

INSTITUTE FOR COMMUNITY ALLIANCES

Des Moines, Iowa

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

June 30, 2023 and 2022

(With Independent Auditor's Reports Thereon)

INSTITUTE FOR COMMUNITY ALLIANCES

Des Moines, Iowa

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Institute for Community Alliances
Des Moines, Iowa

Opinion

We have audited the financial statements of Institute for Community Alliances (a nonprofit organization), which comprise the Statements of Financial Position as of June 30, 2023 and 2022, and the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Institute for Community Alliances as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Financial Statements section of our report. We are required to be independent of Institute for Community Alliances 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 of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Institute for Community Alliances' ability to continue as a going concern for one year after the date that the financial statements are available for issuance.

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 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 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 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 Institute for Community Alliances' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Institute for Community Alliances' ability to continue as a going concern for a reasonable period of time.

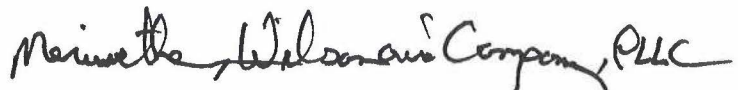
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. The additional supporting schedules are presented for purposes of additional analysis and are also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2023, on our consideration of Institute for Community Alliances' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Institute for Community Alliances' 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 Institute for Community Alliances' internal control over financial reporting and compliance.



MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants

December 8, 2023
West Des Moines, Iowa

INSTITUTE FOR COMMUNITY ALLIANCES

Statements of Financial Position

June 30, 2023

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 302,951	781,067
Receivables	3,236,699	1,913,630
Total Current Assets	<u>3,539,650</u>	<u>2,694,697</u>
Property and Equipment		
Furniture and Equipment	101,578	101,578
Vehicles	--	28,822
Accumulated Depreciation	<u>(101,578)</u>	<u>(116,370)</u>
Net Property and Equipment	<u>--</u>	<u>14,030</u>
Other Assets		
Investments - Deferred Compensation Plan	41,067	36,008
Operating Lease Right of Use Asset	<u>233,703</u>	<u>--</u>
	<u>274,770</u>	<u>36,008</u>
Total Assets	<u>\$ 3,814,420</u>	<u>2,744,735</u>
Liabilities and Net Assets		
Current Liabilities		
Line of Credit	\$ 155,000	--
Accounts Payable	1,132,841	459,490
Compensated Absences	304,362	256,020
Accrued Payroll Taxes and Fringe	105,750	75,432
Refundable Advances - Grants and Contracts	350,402	422,050
Operating Lease Liability - Current Maturity	<u>99,295</u>	<u>--</u>
Total Current Liabilities	<u>2,147,650</u>	<u>1,212,992</u>
Long-Term Liabilities		
Operating Lease Liability - Net of Current Maturity	134,408	--
Deferred Compensation Plan	<u>41,067</u>	<u>36,008</u>
Total Liabilities	<u>2,323,125</u>	<u>1,249,000</u>
Net Assets		
Net Assets Without Donor Restrictions	1,480,015	1,453,856
Net Assets With Donor Restrictions	<u>11,280</u>	<u>41,879</u>
Total Net Assets	<u>1,491,295</u>	<u>1,495,735</u>
Total Liabilities and Net Assets	<u>\$ 3,814,420</u>	<u>2,744,735</u>

The accompanying notes are an integral part of these financial statements.

INSTITUTE FOR COMMUNITY ALLIANCES

Statements of Activities and Changes in Net Assets

Years Ended June 30,

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Government Grants and Contract Reimbursements	\$ 7,363,488	--	7,363,488	6,665,654	--	6,665,654
Other Grants and Contracted Services	8,141,423	--	8,141,423	5,935,352	--	5,935,352
User Fees and Licenses	600,579	--	600,579	740,450	--	740,450
Investment Income (Loss)	5,979	--	5,979	(4,439)	--	(4,439)
Dean Wright Fund	--	2,998	2,998	--	3,674	3,674
In-Kind Contributions	30,000	--	30,000	20,381	--	20,381
Other Revenue	17,421	--	17,421	10,136	--	10,136
Net Assets Released from Restrictions	33,597	(33,597)	--	71,320	(71,320)	--
Total Support and Revenue	16,192,487	(30,599)	16,161,888	13,438,854	(67,646)	13,371,208
Expenses						
Program Services	15,823,961	--	15,823,961	13,056,995	--	13,056,995
Management and General	335,123	--	335,123	244,615	--	244,615
Fundraising	7,244	--	7,244	5,189	--	5,189
Total Expenses	16,166,328	--	16,166,328	13,306,799	--	13,306,799
Increase (Decrease) in Net Assets	26,159	(30,599)	(4,440)	132,055	(67,646)	64,409
Net Assets at Beginning of Year	1,453,856	41,879	1,495,735	1,321,801	109,525	1,431,326
Net Assets at End of Year	\$ 1,480,015	11,280	1,491,295	1,453,856	41,879	1,495,735

The accompanying notes are an integral part of these financial statements.

INSTITUTE FOR COMMUNITY ALLIANCES

Statements of Functional Expenses

Years Ended June 30,

	2023			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
In-Kind	\$ 30,000	--	--	30,000
Vehicle Donation	--	12,589	--	12,589
Bad Debt Expense	6,103	--	--	6,103
Depreciation	--	1,441	--	1,441
HMIS Services	1,381,802	--	--	1,381,802
HMIS Software - Support and Licenses	130,504	--	--	130,504
Payroll and Staffing	9,731,732	195,976	--	9,927,708
Space Costs	164,081	1,329	--	165,410
Operations	755,551	64,547	5,584	825,682
Supportive Services	3,398,002	35	--	3,398,037
Administrative Costs	213,498	59,206	1,660	274,364
FEMA Contract	12,688	--	--	12,688
	<u>\$ 15,823,961</u>	<u>335,123</u>	<u>7,244</u>	<u>16,166,328</u>

INSTITUTE FOR COMMUNITY ALLIANCES

Statements of Functional Expenses

Years Ended June 30,

	2022			
	Program Services	Management and General	Fundraising	Total
In-Kind	\$ 20,381	--	--	20,381
Vehicle Donation	--	--	--	--
Bad Debt Expense	--	--	--	--
Depreciation	--	5,765	--	5,765
HMIS Services	1,184,301	--	--	1,184,301
HMIS Software - Support and Licenses	178,237	--	--	178,237
Payroll and Staffing	8,634,013	123,449	--	8,757,462
Space Costs	148,591	1,211	--	149,802
Operations	623,943	31,441	5,035	660,419
Supportive Services	2,069,718	51,815	--	2,121,533
Other Costs	185,337	30,934	154	216,425
FEMA Contract	12,474	--	--	12,474
Total	\$ 13,056,995	244,615	5,189	13,306,799

The accompanying notes are an integral part of these financial statements.

INSTITUTE FOR COMMUNITY ALLIANCES

Statements of Cash Flows

Years Ended June 30,

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ (4,440)	64,409
Charges to Operations Not Requiring Cash		
Depreciation	1,441	5,765
Book Value of Property and Equipment Disposals	12,589	380
(Increase) Decrease in		
Receivables	(1,323,069)	(467,783)
Increase (Decrease) in		
Payables and Accrued Expenses	752,011	321,353
Refundable Advances - Grants and Contracts	(71,648)	(84,016)
Cash Flows from Operating Activities	<u>(633,116)</u>	<u>(159,892)</u>
Cash Flows from Financing Activities		
Net Borrowing (Repayment) on Line of Credit	<u>155,000</u>	<u>--</u>
Net Change in Cash and Cash Equivalents	(478,116)	(159,892)
Cash and Cash Equivalents - Beginning of Year	<u>781,067</u>	<u>940,959</u>
Cash and Cash Equivalents - End of Year	<u>\$ 302,951</u>	<u>781,067</u>
Supplemental Cash Flow Disclosures		
Cash Paid During the Years for Interest	<u>\$ 9,112</u>	<u>131</u>

The accompanying notes are an integral part of these financial statements.

INSTITUTE FOR COMMUNITY ALLIANCES

Notes to Financial Statements

June 30, 2023 and 2022

1. Nature of Activities

Institute for Community Alliances (the Institute) is a nonprofit corporation as defined under Section 501(c)(3) of the Internal Revenue Code. The Institute was organized under the laws of the state of Iowa to develop, implement, and evaluate innovative housing, and related programs targeted to low-income households. The Institute is not considered a private foundation for income tax reporting purposes.

2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with the accounting principles appropriate for nonprofit organizations. The accounting and reporting policies of the Institute conform to accounting principles generally accepted in the United States of America. The following describes the more significant of those policies.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) which requires the recognition of lease assets and lease liabilities on the balance sheet for certain lease obligations and disclosures of key information about leasing arrangements. ASU 2016-02 may require the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous generally accepted accounting principles. The Institute adopted ASU 2016-02 beginning July 1, 2022, using the modified retrospective approach.

Financial Statement Presentation and Contributions

The Institute reports financial information in accordance with generally accepted accounting principles, which requires the Institute to report information regarding its financial position and activities according to two classes of net assets and requires classification of contributions received as those without donor restrictions and those with donor restrictions. Contributions received and expended in the same fiscal year are reported as revenue received without donor restrictions.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Institute considers all cash in checking and savings accounts and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Grant or Contract Reimbursements Receivable

Grant or contract receivables have been recorded at net realizable value when eligible expenditures have exceeded contract receipts to date. There have been no bad debts and, therefore, no allowance for uncollectible amounts has been recorded.

Property and Equipment

Property and equipment are recorded at cost. Expenses for maintenance, repairs, and minor replacements are charged to expense, while the cost of major replacements, betterments and acquisitions is capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, ranging from three to seven years.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets.

Compensated Absences

The Institute allows for the accrual and accumulation of unused vacation time of its employees and the payment for such absences upon termination of employment or when time off for the absence is scheduled. The unused vacation leave at the year-end date is accrued as a liability on the financial statements.

Fair Value of Financial Instruments

The Institute records financial assets and liabilities using a fair value hierarchy, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1 – Quoted prices (unadjusted) are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3 – Significant inputs to pricing have little or no observability as of the reporting date. The types of assets or liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine fair value.

The financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Institute's assessment of significance to a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

The following methods and assumptions were used by the Institute in estimating the fair value of its financial instruments:

Investments are measured at fair value based on quoted prices in active markets and as such are categorized as Level 1.

The carrying amounts of cash, receivables, prepaid expenses, accounts payable, accrued expenses, and other liabilities approximate their fair values due to the short-term maturities of these financial instruments.

Revenue Recognition

Revenues from grants are recognized to the extent that they are expended in accordance with grantor conditions. Revenues from contracts, including Other Contracted Services and User Fees and Licenses as shown on the Statements of Activities and Changes in Net Assets, are recorded over time as earned. Any grant or contracts proceeds that have been received but not expended or yet earned are shown as Refundable Advances – Grants and Contracts in the liability section of the accompanying Statements of Financial Position.

Contributions are recorded as revenue when received or pledged by the donor. All contributions are deemed available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or specific purposes are reported as revenue with donor restrictions.

In-Kind Contributions

The Institute recognized contributed nonfinancial assets made during the year, none of which contained donor-imposed restrictions. These contributions consisted of space costs donated for usage throughout the year and are recorded at the estimated fair value based on similar space and usage. The recorded value of the donated space was \$30,000 for the year ended June 30, 2023 (\$20,381 in 2022).

Donated Services

The Institute receives a substantial amount of donated services from unpaid volunteers. No amounts have been recognized in the accompanying Statement of Activities for these services as the criteria for recognition under FASB ASC 958 have not been satisfied. The estimated value of these unrecognized donated service hours was \$-0- and \$56,360 respectively for the years ended June 30, 2023 and 2022.

Functional Allocation of Expenses

The allocations of expenses shown on the Statement of Functional Expenses were made by direct assignment of costs to functional categories where a direct relationship exists. Additionally, the Institute allocates indirect expenses and joint program direct expenses individually to programs based on hours charged by employees, or estimated benefits based upon usage or other methods to the programs for which the cost was incurred.

Income Taxes

The Institute is currently exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. The Institute would be subject to federal and state income tax on any unrelated business income generated from activities not specifically related to its tax-exempt purpose. No unrelated activities were conducted during the years ended June 30, 2023 and 2022, and, accordingly, no provision has been made for income tax liabilities or expense.

Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications to the 2022 financial statements have been made to conform to the 2023 presentation.

3. Principal Programs

The following is a summary description of the principal programs administered by the Institute:

Homeless Management Information System (HMIS)

The Homeless Management Information System (HMIS) is a local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. Each Continuum of Care (CoC) is responsible for selecting an HMIS software solution that complies with HUD's data collection, management, and reporting standards.

Emergency Solutions Grants (ESG) Program

The Emergency Solutions Grant (ESG) program is a formula grant program. Eligible recipients generally consist of metropolitan cities, urban counties, territories, and states, as defined in 24 CFR 576.2. ESG funds may be used for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as administrative activities. The Institute for Community Alliances provides the HMIS services required by the ESG program, under the ESG regulatory standards.

Continuum of Care (CoC) Program

The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness. The Institute for Community Alliances provides the HMIS services required by the Continuum of Care program, under the program's regulatory standards.

4. Support from Governmental Agencies

The Institute received approximately 46% in 2023 (50% in 2022) of its support and revenue from governmental grants and contracts. A significant reduction in the level of government funding would have a significant affect on the Institute's program activities.

5. Concentration of Credit Risk

The Institute maintains cash balances at four local banks. The Federal Deposit Insurance Corporation insures their accounts at each institution in an amount up to \$250,000. At June 30, 2023, the Institute had \$0- deposited in excess of federally insured limits (\$195,338 in 2022).

6. Receivables

Amounts earned but not received under contracts with program funding sources are summarized as follows at June 30:

Due From	Program	2023	2022
Anchorage Coalition to End Homelessness	HMIS & TA	\$ --	118,306
US Department of HUD	Continuum of Care Program	548,500	359,319
Iowa Finance Authority	ESG, HMIS, HOPWA, & ERA2	122,833	103,864
Minnesota DHS	Contract Services	268,528	122,383
Minnesota Housing Finance Agency	Contract Services	268,292	--
New Hampshire DHHS	Contract Services	103,524	56,562
City of St. Louis	Contract Services	128,127	15,620
Wisconsin BOS/COC	Employment Contract	673,379	406,461
Various Sources	Emergency Solutions Grant Program	519,378	340,751
Various Sources	Contract Services	604,138	390,364
		<u>\$ 3,236,699</u>	<u>1,913,630</u>

7. Property and Equipment

Equipment owned by the Institute is summarized as follows at June 30:

	Cost	Current Depreciation	Accumulated Depreciation	Book Value
	2023			
Office Furniture and Equipment	\$ 101,578	--	101,578	--
Vehicles	--	1,441	--	--
Totals	<u>\$ 101,578</u>	<u>1,441</u>	<u>101,578</u>	<u>--</u>
	2022			
Office Furniture and Equipment	\$ 101,578	--	101,578	--
Vehicles	28,822	5,765	14,792	14,030
Totals	<u>\$ 130,400</u>	<u>5,765</u>	<u>116,370</u>	<u>14,030</u>

The estimated lives used on the above equipment range from three to seven years.

Substantially all of the capitalized equipment was funded under various grants with federal, state, or local governmental entities and may revert back to these funding sources in the event such programs terminate or the use of the property changes from its original purpose.

In addition, any proceeds from disposal of such properties must be expended with grantor approval.

8. Investments and Fair Value of Financial Instruments

Investments are measured at fair value on a recurring basis and are presented below based on their fair value hierarchy levels as of June 30:

	Total	Quoted Price in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	2023			
Equity - Mutual Funds	\$ 41,067	41,067	--	--
	2022			
Equity - Mutual Funds	\$ 36,008	36,008	--	--

Investment income is composed of the following components for the years ended June 30:

	2023	2022
Interest	\$ 920	861
Net Unrealized Gains (Losses)	5,059	(5,276)
Administrative Charges	--	(24)
Total Investment Income (Loss)	\$ 5,979	(4,439)

9. Operating Lease Right of Use

The Institute leases office space under operating lease agreements expiring through February 2027. The Institute has elected to not record short-term leases with a lease term at commencement of 12 months or less on the balance sheet; such leases are expensed on a straight-line basis over the lease term. Generally, the interest rate implicit in the lease cannot be readily determined and thus the market short-term borrowing rate at the inception of the lease is used as the discount rate.

The components of lease expense for the years ended June 30 are as follows:

	2023	2022
Operating Lease Cost	\$ 129,750	90,104
Short-Term Lease Cost	35,960	59,698
	\$ 165,710	149,802

Right of Use lease assets and operating lease liabilities consist of the following at June 30, 2023:

Operating Lease Right of Use Asset	\$ 233,703
Operating Lease Liability - Short-Term	\$ 99,295
Operating Lease Liability - Long-Term	134,408
	\$ 233,703

Maturities of operating lease liabilities are summarized as follows at June 30, 2023:

June 30, 2024	\$ 105,445
June 30, 2025	58,926
June 30, 2026	51,013
June 30, 2027	30,151
	<u>245,535</u>
Less Interest Portion	11,832
	<u>\$ 233,703</u>

The weighted-average lease term and discount rate as of June 30, 2023, are as follows:

Weighted-Average Remaining Lease Term (Years)	<u>2.88</u>
Weighted-Average Discount Rate	<u>3.40%</u>

Other lease information is as follows for the year ended June 30, 2023:

Cash Paid for Amounts Included in the Measurement of Operating Lease Liabilities - Operating Cash Flow	<u>\$ 129,750</u>
--	-------------------

10. Refundable Advances – Grants and Contracts

Refundable advances are summarized as follows at June 30:

<u>Project</u>	<u>2023</u>	<u>2022</u>
Unearned Grant Advances		
NH - Manchester ESG	\$ 3,961	\$ 1,176
WI - ESG Madison	--	18,652
WI - ESG Racine	--	6,167
	<u>3,961</u>	<u>25,995</u>
Unearned Contract Advances		
User Fees and Licenses	278,030	259,743
Purchase of Service Contracts	68,411	136,312
	<u>346,441</u>	<u>396,055</u>
Total Refundable Advances	<u>\$ 350,402</u>	<u>422,050</u>

User fees and licenses are billed throughout the Institute's fiscal year based upon each respective user's anniversary date, but no less than annually. User fees and licenses revenue is recognized as earned on a pro-rata basis over the twelve-month period to which they apply.

Purchase of service contracts are generally billed quarterly. Advance billings are subsequently recorded to revenue as the contract services are performed with revenue being recognized as earned during the contract term.

11. Line of Credit

The Institute has entered into a \$350,000 non-recourse line of credit agreement with Freedom Financial Bank. This renewable loan bears interest at the higher of 1% over prime or 9.25% at June 30, 2023 (5.75% in 2022) and matures on July 30, 2023. At June 30, 2023, the outstanding balance of this loan was \$155,000 (\$0- in 2022). Interest costs incurred and charged to expense during the year ended June 30, 2023, totaled \$9,112 (\$131 in 2022).

This loan is collateralized by the Institute's assets and contains various covenants and requirements as determined by the bank.

12. Net Assets

Net Assets Without Donor Restrictions – Institute for Community Alliances’ net assets without donor restrictions were received without external restrictions and are generally available for ongoing operating purposes.

Net assets without donor restrictions are summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Invested in Property and Equipment	\$ --	14,030
Undesignated Net Assets	<u>1,480,015</u>	<u>1,439,826</u>
Total Net Assets Without Donor Restrictions	<u>\$ 1,480,015</u>	<u>1,453,856</u>

Net Assets With Donor Restrictions - Institute for Community Alliances has received donations which under terms of their receipt are to be used for specific purposes and are classified as net assets with donor restrictions.

Net assets with donor restrictions are summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Subject to Purpose Restrictions		
Pohlad Family Foundation - HMIS Infrastructure Improvements	\$ --	27,517
United Way Grant - HMIS Software Upgrade and User Training	148	148
Dean Wright Fund	<u>11,132</u>	<u>14,214</u>
	<u>\$ 11,280</u>	<u>41,879</u>

The Dean Wright Fund consists of net proceeds from fundraising events conducted by the Opening Doors committee in Des Moines, which is established to help alleviate homelessness for those who have difficulty locating acceptable housing. The use of these funds is restricted for the benefit of or the purposes prescribed by Opening Doors.

13. Liquidity and Availability of Financial Assets

Institute for Community Alliances’ financial assets available for general expenditure within one year of the balance sheet date are summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year-End		
Cash and Cash Equivalents	\$ 302,951	781,067
Accounts Receivable	<u>3,236,699</u>	<u>1,913,630</u>
	3,539,650	2,694,697
Less Those Unavailable for General Expenditures Within One Year		
Net Assets With Donor Restrictions	<u>(11,280)</u>	<u>(41,879)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 3,528,370</u>	<u>2,652,818</u>

14. Pension and Deferred Compensation Plans

Effective November 1, 2014, the Institute established the Institute for Community Alliances 401(k) Thrift Plan administered by Mutual of America. The plan is funded by employee contributions and employer contributions equal to 5% of employee wages. The Institute’s contributions to this plan totaled \$395,528 for the year ended June 30, 2023, while employees contributed \$421,354 (\$348,725 and \$415,154, respectively in 2022).

Effective May 1, 2019, the Institute adopted a 457(b) eligible deferred compensation plan for certain management employees administered by Mutual of America. This plan is funded by employee and employer contributions determined on an annual basis. The Institute's contributions to this plan totaled \$-0- for the year ended June 30, 2023, while employees contributed \$-0- (\$-0- and \$-0- respectively in 2022). All current participants in this plan are fully vested, however due to the nature of this plan, investments remain assets of the Institute with a corresponding Deferred Compensation Plan liability in the amount of \$41,067 (\$36,008 in 2022) which is equal to the investment value.

15. Subsequent Events

The Institute has evaluated events and transactions occurring after June 30, 2023, for potential items required to be recognized or disclosed in the financial statements. Subsequent events were evaluated through December 8, 2023, the date the financial statements were available for issuance.

**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**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Institute for Community Alliances
Des Moines, Iowa

We have audited, in accordance with the 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 financial statements of Institute for Community Alliances (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2023, and the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Institute for Community Alliances' internal control over financial reporting (internal control) to determine the 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 Institute for Community Alliances' internal control. Accordingly, we do not express an opinion on the effectiveness of Institute for Community Alliances' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Institute'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Institute for Community Alliances' financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants

December 8, 2023
West Des Moines, Iowa

Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Institute for Community Alliances
Des Moines, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Institute for Community Alliances'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 Institute for Community Alliances's major federal program for the year ended June 30, 2023. Institute for Community Alliances's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Institute for Community Alliances complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Institute for Community Alliances 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 Institute for Community Alliances'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 Institute for Community Alliances'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 Institute for Community Alliances'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 GAAS, *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 Institute for Community Alliances's compliance with the requirements of each major federal program as a whole.

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In performing an audit in accordance with GAAS, *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 Institute for Community Alliances' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Institute for Community Alliances' 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 Institute for Community Alliances' 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.


 MERIWETHER, WILSON AND COMPANY, PLLC
 Certified Public Accountants

December 8, 2023
 West Des Moines, Iowa

INSTITUTE FOR COMMUNITY ALLIANCES
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Institute for Community Alliances.
2. Internal Control Over Financial Reporting
 - No material weaknesses were identified.
 - No significant deficiencies were reported.
3. No instances of noncompliance material to the financial statements of Institute for Community Alliances were noted during the audit.
4. Internal Control Over Major Programs
 - No material weaknesses were identified.
 - No significant deficiencies were reported.
5. The auditor's report on compliance for the major federal award programs for Institute for Community Alliances expresses an unmodified opinion on all major federal programs.
6. The results of our audit disclosed no audit findings, which we are required to report in accordance with 2 CFR 200.516(a).
7. The following programs were audited as major federal programs:

Program Title	ALN	Expenses
Continuum of Care Program	14.267	\$ 5,027,435
Emergency Rental Assistance Program	21.023	826,612
		\$ 5,854,047

8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Institute for Community Alliances qualified as a low-risk auditee.

Findings Related to the Financial Statements

None

Findings and Questioned Costs Related to Federal Awards

None

Summary Schedule of Prior Audit Findings

None

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards

July 1, 2022 Through June 30, 2023

Grantor/Pass-Through Agency	Grant Number
U.S. Department of Housing and Urban Development	
Direct Awards	
Continuum of Care Program	AK0014LOC012215
Continuum of Care Program	AK0014LOC012114
Continuum of Care Program	IL0615L5T012106
Continuum of Care Program	IL0615L5T012005
Continuum of Care Program	IA0005L7D002013
Continuum of Care Program	IA0083L7D002005
Continuum of Care Program	IA0014L7D012215
Continuum of Care Program	IA0014L7D012114
Continuum of Care Program	IA0121L7D012002
Continuum of Care Program	IA0140L7D012000
Continuum of Care Program	IA0147L7D012100
Continuum of Care Program	IA0151L7D012100
Continuum of Care Program	MN0012L5K002114
Continuum of Care Program	MN0012L5K002013
Continuum of Care Program	MN0043L5K012114
Continuum of Care Program	MN0043L5K012013
Continuum of Care Program	MN0058L5K022114
Continuum of Care Program	MN0058L5K022013
Continuum of Care Program	MN0072L5K032114
Continuum of Care Program	MN0072L5K032013
Continuum of Care Program	MN0078L5K042114
Continuum of Care Program	MN0078L5K042013
Continuum of Care Program	MN0088L5K052114
Continuum of Care Program	MN0088L5K052013
Continuum of Care Program	MN0096L5K062114
Continuum of Care Program	MN0096L5K062013
Continuum of Care Program	MN0115L5K092114
Continuum of Care Program	MN0115L5K092013
Continuum of Care Program	MN0145L5K112114
Continuum of Care Program	MN0145L5K112013
Continuum of Care Program	MN0290L5K082108
Continuum of Care Program	MN0290L5K082007
Continuum of Care Program	MN0441L5K062102
Continuum of Care Program	MN0441L5K062001
Continuum of Care Program	MO0039L7P032215
Continuum of Care Program	MO0039L7P032114
Continuum of Care Program	MO0090L7P062215
Continuum of Care Program	MO0090L7P062114
Continuum of Care Program	MO0294L7P002102
Continuum of Care Program	MO0294L7P002001
Continuum of Care Program	ND0062L8T002100
Continuum of Care Program	NE0011L7D012114
Continuum of Care Program	VT0005L1T002114
Continuum of Care Program	VT0052L1T012106
Continuum of Care Program	VT0052L1T012005

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards

July 1, 2022 Through June 30, 2023

<u>Grant Period</u>	<u>ALN*</u>	<u>Award Amount</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenses</u>
06/01/23 - 05/31/24	14.267	30,206	\$ --	\$ 22,274
06/01/22 - 05/31/23	14.267	30,206	--	30,206
12/01/22 - 11/30/23	14.267	83,670	--	72,891
12/01/21 - 11/30/22	14.267	83,670	--	32,324
12/01/21 - 11/30/22	14.267	43,156	--	20,283
12/01/21 - 11/30/22	14.267	186,608	--	42,049
06/01/23 - 05/31/24	14.267	346,578	--	28,272
06/01/22 - 05/31/23	14.267	346,578	--	324,480
12/01/21 - 11/30/22	14.267	100,000	--	50,741
04/01/22 - 03/31/23	14.267	274,400	--	199,010
04/01/23 - 03/31/24	14.267	303,474	--	70,601
12/01/22 - 11/30/23	14.267	307,748	119,069	189,461
12/01/22 - 11/30/23	14.267	298,733	--	243,453
12/01/21 - 11/30/22	14.267	298,733	--	124,886
11/01/22 - 10/31/23	14.267	144,758	--	97,590
11/01/21 - 10/31/22	14.267	144,758	--	49,662
11/01/22 - 10/31/23	14.267	62,480	--	38,070
11/01/21 - 10/31/22	14.267	62,480	--	11,721
09/01/22 - 08/31/23	14.267	140,872	--	124,504
09/01/21 - 08/31/22	14.267	140,872	--	13,000
09/01/22 - 08/31/24	14.267	19,999	--	19,999
09/01/21 - 08/31/22	14.267	19,999	--	446
09/01/22 - 08/31/23	14.267	41,099	--	32,792
09/01/21 - 08/31/22	14.267	41,099	--	3,503
09/01/22 - 08/31/23	14.267	10,658	--	10,658
09/01/21 - 08/31/22	14.267	10,658	--	3,582
09/01/22 - 08/31/23	14.267	61,071	--	49,825
09/01/21 - 08/31/22	14.267	61,071	--	10,339
09/01/22 - 08/31/23	14.267	23,000	--	23,000
09/01/21 - 08/31/22	14.267	26,500	--	575
09/01/22 - 08/31/23	14.267	33,359	--	33,359
09/01/21 - 08/31/22	14.267	33,359	--	4,147
10/01/22 - 09/30/23	14.267	13,629	--	13,629
10/01/21 - 09/30/22	14.267	13,629	--	5,158
06/01/23 - 05/31/24	14.267	42,254	--	5,106
06/01/22 - 05/31/23	14.267	42,254	--	41,719
05/01/23 - 04/30/24	14.267	239,947	--	35,363
05/01/22 - 04/30/23	14.267	239,947	--	202,948
11/01/22 - 10/31/23	14.267	32,000	--	26,630
11/01/21 - 10/31/22	14.267	32,000	--	6,648
09/01/22 - 08/31/23	14.267	220,944	--	190,854
07/01/22 - 06/30/23	14.267	179,660	--	179,660
07/01/22 - 06/30/23	14.267	59,382	--	59,381
09/01/22 - 08/31/23	14.267	65,000	--	52,662
09/01/21 - 08/31/22	14.267	65,000	--	5,566

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards (Continued)

July 1, 2022 Through June 30, 2023

Grantor/Pass-Through Agency	Grant Number
U.S. Department of Housing and Urban Development	
Direct Awards - Continuum of Care Program (Continued)	
Continuum of Care Program	WI0035L5I002215
Continuum of Care Program	WI0035L5I002114
Continuum of Care Program	WI0051L5I012114
Continuum of Care Program	WI0051L5I012013
Continuum of Care Program	WI0180L5I032106
Continuum of Care Program	WI0180L5I032005
Continuum of Care Program	WI0192L5I022105
Continuum of Care Program	WI0192L5I022004
Continuum of Care Program	WI0206L5I022205
Continuum of Care Program	WI0206L5I022104
Continuum of Care Program	WI0211L5I032205
Continuum of Care Program	WI0211L5I032104
Continuum of Care Program	WY0023L8T002102
Continuum of Care Program	WY0023L8T002001
Passed Through City of Des Moines	
Continuum of Care Program	IA0041L7D022114
Continuum of Care Program	IA0041L7D022013
Continuum of Care Program	IA0134Y7D022101
Assumed From Home Forward Iowa	
Continuum of Care Program	IA0122L7D012002
Assumed From Waypoint Services for Women, Children and Families	
Continuum of Care Program	IA0120L7D012002
Passed Through Three Rivers Community Action Inc.	
Continuum of Care Program	MN0366L5K022106
Continuum of Care Program	MN0366L5K022005
Continuum of Care Program	MN0464D5K022102
Continuum of Care Program	MN0464D5K022001
Continuum of Care Program	MN0481L5K022000
Continuum of Care Program	MN0497L5K022100
Passed Through the City of St. Louis	
Continuum of Care Program	MO0203L7E012106
Continuum of Care Program	MO0203L7E012005
Passed Through St. Louis County	
Continuum of Care Program	MO0305L7E002102
Continuum of Care Program	MO0305L7E002001
Passed Through State of New Hampshire	
Continuum of Care Program	2019-026
Total ALN #14.267	
Direct Award	
Youth Homelessness Demonstration Program	MN0514Y5K002000
Youth Homelessness Demonstration Program	ND0065Y8T002000
Youth Homelessness Demonstration Program	WI0257Y5I001900
Passed Through City of Des Moines	
Youth Homelessness Demonstration Program	IA0134Y7D021800
Total ALN #14.276	

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards (Continued)

July 1, 2022 Through June 30, 2023

<u>Grant Period</u>	<u>ALN*</u>	<u>Award Amount</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenses</u>
06/01/23 - 05/31/24	14.267	371,429	--	33,294
06/01/22 - 05/31/23	14.267	371,429	--	329,012
10/01/22 - 09/30/23	14.267	144,112	--	109,573
10/01/21 - 09/30/22	14.267	144,112	--	52,935
10/01/22 - 09/30/23	14.267	175,450	--	103,756
10/01/21 - 09/30/22	14.267	44,500	--	8,339
10/01/22 - 09/30/23	14.267	15,000	--	15,000
10/01/21 - 09/30/22	14.267	15,000	--	5,705
05/01/23 - 04/30/24	14.267	37,525	--	20,776
05/01/22 - 04/30/23	14.267	37,525	--	35,285
05/01/23 - 04/30/24	14.267	544,011	--	31,953
05/01/22 - 04/30/23	14.267	544,011	391,388	506,549
11/01/22 - 10/31/23	14.267	110,440	--	73,303
11/01/21 - 10/31/22	14.267	110,440	--	36,625
11/01/22 - 10/31/23	14.267	104,873	--	41,499
11/01/21 - 10/31/22	14.267	104,873	--	22,803
10/01/22 - 09/30/23	14.267	37,470	--	27,550
01/01/22 - 12/31/22	14.267	91,380	74,189	74,189
01/01/22 - 12/31/22	14.267	116,368	71,848	71,848
09/01/22 - 08/31/23	14.267	203,310	--	109,122
09/01/21 - 08/31/22	14.267	203,310	--	48,250
09/01/22 - 08/31/23	14.267	25,000	--	16,015
09/01/21 - 08/31/22	14.267	25,000	--	2,244
09/01/21 - 08/31/22	14.267	67,396	--	36,290
01/01/23 - 12/31/23	14.267	33,136	--	27,265
10/01/22 - 09/30/23	14.267	100,000	--	91,217
10/01/21 - 09/30/22	14.267	100,000	--	42,379
10/01/22 - 09/30/23	14.267	75,000	--	74,582
10/01/21 - 09/30/22	14.267	75,000	--	34,891
07/01/19 - 07/31/23	14.267	585,306	--	142,159
				<u>5,027,435</u>
10/01/22 - 09/30/24	14.276	311,318	--	120,730
10/01/22 - 09/30/24	14.276	100,000	--	43,482
10/01/22 - 09/30/24	14.276	100,000	--	10,439
09/15/20 - 09/30/22	14.276	74,940	--	23,960
				<u>198,611</u>

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards (Continued)

July 1, 2022 Through June 30, 2023

Grantor/Pass-Through Agency	Grant Number
U.S. Department of Housing and Urban Development	
Passed Through North Dakota Coalition for Homeless People	
Homeless Management Information Systems Technical Assistance	ND00051H8T001800
Passed Through Iowa Finance Authority	
Housing Opportunities for Persons with AIDS	N/A
Housing Opportunities for Persons with AIDS	N/A
Total ALN #14.241	
Passed Through City of Rockford	
Emergency Solutions Grant Program	N/A
Emergency Solutions Grant Program	N/A
Emergency Solutions Grant Program	N/A
Passed Through Iowa Finance Authority	
Emergency Solutions Grant Program	ESG-SAF-HMIS-2023
Emergency Solutions Grant Program	ESG-SAF-HMIS-2022
COVID-19 - Emergency Solutions Grant Program	ESG-CV-HMIS-20
Passed Through City of Des Moines	
Emergency Solutions Grant Program	N/A
Emergency Solutions Grant Program	N/A
COVID-19 - Emergency Solutions Grant Program	N/A
Passed Through City of Sioux City	
Emergency Solutions Grant Program	E-21-MC-19-0002
COVID-19 - Emergency Solutions Grant Program	E-20-MW-19-0006
Passed Through Dakota County	
Emergency Solutions Grant Program	N/A
Passed Through City of Duluth	
Emergency Solutions Grant Program	22-ES-09
Passed Through City of Minneapolis	
Emergency Solutions Grant Program	C-43781
COVID-19 - Emergency Solutions Grant Program	COM0003783
Passed Through City of Saint Paul	
Emergency Solutions Grant Program	N/A
Emergency Solutions Grant Program	HSD000060
COVID-19 - Emergency Solutions Grant Program	N/A
Passed Through Hennepin County	
COVID-19 - Emergency Solutions Grant Program	PR00003714
Passed Through St. Louis County, MN	
Emergency Solutions Grant Program	N/A
Emergency Solutions Grant Program	N/A

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards (Continued)

July 1, 2022 Through June 30, 2023

<u>Grant Period</u>	<u>ALN*</u>	<u>Award Amount</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenses</u>
06/16/20 - 06/30/23	14.261	99,435	--	<u>4,598</u>
01/01/22 - 12/31/22	14.241	21,594	--	10,946
01/01/23 - 12/31/23	14.241	23,492	--	15,617
				<u>26,563</u>
04/28/23 - 08/03/24	14.231	30,000	--	12,434
11/22/22 - 08/03/23	14.231	30,000	--	29,999
11/01/21 - 10/31/22	14.231	30,000	--	11,028
01/01/23 - 12/31/23	14.231	55,000	--	19,534
01/01/22 - 01/31/23	14.231	55,000	--	17,260
03/01/20 - 11/30/23	14.231	203,618	--	75,630
01/01/23 - 12/31/23	14.231	10,087	--	9,914
01/01/22 - 12/31/22	14.231	9,805	--	2,733
02/01/21 - 06/30/23	14.231	62,442	--	52,819
10/01/21 - 09/30/22	14.231	10,000	--	7,536
01/15/21 - 09/30/22	14.231	24,754	--	8,905
09/01/22 - 08/31/23	14.231	3,289	--	3,259
04/01/22 - 03/31/23	14.231	4,200	--	4,200
08/31/18 - 05/31/23	14.231	113,694	--	8,827
06/30/20 - 10/30/22	14.231	115,477	--	8,156
01/01/22 - 12/31/22	14.231	11,757	--	9,859
01/01/23 - 11/30/23	14.231	50,000	--	13,683
07/01/21 - 09/30/22	14.231	70,717	--	674
10/01/21 - 06/30/23	14.231	22,730	--	2,674
09/01/21 - 10/31/22	14.231	3,378	--	43
09/01/22 - 10/31/23	14.231	3,383	--	3,383

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards (Continued)

July 1, 2022 Through June 30, 2023

Grantor/Pass-Through Agency	Grant Number
U.S. Department of Housing and Urban Development	
Emergency Solutions Grant Program (Continued)	
Passed Through Missouri Housing Development Commission	
COVID-19 - Emergency Solutions Grant Program	CV-829
COVID-19 - Emergency Solutions Grant Program	CV-830
COVID-19 - Emergency Solutions Grant Program	CV-831
COVID-19 - Emergency Solutions Grant Program	CV-832
COVID-19 - Emergency Solutions Grant Program	CV-833
COVID-19 - Emergency Solutions Grant Program	CV-834
Emergency Solutions Grant Program	23-741-C
Emergency Solutions Grant Program	23-742-C
Emergency Solutions Grant Program	23-743-C
Emergency Solutions Grant Program	23-744-C
Emergency Solutions Grant Program	23-745-C
Emergency Solutions Grant Program	23-746-C
Emergency Solutions Grant Program	22-717-E
Emergency Solutions Grant Program	22-718-E
Emergency Solutions Grant Program	22-719-E
Emergency Solutions Grant Program	22-720-E
Emergency Solutions Grant Program	22-721-E
Emergency Solutions Grant Program	22-722-E
Passed Through City of St. Louis	
Emergency Solutions Grant Program	E-20-MC-29-0006
Emergency Solutions Grant Program	E120-MC-29-0006
COVID-19 - Emergency Solutions Grant Program	E-20-MW-29-0006
COVID-19 - Emergency Solutions Grant Program	55WZ0
Passed Through City of Omaha	
Emergency Solutions Grant Program	N/A
Emergency Solutions Grant Program	N/A
COVID-19 - Emergency Solutions Grant Program	N/A
Passed Through the University of Nebraska	
COVID-19 - Emergency Solutions Grant Program	26-0520-0342-030
Passed Through State of New Hampshire	
Emergency Solutions Grant Program	2019-026
Passed Through City of Manchester	
Emergency Solutions Grant Program	N/A
Emergency Solutions Grant Program	N/A
Passed Through North Dakota Department of Commerce	
Emergency Solutions Grant Program	5112-ESG2122
COVID-19 - Emergency Solutions Grant Program	4894-ESG20-CV
Passed Through Vermont Department of Children and Families	
Emergency Solutions Grant Program	03440-44054-23-ICA
Passed Through City of Madison	
Emergency Solutions Grant Program	N/A
Passed Through City of Racine	
COVID-19 - Emergency Solutions Grant Program	N/A

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards (Continued)

July 1, 2022 Through June 30, 2023

<u>Grant Period</u>	<u>ALN*</u>	<u>Award Amount</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenses</u>
03/13/20 - 08/31/22	14.231	94,615	--	10,169
03/13/20 - 08/31/22	14.231	127,118	--	10,591
03/13/20 - 08/31/22	14.231	127,917	--	5,882
03/13/20 - 08/31/22	14.231	96,420	--	8,284
03/13/20 - 08/31/22	14.231	92,526	--	6,747
03/13/20 - 08/31/22	14.231	250,000	--	32,810
11/01/22 - 10/31/23	14.231	24,049	--	7,482
11/01/22 - 10/31/23	14.231	28,563	--	13,969
11/01/22 - 10/31/23	14.231	20,952	--	6,340
11/01/22 - 10/31/23	14.231	29,807	--	14,429
11/01/22 - 10/31/23	14.231	31,585	--	20,778
11/01/22 - 10/31/23	14.231	92,346	--	24,576
11/01/21 - 06/30/23	14.231	30,285	--	16,903
11/01/21 - 06/30/23	14.231	122,211	--	51,220
11/01/21 - 06/30/23	14.231	35,698	--	20,107
11/01/21 - 06/30/23	14.231	43,905	--	30,536
11/01/21 - 06/30/23	14.231	29,892	--	13,570
11/01/21 - 06/30/23	14.231	31,828	--	18,986
07/01/22 - 06/30/23	14.231	86,700	--	85,685
10/01/21 - 09/30/22	14.231	88,000	--	59,846
11/01/22 - 09/30/23	14.231	38,199	--	16,630
11/01/21 - 08/31/22	14.231	131,925	--	16,765
07/01/22 - 06/30/23	14.231	13,000	--	13,000
07/01/21 - 12/31/22	14.231	13,000	--	1,314
03/06/20 - 12/30/23	14.231	124,000	--	33,038
07/01/21 - 09/30/23	14.231	43,032	--	11,106
04/01/19 - 06/30/23	14.231	303,185	--	121,072
07/01/22 - 06/30/23	14.231	4,000	--	39
07/01/21 - 06/30/23	14.231	4,000	--	1,176
07/01/22 - 05/31/23	14.231	50,000	--	43,161
03/01/21 - 08/31/22	14.231	102,851	--	4,635
07/01/22 - 06/30/23	14.231	211,165	--	211,165
01/01/22 - 12/31/22	14.231	3,348	--	3,348
10/01/20 - 09/30/22	14.231	18,750	--	6,167

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards (Continued)

July 1, 2022 Through June 30, 2023

Grantor/Pass-Through Agency	Grant Number
U.S. Department of Housing and Urban Development	
Emergency Solutions Grant Program (Continued)	
Passed Through State of Wisconsin	
Emergency Solutions Grant Program	EHH 22-25
COVID-19 - Emergency Solutions Grant Program	ESG-CV 22-04
COVID-19 - Emergency Solutions Grant Program	N/A
Passed Through Wyoming Department of Family Services	
Emergency Solutions Grant Program	N/A
COVID-19 - Emergency Solutions Grant Program	N/A
Total ALN #14.231	
Total U.S. Department of Housing and Urban Development	
Department of the Treasury	
Passed Through Iowa Finance Authority	
COVID-19 - Emergency Rental Assistance Program	RRH-ERA2-01
Passed Through Minnesota Housing Finance Agency	
COVID-19 - Emergency Rental Assistance Program	N/A
Total ALN #21.023	
Passed Through City of St. Louis	
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A
Total ALN #21.027	
Total Department of the Treasury	
Department of Homeland Security	
Emergency Food and Shelter National Board Program	Various
U.S. Department of Health and Human Services	
Passed Through Iowa Department of Human Services	
Projects for Assistance in Transition from Homelessness	MHDS 22-008
Total Federal Awards	

* Assistance Listing Number

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenditures of Federal Awards (Continued)

July 1, 2022 Through June 30, 2023

<u>Grant Period</u>	<u>ALN*</u>	<u>Award Amount</u>	<u>Pass-Through to Subrecipients</u>	<u>Federal Expenses</u>
07/01/22 - 09/30/23	14.231	200,000	--	173,708
10/01/22 - 09/30/23	14.231	12,825	--	2,312
07/01/20 - 09/30/22	14.231	127,500	--	18,652
01/01/21 - 12/31/23	14.231	195,277	--	20,192
01/01/21 - 12/31/23	14.231	122,000	--	117,288
				<u>1,576,228</u>
				<u>6,833,435</u>
02/02/22 - 09/30/25	21.023	1,635,000	--	542,211
07/01/22 - 06/30/23	21.023	553,563	238,682	284,401
				<u>826,612</u>
11/01/22 - 10/31/23	21.027	49,890	--	20,198
07/01/22 - 11/30/23	21.027	227,117	--	147,169
				<u>167,367</u>
				<u>993,979</u>
07/01/22 - 06/30/23	97.024	N/A	--	<u>12,602</u>
07/01/21 - 06/30/23	93.150	41,318	--	<u>30,431</u>
			<u>\$ 895,176</u>	<u>\$ 7,870,447</u>

SEE INDEPENDENT AUDITOR'S REPORT

INSTITUTE FOR COMMUNITY ALLIANCES

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Institute for Community Alliances under programs of the federal government for the year ended June 30, 2023. 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 the operations of Institute for Community Alliances, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Institute for Community Alliances.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Institute for Community Alliances has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

INSTITUTE FOR COMMUNITY ALLIANCES

Combining Statement of Activities

July 1, 2022 through June 30, 2023

	Total	HUD Continuum of Care - BOS Alaska	HUD Continuum of Care - BOS Iowa	HUD Continuum of Care - BOS CE Iowa	HUD Continuum of Care - BOS Planning Iowa
Support and Revenue					
Government Grants and Contract Reimbursements	\$ 7,363,488	397,471	352,752	240,201	269,611
Other Grants and Contracted Services	8,141,423	--	--	--	--
User Fees and Licenses	600,579	--	--	--	--
Investment Income (Loss)	5,979	--	--	--	--
In-Kind	30,000	--	--	--	--
Other Revenue	20,419	--	--	--	--
Total Support and Revenue	16,161,888	397,471	352,752	240,201	269,611
Expenses					
In-Kind	30,000	--	--	--	--
Vehicle Donation	12,589	--	--	--	--
Bad Debt Expense	6,103	--	--	--	--
Depreciation	1,441	--	--	--	--
HMIS Services	1,381,802	49,596	77,955	448	--
HMIS Software - Support and Licenses	130,504	--	1,346	8	--
Payroll and Staffing	9,927,708	330,839	252,335	106,689	233,172
Space Costs	165,410	488	6,983	1,009	7,099
Operations	825,682	14,676	13,957	12,742	25,442
Supportive Services	3,398,037	--	--	119,068	--
Administrative Costs	274,364	2,086	187	237	4,036
FEMA Contract	12,688	--	--	--	--
Total Expenses	16,166,328	397,685	352,763	240,201	269,749
Excess (Deficiency) of Support and Revenue to Expenses	(4,440)	(214)	(11)	--	(138)
Fund Transfers					
Program Funds Considered Unrestricted	--	214	11	--	138
Fund Balances - Beginning of Year	1,495,735	--	--	--	--
Fund Balances - End of Year	\$ 1,491,295	--	--	--	--

INSTITUTE FOR COMMUNITY ALLIANCES

Combining Statement of Activities (Continued)

July 1, 2022 through June 30, 2023

	HUD Continuum of Care - River Valley	HUD Continuum of Care - Missouri	HUD Continuum of Care - St. Louis	HUD Continuum of Care - STL County	HUD Continuum of Care - St. Joe
Support and Revenue					
Government Grants and Contract Reimbursements	\$ 295,448	238,311	133,596	109,473	46,825
Other Grants and Contracted Services	--	--	--	--	--
User Fees and Licenses	--	--	--	--	--
Investment Income (Loss)	--	--	--	--	--
In-Kind	--	--	--	--	--
Other Revenue	--	--	--	--	--
Total Support and Revenue	<u>295,448</u>	<u>238,311</u>	<u>133,596</u>	<u>109,473</u>	<u>46,825</u>
Expenses					
In-Kind	--	--	--	--	--
Vehicle Donation	--	--	--	--	--
Bad Debt Expense	--	--	--	--	--
Depreciation	--	--	--	--	--
HMIS Services	--	24,130	897	17,973	1,651
HMIS Software - Support and Licenses	950	--	--	--	--
Payroll and Staffing	249,623	197,762	122,751	83,354	43,264
Space Costs	557	1,365	2,530	1,106	222
Operations	5,659	15,312	6,690	6,426	1,572
Supportive Services	43,708	--	--	--	--
Administrative Costs	819	87	930	769	116
FEMA Contract	--	--	--	--	--
Total Expenses	<u>301,316</u>	<u>238,656</u>	<u>133,798</u>	<u>109,628</u>	<u>46,825</u>
Excess (Deficiency) of Support and Revenue to Expenses	(5,868)	(345)	(202)	(155)	--
Fund Transfers					
Program Funds Considered Unrestricted	5,868	345	202	155	--
Fund Balances - Beginning of Year	--	--	--	--	--
Fund Balances - End of Year	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

INSTITUTE FOR COMMUNITY ALLIANCES

Combining Statement of Activities (Continued)

July 1, 2022 through June 30, 2023

	Program Funds			
	HUD Continuum of Care - Wisconsin EMP	HUD Continuum of Care - Wyoming	Emergency Solutions Grants Program	Emergency Food and Shelter (FEMA)
Support and Revenue				
Government Grants and Contract Reimbursements	\$ --	109,928	1,540,433	12,602
Other Grants and Contracted Services	2,963,034	--	--	--
User Fees and Licenses	--	--	--	--
Investment Income (Loss)	--	--	--	--
In-Kind	--	--	--	--
Other Revenue	--	--	--	--
Total Support and Revenue	<u>2,963,034</u>	<u>109,928</u>	<u>1,540,433</u>	<u>12,602</u>
Expenses				
In-Kind	--	--	--	--
Vehicle Donation	--	--	--	--
Bad Debt Expense	--	--	--	--
Depreciation	--	--	--	--
HMIS Services	--	123	261,189	--
HMIS Software - Support and Licenses	--	--	4,537	--
Payroll and Staffing	445,122	102,453	1,208,782	--
Space Costs	850	322	14,170	--
Operations	77,957	7,220	71,625	--
Supportive Services	2,356,866	--	--	141
Administrative Costs	75,788	22	39,175	75
FEMA Contract	--	--	--	12,688
Total Expenses	<u>2,956,583</u>	<u>110,140</u>	<u>1,599,478</u>	<u>12,904</u>
Excess (Deficiency) of Support and Revenue to Expenses	6,451	(212)	(59,045)	(302)
Fund Transfers				
Program Funds Considered Unrestricted	(6,451)	212	59,045	302
Fund Balances - Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>

INSTITUTE FOR COMMUNITY ALLIANCES
Combining Statement of Activities (Continued)

July 1, 2022 through June 30, 2023

Housing Opportunities for Persons with AIDS	IFA ESGP/BOS Match Iowa	Projects for Assistance in Transition from Homelessness	Contracted Services	Institute Funds		
				Dean Wright Fund	Property and Equipment	Institute Administrative
30,454	79,338	--	--	--	--	--
--	--	50,325	5,128,064	--	--	--
--	--	--	600,579	--	--	--
--	--	--	--	--	--	5,979
--	--	--	30,000	--	--	--
--	--	--	--	2,998	--	17,421
<u>30,454</u>	<u>79,338</u>	<u>50,325</u>	<u>5,758,643</u>	<u>2,998</u>	<u>--</u>	<u>23,400</u>
--	--	--	30,000	--	--	--
--	--	--	--	--	12,589	--
--	--	--	6,103	--	--	--
--	--	--	--	--	1,441	--
1,856	18,725	4,180	685,658	--	--	--
36	342	31	113,422	--	--	--
27,738	54,868	53,443	3,720,946	--	--	195,977
836	1,876	951	68,128	--	--	1,329
1,096	3,284	1,835	342,075	4,419	--	65,714
--	--	--	317,840	--	--	33
167	357	293	82,670	1,661	--	63,195
--	--	--	--	--	--	--
<u>31,729</u>	<u>79,452</u>	<u>60,733</u>	<u>5,366,842</u>	<u>6,080</u>	<u>14,030</u>	<u>326,248</u>
(1,275)	(114)	(10,408)	391,801	(3,082)	(14,030)	(302,848)
1,275	114	10,408	(419,318)	--	--	343,037
<u>--</u>	<u>--</u>	<u>--</u>	<u>27,665</u>	<u>14,214</u>	<u>14,030</u>	<u>1,439,826</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>148</u>	<u>11,132</u>	<u>--</u>	<u>1,480,015</u>

SEE INDEPENDENT AUDITOR'S REPORT

INSTITUTE FOR COMMUNITY ALLIANCES

Schedule of Expenses

Years Ended June 30,

Expenses	<u>2023</u>	<u>2022</u>
In-Kind	\$ 30,000	76,741
Vehicle Donation	12,589	--
Bad Debt Expense	6,103	--
Depreciation	1,441	5,765
Homeless Management Information System		
Hosting	1,352,069	1,131,523
Custom Programming	29,733	52,778
Software - Support and Licenses		
Support	--	7,920
Supporting Software	2,451	4,192
User Licenses	128,053	166,125
Payroll and Staffing		
Salary	7,972,932	7,075,065
Taxes and Benefits	1,954,776	1,682,397
Space Costs	165,410	149,802
Operations		
Utilities	--	1,410
Telecommunications	88,962	75,896
Office Supplies	59,435	66,849
Software Licenses	146,943	108,737
Website Design and Maintenance	3,710	3,803
Computer	53,968	47,196
Equipment and Furniture	17,506	37,398
IT Services	34,466	44,546
Printing	5,947	5,641
Postage and Delivery	6,944	6,357
Insurance	38,434	40,312
Meetings and Travel	360,157	190,754
Training and Professional Development	8,618	29,939
Other Operations	592	1,581
Supportive Service Operations		
Consultants	--	22,500
Subrecipient Agencies	564,787	13,095
Coordinated Entry Case Management	476,208	183,149
WIBoSCoC Costs	2,356,901	1,820,217
Other	141	82,572
Administrative Costs		
Consulting	16,703	--
Contracted Staff	131,185	111,342
Professional Fees	70,293	99,780
Bank Charges	3,231	1,681
Dues and Subscriptions	2,491	664
Interest	9,112	131
Miscellaneous	41,349	2,827
FEMA Contract	12,688	12,474
	<u>\$ 16,166,328</u>	<u>13,363,159</u>

SEE INDEPENDENT AUDITOR'S REPORT



December 8, 2023

Board of Directors
Institute for Community Alliances
Des Moines, Iowa

We have audited the financial statements of Institute for Community Alliances for the year ended June 30, 2023, and have issued our report thereon dated December 8, 2023. Professional standards require that we provide you information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 3, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Institute for Community Alliances are described in Note 2 to the financial statements. During the year ended June 30, 2023, the Institute adopted ASU 2016-02, Leases (Topic 842) which requires the recognition of lease assets and lease liabilities on the balance sheet for certain lease obligations and disclosures of key information about leasing arrangements. ASU 2016-02 may also require the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous generally accepted accounting principles. We noted no transactions entered into by the Institute during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements pertained to the collectability of receivables and the determination of depreciation expense. Management's estimate regarding the ability to collect significant receivables is based upon an analysis of the individual amounts and historical information. Management sets the depreciable lives of fixed assets based upon the estimated useful lives of those assets. We evaluated the key factors and assumptions used to develop these valuations in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In our judgment, the entries we proposed to record the operating lease asset and liability, and to adjust year-end deferred revenue do indicate matters that could have a significant effect on the Institute's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 8, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Institute's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Institute's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Other Comments

Segregation of Duties

Due to the limited number of personnel within the Institute's fiscal office, certain controls provided by an ideal system of segregation of duties are missing internally within Institute for Community Alliances. The degree of segregation of duties attainable depends on the number of accounting personnel involved. While we recognize that your Institute does not have a sufficient number of staff to permit a complete segregation of duties among accounting personnel, we do feel that adequate steps, through the hiring of an outside accounting consultant, have been taken to help alleviate this situation.


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In this situation, a strong system of management and Board of Directors monitoring is still necessary to help alleviate the risk of any potential problems resulting from the limited number of financial and accounting personnel as well as to monitor the duties performed by the outside accounting consultant.

This letter does not affect our reports on the Institute's financial statements and internal control included under a separate cover and dated December 8, 2023.

This information is intended solely for the use of the Board of Directors and management of Institute for Community Alliances and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,


MERIWETHER, WILSON AND COMPANY, PLLC
Certified Public Accountants