

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Madison, South Dakota

Consolidated Financial Statements and
Supplementary Information

Year Ended September 30, 2024



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Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Year Ended September 30, 2024

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Independent Auditor's Report

Board of Directors
Inter-Lakes Community Action Partnership, Inc. and Subsidiaries
Madison, South Dakota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Inter-Lakes Community Action Partnership, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Inter-Lakes Community Action Partnership, Inc. and Subsidiaries as of September 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are required to be independent of Inter-Lakes Community Action Partnership, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of Horizon Place Apartments Limited Partnership, LP, Lacey Village Townhomes Limited Partnership, LP, and Fortyone Flats Apartments Limited Partnership, LP were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Inter-Lakes Community Action Partnership, Inc. and Subsidiaries' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and list of programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), the consolidating statement of financial position and the consolidating statement of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2025, on our consideration of Inter-Lakes 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 Inter-Lakes 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 Inter-Lakes Community Action Partnership, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Madison, Wisconsin
January 16, 2025

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Consolidated Statement of Financial Position

September 30, 2024

Assets

Current assets:

Cash and cash equivalents	\$	1,624,029
Investments		724,679
Grants receivable		1,089,377
Accounts receivable		360,142
Other assets		94,966

Total current assets		3,893,193
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Restricted cash and deposits:

Custodial cash		650,426
Cash reserves		703,797

Total restricted cash and deposits		1,354,223
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Property and equipment, net		28,836,898
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Other assets:

Right of use lease assets - Operating		204,268
Tax credit monitoring fees, net		141,265

Total other assets		345,533
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Total assets	\$	34,429,847
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See accompanying notes to consolidated financial statements.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Consolidated Statement of Financial Position (Continued)

September 30, 2024

Liabilities and Net Assets

Liabilities:

Current portion of notes payable	\$ 4,535,880
Current portion of operating lease liability	91,648
Accounts payable	747,580
Accrued payroll and related expenses	897,081
Security deposits payable	63,325
Refundable advances	343,551
Accrued self-insurance	185,029
Funds held for others	650,426

Total current liabilities	7,514,520
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Long-term debt:

Operating lease liability, less current portion	113,033
Notes payable, less current portion	11,063,653
Deferred development fee	269,062

Total long-term debt	11,445,748
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Total liabilities	18,960,268
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Net assets:

Without donor restrictions	8,060,018
Without donor restrictions - non-controlling interest	7,263,758
Net assets without donor restrictions	15,323,776
Net assets with donor restrictions	145,803

Total net assets	15,469,579
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Total liabilities and net assets	\$ 34,429,847
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See accompanying notes to consolidated financial statements.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Consolidated Statement of Activities

Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Prior year's refundable advances	\$ -	\$ 322,387	\$ 322,387
Current year grant awards	-	14,803,484	14,803,484
Refundable advances	-	(343,551)	(343,551)
Net grant revenue	-	14,782,320	14,782,320
Commodity foods received	-	29,134	29,134
Program income		868,114	868,114
Investment income, net	123,620	28	123,648
In-kind revenue	40,926	-	40,926
Gain on disposal of assets	1,502	1,051	2,553
Rental Income, net of concessions and vacancies	1,015,335	-	1,015,335
Contributions	14,971	95,072	110,043
Contract Revenue	507,358	405,060	912,418
Other income	38,634	173,169	211,803
Net assets released from restrictions	16,337,601	(16,337,601)	-
Total revenue	18,079,947	16,347	18,096,294
Expenses:			
Program services:			
Early Childhood Education	4,892,453	-	4,892,453
Food Program	2,195,989	-	2,195,989
Community Services	1,789,193	-	1,789,193
Weatherization Energy Assistance	1,373,758	-	1,373,758
Housing Programs	2,148,204	-	2,148,204
Homeless Housing Programs	1,563,593	-	1,563,593
Emergency Services	2,430,972	-	2,430,972
Discretionary	113,451	-	113,451
Total program services	16,507,613	-	16,507,613
Management and general	1,202,075	-	1,202,075
Total expenses	17,709,688	-	17,709,688
Change in net assets	370,259	16,347	386,606
Consolidation of limited partnership interest	(281,762)	-	(281,762)
Net assets - Beginning of year	15,235,279	129,456	15,364,735
Net assets - End of year	\$ 15,323,776	\$ 145,803	\$ 15,469,579

See accompanying notes to consolidated financial statements.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses

Year Ended September 30, 2024

	Program Services									Management and General	Total
	Early Childhood Education	Food Program	Community Services	Weatherization Energy Assistance	Housing Programs	Homeless Housing Programs	Emergency Services	Discretionary	Subtotal		
Personnel	\$ 3,904,703	\$ 715,805	\$ 1,245,980	\$ 433,087	\$ 326,259	\$ 401,654	\$ 164,224	\$ 6,074	\$ 7,197,786	\$ 962,471	\$ 8,160,257
Consultants and contract labor	110,527	9,299	56,630	5,335	120,363	3,516	6,002	18,142	329,814	120,119	449,933
Travel/training	82,995	22,084	79,509	61,000	17,855	7,825	667	10,613	282,548	5,520	288,068
Occupancy	267,939	41,637	123,931	18,691	29,087	15,335	4,255	19,841	520,716	42,646	563,362
Consumable supplies	114,082	4,287	15,989	1,788	13,916	3,151	2,762	1,204	157,179	11,142	168,321
Direct client assistance	23,299	1,268,143	107,443	825,815	447,777	1,113,716	2,249,362	2,359	6,037,914	-	6,037,914
Repairs/maintenance	175,497	27,684	97,680	9,543	193,816	7,219	2,111	5,444	518,994	25,290	544,284
In-kind expense	40,926	-	-	-	-	-	-	-	40,926	-	40,926
Interest	5,279	-	-	-	75,003	-	-	547	80,829	-	80,829
Depreciation and amortization	118,760	67,713	27,784	9,067	547,307	102	-	46,103	816,836	-	816,836
Commodity foods distributed	-	29,134	-	-	-	-	-	-	29,134	-	29,134
Other/program support	48,446	10,203	34,247	9,432	376,821	11,075	1,589	3,124	494,937	34,887	529,824
Total functional expenses	\$ 4,892,453	\$ 2,195,989	\$ 1,789,193	\$ 1,373,758	\$ 2,148,204	\$ 1,563,593	\$ 2,430,972	\$ 113,451	\$ 16,507,613	\$ 1,202,075	\$ 17,709,688

See accompanying notes to consolidated financial statements.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended September 30, 2024

Cash flows from operating activities:	
Change in net assets	\$ 386,606
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Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	816,836
Non cash lease expense	94,373
Gain on disposal of property and equipment	(2,553)
Net unrealized and realized gain on investments	(81,771)
Changes in operating assets and liabilities:	
Grants receivable	6,096
Accounts receivable	(63,696)
Other assets	12,906
Development fee receivable	(179,376)
Tax credit monitoring fees, net	9,022
Operating lease liability	(94,867)
Accounts payable	(32,369)
Accrued payroll and related expenses	(41,290)
Security deposits payable	(835)
Refundable advances	21,164
Accrued self-insurance	185,029
Funds held for others	588,819
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Net cash from operating activities	1,624,094
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Cash flows from investing activities:	
Purchase of property and equipment	(2,440,774)
Proceeds from sale of property and equipment	2,553
Cash and cash reserves obtained in limited partnership consolidation	24,181
Purchase of investments	(264,528)
Proceeds from sale of investments	246,095
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Net cash from investing activities	(2,432,473)

See accompanying notes to consolidated financial statements.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended September 30, 2024

Cash flows from financing activities:	
Proceeds from borrowing	1,948,132
Principal payments on notes payable	(327,954)
Net cash from financing activities	1,620,178
Net change in cash and cash equivalents, restricted cash and deposits	811,799
Cash and cash equivalents, restricted cash and deposits - Beginning of year	2,166,453
Cash and cash equivalents, restricted cash and deposits - End of year	<u>\$ 2,978,252</u>
<u>Reconciliation to statement of financial position:</u>	
Cash and cash equivalents	\$ 1,624,029
Custodial cash	650,426
Cash reserves	<u>703,797</u>
Cash and cash equivalents, restricted cash and deposits per statement of financial position	<u>\$ 2,978,252</u>
<u>Supplemental Schedule of Cash and Noncash Activity:</u>	
Interest paid and expensed	\$ 80,829
Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 101,370
Supplemental disclosure of noncash operating activities:	
Right of use assets obtained in exchange for new operating lease liabilities	\$ 135,568

See accompanying notes to consolidated financial statements.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Inter-Lakes Community Action Partnership, Inc. ("ICAP") was organized as a nonprofit corporation in 1966. ICAP was formed to develop and provide resources for the purpose of assisting low-income individuals through a variety of programs. The recipients of these programs are in Clark, Codington, Grant, Hamlin, Deuel, Kingsbury, Brookings, Miner, Lake, Lincoln, Moody, McCook, Minnehaha, and Turner Counties in South Dakota. ICAP is primarily supported through federal grants, excluding federal loans, which comprise 78% of total revenue, including the Head Start grants that comprise 29% and Emergency Rental Assistance grants that comprise 12% of total revenue.

Horizon Place Apartments Limited Partnership, LP ("Horizon Place") was formed in December 2016 as a limited partnership under the laws of the state of South Dakota and shall continue until December 30, 2070, unless dissolved or terminated at an earlier date. Horizon Place was formed for owning and operating a three building, 62-unit low-income housing project in Sioux Falls, South Dakota. ICAP is a general partner with .01% ownership interest in Horizon Place.

Lacey Village Townhomes Limited Partnership, LP ("Lacey Village") was formed in June 2020 as a limited partnership under the laws of the state of South Dakota and shall continue until December 31, 2070, unless dissolved or terminated at an earlier date. Lacey Village was formed for owning and operating a six building, 46-unit low-income housing project in Sioux Falls, South Dakota. Lacey Village, LLC is the general partner, and a wholly-owned subsidiary of ICAP, with .01% ownership interest in Lacey Village.

Fortyone Flats Apartments Limited Partnership, LP ("Fortyone Flats") was formed in August 2022 as a limited partnership under the laws of the state of South Dakota and shall continue until December 31, 2070, unless dissolved or terminated at an earlier date. Fortyone Flats was formed for owning and operating 41 unit low-income housing project in Sioux Falls, South Dakota. Fortyone Flats, LLC is the general partner, and a whollyowned subsidiary of ICAP, with .01% ownership interest in Fortyone Flats.

Consolidated Financial Statements

The consolidated financial statements include the accounts of ICAP, Horizon Place, Lacey Village, and Fortyone Flats, collectively referred to as the "Organizations." Material inter-company transactions and balances have been eliminated.

ICAP's interest in Horizon Place, Lacey Village, and Fortyone Flats is recorded under the guidance contained in Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No 2017-02, *Not-for-Profit Entities Consolidating (Subtopic 958-810): Clarifying When a Not-for-Profit That is a General Partner or Limited Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity*. ICAP assesses its control as it relates to limited partnerships at inception of the partnership and then annually thereafter when preparing consolidated financial statements.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Program Services

Early Childhood Education

Early Childhood Education includes providing services to pregnant mothers, low-income children, and children with disabilities ages 0-5. Emphasis is placed on physical and intellectual development, nutrition, health, and social relationships. The program offers center-based and home-based options.

Food Program

The food program for 60s Plus Dining offers persons age 60 and above a balanced meal to help senior adults remain healthy and independent through good nutrition. Both home-delivered meals and congregate dining sites are available. Under the food program for Early Childhood, children enrolled in the program receive funding for a nutritious and balanced breakfast, lunch, and snack. The programs under this service also include food pantries and commodities.

Community Services

The community services programs offer persons of all ages services to meet their needs, including assistance with money management, income tax assistance, savings plans, nutrition, oral health, safety, school supplies, youth recreation, clothing, emergency services, community healthcare services, parenting classes, income tax assistance, and homelessness. Information and referral services to other federal, state, local, and private programs and services are provided to individuals to meet their needs more effectively. Community services programs promote self-sufficiency by identifying the participant's goals, the activities and resources needed to reach those goals, and the timeline for doing so. ICAP has four thrift stores throughout their 14 county area.

Weatherization Energy Assistance

The weatherization assistance program helps low-income households offset the high cost of energy through conservation. Contract labor and materials are supplied to qualified households at no cost. Weatherization measures include weather-stripping around doors and windows; caulking and sealing cracks and holes in the structure of the building; insulating attics, walls and floors; installing windows; repair, tune-up or replacement of nonfunctional furnaces; and assistance in meeting health and safety requirements.

Housing Programs

The housing programs provide no-interest home repair loans to low-income households, offer information and knowledge about purchasing a home, teach homeowners how to rehab their existing home, offer families an opportunity to work with other families to build their own new home, help families with children who have a poor rental history to obtain a safe and affordable home, offer education and counseling to families who want to purchase a home, and rent/damage guarantee.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Program Services (Continued)

Homeless Housing Programs

Homeless Housing programs assist families with children and individuals that are homeless or at risk of homelessness to retain or obtain housing, find appropriate permanent housing and move towards economic and social self-sufficiency. These programs offer several components including rental assistance, case management, and educational/employment assistance. The security deposit and first months' rent program is used for extremely low and very low income households that are homeless or in danger of becoming homeless, so that they may obtain housing that is affordable, decent, safe and sanitary. The Supported Housing for Addiction Recovery and Empowerment program provides structure and support outside of a formal treatment setting.

Emergency Services

Emergency services provide a variety of emergency needs focusing on utility, housing, and subsistence costs. Services payments include past due rent, mortgage, utility, food, disaster recovery, and personal care items. This also includes funding under the American Recovery Plan Act with rent and utilities due to the COVID-19 pandemic.

Discretionary

Discretionary funds are primarily non-federal agency funds that are used for investments, startup of programs, expenses not eligible for other grants, fixed assets, and other costs that do not have a funding source.

Basis of Accounting

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

Cash and Cash Equivalents

The Organizations consider all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents unless held in a reinvestment portfolio or are pledged to secure loan agreements. The carrying amount approximates fair value because of the short maturity of those instruments.

Investments

Investments are recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income or loss and unrealized gains or losses are included in the consolidated statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Investment fees are netted against investment return.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables and Credit Policies

Grants receivable represent uncollateralized amounts due to the Organizations for expenditures paid but not yet reimbursed, primarily from federal funding sources.

Accounts receivable consist primarily of non-federal grants/awards. Accounts receivable also includes rent and charges currently due from residential tenants in Horizon Place, Lacey Village, and FortyOne Flats. The Organizations consider these receivables to be collectible and, therefore, no allowance for credit loss has been recorded.

The CECL model considers historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Organizations use an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics. Currently an allowance for credit loss on accounts receivable is not recorded as management believes accounts receivable are fully collectable and the CECL allowance on accounts receivable would be insignificant.

Property and Equipment

Land and land improvements, buildings, and equipment purchased by the Organizations are recorded at cost. The Organizations follow the practice of capitalizing all expenditures for land and land improvement, buildings and equipment greater than \$5,000. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

Equipment and fixtures	3 to 7 years
Vehicles	5 to 7 years
Land improvements	5 to 40 years
Buildings	5 to 40 years

Property and equipment purchased with grant funds are owned by the Organizations while used in the program 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. Their disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations. The property and equipment purchased with grant funds are normally designated for use in specific programs operated by ICAP.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets without donor restrictions - non-controlling interest: Net assets attributable to noncontrolling interest represent the equity interest of outside owners in the consolidation of Horizon Place, Lacey Village, and Fortyone Flats. These interests are reported as separate components of the Organizations' net assets.

Net assets with donor restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Program income consists primarily of amounts earned that relate to the elderly nutrition programs. Other income consists of amounts earned for various purposes such as housing, the auto program, and training. Amounts that are restricted for a specific purpose are reported as increases in net assets with donor restrictions, which are reclassified to net assets without donor restriction at the point when a stipulated time restriction ends or a purpose restriction is accomplished.

Housing units owned by Horizon Place, Lacey Village, and Fortyone Flats are rented under operating lease agreements with terms of one year or less. Tenant rent revenue and rental assistance payments are recognized monthly over the lease term. Any rent received prior to the month of occupancy is reported as prepaid rent. Rental income represents gross rent for all units in the project. Vacancy losses for unrented units and rental concessions are recorded as a reduction to gross rent potential to arrive at net rental income.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award. Revenue is recognized in the accounting period when the barriers to entitlement are overcome. Amounts received or receivable in excess of expenses are reflected as refundable advances.

B. Grant Awards That Are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Contract Revenue

The Organizations recognized revenue from exchange transactions from contracts with customers for childcare fees, thrift store sales, meal fees, lot sales, and developer fees. The Organizations recognize revenue from exchange transactions that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition with a focus on the transfer of control of promised goods or services to a customer.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contract Revenue (Continued)

The Organizations reported the following exchange transaction revenue in its consolidated statement of activities for the year ended September 30, 2024:

Childcare fees	\$	110,458
Thrift store sales		238,295
Meal fees		44,744
Lot sales		232,000
Developer fee income		269,063
Other		17,858
		912,418
Total	\$	912,418

The Organizations determined at September 30, 2024, there were no services provided without a contract in place and, therefore, have no expected adjustments to receivables and revenue. The receivables at October 1, 2023 from contracts with customers totaled \$121,543. The receivables at September 30, 2024, from contracts with customers totaled \$10,098 and are included in accounts receivable on the consolidated statement of financial position. Contract assets arise when the Organizations provide goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time, such as work in process or unbilled receivables. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Organizations are able to invoice the customer. Contract liabilities represent the Organizations' obligation to provide goods or services to a customer when consideration has already been received from the customer, such as refundable advances. When goods or services are provided, contract liabilities are reclassified, and revenue is recognized. There are no contract liabilities or contract assets at September 30, 2024 and October 1, 2023.

Childcare Fees

The Organizations offer childcare to families participating in its Head Start Pre-Birth to Five program. Enrollment is established using program eligibility criteria and the family will indicate when care is needed. Families must work or be going to school during the organizations hours of operation. If a family is eligible for a Childcare Subsidy, the family is responsible for applying for and maintaining eligibility. Payments from Childcare Subsidy are considered third-party reimbursements on behalf of the family receiving care and are treated as exchange revenues recognized over time.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contract Revenue (Continued)

Childcare Fees (Continued)

The Organizations consider the performance obligation to be providing childcare services and the performance obligation is satisfied when days of service are provided. Revenue is recognized on a monthly basis. Monthly hours of service are submitted to the State for reimbursement based on each family's childcare certificate. The family is simultaneously receiving and consuming the benefits of the service. The Organizations feel the output method is the most faithful depiction of the transfer of goods or services as day of service as a result achieved represents a satisfaction of a performance obligation.

Thrift Store Sales

Thrift store sales revenue includes sales from the Organizations' four retail operations and is reported at the amount that reflects the consideration to which the Organizations expects to be entitled in exchange for providing goods to the customer. These amounts are generated from sales to customers in Madison, Howard, Clark and Flandreau in the State of South Dakota. Customers pay for goods sold on a stand-alone selling price basis at the point of sale which occurs at a point in time. Control is transferred immediately to the customer at the point of sale. All sales are final, and no returns are allowed. Discounts are occasionally provided, and these are recognized at the point of sale. These transactions are considered exchange revenues recognized at a point in time.

Meal Fees

The Organizations own and operate various sites where individuals receive a meal in exchange for a fee. The rates paid are set by the State of South Dakota and are based on the type of meal received. In some cases the fee is paid by the individual and in other cases is reimbursed by the State of South Dakota through Medicaid or Title XIX. Payments from Title XIX and Medicaid are considered third-party reimbursements on behalf of the individual receiving the meal and are treated as exchange revenues similar to fees paid by the individual. Payments are to be made at the time the meal is received by the individual but is billed monthly for Medicaid and Title XIX. These transactions are considered exchange revenues recognized at a point in time.

Lot Sales

ICAP purchases lots for eligible participants for the Mutual Self Help Housing ("MSHH") Program. ICAP recognizes revenue when the lots are then sold to the participants in the MSHH Program. The eligible participants pay for lots sold on a stand-alone basis at the point of sale which occurs at a point in time. Control is transferred immediately to the participant at the point of sale. These transactions are considered exchange revenues at a point in time, which is the date of the sale.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contract Revenue (Continued)

Developer Fees

ICAP recognizes developer fees at the amount of consideration to which ICAP expects to be entitled to, as stated in the partnership agreement, in exchange for coordination of the acquisition development, and construction of low income apartment complexes. These services are considered to be one performance obligation, which is to provide services in accordance with the partnership agreement. Developer fees are recognized at a point in time based on completion of specific milestones identified by the partnership agreement.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to ICAP's program services; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP. The requirements of GAAP are different than the in-kind requirements of several of ICAP's grants. ICAP received contributions of nonprofessional volunteers during the year with a value of \$2,257,178 for its Head Start Pre-Birth to Five program that is not recorded on the consolidated statement of activities.

ICAP has recorded in-kind contributions for supplies, and professional services on the consolidated statement of activities in accordance with GAAP. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at rates for similar work in the labor market in South Dakota, including fringe benefits that are similar to ICAP's.

Functional Allocation

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

Cost allocation methods are as follows:

Personnel - ICAP personnel duties are allocated based on a percentage of staff hours worked per program per month. The staff wages that can be directly allocated to a specific program are charged to that program. The finance duties are allocated based on estimated time spent in program and supporting services.

Space Costs - Space costs (maintenance, insurance, etc.) are allocated based on the number of square feet of space each program occupies.

Other Costs - Other costs are charged to ICAP programs based on the amounts used by each program or other appropriate methodology.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses, and disclosures during the reporting period. Accordingly, actual results could differ from those estimates and those differences could be material.

Tax Credit Monitoring Fees

Tax credit monitoring fees are amortized over the fifteen-year compliance period using the straight-line method of amortization.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Income Taxes

ICAP is organized as a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service ("IRS") as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Sections 509(a)(1). The entity is annually required to file a Return of Organization Exempt From Income Tax (Form 990) with the IRS. The wholly owned LLCs previously listed are single member LLCs and, therefore, treated as disregarded entities for tax purposes.

As limited partnerships, Horizon Place, Lacey Village, and Fortyone Flats taxable income or loss is allocated to partners in accordance with the partnership agreements.

The Organizations are required to assess whether they are more-likely-than-not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of the tax position is not recognized in the consolidated financial statements. The Organizations recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting

ICAP is a lessee in multiple noncancelable operating leases. If the contract provides ICAP the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ICAP has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, ICAP 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 ICAP is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. ICAP recognizes short-term lease cost on a straight-line basis over the lease term.

ICAP made an accounting policy election for all underlying classes of assets to not separate the lease components of a contract and its associated non-lease components.

Change in Accounting Principle - CECL

Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, requires the Organization to present financial assets measured at amortized cost (including accounts receivables) at the net amount expected to be collected over their remaining contractual lives. Estimated credit losses are based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the reported amounts.

The Organization adopted ASU No. 2016-13 on October 1, 2023. The net impact to net assets would have been immaterial, thus no adjustment was made to net assets.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organizations have evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through January 16, 2025, which is the date the consolidated financial statements were available to be issued.

Note 2: Concentration of Credit Risk

Credit risk associated with receivables is considered to be limited due to a substantial portion of the outstanding amounts primarily due from various federal, state, and local grant programs. Management anticipates collecting the receivables from the various grant programs within the next 12 months.

The Organizations maintain cash balances at various banks where the accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 at each institution. These financial institutions are believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organizations have not experienced losses in any of these accounts. In addition, investments held by ICAP are not insured. Investment performance is monitored by management and the Board of Directors.

Note 3: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of September 30, 2024:

Cash and cash equivalents	\$ 1,624,029
Grants receivable	1,089,377
Accounts receivable	360,142
Investments	724,679
<hr/>	
Subtotal financial assets	3,798,227
Less: Accounts payable	(747,580)
Less: Accrued payroll and related expenses	(897,081)
Less: Refundable advances	(343,551)
Less: Net assets with donor restrictions	(145,803)
<hr/>	
Total	\$ 1,664,212

The Organizations do not have a formal liquidity policy but generally maintain financial assets in liquid form as cash and cash equivalents for approximately one to two months of operating expenses. ICAP has grant commitments available for future expenses in the amount of \$8,467,000 described in Note 19.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 4: Investments

ICAP maintains investment funds with a bank in Sioux Falls, South Dakota. Investments are stated at fair value. As of September 30, 2024, investments consisted of the following:

Equity mutual funds	\$	351,887
Fixed income mutual funds		372,792
<hr/>		
Total	\$	724,679
<hr/>		

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the consolidated financial statements.

Investment income for the year ended September 30, 2024, is summarized as follows:

Interest and dividends	\$	45,327
Investment fees		(3,450)
Net unrealized and realized gains		81,771
<hr/>		
Total investment income	\$	123,648
<hr/>		

ICAP follows an investment policy to maintain an investment portfolio consisting of certain percentages of equity securities, fixed-income securities, and cash or cash equivalents.

Note 5: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

Equity mutual funds and fixed income mutual funds are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Organizations believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 5: Fair Value Measurements (Continued)

There were no liabilities measured at fair value on a recurring basis, nor were there assets or liabilities measured at fair value on a nonrecurring basis. The following table presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy at September 30, 2024:

	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Equity mutual funds	\$ 351,887	\$ -	\$ -	351,887
Fixed income mutual funds	372,792	-	-	372,792
Totals	\$ 724,679	\$ -	\$ -	724,679

Note 6: Restricted Cash and Deposits

Custodial Cash

ICAP participates in a mutual self-help program and is the custodial agent for low income individuals who have been awarded a construction loan or mortgage from USDA Rural Development. ICAP holds the funds in a custodial bank account for the homeowner and issues checks on the homeowner's behalf when needed for pre-construction and construction payments. The balance was \$650,426 on September 30, 2024.

Cash Reserves

Cash reserves consisted of the following as of September 30, 2024:

USDA Reserve	\$ 57,120
Tenant security deposits, Horizon Place	28,405
Tenant security deposits, Lacey Village	18,250
Tenant security deposits, Fortyone Flats	11,520
Replacement reserve, Horizon Place	100,740
Replacement reserve, Lacey Village	71,657
Operating deficit reserve, Horizon Place	206,173
Operating deficit reserve, Lacey Village	209,932
Total	\$ 703,797

Under the terms and conditions of the USDA Rural Development note payable, ICAP is required to make monthly deposits of \$476 until there is an accumulated sum of \$57,120. With prior written approval of Rural Development, funds may be withdrawn to pay the cost of repairing or replacing any damage to the facility which may have been caused by catastrophe, or making extensions or improvements to the facility. The balance at September 30, 2024, was \$57,120.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6: Restricted Cash and Deposits (Continued)

Pursuant to the Partnership Agreements for Horizon Place, Lacey Village, and Fortyone Flats, funds have been set aside to repay tenant security deposits after lease termination in accordance with requirements by the state.

Pursuant to the Partnership Agreements for Horizon Place, Lacey Village, and Fortyone Flats, there is a requirement to establish and maintain a replacement reserve with deposits made at a rate of \$400 per unit per year, increasing by 3% each 12-month period thereafter, commencing in the month after issuance of a certificate of occupancy. No disbursements are allowed in the first 24 months of operations. As a condition of the allocation of low-income housing credits and the HOME Regulatory Agreement, deposits were made commencing in 2018 for Horizon Place Apartments Limited Partnership, in 2021 for Lacey Village Townhomes Limited Partnership and in 2024 for Fortyone Flats Limited Partnership, which was established subsequent to September 30, 2024. These funds are restricted to property improvement, and disbursements therefrom must be approved.

Pursuant to the Partnership Agreements for Horizon Place, Lacey Village, and Fortyone Flats, there is a requirement to establish, maintain, and replenish an operating deficit escrow in the amount of up to \$245,000 for Horizon Place, \$203,584 for Lacey Village, and \$179,360 for Fortyone Flats, which was established subsequent to September 30, 2024, in a segregated reserve with Horizon Bank.

Note 7: Property and Equipment

Property and equipment consisted of the following at September 30, 2024:

Land	\$ 2,269,534
Land improvements	2,734,696
Vehicles	835,740
Buildings	24,851,599
Equipment and fixtures	3,101,265
Construction in progress	513,702
<hr/>	
Subtotal	34,306,536
Accumulated depreciated	(5,469,638)
<hr/>	
Property and equipment, net	\$ 28,836,898

Construction in progress consisted of architecture fees paid on ICAP's office building in the amount of \$94,630, rehabilitation jobs that were in progress of \$83,898, and renovation of the Empower Estates building of \$335,174. As of September 30, 2024, ICAP has a contract commitment of \$723,564 for the Empower Estates renovation that will be utilized by ICAP for the non-congregate shelter program and office space.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8: Lessor Activity

Horizon Place, Lacey Village, Fortyone Flats own housing projects that are a mix of low- to moderate-income housing facilities and are leased under short term agreements. Rental income, net of concessions and vacancies, consisting of direct rental income from the housing projects was \$1,015,335 for the year ended September 30, 2024. A summary of the acquisition costs and accumulated depreciation on the above properties are as follows:

Land	\$ 1,475,646
Land improvements	2,043,585
Buildings	18,001,353
Equipment and fixtures	2,247,466
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Subtotal	23,768,050
Accumulated depreciation	(3,382,935)
<hr/>	
Investment in property and equipment, net	<u>\$ 20,385,115</u>

Note 9: Funds Held for Others

ICAP holds funds in a custodial bank account for homeowners in the self-help program, as referenced in Note 6, and issues checks on the homeowner's behalf when needed for pre-construction and construction payments. The balance was \$650,426 on September 30, 2024.

Note 10: Notes Payable

The Organizations have the following notes payable as of September 30, 2024:

ICAP

Note payable in the amount of \$1,024,000 to USDA Rural Development at 3.75%, with monthly payments including principal and interest of \$4,752, due November 2043, collateralized by real estate. \$ 149,140

Note payable in the amount of \$900,000 to the City of Sioux Falls at 0% interest, with annual payments of \$30,000, maturity of September 2049, collateralized by real estate. This note payable contains specific restrictions on the use and disposition of the properties with a term of 30 years ending on September 1, 2049. If ICAP violates any of the restrictions on the property, the funds used to purchase and develop the property will become payable to the City of Sioux Falls. 720,000

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10: Notes Payable (Continued)

ICAP (Continued)

Note payable in the amount of \$350,000 to the City of Sioux Falls at 0% interest. The note is required to be repaid in its entirety on the earlier of May 11, 2033, the removal of the project from the Low Income Housing Tax Credit (LIHTC) program, if the property is ever conveyed or control relinquished by ICAP, or if the agreement is ever terminated for noncompliance. While the City of Sioux Falls has agreed to assign the responsibilities for the repayment of this note to the Partnership, ICAP remains joint and severally liable for this note under the terms of this agreement. The note is collateralized by real estate as well as a corresponding note receivable and assignment of the liability to the Horizon Place Apartments Limited Partnership. \$ 350,000

Note payable in the amount of \$24,870 to First Premier Bank at 2.99% interest, with monthly payments including principal and interest of \$378, due February 2028, collateralized by a cargo van. 14,370

Notes payable in the amount of \$150,000 to South Dakota Housing Development Authority at 0% interest. Housing Opportunity Funds as a construction to a permanent forgivable loan for the Community Commons Project. Payments are deferred unless the Community Commons building ceases to be operated and maintained as a non-congregate shelter during the period of affordability. At the end of the 20 year period of affordability the note will be forgiven. Period of affordability begins at the placed in service date. Closing date of note was April 5, 2024. The remaining loan balance of \$141,349 to be used for heating and cooling system upgrades. The note is collateralized by the property located at the Community Commons address. 8,651

Notes payable in the amount of \$1,161,330 to South Dakota Housing Development Authority at 0% interest. HOME-ARP funding as a construction to permanent forgivable loan for the Community Commons Project, beginning at execution of the Mortgage and Note and continue for a term of 20 years from the date of Project Completion. The loan will be forgiven at the end of the Restricted Use Period as long as all requirements are met during this period. Agreement was entered into June 21, 2023. The note is collateralized by the property located at the Community Commons address. 1,161,330

Notes payable in the amount of \$125,000 to City of Sioux Falls general funds at 0% interest. City of Sioux Falls funds for construction for rehabilitation of the Community Commons Project. The loan is deferred until ICAP sells, transfers or conveys the property, or such time as the property ceases to be used as a non-congregate shelter. Mortgage was filed November 17, 2023. The note is collateralized by the property located at the Community Commons address. 125,000

Notes payable in the amount of \$1,801,468 to City of Sioux Falls general funds at 0% interest. City of Sioux falls funds for acquisition and rehabilitation of the Empower Estates Project. The note is forgivable over a period of 25 years. The note will become due and payable if ICAP sells, transfers, or conveys the property or if the property ceases to be used for housing qualifying population and providing case management. Secured by a promissory note and mortgage against the property. 1,195,593

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10: Notes Payable (Continued)

Horizon Place

Note payable in the amount of \$150,177 to a financial institution at 5.75%, interest due in monthly installments of \$1,200 including interest, through August 2035. The note is collateralized by all land, buildings, equipment and assignment of all rents and leases of Horizon Place Apartments Limited Partnership, LP. \$ 116,466

Note payable in the amount of \$1,085,816 to South Dakota Housing Development Authority at 0%, due in various monthly payments, beginning January 2019 through December 2036. The note is collateralized by all land, buildings, equipment and an assignment of all rents and leases of Horizon Place Apartments Limited Partnership, LP. 755,216

Note payable in the amount of \$170,000 to South Dakota Housing Development Authority at 0% interest, payment due at maturity in December 2040. The note is collateralized by all land, buildings, equipment and an assignment of all rents and leases of Horizon Place Apartments Limited Partnership, LP. 170,000

Lacey Village

Note payable in the amount of \$1,287,093 to Horizon bank at 4.10% interest through January 1, 2022, then 5.25% for 17 years due in monthly payments of \$9,224, beginning May 10, 2022 through April 10, 2038. There was a principal advance on March 19, 2024, which increased the balance to \$1,310,245 at 5.25% and monthly payments of \$6,900. The note is collateralized by all land, buildings, equipment, and an assignment of all rents and leases of Lacey Village Townhomes Limited Partnership, LP. 1,306,825

Notes payable in the amount of \$1,000,000 to South Dakota Housing Development Authority – HOME Investment Partnerships Program (HOME) at 0% interest, due in various monthly payments. Beginning January 1, 2022 monthly payments of \$3,750 are due through December 1, 2041. The note is collateralized by all land, buildings, equipment, and an assignment of all rents and leases of Lacey Village Townhomes Limited Partnership, LP. 876,250

Notes payable in the amount of \$350,000 to the City of Sioux Falls at 0% interest, with annual payments of \$11,667 beginning on May 1, 2022, for 30 years. The note is collateralized by the property located at the Lacey Village Townhomes address. 314,999

Fortyone Flats

Note payable in the amount of \$1,000,000 to South Dakota Housing Development Authority – HOME Investment Partnerships Program (HOME) at 0% interest, due in monthly payments of \$750 beginning February 1, 2025. There are available funds of \$100,000 at September 30, 2024. The maturity date is January 1, 2054. The note is collateralized by all land, buildings, equipment, and an assignment of all rents and leases of the Fortyone Flats Limited Partnership, LP. 900,000

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10: Notes Payable (Continued)

Fortyone Flats (Continued)

Notes payable in the amount of \$600,000 to South Dakota Housing Development Authority – Housing Trust Funds at 0% interest, due in various monthly payments beginning January 1, 2054. There are available funds of \$100,000 at September 30, 2024. The maturity date is January 1, 2062. The note is collateralized by all land, buildings, equipment, and an assignment of all rents and leases of the Fortyone Flats Limited Partnership, LP. \$ 540,000

Notes payable in the amount of \$279,000 to Midwest Housing Development Fund, Inc. at 3% interest, due in monthly payments of \$1,074 beginning December 1, 2024. The maturity date is December 31, 2040. The note is collateralized by all land, buildings, equipment, and an assignment of all rents and leases of the Fortyone Flats Limited Partnership, LP. 279,000

Notes payable in the amount of \$750,000 to City of Sioux Falls at a rate of 0% interest. Payments will begin on November 1, 2026 and continue annually until the final payment on or before November 1, 2060. The note is collateralized by all land, buildings, equipment, and an assignment of all rents and leases of the Fortyone Flats Limited Partnership, LP. 750,000

Construction/Term loan in the amount of up to \$6,875,068 to Horizon Bank at 6% interest, due in monthly payments of \$8,924. Maturity date is August 10, 2033. The note is collateralized by all land, buildings, equipment, and an assignment of all rents and leases of the Fortyone Flats Limited Partnership, LP. 5,866,693

Total notes payable	\$ 15,599,533
Less: Current maturities of notes payable	(4,535,880)

<u>Long-term maturities of notes payable</u>	<u>\$ 11,063,653</u>
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For years ended September 30, future scheduled maturities of notes payable are as follows:

2025	\$ 4,535,880
2026	269,777
2027	269,222
2028	240,348
2029	233,727
Thereafter	10,050,579

<u>Total</u>	<u>\$ 15,599,533</u>
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Interest expense for notes payable for the year ended September 30, 2024, was \$80,829.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 11: Leases

ICAP leases office equipment and various facilities for operation of its programs. The majority of leases entered into include one or more options to renew. The exercise of lease renewal options is at ICAP's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Components of lease expense were as follows for the year ended September 30, 2024:

Lease Cost	
Operating lease cost	\$ 100,877
Short-term lease cost	53,346
<hr/>	
Total	\$ 154,223

The weighted-average of the remaining lease terms and weighted average discount rates are as follows for the year ended September 30, 2024:

Weighted-average remaining lease term - Operating leases	3.68 years
Weighted-average discount rate - Operating leases	4.37%

Maturities of lease liabilities are as follows as of September 30, 2024:

2025	\$ 97,917
2026	61,557
2027	41,837
2028	13,037
2029	1,679
<hr/>	
Total lease payments	216,027
Less imputed interest	(11,346)
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Subtotals	204,681
Less current portion	(91,648)
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Long-term portion	\$ 113,033

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 12: Accrued Self-Insurance

ICAP sponsors self-funded health insurance covering certain employees and their dependents. The plan is funded with employer and employee contributions. The Organization's exposure is limited with a stop-loss insurance policy for claims in excess of \$60,000 per insured and 120% of expected claims in the aggregate. The plan pays actual claims, administration fees, and stop loss fees. Total fees and claims were approximately \$1.38 million, which is net of stop loss credits of approximately \$607,000 for the year ended September 30, 2024. Management has established a medical claims reserve which is reported as a liability on the consolidated statement of financial position as the funds would need to be returned to respective grant funding sources if not used for employee health costs.

Note 13: Net Assets with Donor Restrictions

Net assets with donor restrictions at September 30, 2024 were \$145,803, which consisted of contributions restricted for program support for various county residents served by ICAP.

Net assets released from restriction through satisfaction of program restrictions at September 30, 2024, consisted of \$16,337,601 of grant and other purpose related expenditures.

Note 14: Noncontrolling Interest

The consolidated statement of financial position presents the noncontrolling interest in the LIHTC partnerships and represents the interest in the partnerships from the limited partners. The following is a summary of the change in net assets without donor restrictions attributable to the controlling, held by ICAP, and noncontrolling interests of the LIHTC partnerships at September 30, 2024:

	Controlling Interest	Noncontrolling Interest	Total
Balance at October 1, 2023	\$ 715	\$ 7,938,799	\$ 7,939,514
Consolidation of limited partnership	(25)	(281,737)	(281,762)
Changes in net assets without donor restrictions	(36)	(393,304)	(393,340)
Balance at September 30, 2024	\$ 654	\$ 7,263,758	\$ 7,264,412

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 15: Community Foundation

ICAP is the beneficiary of an endowment fund with the Sioux Falls Area Community Foundation (the "Foundation") for the Partnership to Raise Community Capital drive. Donors have contributed funds to be placed in a designated endowment in the name of Heartland House, a rapid re-housing program that is run by ICAP. The Foundation has total variance power over all of the funds received; in addition, all donations are irrevocable. Annually, ICAP has the option to receive 4% of the average balance in the fund over the previous eight quarters. During the year ended September 30, 2024, ICAP received \$16,449 from the fund, recorded as other income. As of September 30, 2024, the balance of these funds with the Foundation was \$439,603, and is not recorded on ICAP's financial statements.

Note 16: Tax-Deferred Annuity Plan

During the year ended September 30, 2024, ICAP made contributions to a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all employees who have been employed by ICAP for six months, work a minimum of 500 hours, and are scheduled to work 20 or more hours per week. Employees can elect to make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. ICAP will match employee contributions of 3% of the employee's annual salary after the employee has been employed six months. Employees are 100% vested after six months of service. ICAP made employer contributions of \$126,365 to the plan for the year ended September 30, 2024.

Note 17: Line of Credit

ICAP has a line of credit with First Bank & Trust in the amount of \$500,000 with interest at .5% over the Wall Street Journal Prime Rate. The effective rate at September 30, 2024, was 8.50%. The line of credit matures August 5, 2025. The line of credit is collateralized by non grant related inventory and equipment. There is no balance on the line of credit at September 30, 2024.

Note 18: Commitments and Contingencies

ICAP participates in a number of federally assisted and state grant programs. These programs are subject to program compliance audits by the grantors and their representatives. Any disallowed costs may constitute a liability of ICAP. ICAP is also required to match 20% of the total grantee budget for the Head Start program, or 25% of the total federal funds, with local resources. ICAP believes that it is in substantial compliance with all grant requirements, including those related to matching, and disallowed costs, if any, would not be significant.

ICAP received various loans that are subject to specific restrictions on the use and disposition of the properties. These commitments are disclosed in note 10 to the consolidated financial statements as applicable.

Note 19: Grant Awards

At September 30, 2024, ICAP had commitments under various grants of \$8,467,000. These commitments are not recognized in the accompanying consolidated financial statements as they are conditional awards.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 20: Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following for the year ended September 30, 2024:

Wages	\$	35,447
Commodity foods received		29,134
Supplies		5,479
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Total contributed nonfinancial assets	\$	70,060

ICAP recognizes contributed nonfinancial assets within in-kind revenue, including wages and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed wages consist of various professional service providers that provide services to ICAP on various matters. Contributed wages are valued and are reported at the estimated fair value in the consolidated financial statements based on current rates for similar services. Commodity foods are received from governmental funding sources and utilized in the food program. Commodity foods are valued based on estimates of wholesale values that would be received for selling similar products in the United States. Contributed supplies were utilized in the early childhood education programs. In valuing supplies, ICAP estimates the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Note 21: Consolidation of Fortyone Flats

ICAP reassessed their control in Fortyone Flats during preparation of the September 30, 2024, consolidated financial statements. Certain limited partner rights expire after construction is completed and therefore ICAP determined the limited partners no longer have substantive participating rights post construction. Based on the reassessment, ICAP included Fortyone Flats in these consolidated financial statements with an effective date of September 30, 2024. The value of assets and liabilities obtained at September 30, 2024, are as follows:

Cash and cash equivalents	\$	12,661
Accounts receivable		168,172
Other assets		1,412
Cash reserves		11,520
Tax credit monitoring fees, net		45,845
Property and equipment, net		8,471,988
Notes payable		(8,335,693)
Accounts payable		(106,522)
Security deposits payable		(13,020)
Deferred development fee		(538,125)
<hr/>		
Net deficit from consolidation of limited partnership interest	\$	(281,762)

Supplementary Information

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Consolidating Statement of Financial Position

September 30, 2024

Assets	Inter-Lakes Community Action Partnership, Inc.	Horizon Place Apartments Limited Partnership	Lacey Village Townhomes Limited Partnership	FortyOne Flats Limited Partnership	Eliminations	Total
Current assets:						
Cash and cash equivalents	\$ 1,547,046	\$ 14,146	\$ 50,176	\$ 12,661	\$ -	\$ 1,624,029
Investments	724,679	-	-	-	-	724,679
Grants receivable	1,089,377	-	-	-	-	1,089,377
Accounts receivable	228,504	9,301	5,759	168,172	(51,594)	360,142
Other assets	89,171	2,851	1,532	1,412	-	94,966
Total current assets	3,678,777	26,298	57,467	182,245	(51,594)	3,893,193
Restricted cash and deposits:						
Custodial cash	650,426	-	-	-	-	650,426
Cash reserves	57,120	335,318	299,839	11,520	-	703,797
Total restricted cash and deposits	707,546	335,318	299,839	11,520	-	1,354,223
Property and equipment, net	8,451,784	5,536,658	6,376,468	8,471,988	-	28,836,898
Other assets:						
Development fee receivable	358,452	-	-	-	(358,452)	-
Right of use lease assets - Operating	204,268	-	-	-	-	204,268
Tax credit monitoring fees, net	-	31,558	63,862	45,845	-	141,265
Investment in limited partnership - Lacey Village/Horizon Place	193,146	-	-	-	(193,146)	-
Investment in and notes receivable from limited partnership	1,183,542	-	-	-	(1,183,542)	-
Total other assets	1,939,408	31,558	63,862	45,845	(1,735,140)	345,533
Total assets	\$ 14,777,515	\$ 5,929,832	\$ 6,797,636	\$ 8,711,598	\$ (1,786,734)	\$ 34,429,847
Liabilities and Net Assets						
Liabilities:						
Current portion of notes payable	\$ 85,597	\$ 77,303	\$ 71,355	\$ 4,301,625	\$ -	\$ 4,535,880
Current portion of operating lease liability	91,648	-	-	-	-	91,648
Accounts payable	374,150	291,475	27,027	106,522	(51,594)	747,580
Accrued payroll and related expenses	897,081	-	-	-	-	897,081
Security deposits payable	200	30,905	19,200	13,020	-	63,325
Refundable advances	343,551	-	-	-	-	343,551
Accrued self-insurance	185,029	-	-	-	-	185,029
Funds held for others	650,426	-	-	-	-	650,426
Total current liabilities	2,627,682	399,683	117,582	4,421,167	(51,594)	7,514,520
Long-term debt:						
Deferred development fee	-	89,389	-	538,125	(358,452)	269,062
Operating lease liability, less current portion	113,033	-	-	-	-	113,033
Notes payable, less current portion	3,638,487	2,147,921	2,426,719	4,034,068	(1,183,542)	11,063,653
Total long-term debt	3,751,520	2,237,310	2,426,719	4,572,193	(1,541,994)	11,445,748
Total liabilities	6,379,202	2,636,993	2,544,301	8,993,360	(1,593,588)	18,960,268
Net assets:						
Without donor restrictions	8,252,510	296	383	(25)	(193,146)	8,060,018
Without donor restrictions - non-controlling interest	-	3,292,543	4,252,952	(281,737)	-	7,263,758
Net assets without donor restrictions	8,252,510	3,292,839	4,253,335	(281,762)	(193,146)	15,323,776
Net assets with donor restrictions	145,803	-	-	-	-	145,803
Total net assets	8,398,313	3,292,839	4,253,335	(281,762)	(193,146)	15,469,579
Total liabilities and net assets	\$ 14,777,515	\$ 5,929,832	\$ 6,797,636	\$ 8,711,598	\$ (1,786,734)	\$ 34,429,847

See Independent Auditor's Report.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Consolidating Statement of Activities

Year Ended September 30, 2024

	Inter-Lakes Community Action Partnership, Inc.	Horizon Place Apartments Limited Partnership	Lacey Village Townhomes Limited Partnership	FortyOne Flats Limited Partnership	Eliminations	Total
Revenue:						
Prior year's refundable advances	\$ 322,387	\$ -	\$ -	\$ -	\$ -	\$ 322,387
Current year grant awards	14,803,484	-	-	-	-	14,803,484
Refundable advances	(343,551)	-	-	-	-	(343,551)
Net grant revenue	14,782,320	-	-	-	-	14,782,320
Commodity foods received	29,134	-	-	-	-	29,134
Program income	868,114	-	-	-	-	868,114
Investment income, net	147,518	-	-	-	(23,870)	123,648
In-kind revenue	40,926	-	-	-	-	40,926
Gain on disposal of assets	2,553	-	-	-	-	2,553
Rental Income, net of concessions and vacancies	-	533,568	481,767	-	-	1,015,335
Contributions	110,043	-	-	-	-	110,043
Contract Revenue	912,418	-	-	-	-	912,418
Other income	173,321	25,643	12,839	-	-	211,803
Total revenue	17,066,347	559,211	494,606	-	(23,870)	18,096,294
Expenses:						
Program services:						
Early Childhood Education	4,892,453	-	-	-	-	4,892,453
Food Program	2,195,989	-	-	-	-	2,195,989
Community Services	1,789,193	-	-	-	-	1,789,193
Weatherization Energy Assistance	1,373,758	-	-	-	-	1,373,758
Housing Programs	724,377	728,827	718,409	-	(23,409)	2,148,204
Homeless Housing Programs	1,563,593	-	-	-	-	1,563,593
Emergency Services	2,430,972	-	-	-	-	2,430,972
Discretionary	113,451	-	-	-	-	113,451
Total program services	15,083,786	728,827	718,409	-	(23,409)	16,507,613
Management and general	1,202,075	-	-	-	-	1,202,075
Total expenses	16,285,861	728,827	718,409	-	(23,409)	17,709,688
Change in net assets	780,486	(169,616)	(223,803)	-	(461)	386,606
Consolidation of limited partnership interest	-	-	-	(281,762)	-	(281,762)
Net assets (net deficit) - Beginning of year	7,617,827	3,462,455	4,477,138	-	(192,685)	15,364,735
Net assets (deficit) - End of year	\$ 8,398,313	\$ 3,292,839	\$ 4,253,335	\$ (281,762)	\$ (193,146)	\$ 15,469,579

See Independent Auditor's Report.

Inter-Lakes Community Action Partnership, Inc.

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended September 30, 2024

Federal Grantor/Program Title	AL Number	Fund Source/ Pass-Through Entity	Agency I.D. Number	Program Period	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
Rural Self-Help Rehabilitation Technical Assistance 12 County Mutual Self Help	10.420	U.S.D.A. Rural Development Department	Grant #44, #45, #48	07/27/2021 - 07/27/2025	\$ 79,960
Rural Self-Help Rehabilitation Technical Assistance 12 County Self Help Rehabilitation	10.420	U.S.D.A. Rural Development Department	Grant #45, #46	01/12/2022 - 03/31/2024	104,480
Rural Self-Help Rehabilitation Technical Assistance 12 County Self Help Rehabilitation	10.420	U.S.D.A. Rural Development Department	Grant #47	04/01/2024 - 03/31/2026	<u>88,380</u>
Total Federal Expenditures AL 10.420					<u>272,820</u>
Child and Adult Care Food Program - U.S.D.A. Reimbursement	10.558	South Dakota Department of Education and Cultural Affairs	3940100	10/01/2023 - 09/30/2024	<u>260,364</u>
Total Federal Expenditures AL 10.558					<u>260,364</u>
Food Distribution Cluster					
Commodity Supplemental Food Program (CSFP)	10.565	South Dakota Department of Education and Cultural Affairs Child and Adult Nutrition Services	2024G	10/01/2023 - 09/30/2024	29,134
Commodity Supplemental Food Program (CSFP)	10.565	South Dakota Department of Education and Cultural Affairs Child and Adult Nutrition Services	N/A	01/01/2023-12/31/2023	<u>60</u>
Total Federal Expenditures Food Distribution Cluster AL 10.565					<u>29,194</u>
Direct Funding					
Community Facilities Loans and Grants Cluster					
USDA	10.766	U.S. Department of Agriculture	N/A	11/25/2013 - 11/25/2043	<u>275,554</u>
Total U.S. Department of Agriculture					<u><u>837,932</u></u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
CDBG - Entitlement Grants Cluster					
Community Development Block Grant - Horizon Place Apartments Limited Partnership	14.218	City of Sioux Falls	16-4156	08/01/2016 - 09/01/2049	750,000
Community Development Block Grant Bright Futures	14.218	Sioux Falls Community Development	24-2125	01/01/2024 - 12/31/2024	146,237
Community Development Block Grant Bright Futures	14.218	Sioux Falls Community Development	23-4034	01/01/2023 - 12/31/2023	42,965
COVID-19 Community Development Block Grant - Community Commons CDBG-CV	14.218	City of Sioux Falls	22-4368	12/19/2022 - 08/30/2024	<u>424,904</u>
Total CDBG Entitlement Grants Cluster AL 14.218					<u><u>1,364,106</u></u>

See Independent Auditor's Report and Notes to the Schedule of Expenditures of Federal Awards and List of Programs.

Inter-Lakes Community Action Partnership, Inc.
Schedule of Expenditures of Federal Awards and List of Programs (Continued)

Year Ended September 30, 2024

Federal Grantor/Program Title	AL Number	Fund Source/ Pass-Through Entity	Agency I.D. Number	Program Period	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)					
Emergency Solutions Grant Program	14.231	South Dakota Housing Development Authority	E-22-DC-46-0001-09	10/27/2022 - 10/25/2024	33,512
COVID-19 Emergency Solutions Grant Program CARES ACT	14.231	South Dakota Housing Development Authority	E-20-DW-46-0001-03	02/11/2020 - 12/31/2023	677
Emergency Solutions Grant Program 2023	14.231	South Dakota Housing Development Authority	E-23-DC-46-0001-09	09/28/2023 - 03/28/2025	<u>34,434</u>
Total Federal Expenditures AL 14.231					<u>68,623</u>
HOME Investment Partnership Bright Futures - TRBA	14.239	Sioux Falls Community Development	N/A	01/01/2024 - 12/31/2024	290,469
HOME Investment Partnership Bright Futures - TRBA	14.239	Sioux Falls Community Development	23-4034	01/01/2023 - 12/31/2023	100,380
HOME Investment Partnership Program - Home Rehabilitation	14.239	South Dakota Housing Development Authority	N/A	01/01/2024-12/31/2024	72,179
HOME Investment Partnership Program - Home Rehabilitation	14.239	South Dakota Housing Development Authority	N/A	12/06/2022 - 12/31/2023	124,759
Security Deposit Assistance Program	14.239	South Dakota Housing Development Authority	N/A	01/16/2024-11/30/2024	6,205
Security Deposit Assistance Program	14.239	South Dakota Housing Development Authority	N/A	12/08/2022-11/30/2023	2,875
COVID-19 HOME-ARP Investment Partnership Program - Community Commons	14.239	South Dakota Housing Development Authority	N/A	06/30/2023 - 08/01/2044	<u>1,161,330</u>
Total Federal Expenditures AL 14.239					<u>1,758,197</u>
Continuum of Care Program - PIT-HIC	14.267	Department of Housing and Urban Development	MOU	09/15/2023-09/14/2024	704
Continuum of Care Program - Heartland Rapid Re-housing	14.267	Department of Housing and Urban Development	SD0023L8T002206	10/01/2023 - 09/30/2024	<u>652,160</u>
Total Federal Expenditures AL 14.267					<u>652,864</u>
Total U.S. Department of Housing and Urban Development					<u>3,843,790</u>
U.S. DEPARTMENT OF THE TREASURY					
Volunteer Income Tax Assistance VITA Matching Grant Program	21.009	Department of Treasury	24VITA0150	10/01/2023 - 09/30/2024	<u>16,426</u>
Total Federal Expenditures AL 21.009					<u>16,426</u>
COVID-19 Emergency Rental Assistance Program ERA-2	21.023	South Dakota Housing Development Authority	ERA2-ICAP	03/13/2020 - 09/30/2025	<u>2,083,371</u>
Total Federal Expenditures AL 21.023					<u>2,083,371</u>
Total U.S. Department of the Treasury					<u>2,099,797</u>

See Independent Auditor's Report and Notes to the Schedule of Expenditures of Federal Awards and List of Programs.

Inter-Lakes Community Action Partnership, Inc.
Schedule of Expenditures of Federal Awards and List of Programs (Continued)

Year Ended September 30, 2024

Federal Grantor/Program Title	AL Number	Fund Source/ Pass-Through Entity	Agency I.D. Number	Program Period	Federal Expenditures
U.S. DEPARTMENT OF ENERGY					
Weatherization Assistance for Low-Income Persons - Weatherization	81.042	South Dakota Department of Social Services	25-0821-626	07/01/2024-06/30/2025	101,758
Weatherization Assistance for Low-Income Persons - Weatherization	81.042	South Dakota Department of Social Services	24-0821-601	07/01/2023 - 06/30/2024	545,551
Weatherization Assistance for Low-Income Persons - Weatherization	81.042	South Dakota Department of Social Services	23-0821-613	07/01/2022 - 06/30/2025	<u>483,850</u>
Total Federal Expenditures AL 81.042					<u>1,131,159</u>
Total U.S. Department of Energy					<u>1,131,159</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Aging Cluster					
Title III Part C - Nutrition Services Congregate and Home Delivered Meals	93.045	South Dakota Department of Human Services	9193-657-016 25	06/01/2024 - 09/30/2025	231,596
Title III Part C - Nutrition Services Congregate and Home Delivered Meals	93.045	South Dakota Department of Human Services	9193-657-016 24	06/01/2023 - 05/31/2024	<u>419,731</u>
Total Federal Expenditures AL 93.045					<u>651,327</u>
Nutrition Services Incentive Program	93.053	South Dakota Department of Human Services	9193-657-016 25	06/01/2024 - 09/30/2025	53,970
Nutrition Services Incentive Program	93.053	South Dakota Department of Human Services	9193-657-016 24	06/01/2023 - 05/31/2024	<u>116,563</u>
Total Federal Expenditures AL 93.053					<u>170,533</u>
Total Federal Expenditures Aging Cluster AL 93.045, 93.053					<u>821,860</u>
Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health or Healthcare Crises Community Health Worker	93.391	South Dakota Department of Health	24SC090193	06/01/2023 - 05/31/2024	<u>139,736</u>
Total Federal Expenditures AL 93.391					<u>139,736</u>
Low-Income Home Energy Water Assistance Program	93.499	South Dakota Department of Social Services	23-0821-617	07/01/2022 - 03/31/2024	<u>216,992</u>
Total Federal Expenditures AL 93.499					<u>216,992</u>
Low-Income Home Energy Assistance	93.568	South Dakota Department of Social Services	25-0821-630	07/01/2024 - 06/30/2025	21,769
Low-Income Home Energy Assistance	93.568	South Dakota Department of Social Services	24-0821-605	07/01/2023 - 06/30/2024	<u>276,487</u>
Total Federal Expenditures AL 93.568					<u>298,256</u>

See Independent Auditor's Report and Notes to the Schedule of Expenditures of Federal Awards and List of Programs.

Inter-Lakes Community Action Partnership, Inc.
Schedule of Expenditures of Federal Awards and List of Programs (Continued)

Year Ended September 30, 2024

Federal Grantor/Program Title	AL Number	Fund Source/ Pass-Through Entity	Agency I.D. Number	Program Period	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
Community Services Block Grant	93.569	South Dakota Department of Social Services	25-0821-609	06/01/2024 - 05/31/2025	311,498
Community Services Block Grant	93.569	South Dakota Department of Social Services	24-0821-609	06/01/2023 - 05/31/2024	1,054,897
Community Services Block OCS	93.569	South Dakota Department of Social Services	90ET0500	09/30/2023-09/29/2024	<u>37,580</u>
Total Federal Expenditures AL 93.569					<u>1,403,975</u>
CCDF Cluster					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - SFC	93.596	South Dakota Department of Social Services	N/A	10/01/2023 - 09/30/2024	56,356
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Madison	93.596	South Dakota Department of Social Services	N/A	10/01/2023 - 09/30/2024	<u>4,313</u>
Total Federal Expenditures CCDF Cluster AL 93.596					<u>60,669</u>
Head Start Cluster					
Head Start	93.600	U.S. Department of Health and Human Services	08-CH012482-01	02/01/2024 - 01/31/2025	3,284,051
Head Start - T&TA	93.600	U.S. Department of Health and Human Services	08-CH012482-01	02/01/2024 - 01/31/2025	25,104
Early Head Start - T&TA	93.600	U.S. Department of Health and Human Services	08-CH012482-01	02/01/2024 - 01/31/2025	42,260
Head Start	93.600	U.S. Department of Health and Human Services	08-CH010817-05	02/01/2023 - 01/31/2024	1,940,380
Head Start - T&TA	93.600	U.S. Department of Health and Human Services	08-CH010817-05	02/01/2023 - 01/31/2024	5,767
Early Head Start - T&TA	93.600	U.S. Department of Health and Human Services	08-CH010817-05	02/01/2023 - 01/31/2024	<u>8,871</u>
Total Federal Expenditures Head Start Cluster AL 93.600					<u>5,306,433</u>
Medicaid Cluster					
Medical Assistance Program Community Health Worker	93.778	U.S. Department of Health and Human Services	24SC090193	06/01/2023-05/31/2024	<u>10,518</u>
Total Federal Expenditures Medicaid Cluster AL 93.778					<u>10,518</u>
Total U.S. Department of Health and Human Services					<u>8,258,439</u>
US DEPARTMENT OF HOMELAND SECURITY					
Emergency Food Shelter Program Phase 39	97.024	Feeding South Dakota		11/01/2021-12/31/2024	12,540
Emergency Food Shelter Program Phase 40	97.024	Feeding South Dakota		11/01/2021-12/31/2024	9,327
Emergency Food Shelter Program ARPAR	97.024	Feeding South Dakota		11/01/2021-12/31/2024	24,305
Emergency Food Shelter Program Phase 41	97.024	Feeding South Dakota		10/01/2022 - 12/31/2024	12,324
Emergency Food Shelter Program Phase 41 - Brookings	97.024	Brookings Area United Way		10/01/2022 - 12/31/2024	<u>3,495</u>
Total Federal Expenditures AL 97.024					<u>61,991</u>
Total Federal Expenditures					<u>\$ 16,233,108</u>

See Independent Auditor's Report and Notes to the Schedule of Expenditures of Federal Awards and List of Programs.

Inter-Lakes Community Action Partnership, Inc.

Schedule of Expenditures of Federal Awards and List of Programs (Continued)

Year Ended September 30, 2024

Grantor/Program Title	Fund Source/ Pass-Through Entity	Agency I.D. Number	Program Period
STATE AND LOCAL PROGRAMS			
ICARE	MidAmerican Energy	N/A	01/01/2024 - 12/31/2024
ICARE	MidAmerican Energy	N/A	01/01/2023 - 12/31/2023
Nutrition Services - State Funds	South Dakota Department of Human Services	9193-657-016 25	06/01/2024 - 09/30/2025
Nutrition Services - State Funds	South Dakota Department of Human Services	9193-657-016 24	06/01/2023 - 05/31/2024
SHARE Program	South Dakota Department of Social Services	24-085C-600	06/01/2023 - 05/31/2024
Childcare Block Grant - State Funds	South Dakota Department of Social Services	N/A	10/01/2023 - 09/30/2024
Childcare Block Grant - State Funds	South Dakota Department of Social Services	N/A	10/01/2023 - 09/30/2024
Codington County Case Management	Codington County	N/A	11/01/2022 - 10/31/2023
Rapid Rehousing Support	City of Sioux Falls	N/A	01/01/2024 - 12/31/2024
Project T.O.M.	City of Sioux Falls	24-4114	01/01/2024 - 12/31/2024
Project T.O.M.	City of Sioux Falls	23-4023	01/01/2023 - 12/31/2023
Empower Estates	City of Sioux Falls	24-4077	03/01/2024 - 12/31/2025
Build Your Own House	Citibank	N/A	Indefinite
HOF ESG Rural	South Dakota Housing Development Authority	2022-424	12/06/2022 - 06/05/2025
HOF ESG Urban	South Dakota Housing Development Authority	2021-425	10/21/2021 - 03/31/2024
HOF ESG Urban	South Dakota Housing Development Authority	2022-425	12/06/2022 - 12/05/2024
HOF Home Rehab	South Dakota Housing Development Authority	2021 - 426	10/21/2021 - 12/31/2023
Community Health Program - State Funds	South Dakota Department of Health	24SC090193	06/01/2023 - 05/31/2024
Mutual Self Help, Weatherization, Emergency Services Program Support	City of Brookings ARPA Funds	N/A	08/23/2022 - 12/31/2024
Brookings Pathways Interpreter Grant	Sioux Empire United Way	N/A	06/24/2024 - 12/31/2025
Guaranteed Fund			Indefinite
Sustainable Housing Incentive (SHIP)	South Dakota Housing Development Authority		09/01/2024 - 08/31/2026
Lake County ARPA	Lake County	N/A	03/03/2021 - 12/31/2024
Lake Area Recovery Network	Private Donations	N/A	Indefinite
Head Start Health	Private Donations	N/A	Indefinite
Head Start Program Support Watertown	First Interstate Bank	N/A	11/18/2022 - 11/18/2023
Head Start Program Support Watertown	First Interstate Bank	N/A	10/06/2023 - 10/05/2024
Head Start Program Support Madison	First Interstate Bank	N/A	11/18/2022 - 11/18/2024
Nutrition Program Support	First Interstate Bank	N/A	11/02/2023 - 11/01/2024
Dental Mobile - Flandreau	Interlake's Area United Way	N/A	01/01/2023 - 12/31/2023
Dental Mobile - Flandreau	Interlake's Area United Way	N/A	01/01/2024-12/31/2024
Dental Mobile - Watertown	Watertown Community Foundation and Watertown Area United Way	N/A	01/01/2024-12/31/2024
Dental Mobile - Watertown	Watertown Community Foundation and Watertown Area United Way	N/A	01/01/2023 -12/31/2023
Resilient Community			03/01/2023 - 04/01/2024
Various programs	Interlake's Area United Way	N/A	01/01/2023 - 12/31/2024
Various programs	Watertown Area United Way	N/A	01/01/2023 - 12/31/2024
Various programs	Brookings Area United Way	N/A	01/01/2023 - 12/31/2024
DISCRETIONARY			
Corporate Programs	Various		10/01/2023 - 09/30/2024

See Independent Auditor's Report and Notes to the Schedule of Expenditures of Federal Awards and List of Programs.

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to the Schedule of Expenditures of Federal Awards and List of Programs

Note A: General

The accompanying Schedule of Expenditures of Federal Awards and List of Programs (the "Schedule") includes the federal grant activity under programs of the federal government for the year ended September 30, 2024. The information in the 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* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Inter-Lakes Community Action Partnership, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Inter-Lakes Community Action Partnership, Inc.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Inter-Lakes Community Action Partnership, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance. No amounts have been passed through to subrecipients for the year ended September 30, 2024.

Note C: Federal Loans Payable

Federal expenditures for the U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant program includes the balance of a loan outstanding. This particular loan was funded by a grant from HUD to the City of Sioux Falls who passed through these funds in the form of a low-interest loan and for which the grantor imposes continuing compliance requirements. Total principal on this loan was \$900,000 which was used to loan money to Horizon Place Apartments Limited Partnership to finance eligible activities including the provision of housing to low income and homeless families. Annual principal payments of \$30,000 are due on this loan.

	CDBG Loan
Balance October 1, 2023	\$ 750,000
Repayments	(30,000)
Balance September 30, 2024	\$ 720,000

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Notes to the Schedule of Expenditures of Federal Awards and List of Programs

Note C: Federal Loans Payable (Continued)

Federal expenditures for the U.S. Department of of Agriculture ("USDA") Community Facilities Loans and Grants program includes the balance of a loan outstanding. This particular loan was funded by a grant from USDA to Inter-Lakes Community Action Partnership, Inc. the City of Sioux Falls who passed through these funds in the form of a low-interest loan and for which the grantor imposes continuing compliance requirements. Total principal on this loan was \$1,024,000 which was used for a Head Start facility. Annual principal payments of \$47,450 are due on this loan. In addition, Inter-Lakes Community Action Partnership, Inc. made an additional principal payment of \$78,964.

	USDA Loan
Balance October 1, 2023	\$ 275,554
Repayments	(126,414)
Balance September 30, 2024	\$ 149,140

Federal expenditures for the U.S. Department of Housing and Urban Development ("HUD") HOME Investment Partnership Program includes the balance of a loan outstanding. This particular loan was funded by a grant from HUD to the South Dakota Housing Development Authority who passed through these funds in the form of a 0% interest loan and for which the grantor imposes continuing compliance requirements. Total principal on this loan is \$1,161,330 which is HOME-ARP funding as a construction to permanent forgivable loan for the Community Commons Project, beginning at execution of the Mortgage and Note and continue for a term of 20 years from the date of Project Completion. The loan will be forgiven at the end of the Restricted Use Period as long as all requirements are met during this period. Agreement was entered into June 21, 2023, for a period of 20 years. An additional draw was made during the year ended September 30, 2024 as noted below.

	HOME Loan
Balance October 1, 2023	\$ 654,095
Principal added	507,235
Balance September 30, 2024	\$ 1,161,330

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
Inter-Lakes Community Action Partnership, Inc.
Madison, South Dakota

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 Inter-Lakes Community Action Partnership, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of September 30, 2024 and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 16, 2025. The financial statements of Horizon Place Apartments Limited Partnership, LP, Lacey Village Townhomes Limited Partnership, LP, and Fortyone Flats Apartments Limited Partnership, LP were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Horizon Place Apartments Limited Partnership, LP, Lacey Village Townhomes, LP, and Fortyone Flats Apartments, LP.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Inter-Lakes 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Inter-Lakes Community Action Partnership, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Inter-Lakes 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 reasonable possibility that a material misstatement of Inter-Lakes Community Action Partnership, Inc.'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 Inter-Lakes Community Action Partnership, Inc.'s consolidated 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 Inter-Lakes Community Action Partnership, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Inter-Lakes Community Action Partnership, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Madison, Wisconsin

January 16, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Inter-Lakes Community Action Partnership, Inc.
Madison, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Inter-Lakes 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 its major federal programs for the year ended September 30, 2024. Inter-Lakes 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, Inter-Lakes 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 major federal program for the year ended September 30, 2024.

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 Inter-Lakes 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 Inter-Lakes 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 Inter-Lakes Community Action Partnership, Inc.'s federal programs.

Auditor's Responsibility 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 Inter-Lakes 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 Inter-Lakes 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 Inter-Lakes 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 Inter-Lakes 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 Inter-Lakes 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.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
January 16, 2025

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs

Year Ended September 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs

AL Numbers	Federal Program or Cluster
21.023	Emergency Rental Assistance
93.045/93.053	Aging Cluster
93.600	Head Start Cluster

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

Auditee qualified as low-risk auditee? X Yes _____ No

Inter-Lakes Community Action Partnership, Inc. and Subsidiaries

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 2024

Section II - Financial Statements Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - Status of Prior Year Findings and Questioned Costs

None.