

Rural America Initiatives

Independent Auditor's Report and Financial Statements

**For the Year Ended
December 31, 2023**

Rural America Initiatives

Board Members
December 31, 2023

Board Members

Carol Marshall – Coon -----Chairperson
Mary Pechota -----Vice President
Tammy Valdez -----Treasurer
Jacquie Arpan ----- Secretary
Denise Murphy ----- Member
Chuck Robertson, Jr ----- Member
Kathy Labonte – RN----- Member

Rural America Initiatives

Table of Contents

	Page
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 <i>Government Auditing Standards</i> -----	1-2
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance -----	3-5
Schedule of Prior and Current Audit Findings and Questioned Costs -----	6-7
Independent Auditor's Report -----	8-10
Financial Statements	
Statement of Financial Position-----	11
Statement of Activities-----	12
Statement of Functional Expenses-----	13-14
Statement of Cash Flows-----	15
Notes to the Financial Statements -----	16-22
Supplementary Information	
Combining Statement of Financial Position-----	23-25
Combining Statement of Activities-----	26-35
Schedule of Expenditures of Federal Awards-----	36



**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
Rural America Initiatives
Rapid City, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rural America Initiatives (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in dark ink that reads "CIO Ref LLC". The letters are cursive and somewhat stylized.

Mitchell, South Dakota
June 5, 2024



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

Board of Directors
Rural America Initiatives
Rapid City, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rural America Initiatives’ 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 Rural America Initiatives’ major federal programs for the year ended December 31, 2023. Rural America Initiatives’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rural America Initiatives complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Rural America Initiatives and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Rural America Initiatives’ 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 Rural America

Initiatives' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Rural America Initiatives' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Rural America Initiatives' compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Rural America Initiatives' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Rural America Initiatives' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Rural America Initiatives' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a

federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "ELO Prof LLC". The signature is written in a cursive, flowing style.

Mitchell, South Dakota
June 5, 2024

Rural America Initiatives
Schedule of Prior and Current Audit Findings and Questioned Costs
For the Year Ended December 31, 2023

Schedule of Prior Audit Findings

The prior audit report contained no written audit comments.

Current Audit Findings and Questioned Costs

Section I – Summary of Auditor’s Results

Financial Statements:

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

Internal control over financial reporting:

Material weakness(es) identified: _____ Yes X None Reported

Significant deficiencies identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes X None Reported

Significant deficiencies identified? _____ Yes X None Reported

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

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

Identification of Major Federal Programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Cluster - Early Head Start, Head Start, & COVID Head Start

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

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

Rural America Initiatives
Schedule of Prior and Current Audit Findings and Questioned Costs (continued)
For the Year Ended December 31, 2023

Section II – Financial Statement Findings

There are no findings which are required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

There are no findings or questioned costs relating to federal award programs which are required to be reported in accordance with 2 CFR 200.516(a).



Independent Auditor's Report

Board of Directors
Rural America Initiatives
Rapid City, South Dakota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Rural America Initiatives (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Rural America Initiatives as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2024, on our consideration of Rural America Initiatives' 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 Rural America Initiatives' 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 Rural America Initiatives' internal control over financial reporting and compliance.

A handwritten signature in dark ink, appearing to read "CLO Ref LLC". The signature is written in a cursive, flowing style.

Mitchell, South Dakota
June 5, 2024

FINANCIAL STATEMENTS

Rural America Initiatives
Statement of Financial Position
December 31, 2023

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 2,719,524.86
Employee Loans Receivable	13,432.50
Grants Receivable	332,630.71
Current Portion of Pledges Receivable	199,799.38
Prepaid Expenses	<u>125,605.45</u>
Total Current Assets	<u>3,390,992.90</u>
PROPERTY AND EQUIPMENT	
Equipment	418,293.55
Leasehold Improvements	289,378.04
Vehicles	1,413,681.43
Buildings	8,439,185.67
Construction in Progress	411,552.39
Land	<u>495,751.31</u>
	11,467,842.39
Less: Accumulated Depreciation	<u>(2,930,562.81)</u>
Net Property and Equipment	<u>8,537,279.58</u>
OTHER ASSETS	
Beneficial Interest in Assets Held by Others	73,291.47
Pledges Receivable	390,528.00
Capital Credits Receivable	<u>40,404.63</u>
Total Other Assets	<u>504,224.10</u>
TOTAL ASSETS	<u><u>\$ 12,432,496.58</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accrued Payroll	\$ 157,229.45
Accounts Payable	92,577.67
Payroll Taxes Payable	9,382.90
Retirement Payable	4,078.53
Deferred Revenue	<u>848.54</u>
Total Current Liabilities	<u>264,117.09</u>
NET ASSETS	
Without Donor Restrictions	10,016,514.21
With Donor Restrictions	<u>2,151,865.28</u>
Total Net Assets	<u>12,168,379.49</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 12,432,496.58</u></u>

The accompanying notes are an integral part of this financial statement.

**Rural America Initiatives
Statement of Activities
For the Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Grant	\$ -	\$ 5,612,733.00	\$ 5,612,733.00
Interest Revenue	40,577.28	45,045.64	\$ 85,622.92
In-kind	-	425,192.43	425,192.43
Donations	92,897.75	2,020,731.98	2,113,629.73
Reimbursements	401.85	23,609.03	24,010.88
CANS Food Reimbursement	-	196,748.22	196,748.22
Total Revenues	133,876.88	8,324,060.30	8,457,937.18
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of Program Restrictions	8,159,784.39	(8,159,784.39)	-
Total Revenues and Reclassifications	8,293,661.27	164,275.91	8,457,937.18
EXPENSES			
Management and General:			
Rural America Initiatives	104,882.91	-	104,882.91
Rural America Initiatives - Indirect '23	515,263.54	-	515,263.54
Rural America Initiatives - Indirect '22	251,449.75	-	251,449.75
Fundraising	70,822.43	-	70,822.43
Program Expenses:			
Rapid City Head Start Year 16	774,718.84	-	774,718.84
Rapid City Head Start Year 17	1,167,004.43	-	1,167,004.43
Rapid City Early Head Start Year 16	374,370.63	-	374,370.63
Rapid City Early Head Start Year 17	954,847.61	-	954,847.61
Crow Creek Head Start Year 16	282,544.12	-	282,544.12
Crow Creek Head Start Year 17	714,738.81	-	714,738.81
Crow Early Creek Head Start Year 16	235,071.73	-	235,071.73
Crow Early Creek Head Start Year 17	643,118.14	-	643,118.14
RCHS COVID-19 Year 1	337,786.00	-	337,786.00
RCEHS COVID-19 Year 1	-	-	-
Rapid City Head Start Construction Year 4	168,108.47	-	168,108.47
New ANA Lakota Language Year 1	204,116.86	-	204,116.86
New ANA Lakota Language Year 2	84,885.09	-	84,885.09
NoVo Year 1	145,204.42	-	145,204.42
NoVo Year 2	52,583.09	-	52,583.09
Thinking About the Future Year 2	396,354.05	-	396,354.05
Thinking About the Future Year 3	44,698.89	-	44,698.89
Ateyapi It's Your Game Year 1	128,582.33	-	128,582.33
Total Expenses	7,651,152.14	-	7,651,152.14
INCREASE IN NET ASSETS	642,509.13	164,275.91	806,785.04
NET ASSETS, BEGINNING OF YEAR	9,374,005.08	1,987,589.37	11,361,594.45
NET ASSETS, END OF YEAR	<u>\$ 10,016,514.21</u>	<u>\$ 2,151,865.28</u>	<u>\$ 12,168,379.49</u>

The accompanying notes are an integral part of this financial statement.

Rural America Initiatives
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
EXPENSES				
Staff Travel	\$ 3,006.28	\$ 95.34	\$ -	\$ 3,101.62
Lease Expense	8,072.45	5,265.00	-	13,337.45
Advertising/Employment Ads	78,846.95	5,198.20	4,602.00	88,647.15
Vehicle Repairs	11,544.31	1,500.00	-	13,044.31
Vehicle Operation	36,101.54	-	-	36,101.54
Copies P.S.	3,087.90	4,599.03	-	7,686.93
Publications P.S.	4,160.00	-	-	4,160.00
Janitorial Expense	2,800.00	-	-	2,800.00
Cultural Consultants	27,100.00	-	-	27,100.00
Consultants P.S.	286,894.05	32,011.00	37,990.57	356,895.62
Consultants Admin	-	1,840.00	11,000.00	12,840.00
Salaries	3,422,436.20	380,719.58	-	3,803,155.78
Supplies - P.S.	304,970.24	9,327.93	-	314,298.17
Supplies - Admin	13,642.47	26,326.61	4,802.87	44,771.95
Donations Expended	15,817.94	29,557.94	-	45,375.88
Payroll Taxes	300,061.69	31,789.50	-	331,851.19
Food	31,676.37	881.59	-	32,557.96
Food - Children	242,807.99	4,049.73	1,984.51	248,842.23
Recruiting Costs	950.00	-	-	950.00
Recruitment Materials	4,211.89	-	-	4,211.89
Staff Training - P.S.	152,338.14	1,489.05	-	153,827.19
Staff Training - Admin	14,057.81	19,683.03	-	33,740.84
Employee Retirement	57,974.38	11,051.95	-	69,026.33
Bank Charges	12.00	210.50	40.62	263.12
Penalties	-	8,363.42	-	8,363.42
Depreciation	400,289.90	7,284.00	-	407,573.90
Classroom Supplies	159,998.12	-	-	159,998.12
Volunteer/Client Activities	109,164.33	-	-	109,164.33
Out-of-state Travel	15,256.68	-	-	15,256.68
Evaluation	71,635.14	-	-	71,635.14
Telephone	182,382.53	35,902.14	-	218,284.67
Postage Admin	-	2,519.71	591.86	3,111.57
Office Rent	21,608.80	2,280.00	-	23,888.80
Insurance - Liability	-	14,073.63	-	14,073.63
Insurance - Health	41,087.62	9,965.90	-	51,053.52
Emergency Services	-	4,300.00	-	4,300.00
Cultural Materials	48,321.64	-	-	48,321.64
Curriculum Materials	21,705.63	-	-	21,705.63
Maintenance	161,050.12	31,159.36	9,810.00	202,019.48

The accompanying notes are an integral part of this financial statement.

Rural America Initiatives
Statement of Functional Expenses (Continued)
For the Year Ended December 31, 2023

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Cleaning Supplies	17,286.77	1,429.34	-	18,716.11
Insurance - Work Comp	-	32,793.50	-	32,793.50
Copies Admin	-	130.52	-	130.52
Client Education Fees	170.00	-	-	170.00
Parent Activities	56,418.25	-	-	56,418.25
Utilities	120,051.38	10,263.46	-	130,314.84
Classroom Supplies - COVID-19	100,951.64	-	-	100,951.64
Supplies PS - COVID-19	13,253.35	-	-	13,253.35
Pers Protective Supp - COVID-19	10,629.50	-	-	10,629.50
Parent Policy Council	375.18	-	-	375.18
Kitchen Supplies	11,758.88	-	-	11,758.88
Postage P.S.	595.40	-	-	595.40
Other Parent Services	2,361.19	-	-	2,361.19
CDA Operating	850.00	-	-	850.00
Insurance Admin	118,960.86	28,470.68	-	147,431.54
Audit Fees	-	26,710.89	-	26,710.89
Accounting Fees	-	90,353.67	-	90,353.67
	<u>\$ 6,708,733.51</u>	<u>\$ 871,596.20</u>	<u>\$ 70,822.43</u>	<u>\$ 7,651,152.14</u>

The accompanying notes are an integral part of this financial statement.

Rural America Initiatives
Statement of Cash Flows
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 806,785.04
Adjustments to Reconcile Increase in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation	407,573.90
Loss on Beneficial Interest in Assets by Others	(27,044.32)
(Increase) Decrease in Operating Assets:	
Employee Loans Receivable	(4,932.50)
Grants Receivable	52,988.66
Pledges Receivable	(217,562.61)
Prepaid Expenses	11,442.80
Capital Credit Receivable	5,629.84
Increase (Decrease) in Operating Liabilities:	
Accrued Payroll	27,135.13
Accounts Payable	(91,603.75)
Payroll Taxes Payable	2,305.08
Retirement Payable	<u>(4,090.99)</u>
Net Cash Provided by Operating Activities	968,626.28

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	<u>(597,857.34)</u>
------------------------------------	---------------------

NET INCREASE IN CASH AND CASH EQUIVALENTS

370,768.94

CASH AND CASH EQUIVALENTS, BEGINNING

2,348,755.92

CASH AND CASH EQUIVALENTS, ENDING

\$ 2,719,524.86

The accompanying notes are an integral part of this financial statement.

Rural America Initiatives

Notes to the Financial Statements

December 31, 2023

NOTE 1 - PURPOSE OF ORGANIZATION AND DESCRIPTION OF PROGRAMS AND SUPPORTING SERVICES

Purpose

Rural America Initiatives (the Organization) is a non-profit organization operating various programs to provide economic, human, and educational services to Native Americans in Rapid City and Fort Thompson, South Dakota.

Program Services

The primary programs operated by the Organization include: (1) Head Start, a comprehensive program providing services for preschool children whose families have recently moved from the reservation and wish to acquire kindergarten readiness skills; (2) Early Head Start, a comprehensive program providing educational, health, nutritional, and family services for infants and toddlers from low-income families; (3) New Beginnings, a program providing Lakota language education to students and the community; (4) NoVo, a program providing Lakota language instruction to Head Start students; (5) Ateyapi: Thinking About the Future, a program providing mentors to teach sexual abstinence and Lakota culture at the three high schools in Rapid City; and (6) Ateyapi Youth Engaged in Sports, a program teaching middle school students how to be more physically active.

Supporting Services

Includes the functions necessary to maintain the Organization's stated purpose and manage the fiscal responsibilities of the entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting; consequently, certain revenue and the related assets are recognized when earned rather than when received and certain expenses are recognized when incurred rather than when the obligation is paid.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets without donor restrictions are amounts that are not subject to donor-imposed stipulations and are available for operations. Net assets with donor restrictions are those whose use has been limited by donors and grantors to a specific time period or purpose.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Unconditional promises to give are recorded as revenues or gains in the period in which the contribution is promised. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Rural America Initiatives
Notes to the Financial Statements
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The Organization receives contributions to support operating activities and capital projects. These contributions can be from individuals, foundations, corporations, or trusts. The Organization records contributions (pledges) receivable, net of allowances for estimated uncollectable amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor. The Organization discounts multi-year pledges that are expected to be collected after one year using a risk-adjusted discount rate. Multi-year pledges are recorded at fair value at the date of the pledge.

Government Grants and Contracts

The Organization receives grant and contract funding from various federal, state, and local governments to provide a variety of program services to the public based on specific requirements included in the agreement, including eligibility, procurement, reimbursement, curriculum, staffing, and other requirements. These program services include child-care programs, teen programs, family programs, and educational programs. These government grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Public support is recognized as conditions are satisfied, primarily as expenses are incurred. Cash received on government grants and contracts prior to incurring allowable expenses are recorded as advances upon receipt.

Government grants and contracts receivable are recorded in grants receivable. All other donations are recorded in contributions receivable. At year-end, management recognizes an expected allowance for credit losses. The estimate is calculated on a pooled basis where similar characteristics exist. There is no allowance for expected credit losses related to grants receivable as they are owed by federal agencies under cost reimbursement grant agreements. Management believes all costs claimed are eligible under the programs and therefore all balances are collectible.

At December 31, 2023, the Organization also had unexpended contributions and grants of approximately \$1.6 million that have not been recognized pending the fulfillment of conditions associated with the awards.

In-kind contributions:

The Organization recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets (b) require specialized skills (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed.

The Organization receives services from many volunteers who give significant amounts of their time to the programs of the Organization. No amounts have been reflected for these types of donated services, as there is no objective basis available to measure the value of such services. In-kind contributions are used by the Organization to satisfy the cost-sharing requirements of contracts. Contributions of assets other than cash are recorded at estimated fair value.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Rural America Initiatives
Notes to the Financial Statements
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization has revenue streams that are accounted for as reciprocal exchange transactions. Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount on the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Childcare: Childcare revenues consist of the amounts families pay to participate in childcare the Organization's provides outside of the program's hours. Childcare fees are due monthly after services have been provided.

Government Contract Revenue: The Organization has contracts with various governmental agencies to provide a variety of program services to the public based on contract requirements. Such contracts from government agencies are recorded as revenue as performance obligations are satisfied, which is generally when the related expenditures are incurred over the period the service is provided.

Advances are recorded as deferred revenue from government contracts upon receipt.

Employee Loans Receivable

Employee loans receivable are stated at unpaid balances. Management evaluates amounts owed to determine expected credit losses on balances owed. Management believes all loans are collectible as wages are sufficient to repay balances should employment terminate.

Property and Equipment

Property and equipment are capitalized at cost. The Organization capitalizes items with lives greater than one year and costs exceeding \$5,000. Depreciation is computed over the estimated service lives of the respective assets on a straight-line basis as follows:

Buildings	5 - 39 Years
Vehicles	3 - 7 Years
Equipment	5 - 10 Years
Land Improvements	10 Years
Leasehold Improvements	3 - 20 Years

All federal grantors retain a reversionary interest in the selected property purchased with their respective contract funds. A portion of the property and equipment reported by the Organization has been acquired with federal funds.

Capital Credit Receivable

The Organization earns capital credits from its utility service cooperatives. The cooperative calculates the amount of capital credits earned by the Organization based on usage and applies this amount to the Organization's capital credits account. Annually, the cooperative determines an amount of capital credits to be distributed from the Organization's capital credits account to the Organization. Capital credit payments are usually in the form of credits applied to the Organization's billing invoice. The timeline of distributions is unknown. The Organization records capital credits at cost reported by the cooperative.

Rural America Initiatives
Notes to the Financial Statements
December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization is not liable for income taxes if it operates within the confines of its exempt status, though the Organization may be responsible for taxes on unrelated business activities. In the event of an examination of the income tax returns, the tax liability of the Organization could be changed if an adjustment in the tax-exempt purpose or income from unrelated business activities is ultimately determined by the taxing authorities. The Organization recognizes tax positions in the financial statements when it is more likely than not the positions will be sustained upon examination by the taxing authorities.

As of December 31, 2023, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Organization's income tax filings are subject to audit by various taxing authorities. The Organization is no longer subject to federal and state income tax examinations by taxing authorities for years before 2020. Management continually evaluates expiring statutes of limitation, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Organization believes its estimates are appropriate based on current facts and circumstances. Interest and penalties assessed by income taxing authorities, if any, are included in interest expense.

Estimates

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

Functional Allocation of Expenses

Expenses are charged directly to program, management and general, or fundraising based on specific identification. Indirect expenses have been allocated based on management's estimate of functions benefited based on staff-related expenses. Self-charged depreciation expense is calculated based on non-federally funded construction costs and allocated based on program square footage utilization.

Advertising

Advertising costs are expensed when incurred. Advertising expenses for the year ended December 31, 2023 were \$88,647.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Rural America Initiatives
Notes to the Financial Statements
December 31, 2023

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial Assets Available for Use:

Cash and Cash Equivalents	\$ 2,719,525
Employee Loans Receivable	13,433
Grants Receivable	332,631
Current Portion of Pledges Receivable	199,799
	<u>\$ 3,265,388</u>

The Organization's assets available for use consist of cash in bank and receivables expected to be collected currently. As explained in Note 7, the Organization has a line of credit available to fund operating cash flows.

NOTE 4 - PROPERTY AND EQUIPMENT

A summary of the changes in property and equipment is as follows:

	<u>12/31/2022</u>	<u>Additions</u>	<u>Dispositions</u>	<u>12/31/2023</u>
Buildings	\$ 8,439,186	\$ -	\$ -	\$ 8,439,186
Leasehold Improvements	273,405	15,973	-	289,378
Vehicles	1,298,716	114,965	-	1,413,681
Equipment	362,078	56,216	-	418,294
Land	495,751	-	-	495,751
CIP-RCEHS Classrooms	-	411,552	-	411,552
	<u>10,869,136</u>	<u>598,706</u>	<u>-</u>	<u>11,467,842</u>
Total Fixed Assets				
	10,869,136	598,706	-	11,467,842
Less: Accumulated Depreciation	<u>2,522,989</u>	<u>407,574</u>	<u>-</u>	<u>2,930,563</u>
Net Property and Equipment	<u>\$ 8,346,147</u>	<u>\$ 191,132</u>	<u>\$ -</u>	<u>\$ 8,537,279</u>

Depreciation expense for the year ended December 31, 2023 was \$407,574.

Construction in progress includes design and preliminary work related to the remodel and construction of additional classroom space at the Rapid City facility. The contract is with a construction contractor at risk for up to \$4 million. The project is expected to be funded with donations, though a construction loan for up to \$2.1 million has been obtained. There were no draws on the construction loan as of December 31, 2023.

NOTE 5 - LEASE OBLIGATIONS

The Organization leases land on which a building is located under a twenty-year lease requiring \$500 per month until the lease expired on June 30, 2014, after which it continued month-to-month. A verbal modification reduced the rent to \$250 per month. The amount included in expenses for the year ended December 31, 2023 was \$3,000.

Rural America Initiatives
Notes to the Financial Statements
December 31, 2023

NOTE 6 - RETIREMENT PLAN

The Organization offers its full-time employees a simplified employee pension plan. The Organization makes discretionary contributions each year. For the year ended December 31, 2023, contributions were \$69,026.

NOTE 7 - LINE OF CREDIT

The Organization maintains a \$130,000 unsecured line of credit with Black Hills Community Bank. The agreement calls for monthly interest payments at 1.25 percent over the bank's index rate (9.75% as of December 31, 2023) and is available until November 19, 2024. At December 31, 2023, the Organization had no outstanding borrowings under this line of credit.

NOTE 8 - IN-KIND MATERIALS AND SERVICES

The fair value of donated goods and services included as in-kind contributions in the financial statements under program activities for the year ended December 31, 2023 is as follows:

Professional Services	\$ 259,780
Goods	165,412
	<u>\$ 425,192</u>

In addition to these amounts, services in the amount of \$680,790 were donated to the Organization that do not qualify to be recorded in the accompanying financial statements. They do, however, qualify as in-kind matching contributions under the terms of grant programs.

NOTE 9 - PLEDGES RECEIVABLE

Pledges receivable at December 31, 2023 were as follows:

Receivable in Less Than One Year	\$ 199,799
Receivable in One to Five Years	390,528
	<u>\$ 590,327</u>

Management continually evaluates the collectability of pledges receivable. Management records an allowance for uncollectible pledges receivable upon evaluation of individual donor payment history and the likelihood of payment. Management has determined that no allowance for uncollectible pledges receivable is necessary at this time.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2023, the Organization's net assets with donor restrictions consisted of the following restrictions and purposes:

Restricted Purpose:	
Head Start Program	\$ 1,265,176.73
Head Start Construction	668,693.74
NoVo Language Program	118,883.43
Ateyapi: Thinking About the Future	67,687.60
Ateyapi: It's Your Game	31,423.78
	<u>\$ 2,151,865.28</u>

Amounts released from restriction for the year related to the Organization incurring eligible expenses as required by various funding sources.

Rural America Initiatives
Notes to the Financial Statements
December 31, 2023

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Organization was the recipient of pass-through funds from Crow Creek Sioux Tribe for the Organization's Head Start Program in a prior year. As of December 31, 2023, the Organization had a \$140,963 account receivable for pass-through funds due from Crow Creek Sioux Tribe for the operation of its Head Start program. As of the report date, the Organization had not received the funds due from the Crow Creek Sioux Tribe. The Organization has been in contact with the Crow Creek Sioux Tribe and the funds are now passed through the Community Development Institute. The Organization established an allowance for the entire \$140,963 receivable balance. Management believes there is a chance of collecting the debt and therefore has not completely written off the debt.

NOTE 12 - CONCENTRATIONS

The Organization's deposits in financial institutions may at times during the year exceed FDIC limits. Management has not experienced any losses to date related to this concentration and does not believe a significant risk exists.

The Organization received 76% of its support from federal grants during the year ended December 31, 2023. The disbursement of funds under federal programs generally requires compliance with terms and conditions specified in federal regulations and is subject to audit and possible disallowance of certain expenditures. The Organization has not had any disallowance of financial awards in the past and management does not expect any future amounts to be disallowed.

NOTE 13 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has unconditional rights to distributions from assets held by the Black Hills Area Community Foundation (the Community Foundation). The Community Foundation makes annual distributions based on the rolling 16-quarter average of investments held on behalf of the organization at a percentage determined by the Community Foundation's Board of Directors. The value of the investment held by the Community Foundation on the Foundation's behalf was \$64,372 as of December 31, 2023. The interest in the Community Foundation is reported at fair market value each year.

The Organization has unconditional rights to distributions from assets held by the South Dakota Community Foundation (SDCF). SDCF makes annual distributions based on the rolling 16-quarter average of investments held on behalf of the Organization at a percentage determined by SDCF's Board of Directors. The value of the investment held by SDCF on the Foundation's behalf was \$8,920 as of December 31, 2023. The interest in the SDCF is reported at fair market value each year.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Rural America Initiatives
Combining Statement of Financial Position
December 31, 2023

	Rural America Initiatives General	Rural America Initiatives Indirect Cost '23	Head Start Year 17
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents - Pooled Cash	\$ 1,315,528.57	\$ -	\$ 553,619.32
Interfund Borrowing	243,821.18	(716,547.14)	582,452.53
Employee Loans Receivable	13,432.50	-	-
Grants Receivable	-	-	297,668.71
Current Portion of Pledges Receivable	-	-	-
Prepaid Expenses	1,500.00	80,942.34	21,830.23
Total Current Assets	<u>1,574,282.25</u>	<u>(635,604.80)</u>	<u>1,455,570.79</u>
PROPERTY AND EQUIPMENT			
Equipment	-	-	418,293.55
Leasehold Improvements	-	-	289,378.04
Vehicles	252,455.94	-	1,046,260.49
Buildings	-	-	3,415,119.41
CIP-RCEHS Classrooms	-	-	-
Land	-	-	-
	252,455.94	-	5,169,051.49
Less: Accumulated Depreciation	<u>(237,585.95)</u>	<u>-</u>	<u>(2,065,241.36)</u>
Net Property and Equipment	<u>14,869.99</u>	<u>-</u>	<u>3,103,810.13</u>
OTHER ASSETS			
Beneficial Interest in Assets Held by Others	73,291.47	-	-
Pledges Receivable	-	-	-
Capital Credits Receivable	40,404.63	-	-
Total Other Assets	<u>113,696.10</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 1,702,848.34</u></u>	<u><u>\$ (635,604.80)</u></u>	<u><u>\$ 4,559,380.92</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accrued Payroll	\$ -	\$ 18,466.57	120,576.49
Accounts Payable	2,227.38	16,217.83	59,446.68
Payroll Taxes Payable	-	968.85	7,331.15
Retirement Payable	-	623.07	3,039.74
Deferred Revenue	848.54	-	-
Total Current Liabilities	3,075.92	36,276.32	190,394.06
NET ASSETS	<u>1,699,772.42</u>	<u>(671,881.12)</u>	<u>4,368,986.86</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,702,848.34</u></u>	<u><u>\$ (635,604.80)</u></u>	<u><u>\$ 4,559,380.92</u></u>

See independent auditor's report.

Rural America Initiatives
Combining Statement of Financial Position (Continued)
December 31, 2023

	Rapid City Head Start Construction Year 4	New ANA Lakota Language Year 2	Ateyapi Thinking about the Future Year 3
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents - Pooled Cash	\$ 669,943.74	\$ -	\$ 54,424.84
Interfund Borrowing	-	(18,827.22)	-
Employee Loans Receivable	-	-	-
Grants Receivable	-	9,916.00	9,352.00
Current Portion of Pledges Receivable	199,799.38	-	-
Prepaid Expenses	-	-	10,832.88
Total Current Assets	<u>869,743.12</u>	<u>(8,911.22)</u>	<u>74,609.72</u>
PROPERTY AND EQUIPMENT			
Equipment	-	-	-
Leasehold Improvements	-	-	-
Vehicles	-	-	-
Buildings	5,024,066.26	-	-
CIP-RCEHS Classrooms	411,552.39	-	-
Land	495,751.31	-	-
	5,931,369.96	-	-
Less: Accumulated Depreciation	<u>(622,387.50)</u>	<u>-</u>	<u>-</u>
Net Property and Equipment	<u>5,308,982.46</u>	<u>-</u>	<u>-</u>
OTHER ASSETS			
Beneficial Interest in Assets Held by Others	-	-	-
Pledges Receivable	390,528.00	-	-
Capital Credits Receivable	-	-	-
Total Other Assets	<u>390,528.00</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 6,569,253.58</u>	<u>\$ (8,911.22)</u>	<u>\$ 74,609.72</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accrued Payroll	\$ -	\$ 4,079.38	\$ 4,112.16
Accounts Payable	1,250.00	927.86	2,638.88
Payroll Taxes Payable	-	298.49	170.07
Retirement Payable	-	280.11	1.01
Deferred Revenue	-	-	-
Total Current Liabilities	1,250.00	5,585.84	6,922.12
NET ASSETS	<u>6,568,003.58</u>	<u>(14,497.06)</u>	<u>67,687.60</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,569,253.58</u>	<u>\$ (8,911.22)</u>	<u>\$ 74,609.72</u>

See independent auditor's report.

Rural America Initiatives
Combining Statement of Financial Position (Continued)
December 31, 2023

	Ateyapi It's Your Game Year 1	NoVo Year 2	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents - Pooled Cash	\$ -	\$ 126,008.39	\$ 2,719,524.86
Interfund Borrowing	(90,899.35)	-	-
Employee Loans Receivable	-	-	13,432.50
Grants Receivable	15,694.00	-	332,630.71
Current Portion of Pledges Receivable	-	-	199,799.38
Prepaid Expenses	10,500.00	-	125,605.45
Total Current Assets	(64,705.35)	126,008.39	3,390,992.90
PROPERTY AND EQUIPMENT			
Equipment	-	-	418,293.55
Leasehold Improvements	-	-	289,378.04
Vehicles	114,965.00	-	1,413,681.43
Buildings	-	-	8,439,185.67
CIP-RCEHS Classrooms	-	-	411,552.39
Land	-	-	495,751.31
	114,965.00	-	11,467,842.39
Less: Accumulated Depreciation	(5,348.00)	-	(2,930,562.81)
Net Property and Equipment	109,617.00	-	8,537,279.58
OTHER ASSETS			
Beneficial Interest in Assets Held by Others	-	-	73,291.47
Pledges Receivable	-	-	390,528.00
Capital Credits Receivable	-	-	40,404.63
Total Other Assets	-	-	504,224.10
TOTAL ASSETS	\$ 44,911.65	\$ 126,008.39	\$ 12,432,496.58
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accrued Payroll	\$ 6,415.50	\$ 3,579.35	\$ 157,229.45
Accounts Payable	6,598.80	3,270.24	92,577.67
Payroll Taxes Payable	380.08	234.26	9,382.90
Retirement Payable	93.49	41.11	4,078.53
Deferred Revenue	-	-	848.54
Total Current Liabilities	13,487.87	7,124.96	264,117.09
NET ASSETS	31,423.78	118,883.43	12,168,379.49
TOTAL LIABILITIES AND NET ASSETS	\$ 44,911.65	\$ 126,008.39	\$ 12,432,496.58

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities
For the Year Ended December 31, 2023

	Rural America Initiatives General	Rural America Initiatives Indirect Cost '22	Rural America Initiatives Indirect Cost '23	Head Start Year 17
REVENUES				
Grant	\$ -	\$ -	\$ -	\$ 3,127,959.00
Interest Revenue	40,577.28	-	-	-
In-kind	-	-	-	425,192.43
Donations	92,819.78	-	11.02	40,236.06
Reimbursements	401.85	2,748.42	15,256.68	1,311.00
CANS Food Reimbursements	-	-	-	216,466.71
Total Revenue	133,798.91	2,748.42	15,267.70	3,811,165.20
EXPENSES				
Staff Travel	-	242.00	(146.66)	578.44
Lease Expense	-	2,625.00	2,640.00	1,820.00
Advertising/Employment Ads	518.20	-	4,680.00	25,241.20
Vehicle Repairs	1,500.00	-	-	3,892.29
Vehicle Operation	-	-	-	14,001.87
Copies P.S.	-	1,100.51	3,498.52	702.90
Publications P.S.	-	-	-	-
Janitorial Expense	-	-	-	-
Cultural Consultants	-	-	-	-
Consultants P.S.	21,230.00	-	10,781.00	270,708.30
Consultants Admin	-	-	1,840.00	-
Salaries	-	127,654.58	253,065.00	1,893,552.38
Supplies - P.S.	-	8,054.14	1,273.79	213,075.38
Supplies - Admin	14,879.88	-	11,446.73	50.00
Donations Expended	29,557.94	-	-	8,229.83
Payroll Taxes	-	11,978.31	19,811.19	153,541.69
Food	881.59	-	-	2,860.97
Food - Children	4,049.73	-	-	157,252.96
Recruiting Costs	-	-	-	950.00
Recruitment Materials	-	-	-	2,212.04
Staff Training - P.S.	217.90	-	1,271.15	41,890.44
Staff Training - Admin	2,721.06	13,350.68	3,611.29	6,245.38
Employee Retirement	-	3,997.94	7,054.01	33,365.11
Bank Charges	201.50	-	9.00	3.00
Penalties	8,363.42	-	-	-
Depreciation	7,284.00	-	-	226,833.43
Classroom Supplies	-	-	-	30,896.19
Volunteer/Client Activities	-	-	-	1,293.00
Out-Of-State Travel	-	-	-	9,263.40
Evaluation	-	-	-	-
Telephone	-	32,548.02	3,354.12	134,205.26
Postage Admin	2,451.81	-	67.90	-
Office Rent	-	2,280.00	-	4,596.00
Insurance - Liability	-	-	14,073.63	-
Insurance - Health	-	3,425.32	6,540.58	24,235.74

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	Rural America Initiatives General	Rural America Initiatives Indirect Cost '22	Rural America Initiatives Indirect Cost '23	Head Start Year 17
Emergency Services	4,300.00	-	-	-
Cultural Materials	-	-	-	-
Curriculum Materials	-	-	-	-
Maintenance	2,268.80	3,665.12	25,225.44	29,270.47
Cleaning Supplies	-	726.34	703.00	8,893.69
Insurance - Work Comp	-	-	32,793.50	-
Copies Admin	-	-	130.52	-
Client Education Fees	-	-	-	-
Parent Activities	-	-	-	19,431.29
Utilities	3,480.16	3,252.84	3,530.46	64,069.89
Classroom Supplies - Covid 19	-	-	-	(636.41)
Supplies PS - Covid 19	-	-	-	(6,609.87)
Pers Protective Supp - Covid 19	-	-	-	(3,944.50)
Parent Policy Council	-	-	-	144.22
Kitchen Supplies	-	-	-	8,673.79
Postage P.S.	-	-	-	10.40
Other Parent Services	-	-	-	2,361.19
CDA Operating	-	-	-	850.00
Insurance Admin	976.92	10,048.68	17,445.08	95,697.63
Audit Fees	-	-	26,710.89	-
Accounting Fees	-	26,500.27	63,853.40	-
Total Expenses	<u>104,882.91</u>	<u>251,449.75</u>	<u>515,263.54</u>	<u>3,479,708.99</u>
CHANGE IN NET ASSETS BEFORE TRANSFERS AND ALLOCATIONS	28,916.00	(248,701.33)	(499,995.84)	331,456.21
TRANSFERS	56,500.00	538,694.28	(538,694.28)	4,327,641.65
INDIRECT COST ALLOCATION	<u>-</u>	<u>127,841.00</u>	<u>366,809.00</u>	<u>(290,111.00)</u>
INCREASE (DECREASE) IN NET ASSETS	85,416.00	417,833.95	(671,881.12)	4,368,986.86
NET ASSETS, BEGINNING OF YEAR	<u>1,614,356.42</u>	<u>(417,833.95)</u>	<u>-</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 1,699,772.42</u>	<u>\$ -</u>	<u>\$ (671,881.12)</u>	<u>\$ 4,368,986.86</u>

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	Head Start Year 16	RCHS COVID-19 Year 1	RCEHS COVID-19 Year 1	EHS Expansion COVID Year 1
REVENUES				
Grant	\$ 1,260,106.00	\$ 324,252.00	\$ 81,562.00	\$ -
Interest Revenue	-	-	-	-
In-kind	-	-	-	-
Donations	(7,500.39)	-	-	-
Reimbursements	96.95	-	-	-
CANS Food Reimbursements	(19,718.49)	-	-	-
Total Revenue	<u>1,232,984.07</u>	<u>324,252.00</u>	<u>81,562.00</u>	<u>-</u>
EXPENSES				
Staff Travel	730.44	-	-	-
Lease Expense	710.00	-	-	-
Advertising/Employment Ads	39,139.00	-	-	-
Vehicle Repairs	3,510.64	-	-	-
Vehicle Operation	5,590.92	-	-	-
Copies P.S.	-	-	-	-
Publications P.S.	-	-	-	-
Janitorial Expense	-	-	-	-
Cultural Consultants	-	-	-	-
Consultants P.S.	6,135.75	-	-	-
Consultants Admin	-	-	-	-
Salaries	783,583.65	337,786.00	-	-
Supplies - P.S.	38,867.25	-	-	-
Supplies - Admin	188.58	-	-	-
Donations Expended	7,588.11	-	-	-
Payroll Taxes	110,474.48	-	-	-
Food	75.25	-	-	-
Food - Children	85,396.01	-	-	-
Recruiting Costs	-	-	-	-
Recruitment Materials	-	-	-	-
Staff Training - P.S.	46,376.65	-	-	-
Staff Training - Admin	(1,185.00)	-	-	-
Employee Retirement	20,924.20	-	-	-
Bank Charges	-	-	-	-
Penalties	-	-	-	-
Depreciation	-	-	-	-
Classroom Supplies	129,042.63	-	-	-
Volunteer/Client Activities	-	-	-	-
Out-Of-State Travel	1,595.96	-	-	-
Evaluation	-	-	-	-
Telephone	17,786.91	-	-	-
Postage Admin	-	-	-	-
Office Rent	-	-	-	-
Insurance - Liability	-	-	-	-
Insurance - Health	15,748.61	-	-	-

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	Head Start Year 16	RCHS COVID-19 Year 1	RCEHS COVID-19 Year 1	EHS Expansion COVID Year 1
Emergency Services	-	-	-	-
Cultural Materials	300.00	-	-	-
Curriculum Materials	1,497.81	-	-	-
Maintenance	120,090.87	-	-	-
Cleaning Supplies	6,428.99	-	-	-
Insurance - Work Comp	-	-	-	-
Copies Admin	-	-	-	-
Client Education Fees	-	-	-	-
Parent Activities	27,283.62	-	-	-
Utilities	52,682.66	-	-	-
Classroom Supplies - Covid 19	87,977.00	-	-	-
Supplies PS - Covid 19	19,863.22	-	-	-
Pers Protective Supp - Covid 19	14,574.00	-	-	-
Parent Policy Council	230.96	-	-	-
Kitchen Supplies	3,085.09	-	-	-
Postage P.S.	585.00	-	-	-
Other Parent Services	-	-	-	-
CDA Operating	-	-	-	-
Insurance Admin	19,826.06	-	-	-
Audit Fees	-	-	-	-
Accounting Fees	-	-	-	-
Total Expenses	<u>1,666,705.32</u>	<u>337,786.00</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS BEFORE TRANSFERS AND ALLOCATIONS	(433,721.25)	(13,534.00)	81,562.00	-
TRANSFERS	(4,214,484.56)	132,301.00	-	(245,458.09)
INDIRECT COST ALLOCATION	<u>(99,787.00)</u>	<u>(31,394.00)</u>	<u>(742.00)</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	(4,747,992.81)	87,373.00	80,820.00	(245,458.09)
NET ASSETS, BEGINNING OF YEAR	<u>4,747,992.81</u>	<u>(87,373.00)</u>	<u>(80,820.00)</u>	<u>245,458.09</u>
NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	Rapid City Head Start Construction Year 4	New ANA Lakota Language Year 1	New ANA Lakota Language Year 2	NoVo Year 2
REVENUES				
Grant	\$ -	\$ 230,961.00	\$ 74,733.00	\$ -
Interest Revenue	45,045.64	-	-	-
In-kind	-	-	-	-
Donations	1,767,855.21	-	66.95	150,000.00
Reimbursements	69.99	2,400.00	-	30.00
CANS Food Reimbursements	-	-	-	-
Total Revenue	1,812,970.84	233,361.00	74,799.95	150,030.00
EXPENSES				
Staff Travel	-	-	-	-
Lease Expense	-	-	-	-
Advertising/Employment Ads	4,602.00	-	-	1,200.00
Vehicle Repairs	-	-	-	-
Vehicle Operation	-	537.93	361.27	-
Copies P.S.	-	-	-	-
Publications P.S.	-	-	-	-
Janitorial Expense	-	-	2,240.00	560.00
Cultural Consultants	-	6,800.00	-	16,500.00
Consultants P.S.	37,990.57	2,600.00	2,150.00	(50.00)
Consultants Admin	11,000.00	-	-	-
Salaries	-	65,081.61	56,111.94	13,778.07
Supplies - P.S.	-	7,602.97	3,022.17	894.47
Supplies - Admin	4,802.87	3,374.19	-	186.12
Donations Expended	-	-	-	-
Payroll Taxes	-	6,051.52	4,359.15	1,087.51
Food	-	12,737.58	1,695.72	1,926.72
Food - Children	1,984.51	-	-	-
Recruiting Costs	-	-	-	-
Recruitment Materials	-	-	-	-
Staff Training - P.S.	-	26,150.00	782.05	2,600.00
Staff Training - Admin	-	6,747.77	-	-
Employee Retirement	-	1,041.04	879.15	106.22
Bank Charges	40.62	-	-	-
Penalties	-	-	-	-
Depreciation	168,108.47	-	-	-
Classroom Supplies	-	-	-	-
Volunteer/Client Activities	-	485.99	1,539.48	3,402.73
Out-Of-State Travel	-	-	-	-
Evaluation	-	-	-	-
Telephone	-	3,660.00	1,652.50	-
Postage Admin	591.86	-	-	-
Office Rent	-	6,000.00	-	1,079.18
Insurance - Liability	-	-	-	-
Insurance - Health	-	227.70	(49.86)	(11.32)

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	Rapid City Head Start Construction Year 4	New ANA Lakota Language Year 1	New ANA Lakota Language Year 2	NoVo Year 2
Emergency Services	-	-	-	-
Cultural Materials	-	31,714.38	7,068.60	2,800.00
Curriculum Materials	-	19,767.82	-	-
Maintenance	9,810.00	2,860.58	1,842.21	(540.97)
Cleaning Supplies	-	-	1,106.77	-
Insurance - Work Comp	-	-	-	-
Copies Admin	-	-	-	-
Client Education Fees	-	-	-	-
Parent Activities	-	-	-	7,000.00
Utilities	-	-	68.31	-
Classroom Supplies - Covid 19	-	-	-	-
Supplies PS - Covid 19	-	-	-	-
Pers Protective Supp - Covid 19	-	-	-	-
Parent Policy Council	-	-	-	-
Kitchen Supplies	-	-	-	-
Postage P.S.	-	-	-	-
Other Parent Services	-	-	-	-
CDA Operating	-	-	-	-
Insurance Admin	-	675.78	55.63	64.36
Audit Fees	-	-	-	-
Accounting Fees	-	-	-	-
Total Expenses	<u>238,930.90</u>	<u>204,116.86</u>	<u>84,885.09</u>	<u>52,583.09</u>
CHANGE IN NET ASSETS BEFORE TRANSFERS AND ALLOCATIONS	1,574,039.94	29,244.14	(10,085.14)	97,446.91
TRANSFERS	(56,500.00)	(2,191.08)	2,191.08	21,436.52
INDIRECT COST ALLOCATION	<u>-</u>	<u>(20,179.00)</u>	<u>(6,603.00)</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	1,517,539.94	6,874.06	(14,497.06)	118,883.43
NET ASSETS, BEGINNING OF YEAR	<u>5,050,463.64</u>	<u>(6,874.06)</u>	<u>-</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 6,568,003.58</u>	<u>\$ -</u>	<u>\$ (14,497.06)</u>	<u>\$ 118,883.43</u>

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	NoVo Year 1	Ateyapi Thinking About the Future Year 3	Ateyapi Thinking About the Future Year 2	Ateyapi It's Your Game Year 1
REVENUES				
Grant	\$ -	\$ 33,413.00	\$ 327,963.00	\$ 151,784.00
Interest Revenue	-	-	-	-
In-kind	-	-	-	-
Donations	-	-	50,141.10	20,000.00
Reimbursements	-	-	1,100.88	595.11
CANS Food Reimbursements	-	-	-	-
Total Revenue	-	33,413.00	379,204.98	172,379.11
EXPENSES				
Staff Travel	-	-	84.00	1,613.40
Lease Expense	-	3,228.00	2,314.45	-
Advertising/Employment Ads	-	5,663.75	3,290.00	4,313.00
Vehicle Repairs	201.67	-	3,411.41	528.30
Vehicle Operation	361.69	2,756.46	9,210.08	3,281.32
Copies P.S.	-	-	-	2,385.00
Publications P.S.	-	-	-	4,160.00
Janitorial Expense	-	-	-	-
Cultural Consultants	3,800.00	-	-	-
Consultants P.S.	1,250.00	-	3,100.00	1,000.00
Consultants Admin	-	-	-	-
Salaries	56,120.73	6,497.60	162,735.48	47,188.74
Supplies - P.S.	6,352.37	3,257.69	19,249.17	12,648.77
Supplies - Admin	5,575.50	(83.42)	4,351.50	-
Donations Expended	-	-	-	-
Payroll Taxes	5,114.31	575.86	15,089.72	3,767.45
Food	12,258.48	121.65	-	-
Food - Children	-	159.02	-	-
Recruiting Costs	-	-	-	-
Recruitment Materials	1,999.85	-	-	-
Staff Training - P.S.	12,549.01	1,397.50	15,982.33	4,610.16
Staff Training - Admin	-	-	2,249.66	-
Employee Retirement	-	(127.26)	1,160.91	625.01
Bank Charges	-	-	6.00	3.00
Penalties	-	-	-	-
Depreciation	-	-	-	5,348.00
Classroom Supplies	-	(56.62)	115.92	-
Volunteer/Client Activities	25,302.65	8,967.86	62,748.75	5,423.87
Out-Of-State Travel	-	-	3,336.57	1,060.75
Evaluation	-	9,950.00	43,972.00	17,713.14
Telephone	-	7,519.49	16,305.16	1,253.21
Postage Admin	-	-	-	-
Office Rent	1,474.80	958.82	-	7,500.00
Insurance - Liability	-	-	-	-
Insurance - Health	202.40	138.30	581.90	14.15

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	NoVo Year 1	Ateyapi Thinking About the Future Year 3	Ateyapi Thinking About the Future Year 2	Ateyapi It's Your Game Year 1
Emergency Services	-	-	-	-
Cultural Materials	6,109.41	329.25	-	-
Curriculum Materials	-	(4,360.00)	4,800.00	-
Maintenance	3,148.96	(125.19)	4,463.95	39.24
Cleaning Supplies	132.55	42.55	-	682.22
Insurance - Work Comp	-	-	-	-
Copies Admin	-	-	-	-
Client Education Fees	-	170.00	-	-
Parent Activities	2,703.34	-	-	-
Utilities	-	-	-	3,230.52
Classroom Supplies - Covid 19	-	(2,475.50)	16,086.55	-
Supplies PS - Covid 19	-	-	-	-
Pers Protective Supp - Covid 19	-	-	-	-
Parent Policy Council	-	-	-	-
Kitchen Supplies	-	-	-	-
Postage P.S.	-	-	-	-
Other Parent Services	-	-	-	-
CDA Operating	-	-	-	-
Insurance Admin	546.70	193.08	1,708.54	193.08
Audit Fees	-	-	-	-
Accounting Fees	-	-	-	-
Total Expenses	<u>145,204.42</u>	<u>44,698.89</u>	<u>396,354.05</u>	<u>128,582.33</u>
CHANGE IN NET ASSETS BEFORE TRANSFERS AND ALLOCATIONS	(145,204.42)	(11,285.89)	(17,149.07)	43,796.78
TRANSFERS	(21,436.52)	83,314.49	(83,314.49)	-
INDIRECT COST ALLOCATION	<u>-</u>	<u>(4,341.00)</u>	<u>(29,120.00)</u>	<u>(12,373.00)</u>
INCREASE (DECREASE) IN NET ASSETS	(166,640.94)	67,687.60	(129,583.56)	31,423.78
NET ASSETS, BEGINNING OF YEAR	<u>166,640.94</u>	<u>-</u>	<u>129,583.56</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ 67,687.60</u>	<u>\$ -</u>	<u>\$ 31,423.78</u>

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	<u>Total</u>
REVENUES	
Grant	\$ 5,612,733.00
Interest Revenue	85,622.92
In-kind	425,192.43
Donations	2,113,629.73
Reimbursements	24,010.88
CANS Food Reimbursements	<u>196,748.22</u>
Total Revenue	<u>8,457,937.18</u>
EXPENSES	
Staff Travel	3,101.62
Lease Expense	13,337.45
Advertising/Employment Ads	88,647.15
Vehicle Repairs	13,044.31
Vehicle Operation	36,101.54
Copies P.S.	7,686.93
Publications P.S.	4,160.00
Janitorial Expense	2,800.00
Cultural Consultants	27,100.00
Consultants P.S.	356,895.62
Consultants Admin	12,840.00
Salaries	3,803,155.78
Supplies - P.S.	314,298.17
Supplies - Admin	44,771.95
Donations Expended	45,375.88
Payroll Taxes	331,851.19
Food	32,557.96
Food - Children	248,842.23
Recruiting Costs	950.00
Recruitment Materials	4,211.89
Staff Training - P.S.	153,827.19
Staff Training - Admin	33,740.84
Employee Retirement	69,026.33
Bank Charges	263.12
Penalties	8,363.42
Depreciation	407,573.90
Classroom Supplies	159,998.12
Volunteer/Client Activities	109,164.33
Out-Of-State Travel	15,256.68
Evaluation	71,635.14
Telephone	218,284.67
Postage Admin	3,111.57
Office Rent	23,888.80
Insurance - Liability	14,073.63
Insurance - Health	51,053.52

See independent auditor's report.

Rural America Initiatives
Combining Statement of Activities (Continued)
For the Year Ended December 31, 2023

	<u>Total</u>
	4,300.00
Emergency Services	48,321.64
Cultural Materials	21,705.63
Curriculum Materials	202,019.48
Maintenance	18,716.11
Cleaning Supplies	32,793.50
Insurance - Work Comp	130.52
Copies Admin	170.00
Client Education Fees	56,418.25
Parent Activities	130,314.84
Utilities	100,951.64
Classroom Supplies - Covid 19	13,253.35
Supplies PS - Covid 19	10,629.50
Pers Protective Supp - Covid 19	375.18
Parent Policy Council	11,758.88
Kitchen Supplies	595.40
Postage P.S.	2,361.19
Other Parent Services	850.00
CDA Operating	147,431.54
Insurance Admin	26,710.89
Audit Fees	90,353.67
Accounting Fees	<u>7,651,152.14</u>
Total Expenses	<u>7,651,152.14</u>
CHANGE IN NET ASSETS BEFORE TRANSFERS AND ALLOCATIONS	806,785.04
TRANSFERS	-
INDIRECT COST ALLOCATION	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	806,785.04
NET ASSETS, BEGINNING OF YEAR	<u>11,361,594.45</u>
NET ASSETS, END OF YEAR	<u>\$ 12,168,379.49</u>

See independent auditor's report.

**Rural America Initiatives
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Assistance Listing Number	Direct Award	Cluster/ Program Name	Pass-through Entity	Pass-through Identifying Number	Federal Expenditures
<u>US Department of Health and Human Services</u>					
93.060	Y	Competitive Abstinence Education (CAE)			\$ 423,272
93.297	Y	Teenage Pregnancy Prevention			118,732
93.587	Y	Promote the Survival and Continuing Vitality of Native American Languages			313,317
93.600	Y	Early Head Start			1,949,207
93.600	Y	Head Start			2,776,376
93.600	Y	COVID - Head Start			<u>369,922</u>
Total US Department of Health and Human Services					5,950,826
<u>US Department of Agriculture</u>					
10.558	N	Child and Adult Care Food Program (Note 2)	SD Department of Education	unknown	<u>196,748</u>
Total Federal Financial Assistance					<u><u>\$ 6,147,574</u></u>

Note 1: The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting unless otherwise noted. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2: The Organization has an approved indirect cost rate and as such, does not use the 10 percent de minimus rate allowed under the Uniform Guidance.

Note 3: Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

Note 4: No funds were passed down to subrecipients.

See independent auditor's report.