	-	-
Other	30	-	-	3,237	-	-	-
Total Cash Expenditures	13,192	-	-	26,919	-	-	-
In-Kind Contributions							
Consumables	-	70,283	-	-	-	-	-
Total In-Kind Contributions	-	70,283	-	-	-	-	-
Total Expenditures	\$ 237,192	\$ 272,571	\$ 304,333	\$ 105,923	\$ 27,624	\$ 128,506	\$ 138,983

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
PASSED THROUGH THE STATE OF IDAHO
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Low Income Home Energy Assistance Program EA-22	Low Income Household Water Assistance Program LIHWAP-22	Department of Energy DOE-21	Department of Energy DOE-420	LIHEAP Weatherization Program LPW-100800	Total
	<u>10/1/2021</u> <u>12/31/2021</u>	<u>10/1/2021</u> <u>12/31/2021</u>	<u>10/1/2021</u> <u>12/31/2021</u>	<u>1/1/2021</u> <u>9/30/2021</u>		
Expenditures						
State Contract Share						
Personnel	\$ 73,903	\$ 3,584	\$ -	\$ 8,345	\$ -	\$ 437,348
Fringe Benefits	5,849	-	-	-	-	117,869
Contractual	-	-	2,450	-	-	5,973
Travel	1,024	-	-	-	-	14,315
Consumables	6,617	-	-	-	-	19,825
Space	506	-	-	-	-	40,443
Other	1,880	-	-	-	-	17,922
Training	-	-	5,380	12,472	-	18,497
Indirect expenses	9,436	1,817	12,822	8,152	41,990	220,402
Client Assistance	-	13,222	-	-	-	287,343
Support-Labor	-	-	30,538	7,949	342,549	412,567
Support-Other	-	-	11,941	2,966	55,968	81,663
Materials	-	-	49,748	22,518	55,693	193,260
Equipment	-	-	-	-	-	26,630
Liability	-	-	5,347	-	-	5,347
Health and Safety	-	-	13,415	12,032	-	25,447
Total Direct Costs	<u>99,215</u>	<u>18,623</u>	<u>131,641</u>	<u>74,434</u>	<u>496,200</u>	<u>1,924,851</u>
Grantee's Share						
Cash Expenditures						
<u>Program Expenses</u>						
Personnel	-	-	-	-	-	10,449
Travel	-	-	-	-	-	707
Client Assistance	-	-	-	-	-	24,107
Consumables	-	-	-	-	-	1,581
Other	-	-	-	-	-	3,267
Total Cash Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,111</u>
In-Kind Contributions						
Consumables	-	-	-	-	-	70,283
Total In-Kind Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,283</u>
Total Expenditures	<u>\$ 99,215</u>	<u>\$ 18,623</u>	<u>\$ 131,641</u>	<u>\$ 74,434</u>	<u>\$ 496,200</u>	<u>\$ 2,035,245</u>

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, 2021**

	ESG Emergency Services Grant <u>21-24</u> 10/1/2021- 12/31/2021	ESG Emergency Services Grant <u>21-29</u> 10/1/2021- 12/31/2021	ESG Emergency Services Grant <u>20-13</u> 1/1/2021- 12/31/2021	ESG Emergency Services Grant <u>20-24</u> 1/1/2021- 9/30/2021	Continium of Care <u>19-65</u> 1/1/2021- 6/30/2021
Expenditures					
Grant/Federal Share Direct Costs					
Salaries	\$ -	\$ -	\$ 2,609	\$ -	\$ 23,242
Consumables	-	-	-	-	14,857
Rent/Mortgage Assistance	2,178	6,133	323,903	22,439	113,083
Utility Assistance	-	(28)	6,441	1,952	13,516
Indirect Costs	91	265	37,312	1,081	5,748
Total Expenditures	<u>2,269</u>	<u>6,370</u>	<u>370,265</u>	<u>25,472</u>	<u>170,446</u>
Grantee's Share					
Cash Expenditures					
<u>Program Expenses</u>					
Salaries	-	-	-	-	-
Travel	-	-	-	-	-
Space	-	-	-	-	-
Indirect expenses	-	-	-	-	-
Other	-	-	-	-	-
Client Assistance	-	-	-	-	-
Total Cash Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,269</u>	<u>\$ 6,370</u>	<u>\$ 370,265</u>	<u>\$ 25,472</u>	<u>\$ 170,446</u>

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
PASSED THROUGH THE IDAHO HOUSING AND FINANCE ASSOCIATION
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Continium of Care	Continium of Care	Continium of Care	Transitional Housing	Poplar Duplex Operating Funds	Total
	<u>19-77D</u>	<u>20-65</u>	<u>20-77D</u>			
	1/1/2021- 6/30/2021	07/1/2021- 12/31/2021	07/1/2021- 12/31/2021	1/1/2021- 12/31/2021		
Expenditures						
Grant/Federal Share Direct Costs						
Salaries	\$ 25,149	\$ 10,769	\$ 24,702	\$ -	\$ -	\$ 86,471
Consumables	-	16,356	-	-	-	31,213
Rent/Mortgage Assistance	-	44,496	-	-	-	512,232
Utility Assistance	-	3,931	-	-	-	25,812
Indirect Costs	1,003	2,544	902	-	-	48,946
Total Expenditures	<u>26,152</u>	<u>78,096</u>	<u>25,604</u>	<u>-</u>	<u>-</u>	<u>704,674</u>
Grantee's Share						
Cash Expenditures						
<u>Program Expenses</u>						
Salaries	-	-	-	-	228	228
Travel	-	-	-	380	-	380
Space	-	-	-	14,987	223	15,210
Indirect expenses	-	-	-	2,457	54	2,511
Other	-	-	-	7,359	-	7,359
Client Assistance	-	-	-	-	-	-
Total Cash Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,183</u>	<u>505</u>	<u>25,688</u>
Total	<u>\$ 26,152</u>	<u>\$ 78,096</u>	<u>\$ 25,604</u>	<u>\$ 25,183</u>	<u>\$ 505</u>	<u>\$ 730,362</u>

OTHER FEDERAL FUNDING SOURCES

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP
OTHER FEDERAL FUNDING SOURCES
STATEMENT OF PROGRAM EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	USDA Rural Development Mutual Self-Help <u>21</u> 10/15/2021 - <u>12/31/2021</u>	USDA Rural Development Mutual Self-Help <u>18</u> 01/01/2021 - <u>12/31/2021</u>	Total
Expenditures			
Grant/Federal Share Direct Costs			
Salaries	\$ 25,261	\$ 106,170	\$ 131,431
Fringe Benefits	3,767	30,245	34,012
Space	40	259	299
Training	750	1,175	1,925
Indirect Costs	3,927	20,979	24,906
Travel	793	5,319	6,112
Contracts	-	3,777	3,777
Consumables	2,843	31,183	34,026
Equipment	-	15,898	15,898
Other	2,980	3,759	6,739
Total Direct Costs	40,361	218,764	259,125
Grantee's Share			
Cash Expenditures			
<u>Program Expenses</u>			
Salaries	-	122	122
Space	-	10,809	10,809
Consumables	-	376	376
Other	-	13,191	13,191
Indirect Costs	-	2,474	2,474
Total Cash Expenditures	-	26,972	26,972
Total Expenditures	\$40,361	\$245,736	\$286,097

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, 2021**

	Idaho Power Company-2021 01/01/2021 - <u>12/31/2021</u>	Idaho Community Foundation 2021 01/01/2021 - <u>11/30/2021</u>	Twin Falls Health Initiative Trust Fund 01/01/2021 - <u>12/31/2021</u>	Fund Development	Total
Expenditures					
Grant Share Direct Costs					
Support-Labor	\$ 23,543	\$ -	\$ -	\$ -	\$ 23,543
Support-Other	7,925	-	-	-	7,925
Materials	36,005	-	2,832	-	38,837
Indirect Costs	6,747	-	-	-	6,747
Client Assistance	-	11,900	-	-	11,900
Total Expenditures	<u>74,220</u>	<u>11,900</u>	<u>2,832</u>	<u>-</u>	<u>88,952</u>
Grantee's Share					
Cash Expenditures					
<u>Program Expenses</u>					
Other	-	-		815	815
Consumables	-	-		372	372
Lobbying	-	-		95	95
Fund Raising	-	-		6,926	6,926
Indirect expenses	9,617	-		783	10,400
Total Cash Expenditures	<u>9,617</u>	<u>-</u>		<u>8,991</u>	<u>18,608</u>
Total	<u>\$ 83,837</u>	<u>\$ 11,900</u>	<u>\$ 2,832</u>	<u>\$ 8,991</u>	<u>\$ 107,560</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, 2021**

	<u>01/01/2020-</u> <u>12/31/2021</u>
<i>Expenditures</i>	
Salaries	\$ 221,658
Fringe Benefits	38,730
Contracts	7,301
Training	625
Travel	1,711
Board Expense	1,174
Space	14,359
Consumables	12,753
Telephone	10,705
Other	7,241
Total Expenditures	\$ 316,257



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 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, 2021, and the related consolidated statements of activities and changes in net assets, 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 May 13, 2022.

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

May 13, 2022

SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
DECEMBER 31, 2021

<u>Agency or Department</u>	<u>Grant</u>	<u>Pass-through Contract Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
Department of Agriculture	Rural Self-Help Housing Technical Assistance	18	10.420	\$ 218,765
	Rural Self-Help Housing Technical Assistance	21	10.420	<u>40,361</u>
				259,126
Total Direct Awards				259,126
Department of Agriculture	Passed Through Idaho Department of Health & Welfare			
	Temporary Emergency Food Assistance Program	TEFAP 21	10.568	79,004
	Temporary Emergency Food Assistance Program	TEFAP 22	10.568	<u>27,624</u>
	Total Department of Agriculture			106,628
Department of Health & Human Services	Passed Through Idaho Department of Health & Welfare			
	Community Services Block Grant	CSBG 21	93.569	224,000
	Community Services Block Grant	CSBG Cares (COVID)	93.569	304,333
	Community Services Block Grant	CSBG 98600	93.569	<u>202,288</u>
				730,621
	Passed Through Idaho Department of Health & Welfare			
	Low-Income Home Energy Assistance	LIHEAP 100800	93.568	138,983
	Low-Income Home Energy Assistance	LIHEAP 22	93.568	99,215
	Low-Income Home Energy Assistance	LPW 100800	93.568	273,151
	Low-Income Home Energy Assistance	LPW ARPA 22	93.568	<u>223,049</u>
			734,398	
Passed Through Idaho Department of Health & Welfare				
Low-Income Household Water Assistance Program	LIWAP ARPA 22	93.499	<u>18,623</u>	
	Total Department of Health & Human Services			1,483,642
Department of Energy	Passed Through Idaho Department of Health & Welfare			
	Weatherization Assistance for Low Income Persons	DOE 21	81.042	131,641
	Weatherization Assistance for Low Income Persons	DOE 20-420	81.042	<u>74,434</u>
	Total Department of Energy			206,075
Department of Housing & Urban Development	Passed Through Idaho Housing and Finance Association			
	Emergency Shelter Grants Program	ESG 20-24	14.231	25,473
	Emergency Shelter Grants Program	ESG 21-24	14.231	2,269
	Emergency Shelter Grants Program	ESG 21-29	14.231	6,370
	Emergency Shelter Grants Program	ESG 20-13 Cares (COVID)	14.231	<u>370,265</u>
				404,377
	Continuum of Care	COC 19-65	14.267	170,445
	Continuum of Care	COC 19-77D	14.267	26,152
	Continuum of Care	COC 20-77D	14.267	25,604
	Continuum of Care	COC 20-65	14.267	<u>78,096</u>
				300,297
	Passed Through Community Frameworks			
	Self-Help Ownership Opportunity Program	Shop-17	14.247	105,000
Self-Help Ownership Opportunity Program	Shop-18	14.247	30,000	
Self-Help Ownership Opportunity Program	Shop-19	14.247	75,000	
Self-Help Ownership Opportunity Program	Shop-20	14.247	<u>150,000</u>	
			360,000	
	Total Department of Housing & Urban Development			<u>1,064,674</u>
	Total Federal Sources			<u>\$ 3,120,145</u>

See Notes to Schedule of Expenditures of Federal Awards.

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021**

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, 2021 consist of:

CFDA Number	Program Name	Outstanding Balance at December 31, 2021
14.247	Self-Help Homeownership Opportunity Program	<u>\$360,000</u>

**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, 2021. 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, 2021.

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
May 13, 2022

**SOUTH CENTRAL COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021**

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>
93.569	Community Services Block Grant

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, 2021**

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, 2021**

No findings reported in the prior year.