

Community Council of Idaho, Inc.

Caldwell, Idaho

Financial Statements and
Supplementary Information

Year Ended June 30, 2022



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Community Council of Idaho, Inc.

Financial Statements and Supplementary Information
Year Ended June 30, 2022

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Independent Auditor's Report

Board of Directors
Community Council of Idaho, Inc.
Caldwell, Idaho

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Council of Idaho, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Council of Idaho, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Council of Idaho, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of program activity are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023, on our consideration of Community Council of Idaho, 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 Community Council of Idaho, 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 Community Council of Idaho, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

March 29, 2023
Madison, Wisconsin

Community Council of Idaho, Inc.

Statement of Financial Position

June 30, 2022

<i>Assets</i>	
Current assets:	
Cash	\$ 2,138,934
Restricted cash	56,291
Accounts receivable, net	729,783
Grants receivable	2,519,412
Other assets	552,760
Total current assets	5,997,180
Other assets:	
Investment in partnership	375,000
USDA reserves	332,109
Total other assets	707,109
Property and equipment, net	8,520,003
TOTAL ASSETS	\$ 15,224,292
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of notes payable, net	\$ 519,764
Accounts payable	1,181,205
Accrued payroll and related liabilities	1,844,454
Accrued vacation	470,872
Security deposit liability	65,944
Refundable advances	258,843
Total current liabilities	4,341,082
Long-term liabilities:	
Notes payable, net	3,411,715
Total liabilities	7,752,797
Net assets: Without donor restrictions	7,471,495
TOTAL LIABILITIES AND NET ASSETS	\$ 15,224,292

Community Council of Idaho, Inc.

Statement of Activities

Year Ended June 30, 2022

Revenue:	
Grant revenue	\$ 24,315,231
Other income	2,969,262
Rental income	873,338
Loss on disposal	(42,407)
In-kind contributions	23,200
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Total revenue	28,138,624
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Expenses:	
Program expense:	
Child education	16,018,657
Community service	3,350,009
Housing	1,117,052
Youth activities	289,315
Community health center	4,061,268
Other activities	415,623
<hr/>	
Total program expense	25,251,924
Supporting services:	
Fund-raising	9,782
Management and general	2,089,745
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Total expenses	27,351,451
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Change in net assets	787,173
Net assets at beginning of year	6,684,322
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Net assets at end of year	\$ 7,471,495

Community Council of Idaho, Inc.

Statement of Functional Expenses Year Ended June 30, 2022

	Child Education	Community Service	Housing	Youth Activities	Community Health Center
Expenses:					
Personnel	\$ 9,622,803	\$ 1,639,482	\$ 263,968	\$ 161,010	\$ 2,099,382
Fringe benefits	2,896,465	493,486	98,434	48,464	631,914
Contractual	267,970	3,259	151,078	1,845	423,903
Travel	33,968	42,231	1,302	4,487	40,861
Occupancy	973,526	233,278	275,277	5,186	157,682
Supplies	847,927	376,600	47,706	30,703	611,401
Minor equipment and maintenance	87,012	0	852	0	(75,378)
Other	447,557	269,756	148,536	4,900	62,663
Training	537,595	282,512	0	32,720	851
Depreciation	303,834	9,405	129,899	0	107,989
Total expenses	<u>\$ 16,018,657</u>	<u>\$ 3,350,009</u>	<u>\$ 1,117,052</u>	<u>\$ 289,315</u>	<u>\$ 4,061,268</u>

Community Council of Idaho, Inc.

Statement of Functional Expenses (Continued)

Year Ended June 30, 2022

	Other Activities	Total Program Activities	Management and General	Fund-raising	Total
Expenses:					
Personnel	\$ 134,058	\$ 13,920,703	\$ 1,207,025	\$ 7,525	\$ 15,135,253
Fringe benefits	40,352	4,209,115	363,322	2,257	4,574,694
Contractual	37,049	885,104	131,736	0	1,016,840
Travel	5,465	128,314	37,210	0	165,524
Occupancy	70,372	1,715,321	102,575	0	1,817,896
Supplies	58,747	1,973,084	202,862	0	2,175,946
Minor equipment and maintenance	1,424	13,910	0	0	13,910
Other	32,600	966,012	39,435	0	1,005,447
Training	800	854,478	5,580	0	860,058
Depreciation	34,756	585,883	0	0	585,883
Total expenses	<u>\$ 415,623</u>	<u>\$ 25,251,924</u>	<u>\$ 2,089,745</u>	<u>\$ 9,782</u>	<u>\$ 27,351,451</u>

Community Council of Idaho, Inc.

Statement of Cash Flows

Year Ended June 30, 2022

Increase (decrease) in cash and restricted cash:

Cash flows from operating activities:

Change in net assets \$ 787,173

Adjustments to reconcile change in net assets
to net cash from operating activities:

Depreciation 585,883

Loss on disposal of property 42,407

Amortization of debt issuance costs 4,353

Bad debt expense 73,005

Changes in operating assets and liabilities:

Accounts receivable (370,577)

Grants receivable (907,747)

Other assets (204,357)

Accounts payable 72,167

Accrued payroll and related liabilities 694,014

Accrued vacation 61,471

Security deposit liability (1,084)

Refundable advances 118,940

Net cash from operating activities 955,648

Cash flows from investing activities:

Purchase of property and equipment (2,564,620)

Net cash from investing activities (2,564,620)

Cash flows from financing activities:

Principal payments on notes payable (345,191)

Net cash from financing activities (345,191)

Change in cash and restricted cash (1,954,163)

Cash and restricted cash at beginning of year 4,481,497

Cash and restricted cash at end of year \$ 2,527,334

Disclosure of other cash activity:

Interest paid \$ 106,747

Reconciliation of cash and restricted cash to the statement of financial position:

Cash \$ 2,138,934

Restricted cash 56,291

USDA reserves 332,109

Cash and restricted cash at end of year \$ 2,527,334

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Community Council of Idaho, Inc. ("CC of Idaho") is a nonprofit organization. CC of Idaho provides services to migrant farm workers and other eligible recipients in the areas of education, housing, employment, health, and childcare. Approximately 60% of CC of Idaho's total revenue is received under their federal Head Start grant.

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Accounts Receivable

Accounts receivable consist of amounts due for clinic patient co-pay and rents. Patient co-pay receivables are recorded in the accompanying statement of financial position net of contractual adjustments and implicit price concessions, which reflect management's estimate of the transaction price. CC of Idaho estimates the transaction price based on negotiated contractual agreements, historical experience, and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions and is recorded through a reduction of gross revenue and a credit to patient co-pay receivables. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. CC of Idaho analyzes rent receivables based on prior collection experience, and specific customer attributes. CC of Idaho writes off a receivable against the allowance when all collection efforts have been exhausted. There is an allowance for uncollectible accounts of \$30,000 at June 30, 2022.

Investment in Partnership

CC of Idaho transferred a portion of its real estate at El Milagro, on behalf of El Milagro GP, LLC, as a \$375,000 managing member contribution to El Milagro Twin Falls, LLC (the partnership). CC of Idaho has a 49% share in El Milagro GP, LLC. El Milagro GP, LLC has a 0.01% share in the partnership. CC of Idaho's investment in the partnership is accounted for using the equity method. The project is in the construction stage.

Property and Equipment

Property and equipment are capitalized at cost and depreciated over their estimated useful life using the straight-line method. The estimated useful lives for building and improvements are 5 – 50 years and 5 – 10 years for equipment and vehicles. CC of Idaho considers property and equipment to be items with a cost of \$5,000 or more and a useful life of over one year.

Property and equipment purchased with grant funds are owned by CC of Idaho 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. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. Property and equipment purchased with grant funds, net of depreciation, was \$4,494,194 at June 30, 2022.

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Debt Issuance Costs

Debt issuance costs represent costs associated with obtaining debt to finance the purchase of a building and also refinance debt. Unamortized financing fees have been recorded as a reduction to the related debt obligation. The costs are being amortized to interest expense over the maximum term provided in the debt agreement using the straight-line method, which approximates the effective interest method.

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CC of Idaho 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 with Donor Restrictions - Net assets subject to donors 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 explicit 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's conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying 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 barriers 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 statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Grants and Contracts

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

- Grant awards that are contributions – Unconditional grants are reported as fair value at the date the grant is received. Conditional grants are recognized only when the conditions on which they depend are substantially met and the grant becomes unconditional. Grants that qualify as conditional contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are included in refundable advances in the accompanying statement of financial position.
- 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 and Accounting Standards Codification (ASC) Topic 606. Revenue is recognized when control of the promised goods or services are 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 deferred revenue.

Other income – Fee for Service (Clinic)

Other income – fee for service (clinic) revenue is reported at the amount that reflects the consideration to which CC of Idaho expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs). Generally, CC of Idaho bills the patients and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied. The receivable for exchange transactions included in accounts receivable on the statement of financial position was \$643,211 at June 30, 2022 and \$380,644 at July 1, 2021. Exchange revenue of \$1,898,874 is included in other income on the statement of activities for the year ended June 30, 2022.

Performance obligations are determined based on the nature of the services provided. For revenue from services provided to patients of CC of Idaho, the performance obligation is satisfied over time since the patient simultaneously receives and consumes the benefits provided as the patient care services are performed. In the case of these services, recognition of the obligation over time yields the same result as recognizing the obligation at a point in time. CC of Idaho believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. CC of Idaho determines the transaction price, which involves significant estimates and judgment, based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with CC of Idaho's policy, and implicit price concessions provided to patients. CC of Idaho determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. CC of Idaho determines its estimate of implicit price concessions based on its historical collection experience for each patient portfolio based on payor class and service type. CC of Idaho has agreements with third-party payors that provide for reimbursement at amounts which vary from its established charges.

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Other income – Fee for Service (Clinic) (Continued)

Medicare

Clinics operated by CC of Idaho qualify for the Medicare Federally Qualified Health Center (FQHC) program. FQHCs are reimbursed using a prospectively based payment system (PPS) under which FQHCs are paid 80% of the lesser of charges based on FQHC payment codes or the PPS rate, a national encounter-based rate with geographic and other adjustments. The FQHC PPS base rate is updated annually based on a FQHC market-based index.

Other

CC of Idaho also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these arrangements includes prospectively determined rates per procedure and percentage discounts from established charges.

Laws and regulations concerning government programs, including Medicare, are complex and subject to varying interpretation. Because of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge CC of Idaho's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims, or penalties would have upon CC of Idaho.

The Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to healthcare providers and that were not detected through existing CMS program integrity efforts. Once the RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. CC of Idaho has not been contacted by the RAC regarding any healthcare claims. In addition, the contracts CC of Idaho has with commercial payors also provide for retroactive review of claims.

Accounting for Contractual Arrangements

Settlements with third-party payors for retroactive adjustments resulting from audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and CC of Idaho's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved.

Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Other income – Fee for Service (Clinic) (Continued)

Accounting for Contractual Arrangements (Continued)

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. CC of Idaho also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. CC of Idaho estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the year ended June 30, 2022, was \$73,005.

Consistent with CC of Idaho's mission, care is provided to patients regardless of their ability to pay. Therefore, CC of Idaho has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts CC of Idaho expects to collect based on its collection history with those patients.

The promised amount of consideration from patients and third-party payors has not been adjusted for the effects of a significant financing component due to CC of Idaho's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, CC of Idaho does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

All incremental customer contract acquisition costs are expensed as they are incurred since the amortization period of the asset that CC of Idaho otherwise would have recognized is one year or less in duration.

CC of Idaho's cost reports have been settled by the Medicare fiscal intermediaries through June 30, 2022.

Rental income

Rental income is recognized as revenue in the period when a unit is rented, and the revenue is earned.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

CC of Idaho is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. CC of Idaho is also exempt from Idaho state income tax. CC of Idaho is required to assess whether it is more likely than not that a tax position will be sustained upon examination on 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 that position is not recognized in the financial statements. CC of Idaho has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

In-Kind Contributions

CC of Idaho has recorded in-kind contributions for space, supplies, and professional services in the statement of activities in accordance with accounting principles generally accepted in the United States. Those standards require that only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The accounting standard requirements are different than the in-kind requirements of several of CC of Idaho's grant awards. CC of Idaho received contributions of nonprofessional volunteers for its Head Start program with a value of approximately \$460,318 which is not recorded in the statement of activities.

Indirect Cost Rate

Joint costs are allocated to benefiting programs using an indirect cost rate. Joint costs are those costs incurred for the common benefit of all CC of Idaho's programs that cannot be readily identified with a final cost objective. A provisional indirect cost rate has been approved by the U.S. Department of Health and Human Services (DHHS). A provisional indirect cost rate is based upon the projected costs of CC of Idaho for the fiscal year under consideration. CC of Idaho adjusts the provisional rate based upon actual experience. This adjusted rate is subject to approval by DHHS at which time the indirect cost rate becomes final. Any adjustments to the rate will be reflected in the financial statements when the rate is finalized.

Functional Allocation of Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the nature classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Occupancy and related costs are allocated based on square footage.

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounting Pronouncements Adopted

In 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, which is intended to improve transparency in reporting contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU No. 2020-07 requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and disclose:

- a. A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets.
- b. For each category of contributed nonfinancial assets recognized:
 - i. Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a not-for-profit entity will disclose a description of the programs or other activities in which those nonfinancial assets were used.
 - ii. The not-for-profit entity's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
 - iii. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
 - iv. A description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition.
 - v. The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient not-for-profit entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

CC of Idaho adopted this guidance as of July 1, 2021. There was no change to reported net assets or the change in net assets for period presented. See Note 13.

Upcoming Accounting Pronouncement

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, the objective of which is to assist organizations in recognizing the right to use of an asset and its related liability or obligation when there is a contract in place that includes the right to control or direct the use of an identifiable asset. This ASU also includes provisions where the majority of leases that have lease terms greater than one year are to be reported as capital leases on the statement of financial position, whereas, in the past, these leases may have been recorded as either capital leases or operating leases. This ASU is effective for CC of Idaho's year ended June 30, 2023. CC of Idaho is currently evaluating the impact of the provisions of ASU Topic 842.

Subsequent Events

Management has evaluated subsequent events through March 29, 2023, the date the financial statements were available to be issued.

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 2: Concentration of Credit Risk

CC of Idaho maintains cash balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. During the year, balances at one bank exceeded FDIC coverage. Management believes the financial institutions have a strong credit rating and credit risk related to these deposits is minimal.

Note 3: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of June 30, 2022:

Cash	\$ 2,138,934
Accounts receivable	729,783
Grants receivable	<u>2,519,412</u>
Subtotal financial assets	5,388,129
Less: Liabilities to be paid with available financial assets	(3,496,531)
Less: Security deposits	(65,944)
Less: Refundable advances	<u>(258,843)</u>
Total	<u>\$ 1,566,811</u>

CC of Idaho does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash for approximately one month of operating expenses. CC of Idaho has the ability to rely on a lower cash balance as they are primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred an organization can request reimbursement from the funding source. Their grants have varying renewal dates. CC of Idaho has grant commitments for future expenses of approximately \$19,700,000 as further described in Note 11.

Note 4: Grants Receivable

Grants receivable were due from the following sources as of June 30, 2022:

Federal programs	\$ 2,504,303
State and other programs	<u>15,109</u>
Total	<u>\$ 2,519,412</u>

Note 5: USDA Reserves

USDA reserves of \$332,109 represent replacement reserves associated with the USDA Rural Development properties owned by CC of Idaho. The mortgage agreements require CC of Idaho to fund these reserves and prior to withdrawing funds, CC of Idaho must request and receive approval to use the funds for building improvements or repairs.

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 5: USDA Reserves (Continued)

USDA reserves are as follows as of June 30, 2022:

	Beginning Balance	Additions	Interest	Expenditure	Ending Balance
Colonia Cesar Chavez	\$ 104,204	\$ 12,603	\$ 0	(\$ 8,035)	\$ 108,772
Colonia De Colores	68,969	12,250	0	(2,091)	79,128
El Rancho Grande Estates	57,818	14,325	0	(14,936)	57,207
Project Hope	38,682	49,680	0	(1,360)	87,002
Totals	\$ 269,673	\$ 88,858	\$ 0	(\$ 26,422)	\$ 332,109

Note 6: Property and Equipment

A summary of property and equipment is as follows at June 30, 2022:

Land	\$ 1,154,970
Buildings and improvements	14,244,387
Construction in progress	991,387
Equipment and vehicles	4,823,652
	21,214,396
Accumulated depreciation	(12,694,393)
Property and equipment, net	\$ 8,520,003

CC of Idaho had outstanding construction contracts for approximately \$281,000 at June 30, 2022.

Note 7: Notes Payable

Mortgage payable to USDA Rural Development, at 1% interest with monthly payments of \$979, due June 2028. The mortgage is collateralized by the Colonia Caesar Chavez real estate.	\$ 69,283
Mortgage payable to USDA Rural Development, at 1% interest with monthly payments of \$25, due April 2039. The mortgage is collateralized by the El Rancho Grande real estate.	4,683
Mortgage payable to USDA Rural Development, at 1% interest with monthly payments of \$962, due March 2026. The mortgage is collateralized by the Project Hope real estate.	42,455
Mortgage payable to USDA Rural Development, at 1% interest with monthly payments of \$186, due December 2033. The mortgage is collateralized by Colonia De Colores real estate.	22,218
Mortgage payable to USDA Rural Development, at 1% interest with monthly payments of \$290, due May 2037. The mortgage is collateralized by the Project Hope real estate.	48,166
Mortgage payable to USDA Rural Development, at 1% interest with monthly payments of \$1,070, due July 2038. The mortgage is collateralized by the Colonia De Colores real estate.	189,818
Mortgage payable to Idaho Housing Agency, at 0% interest with monthly payments of \$1,885, due January 2034. The mortgage is collateralized by the Colonia Caesar Chavez real estate.	237,504

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 7: Notes Payable (Continued)

Mortgage payable to Wells Fargo, at 6.25% interest with monthly payments of \$2,243, due October 2022. The mortgage is collateralized by the El Castillito real estate.	11,976
Mortgage payable to Idaho Housing Agency, at 0% interest with monthly payments of \$2,089, due October 2033. The mortgage is collateralized by the El Milagro real estate.	275,759
Note payable to Wells Fargo, at 3.65% interest with monthly payments of \$2,276, due August 2022. The note is collateralized by five vehicles.	4,597
Idaho Housing and Finance Association Nonprofit Facilities Revenue Bond, Series 2016. Monthly installments of \$12,203 are required. Interest is at 3.04%. The bond matures December 2041. The note is collateralized by real estate.	2,103,460
Washington Trust Bank PPP Loan. Monthly installments of \$31,616 are required starting July 2022. Interest is at 1.00%. The loan matures April 2025. The note is not collateralized.	1,028,571
Total	4,038,490
Unamortized debt issuance costs, net of accumulated amortization of \$23,580	(107,011)
Current maturities	(519,764)
Long-term portion	\$ 3,411,715

Future debt maturities are as follows as of June 30:

2023	\$ 519,764
2024	506,534
2025	500,528
2026	155,273
2027	152,751
Thereafter	2,203,640
Total	\$ 4,038,490

Interest expense for the year ended June 30, 2022 was \$106,747.

Note 8: Operating Leases

CC of Idaho leases various facilities for operation of its programs with terms through March 2026. Rent expense for the year was \$478,002. Future minimum lease payments are as follows as of June 30:

2023	\$ 371,198
2024	52,812
2025	784
2026	784
2027	588
Total	\$ 426,166

Community Council of Idaho, Inc.

Notes to Financial Statements

Note 9: Lessor Activity

CC of Idaho owns apartments that are rented to low-income and seasonal tenants under annual leases. Rental income earned for the year ended June 30, 2022, was \$873,338. CC of Idaho also received grant funds of \$268,387 for tenant rental assistance for these apartments, which is included in grant revenue in the statement of activities.

A summary of the acquisition costs and accumulated depreciation on the above properties at June 30, 2022, is as follows:

Land	\$ 144,514
<u>Buildings</u>	<u>5,695,534</u>
Subtotal	5,840,048
<u>Accumulated depreciation</u>	<u>(5,397,335)</u>
<u>Net</u>	<u>\$ 442,713</u>

Note 10: Retirement

CC of Idaho offers its employees a retirement plan created in accordance with Internal Revenue Service Code Section 401(k). The plan, available to all eligible CC of Idaho employees, permits them to defer a portion of their salary. CC of Idaho will match the first 3% of qualified employees' contributions and may contribute an additional 1.5% of qualified employees' contributions, depending on available funding. CC of Idaho's contributions are vested at 20% each year. CC of Idaho's expense for the year ended June 30, 2022, was \$315,171.

Note 11: Grant Awards

At June 30, 2022, CC of Idaho had commitments under various ongoing grant awards of approximately \$19,700,000. The revenue relating to these grants is not recognized in the accompanying financial statements as the revenue recognition is conditional on the incurrence of expenditures or the performance of services in the future.

Note 12: Commitments and Contingencies

CC of Idaho participates in 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 CC of Idaho. CC of Idaho believes that it is in substantial compliance with all grant requirements. Disallowed costs, if any, would not be significant.

Note 13: Contributions of Nonfinancial Assets (In-kind)

CC of Idaho's nonfinancial assets were as follows for the year ended June 30, 2022

<u>Space utilized in Head Start centers</u>	<u>\$ 23,200</u>
<u>Total In-kind</u>	<u>\$ 23,200</u>

Space in-kind is valued based on rental values for comparable space in the area. No in-kind contributions were restricted by donors.

Supplementary Information

Community Council of Idaho, Inc.

Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF AGRICULTURE			
Direct Award			
Rural Rental Housing Loans	10.405	N/A	\$ 414,785
Rural Rental Assistance Payments	10.427	N/A	268,387
Passed-through the Idaho State Department of Education			
Child and Adult Care Food Program	10.558	N/A	283,209
TOTAL DEPARTMENT OF AGRICULTURE			966,381
DEPARTMENT OF JUSTICE			
Passed-through the Idaho State Police (ISP-PGR)			
Empowering Immigrant Victims in Idaho (STOP Violence Against Woman)	16.588	2020-WF-AX-0045; 2019-WF-AX-0042; 2018-WF-AX-0009	14,716
Direct Award			
Office on Violence Against Women Empowering Immigrant Victims of Domestic Violence and Sexual Assault	16.589	15JOVW-21-GG-00800-RURA	15,231
TOTAL DEPARTMENT OF JUSTICE			29,947
DEPARTMENT OF LABOR			
Direct Award			
Migrant and Seasonal Farmworkers	17.264	AC-35409-20-60-A-16 , AC-36394-21-60-A-16	2,107,505
Passed-through the Western States Housing Consortium			
WIA 167 Housing		MH-35396-20-60-A-8 , MH-36414-21-60-A-8	97,223
Total AL #17.264			2,204,728
Direct Award			
YouthBuild	17.274	YB-36493-21-60-A-16	313,823
TOTAL DEPARTMENT OF LABOR			2,518,551
DEPARTMENT OF EDUCATION			
Direct Award			
High School Equivalency	84.141	S141A170009-21	445,311
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Award			
CDC Unidos Grant	93.185	CDC-RFA-IP21-2106	62,137
Health Center Program Cluster			
Community Health Centers	93.224	H80CS04201	1,632,047
COVID-19 ARPA Funding for Health Centers		H8FCS40707	811,028
Total Health Center Program Cluster AL #93.224			2,443,075
ARP Funding for HC Infrastructure Support	93.526	C8ECS44295	1,801

Community Council of Idaho, Inc.

Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
Passed-through the Idaho Head Start Association			
Temporary Assistance for Needy Families	93.558	23-202202	134,888
Passed-through Idaho Department of Health and Welfare			
LIHEAP	93.568	WC100400 WC105300	97,329
COVID-19 LIHEAP Crisis		WC100400	395,016
Total AL #93.568			492,345
Passed-through Idaho Department of Health and Welfare			
Community Services Block Grant	93.569	CSBG PY 21 CSBG PY 22	152,945
COVID-19 Community Services Block Grant		CSBH-820	196,058
Total AL #93.569			349,003
Direct Award			
Head Start Cluster			
Head Start	93.600	90CM009845; 90HM000008	16,477,954
COVID-19 Head Start		90HN000019	412,150
Total Head Start Cluster AL #93.600			16,890,104
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			20,373,353
TOTAL FEDERAL EXPENDITURES			\$ 24,333,543

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Community Council of Idaho, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of operations of Community Council of Idaho, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Community Council of Idaho, Inc.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - 10-percent de minimis

Community Council of Idaho, Inc. has a negotiated indirect rate and therefore is not using the 10-percent de minimis indirect cost rate.

Note 4- Subrecipients

Community Council of Idaho, Inc. did not use any subrecipients for the year ended June 30, 2022.

Note 5 - Balance of Outstanding Loan

The federal expenditures under AL #10.405 represent the outstanding loan balance with USDA Rural Development on the Farm Labor Housing Projects of Colonia De Colores, El Rancho Grande, Project Hope and Colonia César Chávez. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding at June 30, 2022, consists of:

Program Name	Assistance Listing	Outstanding Balance at June 30, 2022
Rural Rental Housing Loans	10.405	\$ 376,623

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	001	100	110	120	404	
	Total	General Insurance	Corporate	Corporate Hispanic Scholarship	Corporate HC Conference FHILA	Corporate Immigration Program
REVENUE						
Grant revenue	\$ 24,315,231	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other income	2,969,262	0	430,872	37,166	14,343	31,758
Rental income	873,338	0	17,298	0	0	0
Loss on disposal	(42,407)	0	0	0	0	0
In-kind contributions	23,200	0	0	0	0	0
Total revenue	28,138,624	0	448,170	37,166	14,343	31,758
EXPENSES						
Personnel	15,135,253	0	13,730	0	0	120,328
Fringe benefits	4,574,694	0	4,133	0	0	36,219
Contractual	1,016,840	0	15,401	0	0	21,648
Travel	165,524	0	1,106	61	2,450	1,848
Occupancy	1,817,896	0	62,278	0	0	8,094
Supplies	2,175,946	0	36,320	6,786	5,486	9,973
Minor equipment and maintenance	13,910	1	1,423	0	0	0
Other	1,005,447	0	8,496	14,847	2,401	(644)
Training	860,058	0	0	0	0	800
Depreciation	585,883	0	34,743	0	0	13
In-kind expense	0	0	0	0	0	0
Indirect expense	0	0	2,092	0	0	18,316
Total expenses	27,351,451	1	179,722	21,694	10,337	216,595
CHANGE IN NET ASSETS	\$ 787,173	(\$ 1)	\$ 268,448	\$ 15,472	\$ 4,006	(\$ 184,837)

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	180	186	187	204	224	234	241
	CORP Farmworkers	HIP Grant Farmworker Fundraiser	Micron Grant Farmworker Fundraiser	Colonia Cesar Chavez	Colonia De Colores	EI Milagro Housing	EMH Project Foundation
REVENUE							
Grant revenue	\$ 0	\$ 0	\$ 0	\$ 85,415	\$ 27,606	\$ 0	\$ 0
Other income	(800)	0	0	6,723	48,106	5,179	786
Rental income	0	0	0	84,913	130,501	457,364	0
Loss on disposal	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total revenue	(800)	0	0	177,051	206,213	462,543	786
EXPENSES							
Personnel	0	0	0	21,520	51,960	77,449	0
Fringe benefits	0	0	0	12,599	19,979	23,312	0
Contractual	0	0	0	3,268	51,858	38,936	0
Travel	0	0	0	11	303	697	0
Occupancy	0	0	0	51,338	77,651	171,494	0
Supplies	0	0	182	5,216	10,578	12,485	0
Minor equipment and maintenance	0	0	0	0	9	843	0
Other	10,182	(500)	(2,182)	24,757	21,658	49,955	0
Training	0	0	0	0	0	0	0
Depreciation	0	0	0	39,265	16,847	3,735	0
In-kind expense	0	0	0	0	0	0	0
Indirect expense	0	0	0	0	0	11,789	0
Total expenses	10,182	(500)	(2,000)	157,974	250,843	390,695	0
CHANGE IN NET ASSETS	(\$ 10,982)	\$ 500	\$ 2,000	\$ 19,077	(\$ 44,630)	\$ 71,848	\$ 786

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	254	264	274	322	327	415	416
	EI Rancho Grande	EI Mercado	Project Hope	WIA-167 Housing	WIA-167 Housing	ISP STOP Immigration	DOJ RDV Immigration
REVENUE							
Grant revenue	\$ 52,691	\$ 0	\$ 102,675	\$ 16,314	\$ 80,909	\$ 14,716	\$ 15,231
Other income	6,269	0	7,600	0	0	0	0
Rental income	100,217	0	83,045	0	0	0	0
Loss on disposal	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total revenue	159,177	0	193,320	16,314	80,909	14,716	15,231
EXPENSES							
Personnel	33,559	57,560	20,679	7,282	27,343	9,837	9,146
Fringe benefits	14,421	17,326	10,424	2,192	8,231	2,961	2,753
Contractual	4,699	45,955	3,914	0	0	0	0
Travel	11	269	11	286	(194)	0	100
Occupancy	63,884	(127,430)	62,477	750	2,242	0	0
Supplies	6,396	4,964	6,007	106	918	421	1,840
Minor equipment and maintenance	0	0	0	0	0	0	0
Other	23,325	809	28,032	4,590	38,207	0	0
Training	0	0	0	0	0	0	0
Depreciation	2,512	25,369	0	0	0	0	0
In-kind expense	0	0	0	0	0	0	0
Indirect expense	0	8,762	0	1,108	4,162	1,497	1,392
Total expenses	148,807	33,584	131,544	16,314	80,909	14,716	15,231
CHANGE IN NET ASSETS	\$ 10,370	(\$ 33,584)	\$ 61,776	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	500	507	508	509	511	512	527
	Property Depr Migrant & Seasonal Head Start	Early Headstart Child Care Partnership	Migrant & Seasonal Head Start	Migrant & Seasonal Head Start	MSHS COVID-19 RESPONSE	MSHS MSHS ARP COVID-19	EHS-CCP T&TA
REVENUE							
Grant revenue	\$ 0	\$ 155,739	\$ 13,124,089	\$ 3,026,944	\$ 10,935	\$ 401,215	\$ 7,559
Other income	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Loss on disposal	0	0	0	0	0	0	0
In-kind contributions	23,200	0	0	0	0	0	0
Total revenue	23,200	155,739	13,124,089	3,026,944	10,935	401,215	7,559
EXPENSES							
Personnel	0	39,007	7,354,845	1,811,246	621	241,060	0
Fringe benefits	0	11,742	2,222,307	545,185	187	72,559	0
Contractual	0	28,475	204,304	35,191	0	0	0
Travel	0	0	17,082	12,126	0	0	206
Occupancy	(20,898)	7,025	835,725	140,760	0	1,151	0
Supplies	0	56,018	486,651	80,331	10,032	44,415	0
Minor equipment and maintenance	(112,384)	0	199,387	9	0	0	0
Other	0	2,241	369,538	66,670	0	1,526	0
Training	0	5,294	299,071	59,724	0	3,811	7,353
Depreciation	0	0	0	0	0	0	0
In-kind expense	0	0	0	0	0	0	0
Indirect expense	0	5,937	1,135,179	275,702	95	36,693	0
Total expenses	(133,282)	155,739	13,124,089	3,026,944	10,935	401,215	7,559
CHANGE IN NET ASSETS	\$ 156,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	528	529	533	536	538	547
	Migrant & Seasonal T&TA	Migrant & Seasonal T&TA	Migrant & Seasonal USDA	Migrant & Seasonal USDA	Migrant & Seasonal USDA	Migrant & Seasonal TANF
REVENUE						
Grant revenue	\$ 152,371	\$ 11,252	\$ 28,235	\$ 105,617	\$ 149,357	\$ 134,888
Other income	0	0	0	0	0	0
Rental income	0	0	0	0	0	0
Loss on disposal	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0
Total revenue	152,371	11,252	28,235	105,617	149,357	134,888
EXPENSES						
Personnel	0	0	28,235	27,391	47,170	72,942
Fringe benefits	0	0	0	8,245	14,198	21,956
Contractual	0	0	0	0	0	0
Travel	3,252	241	0	0	0	1,061
Occupancy	0	0	0	0	0	9,613
Supplies	0	0	0	69,981	87,989	10,329
Minor equipment and maintenance	0	0	0	0	0	0
Other	0	0	0	0	0	7,318
Training	149,119	11,011	0	0	0	566
Depreciation	0	0	0	0	0	0
In-kind expense	0	0	0	0	0	0
Indirect expense	0	0	0	0	0	11,103
Total expenses	152,371	11,252	28,235	105,617	149,357	134,888
CHANGE IN NET ASSETS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	566	589	590	593	604	704
	MSHS ICM	MSHS I HC	MSHS ICCU FLP	MSHS Donations	CC Opportunity Center	Indirect
REVENUE						
Grant revenue	\$ 0	\$ 1,795	\$ 981	\$ 0	\$ 0	\$ 0
Other income	0	0	0	2,876	500	0
Rental income	0	0	0	0	0	0
Loss on disposal	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0
Total revenue	0	1,795	981	2,876	500	0
EXPENSES						
Personnel	0	0	0	286	1,240	1,214,550
Fringe benefits	0	0	0	86	373	365,579
Contractual	0	0	0	0	2,448	131,736
Travel	0	0	0	0	0	37,210
Occupancy	0	0	0	150	(24,137)	102,575
Supplies	450	0	981	750	2,060	202,862
Minor equipment and maintenance	0	0	0	0	0	0
Other	0	0	0	264	0	39,435
Training	0	1,795	0	(149)	0	5,580
Depreciation	0	0	0	0	19,800	0
In-kind expense	0	0	0	0	0	0
Indirect expense	0	0	0	44	189	(2,099,527)
Total expenses	450	1,795	981	1,431	1,973	0
CHANGE IN NET ASSETS	(\$ 450)	\$ 0	\$ 0	\$ 1,445	(\$ 1,473)	\$ 0

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	800	805	806	826	833	835	836
	EE&T Property and Depreciation	EE&T WIA	EE&T WIA	EE&T Youthbuild	EE&T CSBG	EE&T COVID-19 CSBG	EE&T CSBG
REVENUE							
Grant revenue	\$ 0	\$ 584,282	\$ 1,523,223	\$ 313,823	\$ 0	\$ 196,058	\$ 111,026
Other income	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Loss on disposal	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total revenue	0	584,282	1,523,223	313,823	0	196,058	111,026
EXPENSES							
Personnel	0	216,454	762,588	161,010	0	90,867	21,248
Fringe benefits	0	65,153	229,538	48,464	0	27,351	6,396
Contractual	0	2,341	918	1,845	0	0	0
Travel	0	4,134	22,658	4,487	0	2,589	0
Occupancy	0	26,358	90,890	5,179	7	19,906	14,965
Supplies	0	101,362	99,969	30,710	(7)	19,622	2,332
Minor equipment and maintenance	0	0	0	0	0	0	0
Other	0	5,708	60,724	4,900	0	21,636	59,208
Training	0	129,824	139,859	32,720	0	256	0
Depreciation	9,405	0	0	0	0	0	0
In-kind expense	0	0	0	0	0	0	0
Indirect expense	0	32,948	116,079	24,508	0	13,831	6,877
Total expenses	9,405	584,282	1,523,223	313,823	0	196,058	111,026
CHANGE IN NET ASSETS	(\$ 9,405)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	837	841	842	855	856	866
	EE&T CSBG	EE&T COVID-19 ICF	EE&T UNIDOS GRANT WITH MSHS	EE&T HEP	EE&T HEP	EE&T HEP
REVENUE						
Grant revenue	\$ 41,919	\$ 418	\$ 57	(\$ 3,030)	\$ 448,403	(\$ 62)
Other income	0	0	0	0	0	0
Rental income	0	0	0	0	0	0
Loss on disposal	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0
Total revenue	41,919	418	57	(3,030)	448,403	(62)
EXPENSES						
Personnel	14,460	0	0	0	238,004	0
Fringe benefits	4,353	0	0	0	71,639	0
Contractual	0	0	0	0	0	0
Travel	1,722	0	0	0	10,541	0
Occupancy	5,166	0	0	0	38,050	0
Supplies	6,646	0	57	(3,030)	41,938	0
Minor equipment and maintenance	0	0	0	0	0	0
Other	7,371	418	0	0	3,072	(62)
Training	0	0	0	0	12,573	0
Depreciation	0	0	0	0	0	0
In-kind expense	0	0	0	0	0	0
Indirect expense	2,201	0	0	0	32,586	0
Total expenses	41,919	418	57	(3,030)	448,403	(62)
CHANGE IN NET ASSETS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	872	873	875	876	877
	LIHEAP COVID-19 CRISIS	LIHEAP CRISIS	EE&T FOOD BANK	FOOD BANK COVID	LIHEAP CRISIS
REVENUE					
Grant revenue	\$ 288,217	\$ 82,085	\$ 731	\$ 1,488	\$ 24,714
Other income	0	0	0	0	0
Rental income	0	0	0	0	0
Loss on disposal	0	0	0	0	0
In-kind contributions	0	0	0	0	0
Total revenue	288,217	82,085	731	1,488	24,714
EXPENSES					
Personnel	178,531	31,042	0	0	0
Fringe benefits	53,738	9,344	0	0	0
Contractual	0	0	0	0	0
Travel	358	(33)	0	0	0
Occupancy	7,530	1,986	0	0	24,694
Supplies	20,885	35,021	731	1,488	20
Minor equipment and maintenance	0	0	0	0	0
Other	0	0	0	0	0
Training	0	0	0	0	0
Depreciation	0	0	0	0	0
In-kind expense	0	0	0	0	0
Indirect expense	27,175	4,725	0	0	0
Total expenses	288,217	82,085	731	1,488	24,714
CHANGE IN NET ASSETS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	878	881	884	885	886	900	907
	LIWAP CRISIS	EE&T Literacy	EE&T NCOA	EE&T NCOA	EE&T AFOP NFTP	Clinic Property and Depreciation	Clinic
REVENUE							
Grant revenue	\$ 97,329	\$ 0	\$ 12,760	\$ 47,922	(\$ 200)	\$ 0	\$ 10,000
Other income	0	6,605	0	0	200	32	1,810,556
Rental income	0	0	0	0	0	0	0
Loss on disposal	0	0	0	0	0	(42,407)	0
In-kind contributions	0	0	0	0	0	0	0
Total revenue	97,329	6,605	12,760	47,922	0	(42,375)	1,820,556
EXPENSES							
Personnel	24,743	49	0	7,888	0	0	330,651
Fringe benefits	7,448	15	0	2,374	0	0	99,529
Contractual	0	0	0	0	0	(400)	328,622
Travel	0	5	0	65	0	0	19,110
Occupancy	707	34	0	0	0	(95,474)	130,440
Supplies	1,124	5,495	12,760	26,895	0	(25,493)	364,833
Minor equipment and maintenance	0	0	0	0	0	(150,470)	0
Other	59,541	(156)	0	9,499	0	(53)	39,011
Training	0	0	0	0	0	0	851
Depreciation	0	0	0	0	0	0	67,603
In-kind expense	0	0	0	0	0	0	0
Indirect expense	3,766	8	0	1,201	0	0	204,927
Total expenses	97,329	5,450	12,760	47,922	0	(271,890)	1,585,577
CHANGE IN NET ASSETS	\$ 0	\$ 1,155	\$ 0	\$ 0	\$ 0	\$ 229,515	\$ 234,979

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	908	909	910	930	933	936	937
	Clinic	Clinic	Clinic	Clinic PCMH SHIP	Clinic COVID	Clinic COVID	Clinic Quality Improvement
REVENUE							
Grant revenue	\$ 1,321,333	\$ 0	\$ 264,267	\$ 0	(\$ 16)	(\$ 3,222)	\$ 10,849
Other income	0	560,491	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Loss on disposal	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Total revenue	1,321,333	560,491	264,267	0	(16)	(3,222)	10,849
EXPENSES							
Personnel	1,015,630	109,228	202,983	0	0	0	0
Fringe benefits	305,703	32,690	61,284	0	0	0	0
Contractual	0	89,905	0	1,842	0	0	3,534
Travel	0	19,506	0	0	0	0	(375)
Occupancy	0	27,242	0	0	0	0	0
Supplies	0	142,789	0	0	0	0	7,690
Minor equipment and maintenance	0	3,071	0	0	0	0	0
Other	0	21,187	0	0	0	0	0
Training	0	0	0	0	0	0	0
Depreciation	0	40,386	0	0	0	0	0
In-kind expense	0	0	0	0	0	0	0
Indirect expense	0	47,524	0	0	0	0	0
Total expenses	1,321,333	533,528	264,267	1,842	0	0	10,849
CHANGE IN NET ASSETS	\$ 0	\$ 26,963	\$ 0	(\$ 1,842)	(\$ 16)	(\$ 3,222)	\$ 0

See Independent Auditor's Report.

Community Council of Idaho, Inc.

Schedule of Program Activity Year Ended June 30, 2022

Program Fund Number	938	945	947	948	952	953	954	500
	Clinic BP HYPERTN	Clinic ARPA COVID-19	Clinic ARP NON FED	Clinic ARP CAP	Clinic Unidos COVID	Clinic COVID Capacity COVID	Clinic BH GRANT COVID	Migrant & Seasonal Head Start Property & Depreciation
REVENUE								
Grant revenue	\$ 38,836	\$ 811,028	\$ 0	\$ 1,801	\$ 62,137	\$ 16,585	\$ 102	\$ 303,834
Other income	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Loss on disposal	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Total revenue	38,836	811,028	0	1,801	62,137	16,585	102	303,834
EXPENSES								
Personnel	3,487	398,051	0	0	39,353	(1)	0	0
Fringe benefits	1,050	119,813	0	0	11,845	0	0	0
Contractual	0	400	0	0	0	0	0	0
Travel	914	1,706	0	0	0	0	0	0
Occupancy	0	95,474	0	0	0	0	0	0
Supplies	32,854	60,544	4,746	1,801	4,949	16,586	102	0
Minor equipment and maintenance	0	72,021	0	0	0	0	0	0
Other	0	2,429	89	0	0	0	0	0
Training	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	303,834
In-kind expense	0	0	0	0	0	0	0	0
Indirect expense	531	60,590	0	0	5,990	0	0	0
Total expenses	38,836	811,028	4,835	1,801	62,137	16,585	102	303,834
CHANGE IN NET ASSETS	\$ 0	\$ 0	(\$ 4,835)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

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
Community Council of Idaho, Inc.
Caldwell, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Community Council of Idaho, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Council of Idaho, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Council of Idaho, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Council of Idaho, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Council of Idaho, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Community Council of Idaho, 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 Community Council of Idaho, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

March 29, 2023
Madison, Wisconsin

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

Board of Directors
Community Council of Idaho, Inc.
Caldwell, Idaho

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Community Council of Idaho, 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 its major federal programs for the year ended June 30, 2022. Community Council of Idaho, Inc.'s major federal programs is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Council of Idaho, Inc.'s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 Community Council of Idaho, 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 the major federal program. Our audit does not provide a legal determination of Community Council of Idaho, 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 Community Council of Idaho, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Council of Idaho, 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 judgement made by a reasonable user of the report on compliance about Community Council of Idaho, Inc.'s compliance with the requirements of the 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 Community Council of Idaho, 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 Community Council of Idaho, 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 purposes of expressing an opinion on the effectiveness of Community Council of Idaho, 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Community Council of Idaho, Inc.'s response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Community Council of Idaho, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Community Council of Idaho, Inc.'s response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Community Council of Idaho, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

March 29, 2023
Madison, Wisconsin

Community Council of Idaho, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued?	Unmodified
Internal Control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal Control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	Yes

Identification of major federal programs:

<u>Name of Federal Major Program</u>	<u>AL No.</u>
Head Start Cluster	93.600
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Community Council of Idaho, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section III - Federal Award Findings and Questioned Costs

2022-001: SF-429A Real Property Filing

Department of Health and Human Services - AL #93.600

Grant: Head Start # 90CM09845
Funding Source: Department of Health and Human Services
Grant period: 05/01/2021 – 04/30/2022

Questioned costs: None

How the questioned costs were computed: N/A

Criteria: Section 75.341 Financial Reporting of 45 CFR Part 75 states that financial reports must be submitted with the frequency required by the terms and conditions of the Federal Award.

Condition: During the audit, Wipfli LLP observed that the real property status report (SF-429) for the above mentioned grant was not filed on time. The report was due June 30, 2022 but was filed February 27, 2023.

Cause: There was confusion about the requirement to file as the funding source did not have the SF-429 available for completion for grant 90CM09845. It was this factor that caused the SF-429 to not be filed.

Effect: As a result of the matters noted above, Community Council of Idaho, Inc. was not in compliance with the reporting standard due to a significant deficiency in internal controls.

Recommendation: We recommend Community Council of Idaho, Inc. implement additional controls over reporting including, but not limited to, training staff on the Head Start reporting deadlines, to be in compliance with reporting requirements and deadlines.

View of responsible officials: Management agrees with the assessment and has committed to a corrective action plan.

Section IV - Prior Year Findings

None

Section V - Other Issues

None