

Community Action Inc. of Rock & Walworth Counties and Related Entities

Consolidated Financial Statements
and Supplementary Information

Year Ended December 31, 2024



Community Action Inc. of Rock & Walworth Counties and Related Entities

Year Ended December 31, 2024

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Independent Auditor's Report

Board of Directors
Community Action Inc. of Rock & Walworth Counties and Related Entities
Beloit, Wisconsin

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community Action, Inc. of Rock & Walworth Counties (a nonprofit organization) and Related Entities, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Community Action Inc. of Rock & Walworth Counties and Related Entities as of December 31, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 Community Action Inc. of Rock & Walworth Counties and Related Entities and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of Beloit Mature Adult Housing, LLC, Delavan Mature Adult Housing, LLC, Evansville Senior Housing, LP, and Community Action Properties, LLC were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Inc. of Rock & Walworth Counties and Related Entities' ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Program Activity and 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 *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and the Consolidating Statement of Financial Position, Consolidating Statement of Activities, Statement of Financial Position – Low-Income Housing Partnerships, Statement of Activities – Low-Income Housing Partnerships, Schedule of Emergency Furnace and Water Conservation Activity by Contract, and DHS Cost Reimbursement Award Schedule are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated statement of financial position of Community Action, Inc. of Rock & Walworth Counties as of December 31, 2023, and the related consolidated statements of activities and cash flows for the year then ended (none of which is presented herein), and we expressed an unmodified opinion on those consolidated financial statements. That audit was conducted for purposes of forming an opinion on the consolidated financial statements as a whole. The Schedule of Emergency Furnace and Water Conservation Activity by Contract is presented for purposes of additional analysis. 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 December 31, 2023, consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of those consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the prior year expenses included on the Schedule of Emergency Furnace Activity by Contract is fairly presented, in all material respects, in relation to the consolidated financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025 on our consideration of Community Action, Inc. of Rock & Walworth Counties' 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 Action Inc. of Rock & Walworth County'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 the Organization's internal control over financial reporting and compliance.



Wipfli LLP

Madison, Wisconsin

September 15, 2025

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Consolidated Statement of Financial Position

December 31, 2024

<i>Assets</i>	
<hr/>	
Current assets:	
Cash	\$ 522,641
Restricted cash	758,704
Grants receivable	673,738
Accounts receivable, net of allowance for credit losses of \$5,231	73,841
Weatherization inventory	961,247
Housing inventory	181,444
Prepaid expenses and other assets	157,063
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Total current assets	3,328,678
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Other assets:	
Investments	218,114
Loans receivable - Housing, net of allowance for credit losses of \$197,226	709,747
Right-of-Use Asset, net	597,560
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Total other assets	1,525,421
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Property and equipment, net	5,279,922
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TOTAL ASSETS	\$ 10,134,021

See accompanying notes to consolidated financial statements.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Consolidated Statement of Financial Position (Continued)

December 31, 2024

<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of mortgages payable	\$ 26,449
Accounts payable	521,659
Accrued payroll and related expenses	129,680
Other liabilities	87,811
Refundable advance liability	781,881
Current portion of operating lease liability	111,664
Total current liabilities	1,659,144
Long-term liabilities:	
Mortgages payable	1,064,846
Operation lease liability, net of current portion	576,851
Total long-term liabilities	1,641,697
Total liabilities	3,300,841
Net assets:	
Without donor restrictions - CAI	1,296,421
Without donor restrictions - BALI	1,231,670
Without donor restrictions - Board designated	218,114
Without donor restrictions - Low-Income housing partnerships	688,294
Total without donor restrictions	3,434,499
With donor restrictions - CAI	3,398,681
Total net assets	6,833,180
TOTAL LIABILITIES AND NET ASSETS	\$ 10,134,021

See accompanying notes to consolidated financial statements.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Consolidated Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant and contract revenue	\$ 9,243,962	\$ 0	9,243,962
Food commodities received	779,674	0	779,674
Fee for services revenue	989,848	0	989,848
Program and other contributions	711,212	80,073	791,285
Rental income	1,146,033	0	1,146,033
Investment income	61,292	0	61,292
Net assets released from restriction through satisfaction of program restrictions	158,405	(158,405)	0
Total revenue	13,090,426	(78,332)	13,012,094
Expenses:			
Program activities:			
Weatherization/energy assistance	4,293,438	0	4,293,438
Housing and housing rehabilitation	2,462,607	0	2,462,607
Employment training	1,889,754	0	1,889,754
Food programs	906,300	0	906,300
Child programs	1,329,061	0	1,329,061
Community services programs	281,771	0	281,771
Other	197,163	0	197,163
Homeless/shelter programs	373,225	0	373,225
Health Care	228,687	0	228,687
Total program activities	11,962,006	0	11,962,006
Support services:			
Management and general	1,186,374	0	1,186,374
Fundraising	61,726	0	61,726
Total supportive services	1,248,100	0	1,248,100
Total expenses	13,210,106	0	13,210,106
Change in net assets	(119,680)	(78,332)	(198,012)
Net assets at beginning of year	3,554,179	3,477,013	7,031,192
Net assets at end of year	\$ 3,434,499	\$ 3,398,681	6,833,180

See accompanying notes to consolidated financial statements.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Consolidated Statement of Functional Expenses Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 2,986,586	\$ 689,477	\$ 27,930	\$ 3,703,993
Fringe benefits	846,073	142,064	4,454	992,591
Consultants/contractual	206,624	257,422	266	464,312
Travel	106,489	19,957	245	126,691
Occupancy	989,410	20,675	1,631	1,011,716
Supplies	64,044	8,605	558	73,207
Weatherization materials	1,451,149	0	0	1,451,149
Client/participant costs	3,021,680	0	0	3,021,680
Depreciation	314,652	24,437	0	339,089
Commodities distributed	779,674	0	0	779,674
Other	174,326	23,737	26,642	224,705
Project expenses	1,021,299	0	0	1,021,299
Total expenses	\$ 11,962,006	\$ 1,186,374	\$ 61,726	\$ 13,210,106

See accompanying notes to consolidated financial statements.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Consolidated Statement of Cash Flows

Year Ended December 31, 2024

Increase (decrease) in cash and restricted cash:	
Cash flows from operating activities:	
Change in net assets	(\$ 198,012)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	339,089
Amortized interest expense	1,186
Realized and unrealized gain on investments	(29,030)
Write down of housing inventory	41,405
Credit loss recovery	(14,603)
Net change in discount on loans receivable	(12,194)
Non-cash lease costs	99,731
Changes in operating assets and liabilities:	
Grants receivable	249,381
Accounts receivable	40,704
Weatherization inventory	(267,009)
Housing inventory	(4,067)
Prepaid expenses and other assets	(54,198)
Accounts payable	(52,575)
Accrued payroll and related expenses	(52,359)
Other liabilities	(4,212)
Refundable advance liability	514,320
Operating lease liability	(107,826)
Net cash from operating activities	489,731
Cash flows from investing activities:	
Capital expenditures	(163,203)
Proceeds from sales of investments	296,280
Collections on loans receivable	56,177
Net cash from investing activities	189,254
Cash flows from financing activities:	
Cash overdraft	(8,680)
Payments on mortgages payable	(23,981)
Net cash from financing activities	(32,661)
Change in cash and restricted cash	646,324
Cash and restricted cash - Beginning of year	635,021
Cash and restricted cash - End of year	\$ 1,281,345
Supplemental schedule of operating activities:	
Interest paid and expensed	\$ 66,132
Supplemental schedule of noncash operating and investing activity:	
Change in commodity food inventory/refundable advance liability	\$ 77,014
Reconciliation of cash and restricted cash to the consolidated statement of financial position at December 31, 2024	
Cash	\$ 522,641
Restricted cash	758,704
Total cash and restricted cash	\$ 1,281,345

See accompanying notes to consolidated financial statements.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Community Action, Inc. of Rock & Walworth Counties (CAI) was organized as a nonprofit corporation in 1965. CAI was formed to develop and provide resources for the purpose of assisting low-income individuals through a variety of programs in Rock and Walworth Counties in Wisconsin. CAI is supported through federal and state government grants, fees for services, and private contributions. Approximately 50% of grant and contract revenue was received from the State of Wisconsin under the Weatherization program.

Beloit Assisted Living, Inc. (BALI) was organized as a private nonprofit corporation in 2001. BALI has common board members with CAI and is under common control with CAI. BALI was organized to provide affordable housing for the elderly. BALI currently owns and operates a 30-unit housing project. The project is funded through a forgivable loan from the U.S. Department of Housing and Urban Development (HUD). A separate Single Audit was also issued for BALI as of and for the year ended December 31, 2024.

Beloit Mature Adult Housing, LLC (BMAH), a Wisconsin limited liability company, was formed in January 1997, under the Wisconsin Limited Liability Company Act to acquire and operate a 47-unit residential rental housing project called Olympian Hill Apartments located in Beloit, Wisconsin. The project is financed and regulated by the Wisconsin Housing and Economic Development Authority (WHEDA).

Delavan Mature Adult Housing, LLC (DMAH), a Wisconsin limited liability company, was formed in April 1999, under the Wisconsin Limited Liability Company Act to acquire and operate a 24-unit residential rental housing project called Prairie View Apartments located in Delavan, Wisconsin. The Project qualifies for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Service Code. The Project receives rent and interest subsidies from Rural Housing Service (RHS) of the U.S. Department of Agriculture, Rural Development (USDA-RD).

Evansville Senior Housing, LP (ESH) was formed in July 2000, as a limited partnership under the Wisconsin Uniform Limited Partnership Act to construct and operate a 24-unit residential rental housing project called Arbor Glen Apartments (the "Project") located in Evansville, Wisconsin. The Project qualifies for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Service Code (IRC). The Project receives rent and interest subsidies from Rural Housing Service (RHS) of the U.S. Department of Agriculture, Rural Development (USDA-RD).

Community Action Properties, LLC (CAP) is a wholly owned limited liability corporation of CAI. CAP was organized in order to support CAI's efforts to develop affordable housing. CAP owned houses in the Beloit Merrill Neighborhood and title to these were transferred to CAI in 2010. In addition, CAP owns a duplex in Walworth County.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

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

Principles of Consolidation

These financial statements are consolidated and include the accounts of CAI, BALI, BMAH, DMAH, ESH, and CAP (the "Organizations"). All material inter-company transactions and accounts are eliminated in consolidation.

Classification of Net Assets

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

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

Net Assets Without Donor Restrictions, Board Designated - The trust managed investments have been designated by the Board of Directors as a reserve for contingencies and are not available for use in operations. As these amounts are only restricted by Board policy, the amounts have been classified as net assets without donor restrictions. The Board's intent is that the amount of net assets without donor restrictions that are classified as a reserve for contingencies will always be equal to the market value of the funds in the investment trust. The Board may designate additional amounts from time to time to be added to the investment trust.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or may not be met either by actions of the Organizations and/or the passage of time. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. If a restriction is satisfied in the year of contribution, the contribution is recorded as revenue without restrictions.

Use of Estimates

The preparation of consolidated 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 Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions

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

- An explicit 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.

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.

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

Grants

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

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as a refundable advance liability.

B. Grant Awards That Are Exchange Transactions

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

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Revenue from Contracts with Customers

CAI recognized revenue from exchange transactions from contracts with customers for childcare fees and sales and recognizes this revenue in accordance with Financial Accounting Standard Board (FASB) Accounting Standards Update (ASU 2014-09) and ASC 606, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition with a focus on the transfer of control of promised goods or services to a customer.

Childcare Fees - CAI recognized revenues from childcare fees of \$957,628 in 2024, which is included in fee for services revenue and program and other contributions on the consolidated statement of activities. CAI provides childcare services to families in the community and also has two contracts with a nonprofit organization to provide childcare services for participants in their programs. Contract terms are established when parents enroll their child in the program using a childcare parent handbook. Pricing is established based on the age of the child, hours needed per day, and if enrolled on a full time or part time basis. Families are responsible for paying for blocks of care in weekly increments and can cancel care with one week's notice. If a family is eligible for the Wisconsin Shares Child Care Subsidy through the State of Wisconsin, the family is responsible for applying for and maintaining eligibility. Payments from Wisconsin Shares are considered third-party reimbursements on behalf of the family receiving care and are treated as exchange revenues similar to parent fees paid. A multiple child discount is available to all families with two or more children enrolled. CAI considers the performance obligation to be providing the services outlined in the contracts. Revenue is recognized over time as the customers are simultaneously receiving and consuming the benefits of the services. CAI feels the output method is the most faithful depiction of the transfer of goods or service, using time elapsed.

Sales – Sales revenue is generated from the sale of housing inventory. Customers pay for the property on a stand-alone selling price basis at the point of sale which occurs at a point in time. Control is transferred immediately to the customer at the point of sale, at which point the CAI recognizes the revenue. There are no discounts on purchases or refunds available for these sales. Sales of housing inventory totaled \$175,000 during the year ended December 31, 2024, and is included in program and other contributions revenue on the consolidated statement of activities.

CAI determined at December 31, 2024, there were no services provided without a contract in place and, therefore, has no expected adjustments to receivables and revenue. The receivables from contracts with customers for services provided are included in accounts receivable on the consolidated statement of financial position and were \$8,165 and \$10,967 at December 31, 2024 and January 1, 2024, respectively.

There were no contract assets or contract liabilities at December 31, 2024 or January 1, 2024.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Rental Income

The Organizations' leases consist of tenant leases related to the rental property reported in the consolidated statements of financial position. Tenant leases are typically for 12 months or less, do not include extension options, and are classified as operating leases. Operating lease revenue is recognized as rental revenue over the term of the lease. Advance receipts, if any, are deferred and classified as liabilities until earned.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist primarily of amounts billed under performance contracts and client service fees. The carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Organization uses an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics.

The allowance for credit losses was \$5,231 at December 31, 2024.

Investments

Investments are carried at fair value. Unrealized gains or losses of investments are included in investment income in the consolidated statement of activities. Fair values are determined based on active publicly traded markets.

Inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Weatherization Inventory - CAI hires contractors to do a large portion of the weatherization activity. The contractors provide labor and materials. Weatherization materials, crew, and contractor labor are expensed in the accounting period when the unit weatherized is claimed as a completed unit. A completed unit represents a dwelling that has received weatherization services within the limits established in the weatherization contract, the final inspection has been performed, and the owner sign-off has been obtained.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Inventory (Continued)

Housing Inventory (homes held for resale) - CAI purchased houses in the Beloit Merrill Neighborhood in prior years. CAI is rehabilitating the houses and will sell them to income eligible buyers upon completion.

Commodity food inventory represents the value of food received through the State of Wisconsin and is distributed to low-income households. Valuations are provided by the State of Wisconsin. Commodity inventory is charged to expense when the commodities are distributed. Those commodities received during the year that had not been distributed are recognized as an asset with a corresponding balance recorded as a refundable advance liability on the consolidated statement of financial position.

Loans Receivable

CAI operates several loan funds that provide assistance to low-income residents in CAI's service area. The assistance provided is recorded as a receivable with a corresponding increase in net assets with donor restrictions. Any loans subsequently repaid will reduce the loan receivable and provide funds for loans or other assistance to other eligible participants.

Management has the intent and ability to hold all loans for the foreseeable future or until maturity or pay-off. Management has reported the loans at their outstanding unpaid principal balances adjusted for charge-offs and the allowance for credit losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are recognized as income or expense when received or incurred since capitalization of these fees or costs would not have a significant impact on the consolidated financial statements.

At such time when a loan is determined to be past due, the interest-bearing loans are placed on nonaccrual status. The determination of past due loans for purposes of placing on nonaccrual status is made on a case-by-case basis. Interest accrued but not collected for loans that are placed on nonaccrual status is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Loans Receivable (Continued)

CAI has the following types of loans receivable:

Loans Receivable - Housing

CAI operates a revolving loan program funded by grant awards. CAI receives funds to loan to eligible individuals for housing assistance. Loans are either to be repaid or are forgiven. The repaid loans are to be repaid over a time period determined by the grant or are to be repaid when the property is sold, title changes, or the property is refinanced. The forgivable loans are forgiven over a time period determined by the individual grant.

Any funds repaid must be used in accordance with the original grant agreement, which includes covering a certain percentage of administrative costs. The loans are low or non-interest-bearing. Loans receivable are discounted to their net present value at a 4.5% discount rate.

Loans Receivable – Housing Partnership

CAI received a Rental Housing Development grant award from the State of Wisconsin to provide housing assistance to low-income households. The grant funds are loaned to a limited liability company (LLC), of which CAI was a member, for the development of housing projects.

Allowance for Credit Losses

CAI uses a current expected credit loss (“CECL”) model to estimate the allowance for credit losses on loans. The CECL model considers historical loss rates and other qualitative adjustments, as well as a new forward-looking component that considers reasonable and supportable forecasts over the expected life of each loan. To develop the allowance for credit losses estimate under CECL, CAI segments the loan portfolio into loan pools based on loan type and similar credit risk elements and adjusts for forecasted macro-level economic conditions and other anticipated changes in credit quality; and determines qualitative adjustments based on factors and conditions unique to CAI's loan portfolios. Management evaluates the collectively evaluated using the probability of default model.

Under the CECL model, loans that do not share similar risk characteristics with loans in their respective pools are individually evaluated for expected credit losses and are excluded from the collectively evaluated loan credit loss estimates. Management individually evaluates its loans receivable for evidence of credit deterioration. For loans individually evaluated, a specific reserve is estimated based on either the fair value of the collateral (if applicable) or the discounted value of expected future cash flows. See Note 10 for more information.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Allowance for Credit Losses (Continued)

Loan losses are charged against the allowance when management believes the collectability of the principal is unlikely. Subsequent recoveries, if any, are reported as charge-off recovery income on the consolidated statement of activities. Loans receivable with which proceeds from repayments are to be remitted back to the funding source are not considered in the evaluation of the allowance.

A loan is considered impaired when, based on current information and events, it is probable that CAI will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the amount owed.

Impairment is measured on a loan-by-loan basis for housing and business loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. A loan is considered to be collateral dependent when, based upon management's assessment, the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. For collateral dependent loans, expected credit losses are based on the fair value of the collateral as of the date of the consolidated statement of financial position, with consideration for estimated selling costs if satisfaction of the loan depends on the sale of collateral.

Property and Equipment

Property and equipment are capitalized at cost. Depreciation is provided for using the straight-line method over the estimated useful life of the asset. The Organizations consider 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 CAI 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. The disposition of property and equipment, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$464,964 at December 31, 2024.

Community Action Inc. of Rock & Walworth Counties and Related Entities

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 the BMAH housing project. Unamortized debt issuance costs 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.

Income Taxes

CAI is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from franchise or income tax.

BALI is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Wisconsin franchise or income tax.

BMAH, DMAH, ESH and CAP are sole member LLCs or LPs and, therefore, are treated as disregarded entities for tax purposes. The activity of BMAH, DMAH, ESH, and CAP are included in CAI's annual federal and state returns.

The Organizations are 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 consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

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 organization programs that cannot be readily identified with a final cost objective. A provisional indirect cost rate of 13.70% of modified total direct costs has been approved by the U.S. Department of Housing and Urban Development (HUD). A provisional indirect cost rate is based upon the projected costs of the Organization for the fiscal year under consideration. CAI adjusts the provisional rate based upon actual experience. This adjusted rate is subject to approval at which time the indirect cost rate becomes final. Any adjustments to the rate will be reflected in the consolidated financial statements when the rate is finalized.

Functional Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statement of functional expenses. 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 Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Leases

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

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

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

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

For all underlying classes of assets, CAI has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that CAI is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. CAI recognizes short-term lease cost on a straight-line basis over the lease term.

CAI made an accounting policy election for building space and office equipment to not separate the lease components of a contract and its associated nonlease components including lessor provided maintenance. For all other underlying classes of assets, CAI separates lease and nonlease components to determine the lease payment.

Subsequent Events

Subsequent events have been evaluated through September 15, 2025, which is the date the consolidated financial statements were available to be issued.

In 2025, CAI and the lessor for its largest lease have executed a lease termination agreement, with a termination date of October 31, 2025.

CAI ended its Fresh Start program effective June 30, 2025, due to federal funding cuts.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 2: Liquidity and Availability

As of December 31, 2024, the following are the financial assets that could readily be made available within one year of the consolidated statement of financial position date to meet general expenditures:

Cash	\$	522,641
Grants receivable		673,738
Accounts receivable		73,841
Less: net assets with donor restrictions included in financial assets		(1,038,811)
<hr/>		
Total	\$	231,409
<hr/>		

In accordance with the Organization's policies, the Finance Director monitors cash flow needs on a daily basis to eliminate idle funds and to ensure that payment obligations can be met. CAI has access to draw on its line of credit of \$750,000, and with approval from the Board of Directors, has access to convert investments to cash. CAI can rely on a lower cash balance as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, an organization can request reimbursement from the funding source. CAI has grant commitments for future expenses of approximately \$4,300,000 at December 31, 2024.

Note 3: Concentration of Credit Risk

The Organizations maintain their cash balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

CAI's cash balances at times exceed insured limits as designated by FDIC. CAI has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

CAI's investments consisting of equity and fixed income funds and a money market fund are not insured (see Note 7).

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 4: Restricted Cash

The restricted cash balance at December 31, 2024, consisted of the following:

CAI reserve for unemployment claims	\$	55,300
CAI fiscal agent activity		163,515
BALI reserves and security deposits		123,183
BMAH reserves and security deposits		66,709
DMAH reserves and security deposits		268,633
ESH reserves and security deposits		81,364
<hr/>		
Total	\$	758,704

CAI acts as a fiscal agent for an organization. The revenue and expenses related to this activity are not included in these consolidated financial statements. As of December 31, 2024, the amount payable to this organization, which is included in restricted cash and accounts payable on the consolidated statement of financial position, was \$163,515.

Note 5: Grants Receivable

Grants receivable at December 31, 2024, consisted of the following:

State programs	\$	141,326
Federal programs		363,700
Other programs		168,712
<hr/>		
Total	\$	673,738

Note 6: Accounts Receivable, Net

Accounts receivable, net, at December 31, 2024, consisted of funds due for the following activities:

CAI rental and miscellaneous activities	\$	57,376
BALI, BMAH, DMAH, and ESH rental activities		21,696
<hr/>		
Total accounts receivable		79,072
Allowance for credit losses	(5,231)
<hr/>		
Accounts receivable, net	\$	73,841

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 7: Investments

The investments consist of funds in a trust managed by BMO Harris Bank. The trust account is invested in equity and fixed income funds and a money market fund and is carried at fair value.

As of December 31, 2024, investments consist of the following:

Money market fund	\$	4,766
Equity and fixed income funds		213,348
<hr/>		
Total	\$	218,114

Total investment income for the year ended December 31, 2024, was as follows:

Interest and dividends	\$	35,488
Realized and unrealized gain on investments		29,030
Fees	(3,226)
<hr/>		
Investment income	\$	61,292

Note 8: Weatherization Inventory

As of December 31, 2024, CAI's inventory of weatherization material included the following:

Materials inventory	\$	9,286
Work in process		951,961
<hr/>		
Total	\$	961,247

Note 9: Housing Inventory

Housing inventory activity during the year ended December 31, 2024 consisted of the following:

Beginning cost of housing inventory	\$	218,782
Current year additions		116,320
Current year cost of sales	(112,253)
Current year write-down (lower of cost or net realizable value)	(41,405)
<hr/>		
Ending cost of housing inventory	\$	181,444

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 9: Housing Inventory (Continued)

CAI has purchased older homes in Rock and Walworth counties to repair and sell in an effort to provide affordable housing and to stimulate private redevelopment in these locations. The homes were severely worn, required significant demolition prior to repair, and required major repairs. Four of the homes in the Beloit Merrill Neighborhood were completely demolished and the remaining lots may be held for future development or may be sold with the adjacent house being repaired to reduce the density in the neighborhood. The write-down is based upon the costs to acquire and do repairs less than estimated market value based upon the percentage of repairs completed times the estimated average market value. CAI is making every effort to cover the acquisition, repair, and write-down costs with grants and donations.

Note 10: Loans Receivable - Housing

CAI operates several programs that provide assistance to participants for housing. Unless noted otherwise, the funds were received from the State of Wisconsin, Department of Administration. The assistance is provided in the form of various low- or no-interest deferred or installment loans. As detailed more fully below, the loans are due and payable on the occurrence of various events including sale, transfer, or reassignment of the property, death of the homeowner, the homeowner no longer occupying the property, refinancing, or the passage of time. Unless otherwise noted below, any repaid loans and interest are to be used by CAI for similar purposes.

A summary of loans receivable - housing as of December 31, 2024, is as follows:

CAI received a HOME grant award to help low-income homebuyers bring their homes up to housing quality standards. Rehabilitation assistance is in the form of a no-interest deferred loan. The loan is payable at the earliest of the sale, transfer, or reassignment of the property.	\$ 76,254
CAI received a Housing Cost Reduction Initiative (HCRI) grant to provide no-interest deferred loans to help low-income homebuyers acquire a lot for the construction of a home and for down payment and closing cost assistance. The assistance is given as a no-interest deferred loan payable at the earliest of the sale or transfer of the property.	45,564
CAI received a HOME grant to provide no-interest deferred loans to help low-income homeowners rehab their property. The assistance is given as a no-interest deferred loan payable at the earliest of the sale or transfer of the property.	81,018
CAI received a HOME grant award and a HCRI grant from the City of Beloit to provide no-interest deferred loans to help low-income homebuyers with construction of a new home. The assistance is given as a no-interest deferred loan payable at the earliest of the sale or transfer of the property.	13,900
CAI received a Home Weatherization Rehabilitation grant to provide for weatherization and/or home rehabilitation assistance to eligible participants. The assistance is given as a no-interest deferred loan payable at the earliest of the sale, transfer, or reassignment of the property or death of the participant.	77,127

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 10: Loans Receivable - Housing (Continued)

CAI received a Home Weatherization Rehabilitation grant to provide for weatherization and/or home rehabilitation assistance to eligible participants. The assistance is given as a no-interest deferred loan payable at the earliest of the sale, transfer, or reassignment of the property or death of the participant. 308,031

CAI received a Home Lead Hazard Reduction grant to provide for lead hazard reduction assistance to eligible participants. The assistance is given as a 4% interest deferred loan payable at the earliest of the sale, transfer, or reassignment of the property or death of the participant. 27,332

CAI was assigned HOME and HCRI loans that were used to help low-income homebuyers with down payment and closing cost assistance. The loans are at 3% annual interest deferred until the loan is repaid. The loan is payable at the earliest of the sale, transfer, or reassignment of the property or death of the participant. 368,147

Total loans receivable- Housing	997,373
Allowance for credit losses	(197,226)

Expected revolving loans to be received	800,147
Discounted at 4.5%	(90,400)

Loans receivables, net	\$ 709,747
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The unamortized discount is the difference between the face amount of the loan receivable and its present value discounted at a compound interest rate. This discount is then amortized over the life of the loan.

CAI monitors the credit quality of housing loans based on collections received.

For the year ended December 31, 2024, the allowance for credit losses change is as follows:

Balance at the beginning of the year	\$ 211,829
Credit loss recovery	(14,603)

Balance at the end of year	\$ 197,226
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The lead hazard reduction assistance and assigned HOME and HCRI loans above have been placed on nonaccrual status at December 31, 2024 given the fact that the loans are not payable until a certain event occurs. Interest income recognized on these loans was \$5,809 during 2024. There were no loans that were considered impaired as of December 31, 2024.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 11: Property and Equipment

A summary of property and equipment as of December 31, 2024, is as follows:

	Land	Building	Equipment	Total
CAI	\$ 224,600	\$ 3,260,641	\$ 589,577	\$ 4,074,818
BALI	4,141	2,258,021	43,090	2,305,252
BMAH	0	1,370,765	51,385	1,422,150
DMAH	272,300	923,962	0	1,196,262
ESH	210,420	1,023,471	0	1,233,891
Subtotals	711,461	8,836,860	684,052	10,232,373
Accumulated depreciation				(4,952,451)
Property and equipment, net				\$ 5,279,922

Note 12: Lease Assets and Obligations

CAI leases office space through an operating lease which expires in August 2030. The lease requires monthly payments of \$9,848 through August 2024 and \$10,025 through August 2025, with annual rent increases through the term of the lease. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The components of lease expense were as follows for the year ended December 31, 2024:

Lease cost	
Operating lease costs	\$ 110,791
Short-term operating lease cost	88,516
Total lease cost	\$ 199,307

The weighted-average of the remaining lease terms and weighted average discount rates are as follows for the year ended December 31, 2024:

Weighted-average remaining lease term - Operating leases	5.67
Weighted-average discount rate - Operating leases	1.48%

Operating cash flows from operating leases was \$118,886 for the year ended December 31, 2024.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 12: Lease Assets and Obligations (Continued)

Maturities of operating lease liabilities are as follows as of December 31, 2024:

2025	\$	121,103
2026		123,525
2027		125,995
2028		128,515
2029		131,085
Thereafter		88,548
<hr/>		
Total lease payments		718,771
Less imputed interest	(30,256)
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Subtotals		688,515
Less current portion	(111,664)
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Long-term portion	\$	576,851

CAI was notified in 2025 that the lessor for the lease disclosed above intends to early terminate the lease in 2025. CAI expects to vacate this space in 2025 or in early 2026.

Note 13: Mortgages Payable

Mortgages payable are as follows as of December 31, 2024:

CAI has a mortgage loan with Rock County. The loan is a line of credit which allows CAI to draw upon the line of credit as needed to support the purchase and rehabilitation of a single family house at 1423 Hull Avenue, Beloit, Wisconsin. The maximum loan available is \$15,000. The interest rate is 0%. The outstanding loan balance is due upon sale or transfer of the property. The loan is collateralized by the house at 1423 Hull Avenue, Beloit, Wisconsin.	\$	15,000
BMAH has a mortgage payable to WHEDA, payable in monthly installments of \$3,687, including interest at a rate of the 7-year Treasury Rate plus 2.75% (7.23% at December 31, 2024). The maturity date of the mortgage is August 1, 2045. The mortgage is secured by BMAH's assets.		590,833
BMAH has a mortgage payable to WHEDA, payable in annual installments of \$7,589, including interest at a fixed rate of 3%. Debt service payments on this mortgage is subject to available surplus cash flow. The maturity date of the mortgage is August 1, 2045. The mortgage is secured by BMAH's assets		143,285
DMAH has a mortgage payable to Rural Housing Services (RHS), payable in monthly installments of \$875, including interest at a fixed rate of 7.125% with a maturity date of December 1, 2030, in the form of a balloon payment equal to the principal balance at that date. The mortgage is secured by the DMAH's assets.		123,871

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 13: Mortgages Payable (Continued)

ESH has a mortgage payable to RHS, payable in monthly installments of \$1,655, including interest at a fixed rate of 6.875% with a maturity date of July 2030. The mortgage is secured by the ESH's assets.

242,717

Subtotals	1,115,706
Debt issuance costs of \$35,579, net of accumulated amortization of \$11,168	(24,411)
Current maturities of mortgages payable	(26,449)

Long-term mortgages payable	\$ 1,064,846
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Future payments of mortgages payable are as follows:

2025	\$ 26,449
2026	27,407
2027	29,140
2028	30,593
2029	32,122
Thereafter	969,995

Total	\$ 1,115,706
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CAI also has a line of credit at BMO Harris Bank with a maximum loan available of \$750,000. The line of credit matures upon mutual termination or default. The line of credit has a variable interest rate of prime rate plus 0.85% with a floor interest rate of 7.65% (8.50% at December 31, 2024), and is collateralized by real property. There was no outstanding amount drawn on the line of credit at December 31, 2024.

Note 14: Capital Advance - HUD

BALI was financed principally by a HUD capital advance mortgage note (the "Note") in the amount of \$2,251,500, payable to HUD. The Note bears no interest and repayment is not required so long as the housing remains available for very low-income elderly persons in accordance with the regulatory agreements and regulations.

The Note may not be prepaid prior to the maturity date without the prior written approval of HUD. Provided that (1) the housing has remained available for occupancy by eligible persons until the maturity date of the Note, and (2) the Note has not otherwise become due and payable by reason of default under the Note, mortgage or regulatory agreement or regulations, the Note will be considered to be paid in full and discharged at maturity, May 1, 2044.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 14: Capital Advance - HUD (Continued)

If the Note is considered in default under the terms of the Note, mortgage, the regulatory agreement or the regulations, at the option of the holder of the Note, the entire principal shall become due and payable without notice. In addition, interest at a rate equal to 5.375% per annum shall be payable on demand with respect to the payment of principal. Interest expense will only be recognized if it becomes payable.

The Note, in its principal amount, is reflected as net assets without donor restrictions. Management currently intends to comply with all Note provisions over the term of the Note and management believes that the possibility that repayment may occur is remote and; therefore, believes recognition of the Note as net assets without donor restrictions is the appropriate treatment.

Note 15: Net Assets with Donor Restriction

At December 31, 2024, net assets with donor restrictions are available for the following purposes:

Housing activities:	
Housing projects	\$ 1,789,246
Revolving loans - Housing	1,477,904
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Housing activities subtotal	3,267,150
Funds available for vehicle loans	1,850
Twin Oaks contributions	5,913
Other	123,768
<hr/>	
Total	\$ 3,398,681

Net assets were released from restrictions during the year ended December 31, 2024 for the following purposes:

Housing projects	\$ 52,064
Funds available for vehicle loans	25,383
Twin Oaks contributions	25,326
Other	55,632
<hr/>	
Total	\$ 158,405

Note 16: Employee Retirement Plan

CAI has a retirement plan that covers all employees who work a minimum of 1,000 hours per year and have been employed for two years. The pension plan is invested in individual employee 403(b) accounts. The retirement benefits are fully vested with the plan participant at the time the funds are contributed. Contributions for the plan were \$156,791 for the year ended December 31, 2024.

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 17: Rental Income

Rental income from the affordable housing projects, primarily under annual operating leases, during the year ended December 31, 2024, was \$1,002,537. In addition, CAI subleases certain properties in the operation of some of their housing programs. Rental income recorded under subleases during the year ended December 31, 2024, was \$143,496.

As per the sublease agreements, guaranteed annual rental payments due to CAI are \$121,963 for 2025.

Note 18: Commitments and Contingencies

At December 31, 2024, CAI had commitments under various grants of approximately \$4,300,000. These commitments are not recognized in the accompanying consolidated financial statements as they are conditional awards.

BMAH is liable on a 99-year lease with the City of Beloit for the land upon which the rental property sits. The City has assigned its rights to the lease to WHEDA. The lease requires an annual rent payment of \$1. The lease ends on December 11, 2096. BMAH has the option to purchase the land for \$1 at any time during the lease term.

CAI has not maintained the appropriate amount of cash and restricted cash to comply with donor-imposed restrictions at December 31, 2024. Cash and restricted cash for donor-imposed restrictions should be approximately \$1,039,000 at December 31, 2024. Only \$686,156 is held at December 31, 2024. CAI has a line of credit with available borrowing of \$750,000 at December 31, 2024, that could be used to help offset the shortage. CAI plans to replenish the remaining shortage with operating cash flows.

Note 19: Source of Revenue

Generally, revenue received is from government or private sources. The table below summarizes the sources of funds for 2024:

	Percentage	Amount
Government	74 %	\$ 9,675,235
Private	26 %	3,336,859
Totals	100 %	\$ 13,012,094

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 20: Fair Value Measurements

Generally accepted accounting principles require disclosure of the measurement of assets and liabilities at fair value. In general, CAI determines fair values determined by Level 1 inputs utilizing quoted market prices in active markets. Fair values determined by Level 2 inputs utilize market information that is observable, such as quoted market prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves. Fair values determined by Level 3 inputs are based on valuation models or methodologies that incorporate at least one significant assumption that cannot be corroborated by observable market data. Level 3 measurements reflect CAI's estimates about assumptions market participants would use in measuring fair value of the asset or liability.

Some assets and liabilities are measured at fair value on a recurring basis under accounting principles generally accepted in the United States of America. Other assets, such as write-down of housing inventory and low-income housing partnerships land and building and improvements, are measured at fair value on a nonrecurring basis. CAI does not have any liabilities that are measured at fair value.

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2024, is as follows:

	Recurring Fair value measurement using			
	Assets Measured at Fair value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market fund	\$ 4,766	\$ 4,766	\$ 0	\$ 0
Equity and fixed income funds:				
Large cap funds	45,389	45,389	0	0
Mid cap funds	4,490	4,490	0	0
Small cap funds	5,629	5,629	0	0
Emerging markets	18,587	18,587	0	0
Multi-strategy funds	96,894	96,894	0	0
Bonds	42,359	42,359	0	0
Totals	\$ 218,114	\$ 218,114	\$ 0	\$ 0

Community Action Inc. of Rock & Walworth Counties and Related Entities

Notes to Financial Statements

Note 20: Fair Value Measurements (Continued)

The following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market and equity and fixed income funds are valued at quoted market prices.

Information regarding the fair value of assets measured at fair value on a non-recurring basis as of December 31, 2024, is as follows:

	Non-recurring Fair value measurement using Quoted Prices in Active Markets for Identical Assets (Level 1)				Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Measured at Fair value	\$	181,444	\$	0	\$	0
Assets:						
Housing Inventory	\$	181,444	\$	0	\$	181,444

Housing inventory with a carrying amount of \$222,849 was written down to its fair value of \$181,444 since this impairment was deemed to be other than temporary. As a result, an impairment charge of \$41,405 is included in the consolidated statement of activities for the year ended December 31, 2024.

The following is a description of the valuation methodology used for each asset measured at fair value on a nonrecurring basis:

- Housing inventory is valued using appraisals and other observable market data.

Note 21: Contributed Nonfinancial Assets

For the year ended December 31, 2024, contributed nonfinancial assets included food commodities received for \$779,674 on the consolidated statement of activities. Contributed food was utilized in the food programs and had no donor-imposed restrictions. CAI estimates the fair value on the basis of valuations provided by the State of Wisconsin.

Supplementary Information

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule A-1
Schedule of Program Activity
Year Ended December 31, 2024

Row	AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Program or Award Amount
ASSISTANCE PROGRAMS AS IDENTIFIED IN THE CATALOG OF FEDERAL DOMESTIC ASSISTANCE						
Department of Agriculture						
1	10.558	53-6801	Community Kids Janesville (USDA)	State of WI Dept. of Public Instruction	10/01/23-09/30/24	N/A
2	10.558	53-6801	Community Kids Janesville (USDA)	State of WI Dept. of Public Instruction	10/01/24-09/30/25	N/A
			Subtotal 10.558			
3	10.561	FFY24-CAI-FSET	FSET-Fatherhood-Rock	Southwest WI Development Board	10/01/23-09/30/24	99,619
4	10.561	FFY25-CAI-FSET	FSET-Project Thrive	Southwest WI Development Board	10/01/24-09/30/25	100,093
			Subtotal 10.561 SNAP Cluster			
5	10.568	435100-G24-210484-90	Temporary Emerg. Food Asst. Prog.	State of WI Dept. of Health Services	10/01/23-09/30/24	37,400
			Subtotal 10.568			
6	10.569	N/A	Commodity Food Program	State of WI Dept. of Health Services	01/01/24-12/31/24	N/A
			Subtotal 10.568 & 10.569 Food Distribution Cluster			
Department of Housing and Urban Development						
7	14.218	94520966-2023	Community Development Block Grant-Neighborhood Revitalization Strategic Areas	City of Beloit	01/01/24-05/31/24	47,500
8	14.218	94520966-2024	Community Development Block Grant-Neighborhood Revitalization Strategic Areas	City of Beloit	01/01/24-12/31/24	40,000
9	14.218	94520966-2024	CDBG-Merrill Community Center Youth and Senior Programs	City of Beloit	01/01/24-12/31/24	15,000
10	14.218	94520966-2023	CDBG-Project Thrive	City of Beloit	01/01/24-09/30/24	12,608
11	14.218	94520966-2024	CDBG-Neighborhood Clean-up - Merrill	City of Beloit	01/01/24-12/31/24	3,766
12	14.218	94520966-2024	CDBG-Neighborhood Clean-up - Hackett	City of Beloit	01/01/24-12/31/24	4,234
13	14.218	B-24-MC-55-0014	CDBG-Project Thrive	City of Janesville	01/01/24-12/31/24	9,200
			Subtotal 14.218 CDBG - Entitlement Grants Cluster			
14	14.231	EHH23-24-CAI	Emergency Solutions Grant	ECHO, Inc.	10/01/23-09/30/24	30,318
15	14.231	EHH24-25-CAI	Emergency Solutions Grant	ECHO, Inc.	10/01/24-09/30/25	29,294
			Subtotal 14.231			
16	14.239	M18DC550211	HOME Investment Partnership - Rock	City of Beloit	09/01/23-12/31/24	150,000
17	14.239	M18DC550211	HOME Investment Partnership - Rock	City of Beloit	08/01/24-12/31/25	150,000
			Subtotal 14.239			
18	14.267	RockWalworth	Supportive Services Only	WI Balance of State Continuum of Care	07/01/23-06/30/24	32,177
19	14.267	RockWal	Supportive Services Only	WI Balance of State Continuum of Care	07/01/24-06/30/25	32,177
20	14.267	RockWal	HOME ARP	WI Balance of State Continuum of Care	07/01/24-12/31/24	4,821
21	14.267	RockWal	Supportive Services for Domestic Violence	WI Balance of State Continuum of Care	09/01/23-08/31/24	5,900
22	14.267	RockWal	Supportive Services for Domestic Violence	WI Balance of State Continuum of Care	09/01/24-08/31/25	5,900
			Supportive Services for Youth Homelessness Demonstration Project			
23	14.267	Rock/Wal	Supportive Services for Youth Homelessness Demonstration Project	WI Balance of State Continuum of Care	10/01/24-09/30/25	8,523
24	14.267	WI0203LSI002205	HUD Rapid Rehousing	U.S. Dept. of HUD	01/01/24-12/31/24	503,493
25	14.267	WI0203LSI002205	HUD Permanent Supportive Housing	U.S. Dept. of HUD	09/01/23-08/31/24	234,206
26	14.267	WI0203LSI002306	HUD Permanent Supportive Housing	U.S. Dept. of HUD	09/01/24-08/31/25	246,043
			Subtotal 14.267			
27	14.276	WI0258YSI001900	Supportive Services for Youth Homelessness Demonstration Project	WI Balance of State Continuum of Care	10/01/23-09/30/24	7,953
			Subtotal 14.276			
Department of Labor						
28	17.274	YB-38180-22-60-A-55	Youth Build-Rock	U.S. Dept. of Labor	05/01/22-09/30/25	1,425,520
			Subtotal 17.274			
29	17.277	DW-39218-22-60-A-55	Quality Jobs, Equality, Strategy, and Training	U.S. Dept. of Labor	01/01/23-09/30/24	323,000
			Subtotal 17.277			
Department of Treasury						
30	21.023	WERA 22-104	COVID-19 Coronavirus Relief Fund - Wisconsin Rental Assistance Program	State of WI Dept. of Administration	09/01/22-09/30/25	930,686
			Subtotal 21.023			
31	21.027	WHH 21-04	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	State of WI Dept. of Administration	12/01/21-09/30/26	200,000
32	21.027	N/A	COVID-19 Twin Oaks - ARPA	United Way Walworth County	12/01/24-12/31/24	9,000
33	21.027	N/A	COVID-19 Twin Oaks - ARPA	United Way Walworth County	08/05/24-09/30/24	3,250
60	21.027	77611998-524422-2024	Community Development Block Grant - ARPA	City of Beloit	04/15/24-06/30/26	50,000
61	21.027	77611998-524421-2024	Community Development Block Grant - ARPA	City of Beloit	04/15/24-06/30/26	17,000
69	21.027	N/A	Fresh Start	Rock County	06/01/24-12/31/26	750,000
62	21.027	2579	Homeless Shelter Assistance Project	Walworth County	01/01/24-03/31/26	185,000
			Subtotal 21.027			

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule A-1 (Continued)
Schedule of Program Activity
Year Ended December 31, 2024

Row	Net Assets (Deficit) 31, 2023	Refundable Advance Liability 31, 2023	Current Grant Revenue	Other Revenue	Expenses	Transfers	Refundable Advance Liability 31, 2024	Net Assets (Deficit) 31, 2024
1	0	0	43,374	0	(43,374)	0	0	0
2	0	0	13,872	0	(13,872)	0	0	0
	0	0	57,246	0	(57,246)	0	0	0
3	0	0	62,196	0	(62,196)	0	0	0
4	0	0	20,232	0	(20,232)	0	0	0
	0	0	82,428	0	(82,428)	0	0	0
5	0	0	25,142	0	(25,142)	0	0	0
	0	0	25,142	0	(25,142)	0	0	0
6	0	77,014	702,660	0	(779,674)	0	0	0
	0	77,014	702,660	0	(779,674)	0	0	0
7	0	0	5,835	0	(5,835)	0	0	0
8	0	0	40,000	0	(40,000)	0	0	0
9	0	0	15,000	0	(15,000)	0	0	0
10	0	0	10,688	0	(10,688)	0	0	0
11	0	0	3,766	0	(3,766)	0	0	0
12	0	0	4,234	0	(4,234)	0	0	0
13	0	0	9,200	0	(9,200)	0	0	0
	0	0	88,723	0	(88,723)	0	0	0
14	0	0	30,318	0	(30,318)	0	0	0
15	0	0	3,349	0	(3,349)	0	0	0
	0	0	33,667	0	(33,667)	0	0	0
16	0	0	15,000	0	(15,000)	0	0	0
17	0	0	27,771	0	(27,771)	0	0	0
	0	0	42,771	0	(42,771)	0	0	0
18	0	0	20,607	0	(20,607)	0	0	0
19	0	0	16,321	0	(16,321)	0	0	0
20	0	0	4,821	0	(4,821)	0	0	0
21	0	0	4,591	0	(4,591)	0	0	0
22	0	0	1,586	0	(1,586)	0	0	0
23	0	0	317	0	(317)	0	0	0
24	0	0	503,493	0	(503,493)	0	0	0
25	0	0	165,602	0	(165,602)	0	0	0
26	0	0	71,215	0	(71,215)	0	0	0
	0	0	788,553	0	(788,553)	0	0	0
27	0	0	6,025	0	(6,025)	0	0	0
	0	0	6,025	0	(6,025)	0	0	0
28	0	0	326,997	0	(326,997)	0	0	0
	0	0	326,997	0	(326,997)	0	0	0
29	0	0	183,962	0	(183,962)	0	0	0
	0	0	183,962	0	(183,962)	0	0	0
30	0	0	160,446	0	(160,446)	0	0	0
	0	0	160,446	0	(160,446)	0	0	0
31	0	0	12,459	0	(12,459)	0	0	0
32	0	0	9,000	0	(9,000)	0	0	0
33	0	0	3,250	0	(3,250)	0	0	0
60	0	0	6,708	0	(6,708)	0	0	0
61	0	0	22,308	0	(22,308)	0	0	0
69	0	0	750,000	0	(367,621)	0	(382,379)	0
62	0	0	80,000	0	(80,000)	0	0	0
	0	0	883,725	0	(501,346)	0	(382,379)	0

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule A-2
Schedule of Program Activity
Year Ended December 31, 2024

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Program or Award Amount
Department of Energy					
34	81.042	WX 2425.03	Weatherization - Weatherization Readiness	State of WI Dept. of Administration	07/01/24-06/30/25 97,068
35	81.042	WX 2425.03	Weatherization Assistance DOE-Bipartisan Infrastructure Law	State of WI Dept. of Administration	07/01/24-06/30/25 1,153,193
36	81.042	WX 2324.03	Weatherization - Weatherization Readiness	State of WI Dept. of Administration	07/01/23-06/30/24 198,311
37	81.042	WX 2324.03	Weatherization Assistance DOE-Bipartisan Infrastructure Law	State of WI Dept. of Administration	07/01/23-06/30/24 968,806
		Subtotal 81.042			
Department of Education					
38	84.295	35173-EDU	PBS Kids	Corporation for Public Broadcasting	10/01/20-09/30/24 11,000
		Subtotal 84.295			
Department of Health and Human Services					
39	93.092	435100-G25-210484-90 X	Personal Responsibility Education Program	State of WI Dept. of Health Services	10/01/24-09/30/25 100,000
40	93.092	435100-G24-210484-90	Personal Responsibility Education Program	State of WI Dept. of Health Services	10/01/23-09/30/24 100,000
		Subtotal 93.092			
41	93.297	435100-G25-210484-90	Adv. Equity in Adol. Health: Teen. Preg. Prevention	State of WI Dept. of Health Services	07/01/24-06/30/25 125,000
42	93.297	435100-G24-210484-90	Adv. Equity in Adol. Health: Teen. Preg. Prevention	State of WI Dept. of Health Services	01/01/24-06/30/24 82,000
		Subtotal 93.297			
43	93.558	437004-G24-0002154-000-02	Transitional Jobs	State of WI Dept of Children & Families	07/01/23-06/30/27 417,226
44	93.558	437004-G24-0002154-000-02	Transitional Jobs	State of WI Dept of Children & Families	07/01/23-06/30/27 417,226
45	93.558	437004-G24-0002418-000-04	Skills Enhancement	State of WI Dept of Children & Families	07/01/24-05/31/25 28,169
46	93.558	437004-G24-0002418-000-04	Skills Enhancement	State of WI Dept of Children & Families	07/01/24-06/30/25 20,833
47	93.558	437004-G24-0002256-000-04	Skills Enhancement	State of WI Dept of Children & Families	07/01/23-06/30/24 20,833
48	93.558	HCMS 24-01	TANF Block Grant	State of WI Dept. of Admin.	07/01/24-06/30/25 50,000
		Subtotal 93.558			
49	93.568	WX 2324.03	Weatherization Assistance EAP	State of WI Dept. of Administration	07/01/23-06/30/24 1,020,593
50	93.568	WX 2425.03	Weatherization Assistance EAP	State of WI Dept. of Administration	07/01/24-06/30/25 631,922
51	93.568	WX 2324.03	Emergency Furnace Replacement - EAP	State of WI Dept. of Administration	10/01/23-09/30/24 N/A
52	93.568	WX 2425.03	Emergency Furnace Replacement - EAP	State of WI Dept. of Administration	10/01/24-09/30/25 N/A
		Subtotal 93.568			
53	93.569	437004-G24-0002342-000-04	Community Service Block Grant	State of WI Dept. of Children & Families	01/01/24-12/31/24 413,684
		Subtotal 93.569			
54	93.959	HSD_2024_0006	Urban Youth Prevention Program	Rock County Human Services	01/01/24-12/31/24 47,400
55	93.959	HSD_2023_0326	Urban Youth Prevention Program	Rock County Human Services	03/15/23-03/14/24 101,280
		Subtotal 94.959			
Corporation for National and Community Service					
56	94.006	22NDFMA0900002 - 22-23	AmeriCorps	Corporation for National & Community Service	08/15/22-01/31/25 120,000
57	94.006	22NDFMA0900002 - 23-24	AmeriCorps	Corporation for National & Community Service	08/15/23-01/31/26 142,611
58	94.006	22NDFMA0900002 - 24-25	AmeriCorps	Corporation for National & Community Service	08/15/24-01/31/27 142,611
		Subtotal 94.006			
Department of Homeland Security					
59	97.024	N/A	Emergency Food & Shelter Program (EFSP)	United Way of Walworth County	10/01/22-12/31/24 N/A
Total Federal Programs					
STATE AND LOCAL PROGRAMS					
63	N/A	WX 2425.03	Public Benefits Weatherization	State of WI Dept. of Administration	07/01/24-06/30/25 1,820,932
64	N/A	WX 2324.03	Public Benefits Weatherization	State of WI Dept. of Administration	07/01/23-06/30/24 1,588,541
65	N/A	WX 2324.03	Emergency Furnace Replacement - Public Benefits	State of WI Dept. of Administration	10/01/23-09/30/24 N/A
66	N/A	WX 2425.03	Emergency Furnace Replacement - Public Benefits	State of WI Dept. of Administration	10/01/23-09/30/25 N/A
67	N/A	WX2324.03	Water Conservation - Public Benefits	State of WI Dept. of Administration	10/01/23-09/30/24 N/A
68	N/A	WX2425.03	Water Conservation - Public Benefits	State of WI Dept. of Administration	10/01/24-09/30/25 N/A
70	N/A	SSSG 24-06	State Shelter Subsidy Grant	State of WI Dept. of Administration	01/01/24-12/31/24 20,300
71	N/A	SSSG 24-06	State Shelter Subsidy Grant Amendment Addtl. Funds	State of WI Dept. of Administration	01/01/24-12/31/24 15,000
72	N/A	N/A	WETAP PD Driver License Program	State of WI Dept of Transportation	Ongoing N/A
73	N/A	N/A	Loans to Affiliates	N/A	Ongoing N/A
74	N/A	N/A	Fresh Start	School District of Beloit-WI DPI	01/01/24-12/31/24 N/A
75	N/A	N/A	Get Yourself Tested	Health Care Education and Testing	01/01/24-12/31/24 N/A
76	N/A	N/A	Twin Oaks Shelter for the Homeless	United Way of Walworth County	07/31/24-08/01/25 N/A
77	N/A	N/A	Community Kids-Tuition Assistance	United Way Blackhawk Region	07/01/23-06/30/25 N/A
78	N/A	N/A	Merrill After School Program	United Way Blackhawk Region	07/01/23-06/30/25 65,326
79	N/A	N/A	HUD Permanent Supportive Housing	United Way Blackhawk Region	07/01/23-06/30/25 N/A
80	N/A	N/A	Rapid Re-Housing (TLP)	United Way Blackhawk Region	07/01/23-06/30/25 108,000
81	N/A	N/A	HUD Permanent Supportive Housing	United Way Blackhawk Region	07/01/23-06/30/25 N/A

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule A-2 (Continued)
Schedule of Program Activity
Year Ended December 31, 2024

Net Assets (Deficit) 31, 2023	Refundable Advance Liability 31, 2023	Current Grant Revenue	Other Revenue	Expenses	Transfers	Refundable Advance Liability 31, 2024	Net Assets (Deficit) 31, 2024
34	0	0	47,314	0	(47,314)	0	0
35	0	0	600,109	0	(600,109)	0	0
36	0	0	153,127	0	(153,127)	0	0
37	0	0	501,472	0	(501,472)	0	0
	<u>0</u>	<u>0</u>	<u>1,302,022</u>	<u>0</u>	<u>(1,302,022)</u>	<u>0</u>	<u>0</u>
38	0	0	4,680	0	(4,680)	0	0
	<u>0</u>	<u>0</u>	<u>4,680</u>	<u>0</u>	<u>(4,680)</u>	<u>0</u>	<u>0</u>
39	0	0	38,247	0	(38,247)	0	0
40	0	0	59,518	0	(59,518)	0	0
	<u>0</u>	<u>0</u>	<u>97,765</u>	<u>0</u>	<u>(97,765)</u>	<u>0</u>	<u>0</u>
41	0	0	63,323	0	(63,323)	0	0
42	0	0	23,604	0	(23,604)	0	0
	<u>0</u>	<u>0</u>	<u>86,927</u>	<u>0</u>	<u>(86,927)</u>	<u>0</u>	<u>0</u>
43	0	0	239,310	0	(239,310)	0	0
44	0	0	203,408	0	(203,408)	0	0
45	0	0	6,683	0	(6,683)	0	0
46	0	0	5,388	0	(5,388)	0	0
47	0	0	13,862	0	(13,862)	0	0
48	0	0	26,401	0	(26,401)	0	0
	<u>0</u>	<u>0</u>	<u>495,052</u>	<u>0</u>	<u>(495,052)</u>	<u>0</u>	<u>0</u>
49	0	86,685	513,005	0	(599,690)	0	0
50	0	0	499,709	0	(321,815)	(177,894)	0
51	0	0	122,191	0	(122,191)	0	0
52	0	0	9,527	0	(9,527)	0	0
	<u>0</u>	<u>86,685</u>	<u>1,144,432</u>	<u>0</u>	<u>(1,053,223)</u>	<u>(177,894)</u>	<u>0</u>
53	0	0	400,219	0	(400,219)	0	0
	<u>0</u>	<u>0</u>	<u>400,219</u>	<u>0</u>	<u>(400,219)</u>	<u>0</u>	<u>0</u>
54	0	0	47,400	0	(47,400)	0	0
55	0	0	18,737	0	(18,737)	0	0
	<u>0</u>	<u>0</u>	<u>66,137</u>	<u>0</u>	<u>(66,137)</u>	<u>0</u>	<u>0</u>
56	0	0	35,211	0	(35,211)	0	0
57	0	0	127,110	0	(127,110)	0	0
58	0	0	31,201	0	(31,201)	0	0
	<u>0</u>	<u>0</u>	<u>193,522</u>	<u>0</u>	<u>(193,522)</u>	<u>0</u>	<u>0</u>
59	0	0	9,013	0	(9,013)	0	0
	<u>0</u>	<u>163,699</u>	<u>7,182,114</u>	<u>0</u>	<u>(6,785,540)</u>	<u>(560,273)</u>	<u>0</u>
63	0	0	1,079,647	0	(858,039)	(221,608)	0
64	0	180,876	686,752	0	(867,628)	0	0
65	0	0	289,355	0	(289,355)	0	0
66	0	0	119,616	0	(119,616)	0	0
67	0	0	184,137	0	(184,137)	0	0
68	0	0	38,369	0	(38,369)	0	0
70	0	0	20,300	0	(20,300)	0	0
71	0	0	15,000	0	(15,000)	0	0
72	27,232	0	0	0	(25,383)	0	1,849
73	1,640,504	0	9,619	0	0	0	1,650,123
74	0	0	242,000	0	(242,000)	0	0
75	0	0	1,139	0	(1,139)	0	0
76	0	0	1,500	0	(1,500)	0	0
77	0	0	500	0	(500)	0	0
78	0	0	30,689	0	(30,689)	0	0
79	0	0	6,674	0	(6,674)	0	0
80	0	0	48,202	0	(48,202)	0	0
81	0	0	26,195	0	(26,195)	0	0

See Independent Auditor's Report.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule A-3
Schedule of Program Activity
Year Ended December 31, 2024

AL Number	Grant Number	Program Name	Grantor Agency	Program Period	Program or Award Amount
STATE AND LOCAL PROGRAMS (Continued)					
82	N/A	N/A	Community Kids	United Way Blackhawk Region	07/01/23-06/30/25 120,000
83	N/A	N/A	Community Kids-Tuition Assistance	United Way Blackhawk Region	07/01/23-06/30/25 N/A
84	N/A	N/A	Merrill Senior Program	United Way Blackhawk Region	07/01/23-06/30/25 15,338
85	N/A	N/A	Project Thrive	United Way Blackhawk Region	07/01/23-06/30/25 60,000
86	N/A	N/A	Project Thrive	United Way Blackhawk Region	07/01/23-06/30/25 108,000
87	N/A	N/A	AWARE	United Way Blackhawk Region	07/01/23-06/30/25 30,000
88	N/A	N/A	Fresh Start	United Way Blackhawk Region	07/01/23-06/30/25 20,000
89	N/A	N/A	Advance - United Way Blackhawk Region	United Way Blackhawk Region	07/01/23-06/30/25 5,000
90	N/A	N/A	Advance - Community Foundation of Southern Wisconsin	Community Foundation of Southern Wisconsin	01/01/25-12/31/25 5,000
91	N/A	N/A	Advance - Grainger	Grainger	01/01/25-01/31/25 112
92	N/A	N/A	Advance - Impact and Innovation	Burlington Youth Build	01/01/25-12/31/25 112
93	N/A	N/A	Advance - Impact and Innovation	Burlington Youth Build	01/01/25-12/31/25 112
94	N/A	N/A	Project Thrive	Foundations	Ongoing N/A
95	N/A	N/A	Housing Grant Program	WHEDA Foundation	01/31/24-01/31/25 N/A
96	N/A	N/A	Internal Unemployment Fund	Fees to Programs	Ongoing N/A
97	N/A	N/A	Revolving Housing Funds	Revolving Program Income	Ongoing N/A
98	N/A	N/A	Revolving Housing Funds	Revolving Program Income	Ongoing N/A
99	N/A	N/A	1256 Dewey Beloit	Sale Proceeds	Ongoing N/A
100	N/A	N/A	1312 Nelson Beloit	Sale Proceeds	Ongoing N/A
101	N/A	N/A	1316 Nelson Beloit	Sale Proceeds	Ongoing N/A
102	N/A	N/A	1418 Prairie Beloit	Sale Proceeds	Ongoing N/A
103	N/A	N/A	2210 Forest Beloit	Sale Proceeds	Ongoing N/A
104	N/A	N/A	1318 Porter Ave Beloit	Sale Proceeds	Ongoing N/A
105	N/A	N/A	152 Linn St Janesville	Sale Proceeds	Ongoing N/A
106	N/A	N/A	AWARE	Donations	01/01/24-12/31/24 N/A
107	N/A	N/A	Beloit Merrill After School Program	Donations	Ongoing N/A
108	N/A	N/A	Fresh Start	Donations	01/01/24-12/31/24 N/A
109	N/A	N/A	Teenage Pregnancy Prevention	Donations	Ongoing N/A
110	N/A	N/A	Project Thrive	Donations	Ongoing N/A
111	N/A	N/A	Project Thrive	Donations	Ongoing N/A
112	N/A	N/A	Project Thrive	Donations	Ongoing N/A
113	N/A	N/A	Skills Enhancement	Donations	Ongoing N/A
114	N/A	N/A	Twin Oaks Homeless Shelter	Donations	01/01/24-12/31/24 N/A
115	N/A	N/A	Corporate Fund	Donations/Client Fees/other	01/01/24-12/31/24 138,610
116	N/A	N/A	Twin Oaks Homeless Shelter Playground	Donations	01/01/24-12/31/24 N/A
117	N/A	N/A	Twin Oaks Homeless Shelter-Capital Campaign	Donations	01/01/21-unknown N/A
Total State and Local Programs					
Total Program Activity					
GENERALLY ACCEPTED ACCOUNTING PRINCIPLE (GAAP) ADJUSTMENTS					
118	N/A	N/A	Average Lease Adjustment Pathways Center	N/A	Ongoing N/A
119	N/A	N/A	Grant-Funded Equipment	N/A	Ongoing N/A
120	N/A	N/A	Grant-Funded Prepaid Expense	N/A	Ongoing N/A
Total GAAP Adjustments					
PRIVATE SUPPORT AND SERVICE FEES					
121	N/A	N/A	Community Kids Janesville	Rock County Dept. of H.S., YoungStar, Cronin Foundation, Fees, Donations and Fundraising	Ongoing N/A
122	N/A	N/A	Community Kids Janesville	Fees, Donations and Fundraising	Ongoing N/A
123	N/A	N/A	Community Kids P4J	School District of Janesville & Fees	Ongoing N/A
124	N/A	N/A	Community Kids Pathways	Fees	Ongoing N/A
125	N/A	N/A	Early Head Start Beloit	Early Head Start, Rock County Dept. of H.S., Young	Ongoing N/A
126	N/A	N/A	122 Knoll	Rent/HRRP Revolving Loan	Ongoing N/A
127	N/A	N/A	Beloit Merrill Houses	Rent	Ongoing N/A
128	N/A	N/A	Permanent Supportive Housing	Rent	Ongoing N/A
129	N/A	N/A	Training	Fees	Ongoing N/A
130	N/A	N/A	Beloit Merrill Community Garden	Donations	Ongoing N/A
131	N/A	N/A	Housing Development	N/A	Ongoing N/A
132	N/A	N/A	Corporate Fund & Other GAAP Adjustments	Donations, Rent and Interest	Ongoing N/A
Total CAI Discretionary Activity					
Total CAI Activity					
133	N/A	N/A	Beloit Assisted Living, Inc.	Rent	Ongoing N/A
134	N/A	N/A	Beloit Mature Adult Housing LLC	Rent	Ongoing N/A
135	N/A	N/A	Delavan Mature Adult Housing, LLC	Rent	Ongoing N/A
136	N/A	N/A	Evansville Senior Housing, LP	Rent	Ongoing N/A
Total Subsidiary Activity					
GRAND TOTALS					

Community Action, Inc. of Rock and Walworth Counties

Schedule B-1
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed-Through Wisconsin Department of Public Instruction USDA Reimbursement	10.558	53-6801	\$ <u>57,246</u>
Passed-Through Southwest Wisconsin Workforce Development Board SNAP Cluster:			
FSET-Fatherhood-Rock	10.561	FFY24-CAI-FSET	62,196
FSET-Project Thrive		FFY25-CAI-FSET	<u>20,232</u>
Subtotal SNAP Cluster #10.561			<u>82,428</u>
Passed-Through Wisconsin Department of Health Services Distribution Food Cluster:			
Temporary Emergency Food Assistance Program	10.568	435100-G24-210484-90	<u>25,142</u>
Commodity Food Program	10.569	N/A	<u>779,674</u>
Subtotal Distribution Food Cluster AL #10.568 and #10.569			<u>804,816</u>
SUBTOTAL U.S. DEPARTMENT OF AGRICULTURE			944,490
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed-Through City of Beloit CDBG - Entitlement Grants Cluster:			
Community Development Block Grant	14.218	94520966-2023	16,523
Community Development Block Grant		94520966-2024	63,000
Passed-Through City of Janesville Community Development Block Grant		B-24-MC-55-0014	<u>9,200</u>
Subtotal CDBG - Entitlement Grants Cluster #14.218			<u>88,723</u>
Passed-Through ECHO, Inc. Emergency Solutions Grant	14.231	EHH23-24-CAI	30,318
Emergency Solutions Grant		EHH24-25-CAI	<u>3,349</u>
Subtotal 14.231			<u>33,667</u>
Passed-Through City of Beloit HOME Investment Partnership - Rock	14.239	M18DC550211	<u>42,771</u>
Passed-Through WI Balance of State Continuum of Care HUD Continuum of Care-SSO	14.267	Rock Walworth	20,607
HUD Continuum of Care-SSO Coordinated Entry		RockWal	22,498
COVID-19 HUD Continuum of Care-ARP		RockWal	4,821
HUD Continuum of Care-SSO Domestic Violence		Rock/Wal	317
Direct Funding			
HUD Continuum of Care		WI0202LSI002205	503,493
HUD Permanent Supportive Housing		WI0203LSI002205	165,602
HUD Permanent Supportive Housing		WI0203LSI002306	<u>71,215</u>
Subtotal 14.267			<u>788,553</u>

See Independent Auditor's Report.
 See Notes to Schedule of Expenditures of Federal Awards.

Community Action, Inc. of Rock and Walworth Counties

Schedule B-2

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Grant Number	Federal Expenditures
Passed-Through WI Balance of State Continuum of Care			
Supportive Services for Youth Homelessness Demonstration Project	14.276	WI0258Y5I001900	<u>6,025</u>
SUBTOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			959,739
U.S. DEPARTMENT OF LABOR			
Direct Grant			
Youth Build-Rock	17.274	YB-38180-22-60-A-55	<u>326,997</u>
Direct Grant			
Quality Jobs, Equality, Strategy, and Training	17.277	DW-39218-22-60-A-55	<u>183,962</u>
SUBTOTAL U.S. DEPARTMENT OF LABOR			510,959
U.S. DEPARTMENT OF TREASURY			
Passed-Through Wisconsin Department of Administration			
COVID-19 Coronavirus Relief Fund - Wisconsin Rental Assistance Program	21.023	WERA 22-104	<u>160,446</u>
Passed-Through Wisconsin Department of Administration			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	WHH 21-04	12,459
Passed-Through United Way Walworth County			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		N/A	9,000
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		N/A	3,250
Passed-Through City of Beloit			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		77611998-524422-2024	6,708
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		77611998-524421-2024	22,308
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		N/A	367,621
Passed-Through Walworth County			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds		2579	<u>80,000</u>
Subtotal 21.027			<u>501,346</u>
SUBTOTAL U.S. DEPARTMENT OF TREASURY			661,792
U.S. DEPARTMENT OF ENERGY (DOE)			
Passed-Through Wisconsin Department of Administration			
Weatherization Assistance Weatherization Readiness	81.042	WX 2425.03	47,314
Weatherization Assistance DOE - Bipartisan Infrastructure Law		WX 2425.03	600,109
Weatherization Assistance Weatherization Readiness		WX 2324.03	153,127
Weatherization Assistance DOE-Bipartisan Infrastructure Law		WX 2324.03	<u>501,472</u>
Subtotal 81.042			<u>1,302,022</u>
SUBTOTAL U.S. DEPARTMENT OF ENERGY			1,302,022
U.S. DEPARTMENT OF EDUCATION			
Passed-Through Corporation for Public Broadcasting			
PBS Kids	84.295	35173-EDU	<u>4,680</u>
SUBTOTAL U.S. DEPARTMENT OF EDUCATION			4,680
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed-Through Wisconsin Department of Health Services			
Personal Responsibility Education Program	93.092	435100-G25-210484-90 X	38,247
Personal Responsibility Education Program		435100-G24-210484-90	<u>59,518</u>
Subtotal 93.092			<u>97,765</u>
Passed-Through Wisconsin Department of Health Services			
Adv. Equity in Adol. Health: Teen. Preg. Prevention	93.297	435100-G25-210484-90	63,323
Adv. Equity in Adol. Health: Teen. Preg. Prevention		435100-G24-210484-90	<u>23,604</u>
Subtotal 93.297			<u>86,927</u>

See Independent Auditor's Report.

See Notes to Schedule of Expenditures of Federal Awards.

Community Action, Inc. of Rock and Walworth Counties

Schedule B-3
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Passed-Through Wisconsin Department of Children & Families			
Transitional Jobs	93.558	437004-G24-0002154-000-02	239,310
Transitional Jobs		437004-G24-0002154-000-02	203,408
Skills Enhancement		437004-G24-0002418-000-04	6,683
Skills Enhancement		437004-G24-0002418-000-04	5,388
Skills Enhancement		437004-G24-0002256-000-04	13,862
Passed-Through Wisconsin Department of Administration			
TANF Block Grant		HCMS 24-01	26,401
Subtotal 93.558			495,052
Passed-Through Wisconsin Department of Administration			
Weatherization Assistance EAP	93.568	WX 2324.03	599,690
Weatherization Assistance EAP		WX 2425.03	321,815
Emergency Furnace Replacement - EAP		WX 2324.03	122,191
Emergency Furnace Replacement - EAP		WX 2425.03	9,527
Subtotal 93.568			1,053,223
Passed-Through Wisconsin Department of Children & Families			
Community Service Block Grant	93.569	437004-G24-0002342-000-04	400,219
Passed-Through Rock County Human Services			
Urban Youth Prevention Program	93.959	HSD_2024_0006	47,400
Urban Youth Prevention Program		HSD_2023_0326	18,737
Subtotal 93.959			66,137
SUBTOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,199,323
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Passed-Through Serve Wisconsin			
Americorps	94.006	22NDFMA0090002 - 22-23	35,211
Americorps		22NDFMA0090002 - 23-24	127,110
Americorps		22NDFMA0090002 - 24-25	31,201
Subtotal 94.006			193,522
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			193,522
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed-Through United Way of Walworth County			
Emergency Food & Shelter Program (EFSP)	97.024	N/A	9,013
SUBTOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			9,013
TOTAL FEDERAL EXPENDITURES			\$ 6,785,540

See Independent Auditor's Report.
 See Notes to Schedule of Expenditures of Federal Awards.

Community Action, Inc. of Rock and Walworth Counties

Notes to the Schedule of Expenditures of Federal Awards

December 31, 2024

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal and other grant activity of Community Action, Inc. of Rock and Walworth Counties under programs of the federal government for the year ended December 31, 2024. 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 Community Action, Inc. of Rock and Walworth Counties, it is not intended to and does not present the financial position, changes in net assets or cash flows of Community Action, Inc. of Rock and Walworth Counties.

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.

Note 3 - Indirect Cost Allocation

Community Action, Inc. of Rock and Walworth Counties has an approved indirect cost rate, and therefore, has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Subrecipients

Community Action, Inc. of Rock and Walworth Counties does not have subrecipients or subrecipient expenditures.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule C

Consolidating Statement of Financial Position

December 31, 2024

<i>Assets</i>	Community Action, Inc. of Rock & Walworth *	Beloit Assisted Living, Inc.
Current assets:		
Cash	\$ 479,346	\$ 810
Restricted cash	218,815	123,183
Grants receivable	673,738	0
Accounts receivable, net	57,403	5,014
Weatherization inventory	961,247	0
Housing inventory	181,444	0
Prepaid expenses and other assets	154,530	1,408
Total current assets	2,726,523	130,415
Other assets:		
Investments	218,114	0
Loans receivable - Housing partnerships, net	1,651,492	0
Loans receivable - Housing, net	709,747	0
Right of Use Asset, net	597,560	0
Total other assets	3,176,913	0
Property and equipment, net	1,042,381	1,144,125
TOTAL ASSETS	\$ 6,945,817	\$ 1,274,540
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Current portion of mortgages payable	\$ 0	\$ 0
Accounts payable	426,677	19,385
Accrued payroll and related expenses	120,528	9,152
Other liabilities	0	14,333
Refundable advance liability	781,881	0
Current portion of operating lease liability	111,664	0
Total current liabilities	1,440,750	42,870
Long-term liabilities:		
Operating loan payable - related party	0	0
Mortgages payable	15,000	0
Operation lease liability, net of current portion	576,851	0
Total long-term liabilities	591,851	0
Total liabilities	2,032,601	42,870
Net assets:		
Without donor restrictions	1,296,421	1,231,670
Without donor restrictions - Board designated	218,114	0
Total without donor restrictions	1,514,535	1,231,670
With donor restrictions	3,398,681	0
Total net assets	4,913,216	1,231,670
TOTAL LIABILITIES AND NET ASSETS	\$ 6,945,817	\$ 1,274,540

* Includes activity for both CAI and CAP.

** Includes activity for Beloit Mature Adult Housing LLC, Delavan Mature Adult Housing LLC, and Evansville Senior Housing LP.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule C

Consolidating Statement of Financial Position (Continued)

December 31, 2024

<i>Assets</i>	Low-Income Housing Partnerships **	Subtotal	Eliminations	Consolidated
Current assets:				
Cash	\$ 42,485	\$ 522,641	\$ 0	\$ 522,641
Restricted cash	416,706	758,704	0	758,704
Grants receivable	0	673,738	0	673,738
Accounts receivable, net	16,682	79,099	(5,258)	73,841
Weatherization inventory	0	961,247	0	961,247
Housing inventory	0	181,444	0	181,444
Prepaid expenses and other assets	1,125	157,063	0	157,063
Total current assets	476,998	3,333,936	(5,258)	3,328,678
Other assets:				
Investments	0	218,114	0	218,114
Loans receivable - Housing partnerships, net	0	1,651,492	(1,651,492)	0
Loans receivable - Housing, net	0	709,747	0	709,747
Right of Use Asset, net	0	597,560	0	597,560
Total other assets	0	3,176,913	(1,651,492)	1,525,421
Property and equipment, net	3,093,416	5,279,922	0	5,279,922
TOTAL ASSETS	\$ 3,570,414	\$ 11,790,771	(\$ 1,656,750)	\$ 10,134,021
<i>Liabilities and Net Assets</i>				
Current liabilities:				
Current portion of mortgages payable	\$ 26,449	\$ 26,449	\$ 0	\$ 26,449
Accounts payable	75,597	521,659	0	521,659
Accrued payroll and related expenses	0	129,680	0	129,680
Other liabilities	73,478	87,811	0	87,811
Refundable advance liability	0	781,881	0	781,881
Current portion of operating lease liability	0	111,664	0	111,664
Total current liabilities	175,524	1,659,144	0	1,659,144
Long-term liabilities:				
Operating loan payable - related party	5,258	5,258	(5,258)	0
Mortgages payable	2,701,338	2,716,338	(1,651,492)	1,064,846
Operation lease liability, net of current portion	0	576,851	0	576,851
Total long-term liabilities	2,706,596	3,298,447	(1,656,750)	1,641,697
Total liabilities	2,882,120	4,957,591	(1,656,750)	3,300,841
Net assets:				
Without donor restrictions	688,294	3,216,385	0	3,216,385
Without donor restrictions - Board designated	0	218,114	0	218,114
Total without donor restrictions	688,294	3,434,499	0	3,434,499
With donor restrictions	0	3,398,681	0	3,398,681
Total net assets	688,294	6,833,180	0	6,833,180
TOTAL LIABILITIES AND NET ASSETS	\$ 3,570,414	\$ 11,790,771	(\$ 1,656,750)	\$ 10,134,021

* Includes activity for both CAI and CAP.

** Includes activity for Beloit Mature Adult Housing LLC, Delavan Mature Adult Housing LLC, and Evansville Senior Housing LP.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule D
Consolidating Statement of Activities
Year Ended December 31, 2024

	Community Action, Inc. of Rock & Walworth *	Beloit Assisted Living, Inc.	Low-Income Housing Partnerships **	Eliminations	Consolidated
Revenue:					
Grant and contract revenue	\$ 9,243,962	\$ 0	\$ 0	\$ 0	\$ 9,243,962
Food commodities received	779,674	0	0	0	779,674
Fee for services revenue	966,401	2,047	21,400	0	989,848
Program and other contributions	791,285	0	0	0	791,285
Rental income	143,496	226,826	775,711	0	1,146,033
Investment income	37,247	4,588	19,457	0	61,292
Total revenue	11,962,065	233,461	816,568	0	13,012,094
Expenses:					
Salaries and wages	3,703,993	0	0	0	3,703,993
Fringe benefits	992,591	0	0	0	992,591
Consultants/contractual	464,312	0	0	0	464,312
Travel	126,691	0	0	0	126,691
Occupancy	1,011,716	0	0	0	1,011,716
Supplies	73,207	0	0	0	73,207
Weatherization materials	1,451,149	0	0	0	1,451,149
Client/participant costs	3,021,680	0	0	0	3,021,680
Depreciation	185,634	62,388	91,067	0	339,089
Commodities distributed	779,674	0	0	0	779,674
Other	224,705	0	0	0	224,705
Project expenses	0	197,234	824,065	0	1,021,299
Total expenses	12,035,352	259,622	915,132	0	13,210,106
Change in net assets	(73,287)	(26,161)	(98,564)	0	(198,012)
Net assets at beginning of year	4,986,503	1,257,831	786,858	0	7,031,192
Net assets at end of year	\$ 4,913,216	\$ 1,231,670	\$ 688,294	\$ 0	\$ 6,833,180

* Includes activity for both CAI and CAP.

** Includes activity for Beloit Mature Adult Housing LLC, Delavan Mature Adult Housing LLC, and Evansville Senior Housing LP.

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule E

Statement of Financial Position - Low-Income Housing Partnerships

December 31, 2024

<i>Assets</i>	Beloit Mature Adult Housing, LLC	Delavan Mature Adult Housing, LLC	Evansville Senior Housing, LP	Low-Income Housing Partnerships Subtotal
Current assets:				
Cash	\$ 15,094	\$ 4,423	\$ 22,968	\$ 42,485
Restricted cash	66,709	268,633	81,364	416,706
Accounts receivable, net	13,890	2,036	756	16,682
Prepaid expenses and other assets	387	738	0	1,125
Total current assets	96,080	275,830	105,088	476,998
Property and equipment, net	1,084,193	992,169	1,017,054	3,093,416
TOTAL ASSETS	\$ 1,180,273	\$ 1,267,999	\$ 1,122,142	\$ 3,570,414
<i>Liabilities and Net Assets</i>				
Current liabilities:				
Current portion of mortgages payable	\$ 21,338	\$ 1,732	\$ 3,379	\$ 26,449
Accounts payable	59,778	8,786	7,033	75,597
Other liabilities	27,446	23,999	22,033	73,478
Total current liabilities	108,562	34,517	32,445	175,524
Long-term liabilities:				
Operating loan payable - related party	5,258	0	0	5,258
Mortgages payable	688,369	990,484	1,022,485	2,701,338
Total long-term liabilities	693,627	990,484	1,022,485	2,706,596
Total liabilities	802,189	1,025,001	1,054,930	2,882,120
Net assets:				
Without donor restrictions	378,084	242,998	67,212	688,294
TOTAL LIABILITIES AND NET ASSETS	\$ 1,180,273	\$ 1,267,999	\$ 1,122,142	\$ 3,570,414

Community Action, Inc. of Rock & Walworth Counties and Related Entities

Schedule F

Statement of Activities - Low-Income Housing Partnerships

Year Ended December 31, 2024

	Beloit Mature Adult Housing, LLC	Delavan Mature Adult Housing, LLC	Evansville Senior Housing, LP	Low-Income Housing Partnerships Subtotal
Revenue:				
Fee for services revenue	\$ 12,993	\$ 1,380	\$ 7,027	\$ 21,400
Rental income	339,704	216,944	219,063	775,711
Investment income	5,110	11,207	3,140	19,457
Total revenue	357,807	229,531	229,230	816,568
Expenses:				
Depreciation	39,927	24,106	27,034	91,067
Project expenses	378,596	231,163	214,306	824,065
Total expenses	418,523	255,269	241,340	915,132
Change in net assets	(60,716)	(25,738)	(12,110)	(98,564)
Net assets at beginning of year	438,800	268,736	79,322	786,858
Net assets at end of year	\$ 378,084	\$ 242,998	\$ 67,212	\$ 688,294

Community Action, Inc. of Rock and Walworth Counties

Schedule G

Schedule of Emergency Furnace and Water Conservation Activity by Contract

Year Ended December 31, 2024

<u>Contract #</u>	<u>Prior Audit Period Cash Received</u>	<u>Current Audit Period Cash Received</u>	<u>True up Received (Paid)</u>	<u>Net Contract to Date Cash Received</u>	<u>Prior Audit Period Expenses</u>	<u>Current Audit Period Expenses</u>	<u>Contract to Date Expenses</u>
WX 2024.03/WX2324.03	74,272	\$ 660,124	\$ 0	\$ 734,396	138,713	\$ 595,683	\$ 734,396
WX 2025.03/WX2425.03	0	147,411	0	147,411	0	167,512	167,512
	<u>\$ 74,272</u>	<u>\$ 807,535</u>	<u>\$ 0</u>	<u>\$ 881,807</u>	<u>\$ 138,713</u>	<u>\$ 763,195</u>	<u>\$ 901,908</u>

Community Action, Inc. of Rock and Walworth Counties

Schedule H

DHS Cost Reimbursement Award Schedule

Year Ended December 31, 2024

	TEFAP/EFO's	PREP 433	PREP 435	TPP 431	TPP 430
DHS Identification number	25205	24607	28049	25680	27066
Award amount	\$37,400	\$100,000	\$100,000	\$82,000	\$125,000
Award period	10/01/23-09/30/24	10/01/23-09/30/24	10/1/2024-9/30/2025	1/1/2024-6/30/24	7/1/24-6/30/25
Period of award within audit period	1/01/24-9/30/24	1/01/24-9/30/24	10/1/24-12/31/2024	1/1/24-6/30/24	7/1/24-12/31/24
A. Expenditures reported to DHS or revenue received	\$ 25,142	\$ 59,518	\$ 38,247	\$ 23,604	\$ 63,323
B. Actual allowable cost of award reported in audit					
1. Employee Salaries and Wages	18,274	41,449	25,783	13,562	38,065
2. Employee Fringe Benefits	1,876	3,186	3,135	925	2,872
3. Payroll Taxes	1,371	3,125	1,949	1,028	2,896
4. Rent or Occupancy	0	1,979	1,573	1,081	2,064
5. Professional Services	1,841	2,424	2,822	1,669	4,341
6. Employee Travel	0	3,448	655	1,542	653
7. Conferences, Meetings or Education	0	1,020	432	0	5,971
8. Employee Licenses and Dues	0	0	0	0	0
9. Supplies	0	929	646	2,028	3,047
10. Telephone	0	1,581	861	488	1,280
11. Equipment	0	0	0	0	0
12. Depreciation	0	68	53	38	71
13. Utilities	1,781	0	208	148	261
14. Bad Debts	0	0	0	0	0
15. Postage and Shipping	0	39	3	12	15
16. Insurance	0	242	124	135	240
17. Interest	0	0	0	0	0
18. Bank Fees and Charges	0	0	0	0	0
19. Advertising and Marketing	0	27	5	0	0
20. Other	0	0	0	947	1,970
Total operating costs of award	25,142	59,518	38,247	23,604	63,745
C. Less disallowed costs	0	0	0	0	0
D. Less program revenue and other offsets to costs	0	0	0	0	422
E. Net allowable operating costs before profit	25,142	59,518	38,247	23,604	63,323
F. Add allowable profit	0	0	0	0	0
G. Total Allowable Costs	\$ 25,142	\$ 59,518	\$ 38,247	\$ 23,604	\$ 63,323

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 Action Inc. of Rock & Walworth Counties
Beloit, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Community Action Inc. of Rock & Walworth Counties (a nonprofit organization) and Related Entities, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 15, 2025. The financial statements of Beloit Mature Housing, LLC, Delevan Mature Adult Housing, LLC, Evansville Senior Housing LP, and Community Action Properties, LLC were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those entities.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or 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 the Community Action Inc. of Rock & Walworth Counties' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

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

Wipfli LLP

Madison, Wisconsin
September 15, 2025

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

Board of Directors
Community Action, Inc. of Rock & Walworth Counties
Beloit, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Community Action Inc. of Rock & Walworth Counties' (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2024. Community Action Inc. of Rock & Walworth Counties' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Community Action, Inc. of Rock & Walworth Counties' consolidated financial statements include Beloit Assisted Living, Inc. a related entity, which had expenditures greater than \$750,000 in federal awards in the year ended December 31, 2024, and has had a separate single audit, which is not included in this single audit. Therefore, our audit, described below, did not include the operations of Beloit Assisted Living, Inc.

In our opinion, Community Action, Inc. of Rock & Walworth Counties' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major and state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program and State 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); and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. 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 Action Inc. of Rock & Walworth Counties 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 and state program. Our audit does not provide a legal determination of Community Action Inc. of Rock & Walworth Counties' 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 Action Inc. of Rock & Walworth Counties' federal and state programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Action Inc. of Rock & Walworth Counties' 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*, *State Single Audit Guidelines*, 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 Community Action Inc. of Rock & Walworth Counties' compliance with the requirements of the major federal and state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, *State Single Audit Guidelines*, 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 Action Inc. of Rock & Walworth Counties' 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 Action Inc. of Rock & Walworth Counties' 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 and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of Community Action Inc. of Rock & Walworth Counties' 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 or state 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 or state 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 and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

Madison, Wisconsin
September 15, 2025

Community Action Inc. of Rock & Walworth Counties

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Consolidated Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes X No

Federal and State Awards

Internal control over major programs:

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

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

Identification of major federal and state programs:

<u>AL No.</u>	<u>Name of Major Federal Program or Cluster</u>
10.568 & 10.569	Food Distribution Cluster
14.267	Continuum of Care
81.042	Weatherization
93.568	Low-Income Home Energy Assistance Program
State ID No.	Name of Major Federal Program or Cluster
505.371	Public Benefits Program

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000
 State \$250,000

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

Community Action Inc. of Rock & Walworth Counties

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Findings

None

Section V - Other Issues


Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? Yes No

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, reportable condition, management letter comment) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Health Services	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Department of Administration	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Department of Public Instruction	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Department of Transportation	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Department of Children & Families	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Was a management letter or other document conveying audit comments issued as a result of this audit? Yes No

Name and Signature of Partner



Mike Webber, CPA

Report Date

September 15, 2025