



NORTHWEST MONTANA HUMAN RESOURCES, INC.  
DBA  
COMMUNITY ACTION PARTNERSHIP OF  
NORTHWEST MONTANA

AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS

For the Years Ended  
December 31, 2015 and 2014

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA  
COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
December 31, 2015

Board of Directors  
(Seated as of December 31, 2015)

Holly Wagner, President  
Laura Burrowes, Secretary Treasurer  
Marianne Roose, Director  
Danielle K. Whitten, Director  
Maggie Good, Director  
Vince Rubino, Director  
Glen Magera, Director  
Kate Huntsberger, Director  
Duane Lutke, Director  
Robin Haidle, Director

Management

Tracy Diaz, Executive Director  
Patrick Malone, Deputy Director  
Carrie Gable, Chief Financial Officer  
Wendy Nissen, Personnel Officer  
Margaret Jones, Director of Weatherization  
Marney McCleary, Director of Housing  
Kim Wallace, Director of Fuel Assistance  
Karen Nosek, Director of Education and Training  
Don Preston, IT Administrator

214 Main Street  
PO Box 8300  
Kalispell, Montana 59904-1300

Phone: (406) 752-6565  
Fax: (406) 752-6582  
Email: [capnm@capnm.net](mailto:capnm@capnm.net)  
Website: [www.capnm.net](http://www.capnm.net)

*A Non-Profit Community Action Partner Providing Opportunities for Self-sufficiency*

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
DBA  
COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA

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RANDALL & PETERSON.P.C.  
—CERTIFIED PUBLIC ACCOUNTANTS—

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Northwest Montana Human Resources, Inc.  
DBA Community Action Partnership of Northwest Montana  
Kalispell, Montana

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Northwest Montana Human Resources, Inc. DBA Community Action Partnership of Northwest Montana, a nonprofit organization, (CAPNM) and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Westgate Senior Associates, an affiliate, which statements reflect total assets of \$1,014,032 as of December 31, 2015, and total support and revenues of \$136,243, for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Westgate Senior Associates, is based solely on the report of the other auditors. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CAPNM and Affiliates as of December 31, 2015 and 2014 and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental schedules on pages 39 to 62 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related 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 of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2016, on our consideration of the CAPNM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 CAPNM's internal control over financial reporting and compliance.



Randall & Peterson, P.C.  
f/k/a Randall, Hensel & Peterson  
Missoula, Montana  
August 17, 2016

# CONSOLIDATED FINANCIAL STATEMENTS

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
 As of December 31, 2015 and 2014

ASSETS	2015	2014
Cash and Cash Equivalents	\$ 3,290,172	\$ 3,134,326
Investment in Certificate of Deposit	121,288	120,824
Accounts Receivable	105,737	202,372
Employee Advances	2,448	1,920
Grants Receivable	550,973	270,345
Prepaid Expenses	111,533	41,441
Inventory of Homes for Resale	771,531	1,080,026
Inventory of Land for Mutual Self-Help Housing	0	309,546
Loans Receivable (Net of Allowance for Doubtful Accounts)	992,653	1,148,745
Capitalized Housing Development Costs	1,066,860	496,927
Loan Fees (Net of Amortization)	2,906	0
Equipment and Software (Net of Depreciation)	210,169	147,641
Land and Buildings (Net of Depreciation)	4,101,324	2,219,612
TOTAL ASSETS	\$ 11,327,594	\$ 9,173,725
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 153,489	\$ 113,094
Due to Granter/Funds Held in Trust	852,252	879,573
Payroll Liabilities and Compensated Absences	269,455	154,884
Deferred Revenue	2,662	15,780
Short-Term Debt	45,000	45,000
Long-Term Debt	3,686,326	1,331,083
TOTAL LIABILITIES	\$ 5,009,184	\$ 2,539,414
NET ASSETS		
Unrestricted	\$ 5,795,007	\$ 6,112,155
Temporarily Restricted	523,403	522,156
TOTAL NET ASSETS	\$ 6,318,410	\$ 6,634,311
TOTAL LIABILITIES AND NET ASSETS	\$ 11,327,594	\$ 9,173,725

The notes to the consolidated financial statements are an integral part of these statements.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 CONSOLIDATED STATEMENTS OF ACTIVITIES  
 For the Years Ended December 31, 2015 and 2014

	2015	2014
UNRESTRJCTED NET ASSETS		
OPERATING REVENUES		
Program Grants	\$ 2,970,367	\$ 4,314,065
Contracts and Rental Income	1,502,525	1,817,699
Sale of Homes	1,439,400	1,693,060
Sale of Land to Mutual Self-Help Families	306,000	0
Contributions	8,645	19,223
Bad Debt Recovery/ Loss on Purchase	0	41,314
Interest	19,986	23,326
Interest Subsidy	62,261	0
Other	8,407	4,828
Net Assets Released from Restrictions	23,973	323,715
TOTAL OPERATING REVENUES	\$ 6,341,564	\$ 8,237,230
OPERATING EXPENSES		
Program Services		
Community Services	\$ 846,579	\$ 627,217
Energy Programs	1,721,667	1,859,615
Job Training Programs	592,993	670,095
Housing Programs	2,510,933	4,297,352
In-Home Assistance Programs	458,538	574,529
Supporting Services		
General Administration	528,002	511,026
TOTAL OPERATING EXPENSES	\$ 6,658,712	\$ 8,539,834
CHANGE IN UNRESTRICTED NET ASSETS	\$ (317,148)	\$ (302,604)
TEMPORARJLY RESTRICTED NET ASSETS		
Contributions	\$ 25,220	\$ 12,327
Net Assets Released from Restrictions	{2319732	{323,7152
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	\$ 1,247	\$ {311,3882
TOTAL CHANGE TN NET ASSETS	(315,901)	(613,992)
NET ASSETS AT BEGINNING OF YEAR		
Unrestricted	\$ 6,112,155	\$ 6,414,759
Temporarily Restricted	522,156	833,544
TOTAL NET ASSETS AT BEGINNING OF YEAR	\$ 6,634,311	\$ 7,248,303
NET ASSETS AT END OF YEAR		
Unrestricted	\$ 5,795,007	\$ 6,112,155
Temporarily Restricted	523,403	522,156
TOTAL NET ASSETS AT END OF YEAR	\$ 6,318,410	\$ 6,634,311

The notes to the consolidated financial statements are an integral part of these statements.



NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2015

	Community Services	Energy Programs	Job Training Programs	Housing Programs	In-Home Assistance Programs	Total Expenses
<b>PROGRAM SERVICES</b>						
Salaries and Wages	\$ 322,213	\$ 618,171	\$ 405,876	\$ 208,039	\$ 106,431	\$ 1,660,730
Health Insurance	27,364	80,600	70,529	32,648	20,584	231,725
TSA Contributions	5,401	22,305	11,566	3,204	3,149	45,625
Payroll Taxes	30,767	100,505	40,946	26,765	11,654	210,637
Contracted Services	5,303	8,724	3,565	8,012	1,856	27,460
Rent/Utilities	7,342	50,744	12,972	31,495	342	102,895
Supplies, Service & Repairs	23,694	44,323	10,282	67,502	8,626	154,427
Legal Assistance	305	0	0	15,981	0	16,286
Depreciation	77,765	0	0	53,293	0	131,058
Telephone / Internet	4,580	11,902	7,561	5,273	1,026	30,342
Travel and Training	28,346	47,336	9,321	19,814	661	105,478
Interest	37,290	0	0	90,366	0	127,656
Property/General Liability Insurance	871	10,905	52	22,903	108	34,839
Bad Debts	60	0	0	19,384	0	19,444
Home Weatherization	0	307,237	0	17,075	0	324,312
Fuel Assistance	48	395,332	0	0	0	395,380
Employment / Training	980	157	11,308	623	40	13,108
Home Health Wages, Fringe & Travel	0	0	0	0	298,783	298,783
Housing Cost of Sales/Loss on Purchase	135,759	0	0	1,821,706	0	1,957,465
Supportive Services	131,517	8,107	8,260	33,354	0	181,238
Other Program Related	6,974	15,319	755	33,496	5,278	61,822
<b>TOTAL PROGRAM SERVICES</b>	<b>\$ 846,579</b>	<b>\$ 1,721,667</b>	<b>\$ 592,993</b>	<b>\$ 2,510,933</b>	<b>\$ 458,538</b>	<b>\$ 6,130,710</b>
<b>SUPPORTING SERVICES</b>						
General Administration	104,667	201,117	133,452	51,340	37,426	528,002
<b>TOTAL EXPENSES</b>	<b>\$ 951,246</b>	<b>\$ 1,922,784</b>	<b>\$ 726,445</b>	<b>\$ 2,562,273</b>	<b>\$ 495,964</b>	<b>\$ 6,658,712</b>

The notes to the consolidated financial statements are an integral part of these statements.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2014

	Community Services	Energy Programs	Job Training Programs	Housing Programs	In-Home Assistance Programs	Total Expenses
<b>PROGRAM SERVICES</b>						
Salaries and Wages	\$ 283,632	\$ 618,175	\$ 422,216	\$ 242,194	\$ 120,696	\$ 1,686,913
Health Insurance	24,561	83,774	68,473	35,537	21,590	233,935
TSA Contributions	7,447	17,470	11,171	3,224	1,859	41,171
Payroll Taxes	45,192	97,118	39,050	37,050	12,555	230,965
Contracted Services	7,660	7,520	3,361	8,021	1,750	28,312
Rent/Utilities	0	42,144	17,687	19,660	809	80,300
Supplies, Service & Repairs	19,376	43,370	31,011	39,473	10,097	143,327
Legal Assistance	2,210	0	0	2,919	1,363	6,492
Depreciation	77,053	0	37	8,789	17	85,896
Telephone / Internet	2,700	12,890	9,162	5,619	2,116	32,487
Travel and Training	38,066	53,085	12,383	18,674	1,704	123,912
Interest	36,172	0	0	0	0	36,172
Property/General Liability Insurance	8,533	11,535	155	24,501	216	44,940
Bad Debts	2	0	0	0	546	548
Home Weatherization	0	352,035	0	40	0	352,075
Fuel Assistance	0	493,150	0	0	0	493,150
Employment /Training	2,747	233	40,871	269	122	44,242
Home Health Wages, Fringe & Travel	0	0	0	0	390,847	390,847
Housing Cost of Sales	0	0	0	3,832,189	0	3,832,189
Supportive Services	64,212	16,853	13,130	1,450	0	95,645
Other Program Related	7,654	10,263	1,388	17,743	8,242	45,290
<b>TOTAL PROGRAM SERVICES</b>	<b>\$ 627,217</b>	<b>\$ 1,859,615</b>	<b>\$ 670,095</b>	<b>\$ 4,297,352</b>	<b>\$ 574,529</b>	<b>\$ 8,028,808</b>
<b>SUPPORTING SERVICES</b>						
General Administration	<u>87,372</u>	<u>184,013</u>	<u>128,523</u>	<u>74,055</u>	<u>37,063</u>	<u>511,026</u>
<b>TOTAL EXPENSES</b>	<b>\$ 714,589</b>	<b>\$ 2,043,628</b>	<b>\$ 798,618</b>	<b>\$ 4,371,407</b>	<b>\$ 611,592</b>	<b>\$ 8,539,834</b>

The notes to the consolidated financial statements are an integral part of these statements.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 For the Years Ended December 31, 2015 and 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Grants and Contributions	\$ 2,710,486	\$ 5,018,692
Cash Received from Contracts	1,633,547	1,681,911
Cash Received from Interest	9,436	10,383
Cash Received from Sale of Land and Homes Inventory	1,745,400	1,726,864
Cash Received from Other Operating Activities	36,281	4,830
Cash Received (Paid) for Amounts in Trust	(27,321)	37,329
Cash Paid to/for Employees	(2,760,397)	(3,068,288)
Cash Paid to Suppliers/Vendors	(1,572,483)	(1,588,500)
Cash Paid for Inventory of Homes	(1,253,570)	(3,485,089)
Cash Paid for Interest	<u>(127,656)</u>	<u>          </u>
<u>146,6342</u>		
Net Cash Flows from Operating Activities	<u>\$ 393,723</u>	<u>\$ 291,498</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Principal Loan Payments Received	\$ 116,625	\$ 155,110
Principal Loan Payments Advanced	(74,405)	0
Purchase of Investments	(464)	(541)
Proceeds from the Sale of Land	0	33,804
Purchase of Interest in Partnerships	(102,251)	0
Purchase of Equipment/Building Improvements	<u>(828,583)</u>	<u>(600,282)</u>
Net Cash Flows from Investing Activities	<u>\$ 889,0782</u>	<u>\$ 411,9092</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Debt	\$ 762,481	\$ 241,532
Principal Payments on Debt	<u>(111,2802)</u>	<u>          </u>
<u>184,5092</u> Net Cash Flows from Financing Activities	<u>\$ 651,201</u>	<u>\$ 57,023</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>\$ 155,846</u>	<u>\$ (63,388)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>3,134,326</u>	<u>3,197,714</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 3,290,172</u>	<u>\$ 3,134,326</u>
<b>Supplemental Disclosure of Non-Cash Investing and Financing Activities</b>		
<i>Investing Activities</i>		
Additions to Property and Equipment from Acquisition of Partnerships	\$ 1,738,825	\$ 0
Cash Reserves Transferred at Acquisition of Partnerships	<u>316,740</u>	<u>0</u>
	<u>\$ 2,055,565</u>	<u>\$ 0</u>
<i>Financing Activities</i>		
Assumption of Long-Term Debt from Acquisition of Partnerships	\$ 1,947,470	\$ 0
Rental Assistance Applied to Long-Term Debt Principal Payments	12,023	0
	<u>\$ 1,959,493</u>	<u>\$ 0</u>

The notes to the consolidated financial statements are an integral part of these statements.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 CONSOLIDATED STATEMENTS OF CASH FLOWS, Continued  
 For the Years Ended December 31, 2015 and 2014

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH  
 FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	(315,901)	\$	(613,992)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities				
Items not Affecting Cash:				
Depreciation		146,761		97,270
Provision for Loan Loss Reserves		3,784		(47,764)
Interest Added to Debt		(10,550)		(12,943)
Forgiveness of Debt		0		6,452
Loss on Disposal of Assets		5,820		0
Assumption of Housing Project Assets and Debt		85,854		0
Changes in Assets and Liabilities:				
Decrease/(Increase) in Grants Receivable		(280,628)		754,964
Decrease/(Increase) in Accounts Receivable		96,635		(135,788)
Decrease/(Increase) in Prepaid Expenses		(70,092)		(10,462)
Decrease/(Increase) in Employee Advances		(528)		(409)
Decrease/(Increase) in Inventory of Land and Homes		618,041		380,904
Increase/(Decrease) in Trade Accounts Payable		40,395		37,053
Increase/(Decrease) in Salaries and Accrued Payroll Payable		114,571		(119,229)
Increase/(Decrease) in Due to Grantor/Funds Held in Trust		(27,321)		37,329
Increase/(Decrease) in Deferred Revenue		(13,118)		81,887
Net Cash Flows from Operating Activities	\$	<u>393,723</u>	\$	<u>291,498</u>

The notes to the consolidated financial statements are an integral part of these statements.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2015 and 2014

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Principles of Consolidation**

The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of Northwest Montana Human Resources, Inc. dba Community Action Partnership of Northwest Montana and its affiliates, the Northwest Montana Community Land Trust, Inc., Columbi a Falls Teakettle Vista Associates, Courtyard Apartments, and Westgate Senior Associates for the years ending December 31, 2015 and 2014. All significant inter-company transactions and balances have been eliminated.

**B. Organization**

Northwest Montana Human Resources, Inc. DBA Community Action Partnership of Northwest Montana (CAPNM) is a not-for-profit corporation organized under Internal Revenue Code Section 501(c)(3). CAPNM was incorporated in 1976 and is located in Kalispell, Montana and operates field offices in Libby and Polson. The Agency is part of a national network of community action agencies (CAA's) that were created by the federal government in 1964 to combat poverty. CAPNM administers a variety of federal and non-federal grants, sub-grants and contracts which provide services and activities designed to meet the identified needs of the community. CAPNM, as part of the CAA network, reaches out to low-income people in their communities addressing their multiple needs through a comprehensive approach, developing partnerships with other community organizations and administering a full range of coordinated programs designed to have a measurable impact on poverty. The mission of CAPNM is "to provide services and advocacy to alleviate poverty, improve lives, and strengthen our communities."

CAPNM has a tripartite board structure that is designated to promote the participation of the entire community in the reduction or elimination of poverty. The Board of Directors is comprised of individuals from Flathead, Lake, Lincoln and Sanders counties. Board members serve voluntarily and are chosen to represent either the private sector, the public sector or the low-income sector of the population.

The Northwest Montana Community Land Trust, Inc. (CLT) is a not-for-profit corporation organized under Internal Revenue code Section 501(c)(3). The CLT was incorporated in February 2010 by CAPNM to serve as a separate holding company to provide permanently affordable home ownership opportunities for low and moderate income families in Flathead County, Montana. Grants obtained from the Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP) funded the City of Kalispell as grantee and in turn CAPNM as sub-grantee to purchase foreclosed homes in designated census tracts in the City of Kalispell.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2015 and 2014

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

B. Organization, continued

Upon sale of the home to qualified individuals, program income is returned to the sub-grantee (CAPNM) and the land under the home is leased and held by the CLT in furtherance of its mission. Because NSP is currently the CLT's only source of funding, the sub-grantee (CAPNM) is responsible for debts on the homes purchased by the CLT and proceeds from the sale of homes must be returned to the sub-grantee (CAPNM) according to terms of the grant, the sub-grantee (CAPNM) has chosen to consolidate the CLT in its financial statements as encouraged under generally accepted accounting principles.

Columbia Falls Teakettle Vista Associates and Westgate Senior Associates were Montana Limited Partnerships in which CAPNM was the general partner. On April 1, 2015, CAPNM purchased the interests of the limited partners and became the sole owners of the entities. The entities were formed for the purpose of constructing, acquiring, owning, operating and managing 44 units of rural rental housing in Montana. The projects operate in accordance with regulatory agreements signed with the Montana Board of Housing intended to keep the project in compliance with Section 42 of the Internal Revenue Code and qualify for Federal Low Income Housing Tax Credits. The projects were placed into service in October of 2000 and the tax credit compliance periods ended in 2015.

The Courtyard Apartments, Limited Partnership is a partnership which is a disregarded entity from CAPNM. The entity was formed for potential use for application for tax credits for the Courtyard Apartments, which are owned by CAPNM.

C. Basis of Accounting

CAPNM's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as codified by the Financial Accounting Standards Board.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, CAPNM considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. CAPNM maintains its bank accounts with local financial institutions that are subject to coverage by the Federal Deposit Insurance Corporation (FDIC). Amounts that exceed their insured limits are collateralized through a tri-party pledge, security, and safekeeping agreement with the Federal Home Loan Bank of Seattle. Accordingly, CAPNM does not believe it is exposed to any significant credit risk on its cash balances. Of the cash balances, \$20,996, \$18,735, and \$20,996 are reserved for housing tenant deposits, tax and insurance payments, and replacement reserves, respectively for 2015. As of December 31, 2014, there was \$10,645 reserved for tenant deposits.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2015 and 2014

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

E. Receivables

Accounts receivable represent amounts owed to CAPNM from program service contracts and tenant rents and are stated at unpaid principal balances. Contracts call for a fixed fee for service and are composed primarily of in-home services for Medicaid eligible clients. Management considers all amounts to be fully collectible based on review of past performance and individual accounts. Therefore, no provision for uncollectible accounts has been established. Due to inherent uncertainties associated with the allowance account, it is at least reasonably possible that this estimate could change in the near term.

Employee advances represent amounts owed to CAPNM for travel advances.

Grants receivable represents the balance of earned grant revenues not received in cash. Most grants allow monthly drawdowns of cash. CAPNM has an additional \$2,682,539 in grant commitments from various funding sources at December 31, 2015 compared to \$2,365,998 at December 31, 2014.

Loans receivable consist of investments in affordable housing projects and housing mortgage loans. Allowances for uncollectible amounts are determined as a percentage of outstanding loans receivable based on estimated and historical losses.

F. Inventory

Inventory consists of land held for resale for The Mutual Self-Help Housing Project and Community Land Trust (See Notes 10 and 11) and is valued at the lower of cost or market.

G. Prepaid Expenses

Prepaid expenses consist primarily of prepaid insurance premiums, unemployment insurance reserves, and other prepaid costs.

H. Certificate of Deposit

CAPNM has a certificate of deposit with a local financial institution that was pledged as collateral against a line of credit (See Note 5). The certificate of deposit is reported at its principal balance plus accrued interest, which approximates fair value. The interest rate was 0.40% and 0.45% at December 31, 2015 and 2014, respectively. The certificate of deposit matured on November 18, 2015 and was renewed for one year.

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**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

I. Capitalized Housing Development Costs

CAPNM bundled six low-income housing tax credit projects for purchase and rehabilitation of the Courtyard Apartments to facilitate the approval of tax credits and the purchase of the projects. These capitalized housing development costs will become part of the cost basis of the properties purchased and are expected to be reimbursed upon the sale of the projects to investors.

J. Property and Equipment

Property and equipment are stated at cost if purchased or at fair value on the date of donation. Assets costing \$5,000 or more and having a useful life more than one year are capitalized. Repairs and maintenance costs are expensed as incurred and improvements that extend the life or capacity of the asset are capitalized. Items are depreciated on a straight-line basis over the following useful lives of three to twenty years.

Equipment purchased with federal grant funds is subject to rights of rescission of the grantors. Equipment purchased with federal grant monies are limited to use by the grant program purchasing the equipment. Should the program terminate, grantors may invoke claim to that equipment purchased through the grant agreement.

K. Net Asset Classification

The net assets of CAPNM are reported in the following categories:

*Unrestricted net assets* represent net amounts that have been earned and expended according to contract restrictions and net amounts from generally unrestricted activities. The Board of Directors has voluntarily designated \$262,544 and \$256,947 of net assets to be used for its land predevelopment fund as of December 31, 2015 and 2014, respectively.

*Temporarily restricted net assets* represent gifts for which donor-imposed restrictions have not been met and funds for which the ultimate purpose is not permanently restricted. CAPNM had \$523,403 and \$522,156 of temporarily restricted net assets as of December 31, 2015 and 2014, respectively, primarily relating to contributions for client housing cost assistance and a supportive housing revolving loan fund.

Donor-restricted contributions are classified as temporarily restricted until the donor restriction expires either by the time restriction ending or the purpose restriction being accomplished, at which time they are accounted for as net assets released from restriction and reclassified as unrestricted net assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.



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**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

K. Net Asset Classification, continued

*Permanently restricted net assets* result from contributions and other inflows of assets whose use by CAPNM is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Agency. As of December 31, 2015 and 2014, CAPNM had no permanently restricted net assets.

L. Due to Grantor/Funds Held in Trust

Grantors advance cash to CAPNM for cash-flow purposes. CAPNM, at times, receives cash in excess of the amount earned for a program. This account represents \$8,809 and \$13,596 of cash advanced to CAPNM as of December 31, 2015 and 2014, which was not earned and will be returned to the grantor. CAPNM also holds cash in an administrative capacity for other entities. The cash is primarily from the receipts and disbursements of loan funds and housing activities for which CAPNM has an administrative contract. These amounts total \$5,557 and \$23,394 as of December 31, 2015 and 2014, respectively.

In addition, CAPNM has made qualifying loans with HOME program funds which, if collected, will be due back to the Montana Department of Commerce. The amount of loans issued under the HOME program which potentially may be recaptured from eligible activities and returned to the Montana Department of Commerce was \$837,886 and \$842,583 as of December 31, 2015 and 2014, respectively.

M. Income Tax Status

CAPNM is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the increase in net assets is generally not subject to taxation. No provision for income tax has been recorded in these financial statements because CAPNM believes it had no income unrelated to its tax-exempt purpose in 2015 or 2014.

With few exceptions, CAPNM's information returns (I.R.S. Form 990) are not subject to examination for fiscal years prior to 2012.

N. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual amounts could differ from those estimates.

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**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**O. Revenue Recognition**

Contract, grant, and other revenues are recognized when earned. Contributed service revenue results when donated services create or enhance nonfinancial assets or when specialized skills are provided by people possessing those skills and would typically be purchased if not provided by donation. Contributed goods are valued at their estimated fair market value at the date of contribution.

**P. Expense/Cost Allocations**

CAPNM allocates costs that can be identified specifically with a particular final cost objective directly to the individual program benefiting. Joint costs are allocated directly to individual programs using a base most appropriate to the particular cost being prorated. CAPNM's cost allocation plan was submitted to the Department of the Interior and received a final approval for 2014 and a provisional approval for 2015. Final approval is expected to be received upon submittal of the 2015 audit. During 2015, CAPNM began implementing an indirect cost rate methodology for grant awards covered by the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

**Q. Advertising**

CAPNM expenses the cost of advertising as incurred. Advertising expenses totaled \$17,568 in 2015 and \$17,879 in 2014, respectively.

**R. Program Services**

Separate accounts are maintained for each fund; however, in the accompanying consolidated financial statements, funds that have similar characteristics have been combined into program groups. The primary program groups and their related purposes are summarized as follows:

*Community Services programs* provide funds for planning, capacity building, financial literacy, economic development, homeless services, and satellite offices in outlying rural communities. CAPNM's Community Services Block Grant (CSBG) is a primary component of this classification. CSBG funds are expended to provide locally budgeted social services in the community.

*Energy programs* are designed to improve the heating efficiency of homes and to permanently reduce energy consumption by using such weatherization techniques as insulation, caulking, storm windows, furnace modification, and client education. Priority is given to high-energy consumers. Eligible participants are also subsidized for their primary heating costs for the heating season through fuel assistance programs.

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**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, Continued**

R. Program Services, continued

*Job Training programs* are designed to provide career awareness, supportive services, remedial education and assessment, and job readiness activities to achieve self-sufficiency.

*Housing programs* provide rental assistance, rental housing, new home construction for eligible low-income participants, repair assistance for senior citizens, and purchase of foreclosed and/or abandoned homes to be placed in a community land trust.

*In-Home Assistance programs* provide home-based services such as personal care, homemaking, and respite care for the elderly and physically disabled.

*Support services* for general management expenses are pooled and then distributed to programs based on the ratio of the program's staff salaries to total program salaries as outlined in the Agency's cost allocation plan. General management expenses include administrative staff costs, fiscal department costs, personnel costs, secretarial support costs, general business liability and professional insurance, postage, and copying. Audit costs are also included in this category and are allocated according to the ratio of program costs to total program costs.

S. Risk and Uncertainty

CAPNM faces a number of risks including (1) loss or damage to property, (2) general liability, (3) employee medical insurance, (4) professional liability and (5) directors' and officers' liability. Commercial insurance policies are purchased for loss or damage resulting from these risks.

T. Reclassifications

Certain reclassifications have been made to the December 31, 2014 financial statement presentation to correspond to the December 31, 2015 format. Total net assets and the change in net assets for the year ended December 31, 2014 are unchanged due to these reclassifications.

U. Subsequent Events

Management has evaluated subsequent events through August 17, 2016, the date which the financial statements were available for issue.

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**NOTE 2. LOANS RECEIVABLE**

A summary of loans receivable and their related allowances at December 31, 2015 and 2014 are as follows:

	Loans Receivable 2015	Allowance Doubtful Accounts 2015	Loans Receivable 2014	Allowance Doubtful Accounts 2014
Senior Home Repair Program Affordable Housing:	\$ 313,009	\$ 15,807	\$ 305,249	\$ 15,263
Fernwell	435,551	0	435,551	0
Westgate Senior Associates	120,638	0	123,503	0
Silent Second Mortgages and Down-Payment Assistance	<u>499,357</u>	<u>239,457</u>	591,971	292,266
 Total	 \$ 1,368,555	 <u>\$ 255,264</u>	 \$ 1,456,274	 <u>\$ 307,529</u>
Intercompany Elimination	(120,638)		0	
Less Allowance	(255,264)		(307,529)	
Loans Receivable, Net	<u>\$ 992,653</u>		<u>\$ 1,148,745</u>	

*Senior Home Repair Program* -The Senior Home Repair Program was started in December 2000 and was designed to preserve units of affordable housing throughout Flathead County by providing home rehabilitation for a minimum of 32 low and moderate income senior citizen homeowners. Amounts loaned to qualifying individuals, without interest, are secured by a trust indenture. Under the terms of the indenture, the loan amounts must be repaid upon ceasing to occupy the home as their principal residence or upon sale of the residence.

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**NOTE 2. LOANS RECEIVABLE, Continued**

*Affordable Housing – Fernwell Limited Partnership* - The Fernwell Limited Partnership was established in 1995 to own and operate 36 units of affordable housing for low-income individuals at 20 4th Avenue East, Kalispell, Montana. CAPNM participated in the project as the local nonprofit sponsor during the building phase. Under terms of a grant from the Federal Home Loan Bank of Seattle (Affordable Housing Program), CAPNM received \$180,000 from Glacier Bank of Kalispell. These funds were loaned to the Fernwell Limited Partnership at 3.5% interest for a period of 15 years with payments deferred until 2011. CAPNM was also awarded \$255,551 from the Montana Department of Commerce HOME Program to loan to the Partnership. Two loans were made; the first was \$185,551 at 7.5% interest over a 20-year term deferred until the year 2016 except for 0.5% annual interest payments and the second was \$70,000 at 3.5% interest over a 20-year term, payments deferred until the year 2016. Each note provides that interest is due only to the extent that the Partnership has available cash after paying all operating expenses and other mortgage payments. According to the terms of the contract, no payments have been made to date.

*Affordable Housing – Westgate Senior Associates* - Westgate Senior Associates, a Montana Limited Partnership, was established in 1999 to own and operate 24 units of affordable housing for senior citizens at 500-548 Corporate Drive, Kalispell, Montana. CAPNM participated in the project as the local nonprofit sponsor during the building phase. CAPNM received a \$300,000 grant from the Montana Department of Commerce HOME Program to be used to assist with the "gap" financing of the project. CAPNM in turn, granted \$139,250 to the project to assist with fees and services related to the actual permanent financing of the project. CAPNM loaned the remaining \$160,750 to the project for 50 years at 1% interest. Payments of \$1,022 are due quarterly with the first payment due three months after closing of the permanent loan. The loan is secured by a trust indenture on the property, which is subordinate to the permanent financing. Westgate Senior Associates granted to CAPNM an irrevocable option to purchase the property upon the expiration of the 15 year period of affordability in 2015, which was exercised.

*Silent Second Mortgages and Down Payment Assistance*

CAPNM has loaned participants in their Mutual Self-Help Housing program funding for down-payment assistance for the purchase of land the homes were built on and cost over runs during construction of their homes. The loans range from \$750 to \$41,710 per household. All loans are due upon the sale, refinance, or rental of the home constructed. The down payment assistance and silent second mortgages bear interest at a rate of 0.0% to 3.50% and are funded by grants for mutual self-help housing, HOME investment partnerships program, and supportive housing from the U.S. Department of Housing and Urban Development and U.S. Department of Agriculture.

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**NOTE 2. LOANS RECEIVABLE, Continued**

CAPNM recognizes interest income on loans receivable on the accrual basis. Loan fees and costs are recognized as income in the period the fees or costs are earned. Loans receivable accrue interest under the applicable loan document terms until the loan is deemed uncollectible. Loans are considered delinquent after 30 days of non-payment from the original due date or deferred due date. Loans are considered impaired when collection of the full amount of the loan is unlikely based on various factors discussed below.

CAPNM uses multiple bases to estimate the allowance for credit losses including historical losses of the loan program, existing economic conditions related to the industry in which the loan recipient operates, collateral of the loan recipient, loan payment history and actual or likely events which have or will occur. The risk characteristics of the individual loan programs are similar in nature. CAPNM operates loan programs for recipients who cannot generally obtain conventional financing under the requirements and restrictions placed on them by federal and state loan funding sources. Therefore, due to the nature of the loan programs operated, CAPNM's loan portfolio is generally of inherently higher risk than typical conventional financing loans; however the loans are collateralized by the property purchased.

CAPNM's loans are considered deferred loans, therefore no loans are considered past due as of December 31, 2015 and 2014, and all amounts are considered current under the terms of the loans. Impaired loans are valued at the estimated value of the remaining recoverable assets after consideration of collateral and guarantees. An allowance for bad debt is recorded against these impaired loans for the difference between the balance of the loan and estimated recovery value.

As of December 31, 2015 and 2014, CAPNM had one and two loans in the amount of \$19,000 and \$27,523 that were considered impaired loans. An allowance of \$19,000 and \$27,523 was recorded against these impaired loans.

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**NOTE 2. LOANS RECEIVABLE, Continued**

A summary of the allowance for credit losses and recorded investment in financing receivables as of December 31, 2015:

	RESIDENTIAL			TOTAL
	Senior Home Repair	Affordable Housing	Mutual Self-Help Housing	
Total Financing Receivables, December 31, 2015	\$ 313,009	\$ 435,551	\$ 499,358	\$ 1,247,918
Allowance for Credit Losses, January 1, 2015	(15,263)	0	(292,266)	(307,529)
Charge-offs	0	0	56,049	56,049
Recoveries	0	0	0	0
Current Year Provision for Losses	<u>(543)</u>	<u>0</u>	<u>(3,242)</u>	<u>(3,785)</u>
Allowance for Credit Losses, December 31, 2015	(15,806)	0	(239,459)	(255,265)
Net Financing Receivables, December 31, 2015	<u>\$ 297,203</u>	<u>\$ 435,551</u>	<u>\$ 259,899</u>	<u>\$ 992,653</u>
Receivables Individually Evaluated for Impairment	\$ 0	\$ 0	\$ 19,000	\$ 19,000
Allowance for Credit Losses	0	0	(19,000)	(19,000)
Receivables Collectively Evaluated for Impairment	313,009	435,551	480,358	1,228,918
Allowance for Credit Losses	<u>(15,806)</u>	<u>0</u>	<u>(220,459)</u>	<u>(236,265)</u>
Net Financing Receivables, December 31, 2015	<u>\$ 297,203</u>	<u>\$ 435,551</u>	<u>\$ 259,899</u>	<u>\$ 992,653</u>

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**NOTE 2. LOANS RECEIVABLE, Continued**

A summary of the allowance for credit losses and recorded investment in financing receivables as of December 31, 2014:

	RESIDENTIAL			TOTAL
	Senior Home Repair	Affordable Housing	Mutual Self-Help Housing	
Total Financing Receivables, December 31, 2014	\$ 305,249	\$ 559,054	\$ 591,971	\$ 1,456,274
Allowance for Credit Losses, January 1, 2014	(16,909)	0	(338,383)	(355,292)
Charge-offs	0	0	6,452	6,452
Recoveries	0	0	0	0
Current Year Provision for Losses	1,646	0	39,665	41,311
Allowance for Credit Losses, December 31, 2014	(15,263)	0	(292,266)	(307,529)
Net Financing Receivables, December 31, 2014	\$ 289,986	\$ 559,054	\$ 299,705	\$ 1,148,745
Receivables Individually Evaluated for Impairment	\$ 0	\$ 0	\$ 27,523	\$ 27,523
Allowance for Credit Losses	0	0	(27,523)	(27,523)
Receivables Collectively Evaluated for Impairment	305,249	559,054	564,448	1,428,751
Allowance for Credit Losses	(15,263)	0	(264,743)	(280,006)
Net Financing Receivables, December 31, 2014	\$ 289,986	\$ 559,054	\$ 299,705	\$ 1,148,745



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**NOTE 2. LOANS RECEIVABLE, Continued**

An analysis of credit exposure by internally assigned grade at December 31, 2015 and 2014 is as follows:

	RESIDENTIAL SENIOR HOME/SELF-HELP		RESIDENTIAL AFFORDABLE HOUSING	
	2015	2014	2015	2014
Pass - Performing Loans	\$ 793,367	\$ 869,697	\$ 435,551	\$ 559,054
Pass with Collateral Deficiencies	19,000	27,523	0	0
Non-Performing, Collateralized	0	0	0	0
Non-Performing, Collateral Deficiencies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 812,367</u>	<u>\$ 897,220</u>	<u>\$ 435,551</u>	<u>\$ 559,054</u>

An analysis of past due financing receivables as of December 31, 2015 and 2014 is as follows:

	RESIDENTIAL SENIOR HOME/SELF-HELP		RESIDENTIAL AFFORDABLE HOUSING	
	2015	2014	2015	2014
30 - 59 Days Past Due	\$ 0	\$ 0	\$ 0	\$ 0
60 - 89 Days Past Due	0	0	0	0
Greater than 90 Days Past Due	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Past Due	\$ 0	\$ 0	\$ 0	\$ 0
Current Financing Receivables	812,367	897,220	435,551	559,054
Total Financing Receivables	<u>\$ 812,367</u>	<u>\$ 897,220</u>	<u>\$ 435,551</u>	<u>\$ 559,054</u>

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**NOTE 3. LAND, BUILDINGS AND EQUIPMENT**

Land, buildings, and equipment consisted of the following at December 31, 2015 and 2014:

	2015	2014
Equipment	\$ 1,216,577	\$ 1,107,183
Less: Accumulated Depreciation	(1,006,408)	(959,542)
Total	\$ 210,169	\$ 147,641
Land	\$ 596,876	\$ 385,174
Land - Community Land Trust	1,433,000	1,178,500
Buildings and Improvements	693,819	684,212
Affordable Housing	3,257,218	793,463
Less: Accumulated Depreciation	(1,879,589)	(821,737)
Total Land and Buildings	\$ 4,101,324	\$ 2,219,612
Total Land, Buildings and Equipment, Net	\$ 4,311,493	\$ 2,367,253

Depreciation expense totaled \$146,761 and \$97,270 for the years ended December 31, 2015 and 2014, respectively.

**NOTE 4. DEFERRED REVENUE**

Revenues in federal grant programs are recognized when corresponding expenses have been incurred in conformance with contractual requirements. Deferred revenue corresponds to amounts received in cash through contract advances. Activity in deferred revenue for 2015 and 2014 is as follows:

	2015	2014
Deferred Revenue, January 1	\$ 15,780	\$ 97,667
Grant Awards Received	7,264,083	7,299,319
Less Earned Revenue for Expenses Incurred	(4,594,662)	(5,015,208)
Gross Deferred Revenue	2,685,201	2,381,778
Less Amount not Received in Cash	(2,682,539)	(2,365,998)
Net Deferred Revenue, December 31	\$ 2,662	\$ 15,780

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**NOTE 5. NOTES PAYABLE**

In August 2011, Community Frameworks offered conversion of eligible loans funded with Supportive Housing Opportunity Program (SHOP) dollars. The eligible loans were converted to a one-third unrestricted grant and a two-thirds restricted capital revolving fund for the remainder of the ten year original loan term. In 2011, CAPNM converted loans in the amount of \$1,480,000 into an unrestricted grant of \$546,666 and a temporarily restricted revolving loan fund in the amount of \$933,334. In 2015 and 2014, \$0 and \$320,000 was released from restriction in compliance with the applicable loan agreement, respectively.

Interest expense totaled \$127,656 and \$36,172 for the years ended December 31, 2015 and 2014, respectively.

CAPNM had a revolving line of credit with Glacier Bank of Kalispell with a credit limit of \$100,000 secured by a certificate of deposit. Interest was 4.50%. The line of credit matured November 18, 2015 and was not renewed. The balance outstanding at December 31, 2014 was \$0.

CAPNM has another revolving line of credit with Montana Homeownership Network, Inc. with a credit limit of \$825,000 that is unsecured with quarterly interest payments. Interest is at 5.5%. The line matures April 30, 2017.

CAPNM had a Rural Lise Recoverable Grant dated October 1, 2013 for \$45,000 that matured June 30, 2015. The balance was due at maturity; however no repayment was required if the housing project was unable to proceed. No interest was associated with this grant.

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**NOTE 5. NOTES PAYABLE, Continued**

CAPNM's long-term notes payable at December 31, 2015 and 2014 are as follows:

	Original Loan Amount	2015	2014
Line of credit payable to Glacier Bank of Kalispell originating August 17, 2006 due November 18, 2015. Interest is fixed at 4.50%. Terms call for interest payable monthly, principal due at maturity. The line was secured by a certificate of deposit. (See Note 1.H.)	\$ 100,000	\$ 0	\$ 0
Note payable to Glacier Bank of Kalispell originating August 25, 2008 due on August 25, 2033. Interest is variable resetting every three years to 2.5% above the Federal Home Loan Bank Index (.655% and .692% at December 31, 2015 and 2014) with a rate floor of 4.65% and a rate ceiling of 9.0%. Terms are monthly principal and interest payments of \$5,188.61 secured by real property at 214 S. Main.	900,000	748,143	774,551
Note payable to Community Frameworks originating October 20, 2009 due on October 20, 2019. Interest is fixed at 0%. Terms call for no payments with the loan to be forgiven at maturity if all compliance requirements are met. The note is secured by sixteen building lots (See Note 11).	240,000	210,000	240,000
Note payable to Community Frameworks originating October 15, 2010 due on October 15, 2020. Interest is fixed at 0%. Terms call for no payments with the loan to be forgiven at maturity if all compliance requirements are met. The note is secured by eight building lots (See Note 11).	120,000	75,000	120,000

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**NOTE 5. NOTES PAYABLE, Continued**

	Original Loan Amount	2015	2014
Revolving Credit Line with Homeownership Network, Inc. originating May 1, 2014 due on April 30, 2017. Interest is fixed at 5.5%. Terms call for quarterly interest payments with principal and unapid interest due at maturity. The line of credit is unsecured.	825,000	\$ 656,945	\$ 196,532
Rural Lise Receivable Grant originated October 1, 2013 due June 30, 2015. Interest is 0%. Terms call for principal due at the later of maturity or close of the Recap 6+ 1 project; repayment is not required if the housing project is unable to proceed. This agreement is unsecured.	45,000	45,000	45,000
Mortgage Payable Rural Housing Service orginated November 1, 2000, due November I, 2050. Interest 6.25% subsidized to 1%. Terms call for principal and interest payments monthly of \$1,990 secured by real property and rents of Westgate Senior Associates.	970,000	870,589	0
Promissory Note with Homeownership Network, Inc. originating March 31, 2015 due on March 31, 2045. Interest is fixed at 1.00%. Terms call for quarterly interest payments with principal and unapid interest due at maturity. The note is secured by real property and rents of Teakettle Vista Project.	53,251	53,251	0
Promissory Note with Homeownership Network, Inc. originating March 31, 2015 due on March 31, 2045. Interest is fixed at 1.00%. Terms call for quarterly interest payments with principal and unapid interest due at maturity. The note is secured by real property and rents of the Westgate Senior Project.	49,000	49,000	0

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**NOTE 5. NOTES PAYABLE, Continued**

	Original Loan Amount	2015	2014
Promissory Note with Homeownership Network, Inc. originating October 30, 2015 due on October 31, 2045. Interest is fixed at 1.66%. Terms call for quarterly interest payments with principal and unapid interest due at maturity. The note is secured by real property and rents of the Courtyard Project.	\$ 79,179	\$ 79,179	\$ 0
Mortgage Payable Rural Housing Service orginated November 1, 2000, due November 1, 2050. Interest 6.875% subsidized to 1%. Terms call for principal and interest payments monthly of \$3,821 secured by real property and rents of Columbia Falls Teakettle Vista Associates .	1,000,000	944,219	<u>0</u>
Total Debt		\$ <u>3,731,326</u>	\$ 1,376,083

Annual maturities of notes payable at December 31, 2015 are as follows:

Years <u>E</u> nding:	
2016	\$ 87,006
2017	701,239
2018	46,682
2019	259,219
2020	126,898
Thereafter	2,510,281
	\$ 3,731,326

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For the Years Ended December 31, 2015 and 2014

**NOTE 6. LEASES**

CAPNM classified its leases as either operating or capital leases. All leases are classified as operating leases in 2015 and 2014. Lease terms for operating leases of office space are as follows:

<u>Location</u>	<u>Terms</u>
Kalispell Warehouse	to January 31, 2015; \$3,440 monthly through January 31, 2017
Libby Office	Month to month lease at \$1,000 per month
Polson Office	Month to month lease at \$300 per month
Eureka Office	Month to month lease at \$250 per month
Sanders County Office	\$1,500 for the period of October 20 15 to March 2016

Future minimum rents are estimated at:

<u>Years Ending December 31:</u>	
2016	\$ 41,280
2017	3,440
2018	0
2019	0
2020	0
	<u>\$ 44,720</u>

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 7. EMPLOYEE BENEFITS**

CAPNM provides eligible employees with sick leave and vacation time. Eligible employees may accumulate an unlimited amount of sick leave and up to six weeks of vacation. Upon termination, employees are paid 100% of their unused vacation time and 25% of their unused sick leave. CAPNM's compensated absence liability was \$148,143 and \$133,851 at December 31, 2015 and 2014, respectively.

CAPNM implemented a 403(b) Thrift Plan in accordance with Internal Revenue Service regulations. The Thrift Plan is underwritten by Mutual of America. Eligible employees may designate an amount to be deducted from their paycheck. There is no minimum required monthly contribution. CAPNM matches the employee's contribution up to 5% of the employee's wage after one year of employment. Employee's individual contributions vest immediately. CAPNM's contributions vest on the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 2 years	0%
2 years	50%
3 years or more	100%

CAPNM contributed \$55,474 and \$49,322 to the 403(b) Thrift Plan in 2015 and 2014, respectively.

**NOTE 8. NET ASSETS**

CAPNM receives contributions that are restricted in use to direct client services. These contributions support participant needs when they cannot qualify for assistance under other Agency programs.

Temporarily restricted net assets at December 31, 2015 and 2014 consisted of the following:

Description	12/31/2015	12/31/2014
Direct Participant Support Services	\$ 15,836	\$ 15,489
SHOP Housing Loans	506,667	506,667
Total	\$ 522,503	\$ 522,156



NORTHWEST MONTANA HUMAN RESOURCES, fNC.  
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2015 and 2014

**NOTE 9. MUTUAL SELF-HELP HOUSING PROJECT**

CAPNM has undertaken multiple Mutual Self-Help (MSH) housing projects designed to provide eligible individuals and families the opportunity for home ownership through the MSH construction method. The program began in 2001 and has to date enabled ownership of 154 homes to qualifying participants.

CAPNM receives funding from USDA – Rural Development to provide technical assistance to manage the construction of the homes. Rural Community Assistance Corporation (RCAC) also provides assistance to the agency to administer the program.

The MSH construction method requires participating homeowners to provide at least 65 percent of the labor during the construction of their and others homes in their group. Pre-construction training sessions are held to familiarize the homeowners with construction financing, title and home insurance, team building and proper use of construction tools. Continuing training focusing on credit and financial responsibility, home maintenance and budgeting are also offered.

CAPNM facilitates the home construction through the purchase and development of parcels of land to be used by the MSH program. The purchase, subdivision and infrastructure improvements have been financed through a combination of ten year, no interest loans from Community Frameworks, a Washington non-profit corporation (See Note 5), private and bank loans. The total amount of loans from Community Frameworks was \$1,840,000. After the initial use of these loans, the funds become a revolving fund used to purchase additional parcels of land. Participants purchase the lots from CAPNM, which in turn uses the proceeds to repay the private and bank loans as well as replenish the revolving loan fund.

Since the inception of the project, CAPNM purchased land to provide up to 164 single-family homes and two parks. CAPNM has completed infrastructure improvements and sold 155 of the lots as of December 31, 2015. The remaining lots were sold to Habitat for Humanity to be available for qualifying participants in the future. As of December 31, 2015 and 2014, the cost of the lots held in inventory was \$0 and \$256,790, plus related infrastructure improvements of \$0 and \$52,756, respectively.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
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For the Years Ended December 31, 2015 and 2014

**NOTE 10. COMMUNITY LAND TRUST**

CAPNM has purchased 46 foreclosed properties in the Kalispell, Montana area through Neighborhood Stabilization funding obtained from the Department of Housing and Urban Development in cooperation with the City of Kalispell. CAPNM maintains the property, performs rehabilitation, and resells the property to low- and moderate-income families. As of December 31, 2015 and 2014, 40 and 29, respectively of the 46 homes had been sold to qualifying households. The Community Land Trust (CLT) provides pre- and post-purchase housing counseling and homebuyer programs.

The CLT functions to preserve public investment and to recycle and protect affordability. The CLT acquires and retains ownership of the real property under the home through a 99-year ground lease to the homeowner. This agreement protects housing affordability in perpetuity by ensuring that the housing is made affordable to low- to moderate-income families through resale price and deed restrictions. As of December 31, 2015 and 2014, CAPNM had \$771,531 and \$1,080,026 in homes and improvements available for rehabilitation and resale to qualifying individuals. An additional \$1,433,000 and \$1,178,500 of land has been committed to the land trust to be held in perpetuity.

**NOTE 11. RELATED PARTIES**

The Valley View Apartments Corporation, Green Meadow Manor Corporation, Columbia Villa Apartments Corporation, and Big Sky Manor Corporation are defined as supporting organizations under Internal Revenue Code Section 501(c)(3). CAPNM created the four nonprofit corporations to serve as the nonprofit general partners in four limited partnerships in order to facilitate the purchase, rehabilitation, and operation of low-income housing and the sale of low-income housing tax credits under the Department of Housing and Urban Development's Preservation Program. The Corporations own .0081 percent of each limited partnership. Investments in corporations in which CAPNM has less than a 20% interest are recorded at cost.

CAPNM is not considered to have any liability nor asset regarding the Corporations; however the Corporations have the right of first refusal to purchase the units upon expiration of the 15-year low-income housing tax credit use restriction period in 2014. Developer fees receivable that were due from these related parties were \$5,036 as of December 31, 2015 and 2014.

Teakettle Vista Apartments, Inc. is a not-for-profit corporation under Internal Revenue Section 501(c)(3). This nonprofit corporation, wholly owned by CAPNM, was formed to facilitate the construction and operation of a 20-unit low-income apartment complex for senior citizens in Columbia Falls, Montana. The Corporation is the general partner in Columbia Falls Teakettle Vista Associates. The Corporation owns .01 percent of the partnership. The Corporation had the right of first refusal to purchase the units upon expiration of the 15-year low-income housing tax credit use restriction period in 2015 which it exercised.

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Years Ended December 31, 2015 and 2014

**NOTE 11. RELATED PARTIES, Continued**

Sunny Slope Vista Apartments Inc. is a not-for-profit corporation under Internal Revenue Section 501(c)(3). This nonprofit corporation, wholly owned by CAPNM, was formed to facilitate the construction and operation of a 20-unit low-income apartment complex for senior citizens in Polson, Montana. The Corporation is the general partner in Polson Sunny Slope Vista Associates, a Montana limited partnership. The Corporation owns .01 percent of the partnership. The Corporation has the right of first refusal to purchase the units upon expiration of the 15-year low-income housing tax credit use restriction period in 2017.

Teakettle Vista Apartments II, Inc. is also a not-for-profit corporation under Internal Revenue Section 501(c)(3). This nonprofit corporation, wholly owned by CAPNM, was formed to facilitate the construction and operation of a 24-unit low-income apartment complex for senior citizens in Columbia Falls, Montana. The Corporation is the general partner in Teakettle Vista Associates II, a Montana limited partnership. The Corporation owns .01 percent of the partnership. The Corporation has the right of first refusal to purchase the units upon expiration of the 15-year low-income housing tax credit use restriction period in 2019.

**NOTE 12. ADMINISTRATIVE COSTS**

CAPNM's administrative costs by natural classification are summarized as follows:

	2015	2014
Wages, Payroll Taxes and Fringe Benefits	\$ 363,281	\$ 364,819
Supplies, Printing, Postage, and Office Costs	63,317	55,248
Liability Insurance	40,760	33,106
Contract Services and Service Agreements	21,918	20,690
Equipment Charges	9,461	12,530
Travel and Training	7,678	6,592
Occupancy Costs	21,587	18,041
Total Administrative Expenses	<u>\$ 528,002</u>	<u>\$ 511,026</u>

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**NOTE 13. SUBSEQUENT EVENTS**

In February 2016, CAPNM closed its Personal Touch Home Care Services program. The program provided in-home assistance to those in need within the community. The revenues and expenses from the program were approximately \$500,000 annually.

CAPNM is currently pursuing the potential purchase of low-income housing. Two properties would be a Rural Development assumption and transfer of related debt to CAPNM. Pre-development costs for items such as appraisals, capital needs assessments, and legal fees will be financed with a predevelopment loan from NeighborWorks Montana. The fair value of the properties will approximate the amount of debt assumed in the transactions. An additional four properties that have been investigated are currently being purchased by another non-profit, however if that Agency does not have success at the acquisition, then CAPNM will consider the purchase of the projects. There is currently no purchase price determined for any of the housing projects.

SUPPLEMENTAL SCHEDULES  
AND  
SINGLE AUDIT SECTION

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM	CFDA Number	Contract Number	Contract Period	2015 Federal Expenditures
<b>Department of Agriculture</b>				
<i>Rural Development</i>				
SELF-HELP TECHNICAL ASSISTANCE	10.420	Section 523 2011-2015	5/23/11 -	\$ 4,350
Total Department of Agriculture				<u>\$ 4,350</u>
<b>Department of Housing and Urban Development</b>				
<i>Local Initiatives Support Corporation</i>				
Rural LISC - SECTION 4 TRAVEL	14.252	PA#43 1 10-0016	2/1/14 - 7/31/15	\$ 2,200
Rural LISC - HEALTHY HOUSING	14.252	PA#431 10-0017	3/1/15 - 2/29/16	20,000
Rural USC - CAPACITY BUILDING	14.252	PA#43 1 10-00 18	10/1/15 - 9/30/17	5,808
Total Capacity Building				<u>\$ 28,008</u>
<i>Montana Dept. of Public Health and Human Services</i>				
EMERGENCY SOLUTIONS GRANTS PROGRAM	14.231	14-028-51008-0	4/1/14-7/31/15	\$ 50,858
EMERGENCY SOLUTIONS GRANTS PROGRAM	14.231	15-028-51008-0	8/1/15 - 7/31/16	55,310
Total Emergency Shelter				<u>\$ 106,168</u>
<i>City of Kalispell</i>				
HERA NEIGHBORHOOD STABILIZATION PROGRAM - 1	14.228	PROGRAM INCOME	1/1/14 - 12/31/15	\$ 1,064,940
HERA NEIGHBORHOOD STABILIZATION PROGRAM - 3	14.228	PROGRAM INCOME	1/1/14 - 12/31/15	374,589
Total Neighborhood Stabilization				<u>\$ 1,439,529</u>
<i>Direct</i>				
SUPPORTIVE HOUSING PROGRAM	14.235	MT0005L8T001306	2/01/14 - 1/31/15	\$ 335
SUPPORTIVE HOUSING PROGRAM	14.235	MT0005L8T001407	2/1/15 - 1/31/16	27,210
Total Supportive Housing Program				<u>\$ 27,545</u>
RAPID-REHOUSING , CONTINUUM OF CARE	14.267	MT0043L8T00 1300	11/1/14 - 10/31/15	\$ 10,460
RAPID-REHOUSING , CONTINUUM OF CARE	14.267	MT0043L8T001401	11/1/15 - 10/31/16	39
Total Rapid-Rehousing, Continuum of Care				<u>\$ 10,499</u>
Total Department of Housing and Urban Development				<u>\$ 1,611,749</u>
<b>Department of Treasury</b>				
<i>Montana Credit Unionsfor Community Development</i>				
VOLUNTEER INCOME TAX ASSISTANCE (VITA)	21.009	15VITA0098	7/01/14 - 06/30/15	\$ 8,296
Total Department of Treasury				<u>\$ 8,296</u>
<b>Department of Veteran Affairs</b>				
<i>Volunteers of America</i>				
SUPPORTIVE SERVICES FOR VETERAN FAMILIES	64.033	VOA	4/1/15 - 3/31/16	\$ 109,326
Total Department of Veteran Affairs				<u>\$ 109,326</u>

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued  
For the Year Ended December 31, 2015

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM	CFDA Number	Contract Number	Contract Period	2015 Federal Expenditures
<b>Department of Energy</b>				
<i>Montana Dept. of Public Health and Human Services</i>				
DOE WEATHERIZATION	81.042	14-028-30028-0	<del>7/01/14-6/30/15</del>	\$ 214,924
DOE WEATHERIZATION	81.042	15-028-30028-0	7/1/15 - 6/30/16	23,756
BONNEVILLE POWER WX	81.042	15-028-31006-0	10/1/14 - 9/30/15	70,360
BONNEVILLE POWER WX	81.042	16-028-31006-0	10/1/15 - <del>9/30/16</del>	19,155
Total Department of Energy				<u>\$ 328,195</u>
<b>Department of Health and Human Services</b>				
<i>Montana Dept. of Public Health and Human Services</i>				
<i>TANF Cluster</i>				
WoRC (Flathead & Lincoln Counties)	93.558	15-022-280 11-0	<del>7/01/14-6/30/15</del>	\$ 345,757
WoRC (Flathead & Lincoln Counties)	93.558	16-022-280 11-0	7/1/15 - 6/30/16	333,937
Total TANF Cluster				<u>\$ 679,694</u>
LIEAP CRF	93.568	15-028-11008-0	10/23/14 - 9/30/15	\$ 259,125
LIEAP CRF	93.568	16-028- 11008-0	10/1/15 - 8/31/17	87,170
LIEAP WEATHERIZATION	94.568	14 -028-16008-0	7/01/14 - 8/31/15	454,694
LIEAP WEATHERIZATION	94.568	15-028- 16008-0	7/1/15 - <del>6/30/16</del>	328,102
LIEAP CLIENT EDUCATION	94.568	15-028- 14022-0	10/01/14 - 8/31/16	50,086
LIEAP CLIENT EDUCATION	94.568	16-028-14022-0	10/1/15 - 8/31/17	17,171
LIEAP OUTREACH	93.568	14-028- 15058-0	10/01/13 - 8/31/15	29,585
LIEAP OUTREACH	93.568	15-028-15058-0	10/01/14 - 8/31/16	20,009
LIEAP OUTREACH	93.568	16-028-15058-0	10/01/15-08/31/17	0
LIEAP ADMTNISTRATION	93.568	15-028- 1 1008-0	10/01/14 - 8/31/16	146,916
LIEAP ADMTNISTRATION	93.568	16-028-1 1008-0	10/1/15 - 8/31/17	28,972
Total LIEAP Programs				<u>\$ 1,421,830</u>
CSBG	93.569	14-028- 10008-0	1/1/14 - 8/31/15	\$ 295,799
CSBG	93.569	15-028-10008-0	1/1/15 - 8/31/16	135,424
Total CSBG				<u>\$ 431,223</u>
Total Dept of Health and Human Services				<u>\$ 2,532,746</u>
<b>TOTAL FEDERAL EXPENDITURES</b>				<u>\$ 4,594,662</u>
<b>LOANS</b>				
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	SH-01-007B		\$ 66,667
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	SH-05-007		120,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	NMHR 06-0 1		160,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	CAPNM 06-02		20,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	CAPNM 07- 1		140,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	CAPNM 08-0 1		240,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	CAPNM 08-2		120,000
Total Dept. of Housing and Urban Development Loans - Beginning of Year				<u>\$ 866,667</u>

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule is presented on the accrual basis of accounting, which is the same basis of accounting used for financial reporting purposes. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation, of the consolidated financial statements.

**NOTE 2. PROGRAM SCHEDULES**

Program schedules are included for all grants, contracts, and projects with ending dates that occurred during the reporting period January 1, 2015 through December 31, 2015. Because CAPNM administers programs with varying ending dates, the schedules that follow are based upon the program period. Many of the programs started in the previous year (2014), but were completed in the current year and, consequently; amounts shown differ from amounts reported in the accompanying financial statements. Acronyms used are as follows:

CAPNM	Community Action Partnership of Northwest Montana
CRF	Contingency Revolving Fund
CDBG	Community Development Block Grant
CSBG	Community Services Block Grant
DPHHS	Montana Department of Health & Human Services
DOE	Department of Energy
DOL	Montana Department of Labor
HERA	Housing and Economic Recovery Act of 2008
HOME	Home Investment Partnerships Program
HUD	Department of Housing and Urban Development
LIEAP	Low-Income Energy Assistance Program
LISC	Local Initiative Support Corporation
MDOC	Montana Department of Commerce
MSH	Mutual Self-Help Housing
SHOP	Self-Help Housing Opportunities Program
TANF	Temporary Assistance to Needy Families
USB	Universal Systems Benefit
USDA	United States Department of Agriculture
VITA	Volunteer Income Tax Assistance
WJA	Workforce Investment Act
WoRC	Work Readiness Component
WX	Weatherization



NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued  
For the Year Ended December 31, 2015

**NOTE 3. INDIRECT COST RATE**

CAPNM has elected to use the 10 percent *de minimis* indirect cost rate allowed under Uniform Guidance.

**NOTE 4. SUBRECIPIENTS**

CAPNM had no subrecipients of its federal awards for the year ended December 31, 2015.

**NOTE 5. OUTSTANDING BALANCES OF LOANS/LOAN GUARANTEES - END OF YEAR**

**FEDERAL SOURCE**

<i>PASS THROUGH SOURCE</i>	CFDA		
PROGRAM	Number	Contract Number	Balance
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	SH-01-007B	\$ 66,667
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	SH-05-007	120,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	NMHR 06-01	160,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	CAPNM 06-02	20,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	CAPNM 07-1	140,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	CAPNM 08-01	210,000
Dept. of Housing and Urban Development Loan (S.H.O.P)	14.247	CAPNM 08-2	75,000
Total Dept. of Housing and Urban Development Loans - End of Year			<u>\$ 791,667</u>

SUPPLEMENTAL SCHEDULES

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTH WEST MONTANA  
STATEMENT OF FINANCIAL POSITION - CONSOLIDATING SCHEDULE  
For the Year Ended December 31, 2015

ASSETS	CAPNM	CAPNM Courtyard	CLT	Westgate	Teakettle	Eliminations	TOTAL
Cash and Cash Equivalents	\$ 2,672,856	\$ (9,229)	\$ 286,871	\$ 148,188	\$ 191,486	\$ 0	\$ 3,290,172
Investment in Certificate of Deposit	121,288	0	0	0	0	0	121,288
Accounts Receivable	384,012	1,769	0	4,834	9,190	(294,068)	105,737
Employee Advances	2,448	0	0	0	0	0	2,448
Grants Receivable	550,973	0	0	0	0	0	550,973
Prepaid Expenses	101,446	0	0	6,630	3,457	0	111,533
Inventory of Homes for Resale	169,718	0	601,813	0	0	0	771,531
Loans Receivable (Net of Allowance)	1,113,292	0	0	0	0	(120,639)	992,653
Capitalized Housing Development Costs	1,066,860	0	0	0	0	0	1,066,860
Loan Fees (Net of Amortization)	0	0	0	2,906	0	0	2,906
Equipment and Software (Net of Depreciation)	207,990	0	0	0	2,179	0	210,169
Land and Buildings (Net of Depreciation)	813,791	170,210	1,433,000	851,474	832,849	0	4,101,324
<b>TOTAL ASSETS</b>	<b>\$ 7,204,674</b>	<b>\$ 162,750</b>	<b>\$ 2,321,684</b>	<b>\$ 1,014,032</b>	<b>\$ 1,039,161</b>	<b>\$ (414,707)</b>	<b>\$ 11,327,594</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>LIABILITIES</b>							
Trade Accounts Payable	\$ 110,654	\$ 11,751	\$ 294,069	\$ 18,147	\$ 12,936	\$ (294,068)	\$ 153,489
Due to Grantor/Funds Held in Trust	852,252	0	0	0	0	0	852,252
Salaries and Compensated Absences Payable	269,455	0	0	0	0	0	269,455
Deferred Revenue	2,662	0	0	0	0	0	2,662
Short-Term Debt	45,000	0	0	0	0	0	45,000
Long-Term Debt	1,871,518	0	0	991,228	944,219	(120,639)	3,686,326
<b>TOTAL LIABILITIES</b>	<b>\$ 3,151,541</b>	<b>\$ 11,751</b>	<b>\$ 294,069</b>	<b>\$ 1,009,375</b>	<b>\$ 957,155</b>	<b>\$ (414,707)</b>	<b>\$ 5,009,184</b>
<b>NET ASSETS</b>							
Unrestricted	\$ 3,529,730	\$ 150,999	\$ 2,027,615	\$ 4,657	\$ 82,006	\$ 0	\$ 5,795,007
Temporarily Restricted	523,403	0	0	0	0	0	523,403
<b>TOTAL NET ASSETS</b>	<b>\$ 4,053,133</b>	<b>\$ 150,999</b>	<b>\$ 2,027,615</b>	<b>\$ 4,657</b>	<b>\$ 82,006</b>	<b>\$ 0</b>	<b>\$ 6,318,410</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,204,674</b>	<b>\$ 162,750</b>	<b>\$ 2,321,684</b>	<b>\$ 1,014,032</b>	<b>\$ 1,039,161</b>	<b>\$ (414,707)</b>	<b>\$ 11,327,594</b>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 STATEMENT OF ACTIVITIES - COMBINING SCHEDULE  
 For the Year Ended December 31, 2015

OPERATING REVENUES	CAPNM	CAPNM					Eliminations	TOTAL
		Courtyard	CLT	Westgate	Teakeule			
Program Grants	\$ 1,817,309	\$ 0	\$ 1,153,058	\$ 0	\$ 0	\$ 0	\$ 2,970,367	
Contracts	1,182,037	141,345	10,677	108,307	122,705	(28,159)	1,536,912	
Sale of Homes	1,439,400	0	1,330,970	0	0	(1,330,970)	1,439,400	
Sale of Land to Mutual Self-Help Families	306,000	0	0	0	0	0	306,000	
Contributions	26,365	400	7,100	0	0	0	33,865	
Interest	19,823	26	0	62	75	0	19,986	
Other	8,407	1,534	0	27,874	0	(1,534)	36,281	
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 4,799,341</b>	<b>\$ 153,305</b>	<b>\$ 2,501,805</b>	<b>\$ 136,243</b>	<b>\$ 122,780</b>	<b>\$ (1,370,663)</b>	<b>\$ 6,342,811</b>	
<b>OPERATING EXPENSES</b>								
Salaries and Wages	\$ 1,876,776	\$ 45,379	\$ 0	\$ 14,738	\$ 17,032	\$ 0	\$ 1,953,925	
Health Insurance	276,159	3,044	0	1,248	0	0	280,451	
TSA Contributions	50,873	300	0	0	0	0	51,173	
Payroll Taxes	232,714	8,120	0	3,600	0	0	244,434	
Contracted Services	38,555	278	0	0	0	0	38,833	
Rent/Utilities	73,752	13,895	0	9,409	10,097	0	107,153	
Supplies, Service & Repairs	147,292	18,952	28,491	24,741	15,137	(28,159)	206,454	
Legal Assistance	10,797	9,897	0	0	0	0	20,694	
Depreciation	90,804	0	0	26,067	23,350	0	140,221	
Telephone / Internet	40,940	2,785	0	1,352	0	0	45,077	
Travel and Training	113,155	0	0	0	0	0	113,155	
Interest	37,290	0	0	41,577	48,789	0	127,656	
Property/General Liability Insurance	55,155	12,211	0	5,237	2,995	0	75,598	
Bad Debts	19,444	0	0	0	0	0	19,444	
Home Weatherization	324,312	0	0	0	0	0	324,312	
Fuel Assistance	395,380	0	0	0	0	0	395,380	
Employment / Training	13,282	0	0	0	0	0	13,282	
Home Health Wages, Fringe & Travel	298,783	0	0	0	0	0	298,783	
Housing Cost of Sales/Loss on Purchase	741,771	0	2,546,664	0	0	(1,330,970)	1,957,465	
Supportive Services	180,363	393	0	482	0	0	181,238	
Other Program Related	34,508	22,048	85	16,978	1,899	(1,534)	63,984	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,052,105</b>	<b>\$ 137,302</b>	<b>\$ 2,575,240</b>	<b>\$ 145,429</b>	<b>\$ 119,299</b>	<b>\$ (1,370,663)</b>	<b>\$ 6,658,712</b>	
<b>CHANGE IN NET ASSETS</b>	<b>\$ (252,764)</b>	<b>\$ 16,003</b>	<b>\$ (73,435)</b>	<b>\$ (9,186)</b>	<b>\$ 3,481</b>	<b>\$ 0</b>	<b>\$ (315,901)</b>	

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 STATEMENT OF FINANCIAL POSITION - COMBINING SCHEDULE  
 For the Year Ended December 31, 2014

ASSETS	CAPNM	CLT	Eliminations	TOTAL
Cash and Cash Equivalents	\$ 3,130,131	\$ 4,195	\$ 0	\$ 3,134,326
Investment in Certificate of Deposit	120,824	0	0	120,824
Accounts Receivable	202,372	5,000	(5,000)	202,372
Employee Advances	1,920	0	0	1,920
Grants Receivable	270,345	0	0	270,345
Prepaid Expenses	41,441	0	0	41,441
Inventory of Homes for Resale	466,623	922,949	0	1,389,572
Loans Receivable (Net of Allowance)	1,148,745	0	0	1,148,745
Capitalized Housing Development Costs	496,927	0	0	496,927
Equipment and Software (Net of Depreciation)	147,641	0	0	147,641
Land and Buildings (Net of Depreciation)	1,041,112	1,178,500	0	2,219,612
<b>TOTAL ASSETS</b>	<b>\$ 7,068,081</b>	<b>\$ 2,110,644</b>	<b>\$ (5,000)</b>	<b>\$ 9,173,725</b>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 118,094	\$ 0	\$ (5,000)	\$ 113,094
Due to Grantor/Funds Held in Trust	879,573	0	0	879,573
Salaries and Compensated Absences Payable	154,884	0	0	154,884
Deferred Revenue	15,780	0	0	15,780
Short-Term Debt	45,000	0	0	45,000
Long-Term Debt	1,331,083	0	0	1,331,083
<b>TOTAL LIABILITIES</b>	<b>\$ 2,544,414</b>	<b>\$ 0</b>	<b>\$ (5,000)</b>	<b>\$ 539,414</b>
NET ASSETS				
Unrestricted	\$ 4,001,511	\$ 2,110,644	\$ 0	\$ 6,112,155
Temporarily Restricted	522,156	0	0	522,156
<b>TOTAL NET ASSETS</b>	<b>\$ 4,523,667</b>	<b>\$ 2,110,644</b>	<b>\$ 0</b>	<b>\$ 634,311</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,068,081</b>	<b>\$ 2,110,644</b>	<b>\$ (5,000)</b>	<b>\$ 9,173,725</b>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 STATEMENT OF ACTIVITIES - COMBINING SCHEDULE  
 For the Year Ended December 31, 2014

OPERATING REVENUES	CAPNM	CLT	Eliminations	TOTAL
Program Grants	\$ 4,314,065	\$ 1,598,529	\$ (1,598,529)	\$ 4,314,065
Contracts	1,817,699	0	0	1,817,699
Sale of Homes	1,687,005	1,568,007	(1,561,952)	1,693,060
Contributions	31,550	0	0	31,550
Interest	23,326	0	0	23,326
Other	46,142	0	0	46,142
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 7,919,787</b>	<b>\$ 3,166,536</b>	<b>\$ (3,160,481)</b>	<b>\$ 7,925,842</b>
<b>OPERATING EXPENSES</b>				
Salaries and Wages	\$ 1,989,178	\$ 0	\$ 0	\$ 1,989,178
Health Insurance	291,444	0	0	291,444
TSA Contributions	46,216	0	0	46,216
Payroll Taxes	230,965	0	0	230,965
Contracted Services	49,002	0	0	49,002
Rent/Utilities	110,871	0	0	110,871
Supplies, Service & Repairs	179,577	3,163	0	182,740
Legal Assistance	6,492	0	0	6,492
Depreciation	85,896	0	0	85,896
Telephone /Internet	47,808	0	0	47,808
Travel and Training	130,504	0	0	130,504
Interest	36,172	0	0	36,172
Property/General Liability Insurance	78,046	0	0	78,046
Bad Debts	548	0	0	548
Home Weatherization	352,075	0	0	352,075
Fuel Assistance	493,150	0	0	493,150
Employment /Training	44,242	0	0	44,242
Home Health Wages, Fringe & Travel	390,847	0	0	390,847
Housing Cost of Sales/Loss on Purchase	3,615,929	3,376,741	(3,160,481)	3,832,189
Supportive Services	96,159	0	0	96,159
Other Program Related	45,205	85	0	45,290
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 8,320,326</b>	<b>\$ 3,379,989</b>	<b>\$ (3,160,481)</b>	<b>\$ 8,539,834</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (400,539)</b>	<b>\$ (213,453)</b>	<b>\$ 0</b>	<b>\$ (613,992)</b>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES  
BUDGET AND ACTUAL

WEATHERIZATION ASSISTANCE PROGRAMS

Grant Number: DPHHS 14-028-16008-0, 14-028-30028-0  
Grant Period: DOE: July 1, 2014 through June 30, 2015 (14-028-30028-0)  
LIEAP: July 1, 2014 through September 30, 2015 (14-028-16008-0)

	LIEAP		DOE	
	Budget	Actual	Budget	Actual
Revenue				
Grant Revenue	\$ 814,168	\$ 814,168	\$ 243,240	\$ 228,053
Misc Revenue		7,080		<u>3</u>
	<u>814,168</u>	<u>821,248</u>	<u>243,240</u>	<u>228,056</u>
Total Revenue	<u>\$ 814,168</u>	<u>\$ 821,248</u>	<u>\$ 243,240</u>	<u>\$ 228,056</u>
Expenses				
Administration	\$ 81,417	\$ 81,417	\$ 27,905	\$ 25,346
Program Support	732,751	733,664	163,383	153,972
Training & TA		2,031	20,000	20,000
Exxon - Program Support				10
Exxon - Health and Safety				2
Stripper Well - Program Support				12
Stripper Well - Health and Safety				2
Health and Safety		4,136	31,952	28,712
	<u>814,168</u>	<u>821,248</u>	<u>243,240</u>	<u>228,056</u>
Total Expenses	<u>\$ 814,168</u>	<u>\$ 821,248</u>	<u>\$ 243,240</u>	<u>\$ 228,056</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSE  
 BUDGET AND ACTUAL

BONNEVILLE POWER ADMINISTRATION WEATHERIZATION

Grant Number: DPHHS 15-028-31006-0  
 Grant Period: October 1, 2014 through September 30, 2015

	Budget	Actual
Revenue		
Grant Revenue	\$ 103,111	\$ 103,111
Miscellaneous Revenue		<u>9,151</u>
Total Revenue	\$ 103,111	<u>\$ 112,263</u>
Expenses		
Administration	\$ 10,778	\$ 11,219
Program Operations	77,195	94,786
Health and Safety	<u>15,138</u>	<u>6,609</u>
Total Expenses	<u>\$ 103,111</u>	<u>\$ 112,614</u>
Transfer In		<u>352</u>
REVENUE OVER (UNDER) EXPENSES	\$ 0	<u>\$ 0</u>



NORTHEAST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSE  
BUDGET AND ACTUAL

NORTHWESTERN ENERGY FREE WEATHERIZATION PROGRAM

Grant Number: DPHHS 15-028-33008-0  
Grant Period: January 1, 2015 - December 5, 2015

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>99,570</u>	\$ <u>87,051</u>
Expenses		
Program Operations	\$ 74,678	
Salaries		\$ 20,949
Fringe Benefits		8,693
Contractor Payments/Materials		35,647
Program Overhead	\$ 24,892	
Salaries		\$ 7,921
Fringe Benefits		2,270
Rent, Utilities & Allocable Costs		11,571
Total Expenses	\$ <u>99,570</u>	\$ <u>87,051</u>
REVENUE OVER (UNDER) EXPENSES	\$ <u>0</u>	\$ <u>0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSE  
 BUDGET AND ACTUAL

NORTHWESTERN ENERGY FREE WEATHERIZATION PROGRAM

Grant Number: DPHHS 13-028-33008-0  
 Grant Period: January 1, 2013 through June 30, 2015

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>34,597</u>	\$ <u>34,597</u>
Expenses		
Program Operations	\$ 22,488	
Salaries		\$ 5,124
Fringe Benefits		2,313
Contractor Payments/Materials		16,966
Program Overhead	\$ 8,649	
Salaries		\$ 2,872
Fringe Benefits		825
Rent, Utilities & Allocable Costs		4,544
Training T&TA	\$ 3,460	\$ <u>1,954</u>
Total Expenses	\$ 34,597	\$ <u>34,597</u>
REVENUE OVER (UNDER) EXPENSES	\$ 0	\$ <u>0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES  
 BUDGET AND ACTUAL

LIEAP - OUTREACH

Grant Number: DPHHS 14-028-11058-0  
 Grant Period: October 1, 2013 through August 31, 2015

	Budget	Actual
Revenue		
Grant Revenue	\$ 56,348	<u>\$ 56,348</u>
Expenses	\$ 56,348	
Salaries		\$ 21,940
Fringe Benefits		3,944
Supplies, Service Agreements & Records checks		599
Postage		1,870
Printing		3,156
Telephone		3,761
Travel & Training		856
Rent		2,362
Educational Items		4,560
Advertising & Marketing		7,146
Web Site Development		25
Audit Expense		197
Network Charges & Equipment Rental		42
Allocated Program Costs		610
Allocated Administration		<u>5,617</u>
Total Expenses	\$ 56,348	<u>\$ 56,686</u>
Transfer In		<u>338</u>
REVENUE OVER (UNDER) EXPENSES	\$ 0	<u>\$ 0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES

ENERGY SHARE OF MONTANA

Provider: Energy Share of Montana  
 Contract Period: July 1, 2014 through June 30, 2015

Revenue	
Contract Program Revenue	\$ 65,708
Contract Admin Revenue	12,329
Client Repayment Revenue	1,288
Denied Application Revenue	2,520
Fuel Assistance Support for Energy Share	3,317
Miscellaneous Revenue	<u>68</u>
Total Revenue	<u>\$ 85,228</u>
Expenses	
Administration	\$ 3,670
Operations	15,877
Fuel Fund	17,367
Fuel Fund - Deposits	4,406
Propane	5,473
Unrestricted USB	18,683
USB -NWE Benefits	15,571
Appliance Replacements	4,181
Total Expenses	\$ 85,228
REVENUE OVER (UNDER) EXPENSES	\$ 0

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES  
 BUDGET AND ACTUAL

STATE DISPLACED HOME MAKER PROGRAM

Grant Number: MT Department of Labor - DLISFY 12 06SDHI 20  
 Grant Period: July 1, 2014 through June 30, 2015

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>30,054</u>	\$ <u>26,341</u>
Expenses		
Administration	\$ 3,000	\$ 1,913
Direct Training		
Occupational Skills Training	3,000	1,400
Training Related and Supportive Services		
Supportive Services	3,000	3,017
WEX	10,000	6,915
Case Management	<u>11,054</u>	<u>13,096</u>
Total Expenses	\$ <u>30,054</u>	\$ <u>26,341</u>
REVENUE OVER (UNDER) EXPENSES	\$ <u>0</u>	\$ <u>0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES  
BUDGET AND ACTUAL

WoRC PROGRAM - FLATHEAD AND LINCOLN COUNTIES

Grant Number: DPHHS - 15-022-28011-0  
Grant Period: July 01, 2014 through June 30, 2015

	<u>FLATHEAD COUNTY</u>		<u>LINCOLN COUNTY</u>	
	Budget	Actual	Budget	Actual
Revenue				
Grant Revenue	\$ 733,215	\$ 511,815	\$ 195,391	\$ 182,073
Miscellaneous Revenue		<u>100</u>		
Total Revenue	<u>\$ 733,215</u>	<u>\$ 511,915</u>	<u>\$ 195,391</u>	<u>\$ 182,073</u>
Expenses				
Administration	\$ 133,908	\$ 83,603	\$ 32,572	\$ 27,330
Program				
Salaries	400,340	299,284	95,388	95,839
Fringe Benefits	132,701	82,224	34,695	30,668
Operating Expenses				
Audit	2,800	2,566	750	684
Travel and Training	12,500	3,368	11,000	3,649
Telephone and Internet	3,000	1,172	3,750	3,494
Supplies, Service Agreements, Printing & Postage	9,800	7,222	4,350	5,305
Supplies to be Inventoried		821		400
Advertising		1,443		68
Rent & Utilities	21,467	19,311	9,661	11,007
Client Education Materials	16,000	2,193	2,500	831
Equipment Rental /Network Charges	400	461	300	127
Allocated Program Costs	<u>300</u>	8,253	<u>425</u>	2,672
Total Expenses	<u>\$ 733,215</u>	<u>\$ 511,921</u>	<u>\$ 195,391</u>	<u>\$ 182,073</u>
Transfer In		<u>6</u>		
REVENUE OVER (UNDER) EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES

SOCIAL SECURITY PAYEE - LIBBY

Program Period: July 01, 2014 through June 30, 2015

	Actual
Revenue	
Revenue	\$ <u>1,316</u>
Program Operation Expenses	
Administration	\$ 487
Audit	5
Salaries	1,678
Fringe Benefits	561
Telephone	0
Postage	0
Allocable Program Costs	46
Total Program Operation Expenses	\$ 2,777
Transfer In	1,461
REVENUE OVER (UNDER) EXPENSES	\$ 0

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES  
BUDGET AND ACTUAL

COMMUNITY SERVICES BLOCK GRANT (CSBG)

Grant Number: DPHHS 14-028-10008-0  
Grant Period: January 1, 2014 through August 31, 2015

	Budget	Actual
<b>Revenue</b>		
Grant Revenue	\$ 429,110	\$ 429,110
Interest Revenue		16
Miscellaneous Revenue		<u>1,056</u>
<b>Total Revenue</b>	<b><u>\$ 429,110</u></b>	<b><u>\$ 430,182</u></b>
<b>Expenses</b>		
Category 1 - Personnel Costs		
Salaries	\$ 166,931	\$ 182,366
Fringe Benefits	50,404	37,234
Contract Services	2,000	3,700
Category 2 - Non-Personnel Costs		
Audit Expense	1,500	1,537
Legal Expenses	1,500	341
Supplies, Telephone, Dues, Misc.	16,200	17,095
Travel	15,000	13,412
Board Meeting Expenses	6,000	9,661
Staff Training	5,000	3,368
Space Cost and Rentals	19,700	13,170
Support To Programs	68,148	35,654
Allocated Administration	36,727	61,855
Software	20,000	24,075
Equipment	20,000	21,000
Allocated Program Costs		5,714
<b>Total Expenses</b>	<b><u>\$ 429,110</u></b>	<b><u>\$ 430,182</u></b>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>



NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES

PROJECT HOMELESS CONNECT

Program Period: June 1, 2014 through December 31, 2015

	Actual
Revenue	
Contributions (Businesses and Individuals)	\$ 16,140
Interest Revenue	<u>23</u>
Total Revenue	<u>\$ 16,163</u>
Program Operation Expenses	
Supplies and Printing	\$ 2,423
Advertising and Marketing	737
Rent/Utilities	1,162
Program Services to Clients	
Supportive Services	<u>13,013</u>
Total Project Homeless Connect Expenses	<u>\$ 17,335</u>
Transfer In From Prior Year	2,523
Transfer Out to Next Year	<u>(1,351)</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES

FREE TO CHOOSE

Program Period: July 1, 2014 through June 30, 2015

	Actual
Revenue	
Business and Individual Contributions	\$ 6,100
NW Contract Revenue	4,971
Interest Revenue	6
Revenue from Participants	<u>330</u>
<b>Total Revenue</b>	<b>\$ <u>11,407</u></b>
Program Operation Expenses	
Salaries	\$ 6,358
Fringe Benefits	1,810
Supplies, Service Agreements, Printing & Telephone	171
Travel	27
Record Checks	35
Rent & Utilities	263
Transfers Out	206
Meetings & Training Expenses	299
Equipment Rental /Network Charges	24
Allocated Administration	1,769
Allocated Program Costs	410
Audit	<u>35</u>
<b>Total Program Operation Expenses</b>	<b>\$ <u>11,407</u></b>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ <u>0</u></b>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES

VOLUNTEER INCOME TAX ASSISTANCE (VITA)  
 (Subgranted from Montana Credit Unions for Community Development)

Grant Number: TRS - 15VTTA0098, DUNS: 96206156  
 Program Period: July 1, 2014 through June 30, 2015

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>8,851</u>	\$ <u>8,851</u>
Program Operation Expenses		
Salaries	\$ 6809	\$ 8,167
Fringe Benefits	1702	3,045
Supplies, Service Agreements, Record Checks, Misc.	200	902
Telephone & Network Charges		444
Travel	140	37
Office Rent & Utilities		213
Allocable Program & Administration Costs		<u>2,788</u>
Total Program Operation Expenses	<u>\$ 8,851</u>	\$ 15,596
Transfer In		<u>6,745</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 0</u>	\$ 0

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DEA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES  
 BUDGET AND ACTUAL

RURAL LISC - HUD SECTION 4 REPAYABLE INVESTMENT  
 RURAL LISC - HUD SECTION 4 TRAVEL

Grant Number: Program Action # 43110-0015, HUD SEC 4 FY2011  
 Program Action # 43110-0016, HUD SEC 4 FY2012  
 Grant Period: October 1, 2013 through June 30, 2015  
 February 1, 2014 through July 31, 2015

	<u>REPAYABLE INVESTMENT</u>		<u>TRAVEL</u>	
	Budget	Actual	Budget	Actual
Revenue				
Loan Payable - Rural LISC	\$ 45,000	\$ 45,000		
Grant Revenue		<u>          </u>	\$ 5,000	\$ <u>3,792</u>
Total Revenue	\$ 45,000	\$ <u>45,000</u>	\$ <u>5,000</u>	\$ <u>3,792</u>
Expenses				
Salaries	\$ 19,151	\$ 32,721		
Fringe Benefits	8,207	8,518		
Consultant	10,000			
Travel & Training	350	263	\$ 5,000	\$ 3,792
Supplies, Printing, Telephone, Misc.	1,100	623		
Audit		175		
Rent & Utilities		1,136		
Allocated Administrative & Program Costs	<u>6,192</u>	<u>10,412</u>	<u>          </u>	<u>          </u>
Total Expenses	\$ 45,000	\$ 53,848	\$ 5,000	\$ 3,792
Transfer In		<u>8,848</u>	<u>          </u>	<u>0</u>
REVENUE OVER (UNDER) EXPENSES	\$ 0	<u>\$ 0</u>	\$ 0	<u>\$ 0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 DEA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES

SECTION 8 HOUSING ASSISTANCE

Contract Number: Montana Department of Commerce 15-745-0007  
 Contract Period: July 1, 2014 through June 30, 2015

	Actual
Revenue	
Revenue	\$ 140,417
Inspection Fees	5,850
Interest Income	<u>12</u>
Total Revenue	<u>\$ 146,279</u>
Expenses	
Salaries	\$ 70,615
Fringe Benefits	20,276
Audit	496
Supplies, Printing, Fees, Misc.	2,790
Service Agreements	815
Inspection Fees	225
Telephone	1,167
Travel	8,595
Rent and Utilities	3,350
Advertising and Marketing	219
Transfers Out	15,063
Equipment Rental and Network Allocation	60
Allocated Administration	20,512
Allocated Program Costs	<u>2,096</u>
Total Expenses	<u>\$ 146,279</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 0</u>

NORTHEAST MONTANA HUMAN RESOURCES INC.  
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES - Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSE  
 BUDGET AND ACTUAL

EMERGENCY SOLUTIONS GRANT

Grant Number: DPHHS 14-028-51008-0  
 Grant Period : April 1, 2014 through July 31, 2015

	Budget	Actual
Revenue		
Grant Revenue	\$ 87,922	\$ 87,922
Interest Revenue		<u>1</u>
Total Revenue	<u>\$ 87,922</u>	<u>\$ 87,923</u>
Expenses		
Administration	\$ 5,024	\$ 9,603
Program Support	82,898	
Homeless Prevention		22,377
Rapid Re-Housing		<u>61,291</u>
Total Expenses	\$ 87,922	\$ 93,271
Transfers In		<u>5,348</u>
REVENUE OVER (UNDER) EXPENSES	\$ 0	<u>\$ 0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
 OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES

HUD - HOMEBUYER EDUCATION & HOUSING COUNSELING

Provider:	NeighborWorks Montana	
Contract Period:	April 1, 2014 through March 31, 2015	
		Actual
Revenue		
Revenue		\$ 35,548
Revenue from Participants		4,809
Interest Income		<u>6</u>
Total Revenue		<u>\$ 40,363</u>
Expenses		
Salaries		\$ 17,761
Fringe Benefits		5,876
Audit		105
Supplies, Postage, Printing, etc.		498
Service Agreements		88
Telephone		298
Travel and Training		4,638
Rent		941
Housing Counseling Incentive Expense		462
Allocated Administration		4,646
Allocated Program Costs		<u>497</u>
Total Expenses		<u>\$ 35,810</u>
Transfer In		205
Transfer Out to Next Year		<u>(4,758)</u>
REVENUE OVER (UNDER) EXPENSES		<u>\$ 0</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSE  
BUDGET AND ACTUAL

HUD - SUPPORTIVE HOUSING ASSISTANCE

Grant Number : MT0005L8TOO1306  
Grant Period: February 1, 2014 through January 31, 2015

	Budget	Actual
Revenue		
Grant Revenue	\$ 32,151	\$ 32,151
Revenue		76
Refunds		854
Total Revenue	\$ 32,151	\$ 33,081
Expenses		
Administration	\$ 2,089	\$ 1,587
Operating Expense - Courtyard Apartments	19,772	19,772
Supportive Services		
Case Management	6,290	8,093
Supportive Services to Tenants	4,000	4,916
Total Expenses	\$ 32,151	\$ 34,368
Transfers In		1,287
REVENUE OVER (UNDER) EXPENSES	\$ 0	\$ 0



NORTHEST MONTANA HUMAN RESOURCES, INC.  
 OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
 For the Year Ended December 31, 2015

STATEMENT OF REVENUE AND EXPENSES

PERSONAL TOUCH HOME CARE

Provider:	DPHHS - Senior & Long Term Care Division	
Contract Period:	July 1, 2014 through June 30, 2015	
		Actual
Revenue		
Revenue		\$ 410,385
Medicaid Home Services		29,876
Home Community Based Services.		57,025
Private Pay		8,796
Health Insurance Reimbursement Contract		56,153
Interest Income		11
		\$ 562,246
Total Revenue		
Expenses		
Salaries		\$ 106,336
Fringe Benefits		33,710
Supplies, Printing & Meeting Costs		508
Audit		1,750
Bank Fees		10
Service Agreements		8,523
License Fees/Renewals		100
Telephone		1,530
Travel & Training		635
Legal Assistance		303
Bad Debt Expense		87
Rent & Utilities		3,760
Advertising and Marketing		7,935
Records Check		369
Network and Equipment Rental		104
Allocated Administration		30,177
Allocated Program Costs		2,971
Liability/Bond Insurance		108
Delivered Services - Personal Care Attendants		348,447
		\$ 547,363
Total Expenses		
Transfers Out		(14,883)
REVENUE OVER (UNDER) EXPENSES		\$ 0

NORTHEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SUPPLEMENTAL SCHEDULES – Statements of Revenue and Expenses  
For the Year Ended December 31, 2015

SCHEDULE OF ALLOCATED ADMINISTRATIVE COSTS  
BUDGET AND ACTUAL

For the Twelve Months Ended December 31, 2015

	Budget	Actual
Expenses		
Salaries	\$ 355,496	\$ 328,841
Fringe Benefits	99,464	88,072
Supplies & Printing	15,500	18,421
Service Agreements	9,640	10,635
Postage	19,000	13,086
Telephone	12,500	12,517
Travel & Training	7,500	7,677
Liability Insurance	42,525	40,760
Dues and Subscriptions	4,550	3,717
Rent	19,500	21,618
Advertising & Marketing	1,900	941
Contract Services	7,500	11,073
Storage	540	540
Repairs and Maintenance	1,500	6,068
Legal Assistance	2,000	4,409
Equipment Rental !Tom General Fund	8,080	8,534
Internet Services/Web Site Development	2,900	2,218
Accounting Software/Network Costs	1,000	297
Copy Center	1,770	1,009
Total Expenses	\$ <u>612,865</u>	\$ <u>580,433</u>

\*Capitalized Administrative Cost and Intercompany Eliminations \$52,431



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R A N D A L L & P E T E R S O N . P . C .  
-CERTIFIED PUBLIC ACCOUNTANTS-

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*

The Board of Directors of  
Northwest Montana Human Resources, Inc.  
DBA Community Action Partnership of Northwest Montana  
Kalispell, Montana

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 consolidated financial statements of the Northwest Montana Human Resources, Inc. DBA Community Action Partnership of Northwest Montana (CAPNM), which comprise the consolidated statement of financial position as of December 31, 2015, 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, and have issued our report thereon dated August 17, 2016.

#### Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered CAPNM's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAPNM's internal control. Accordingly, we do not express an opinion on the effectiveness of CAPNM's internal control.

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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Randall & Peterson, P.C.  
f/k/a Randall, Hensel & Peterson  
Missoula, Montana  
August 17, 2016



R A N D A L L & P E T E R S O N . P . C .  
— CERTIFIED PUBLIC ACCOUNTANTS —

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors of  
Northwest Montana Human Resources, Inc.  
DBA Community Action Partnership of Northwest Montana  
Kalispell, Montana

**Report on Compliance for Each Major Federal Program**

We have audited Northwest Montana Human Resources, Inc. DBA Community Action Partnership of Northwest Montana's (CAPNM) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CAPNM's major federal programs for the year ended December 31, 2015. CAPNM's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of CAPNM's major federal programs based on our audit of the types of compliance requirements referred to above. 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; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CAPNM's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CAPNM's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, CAPNM 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, 2015.

### Report on Internal Control over Compliance

Management of CAPNM is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CAPNM's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CAPNM's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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.



Randall & Peterson, P.C.  
f/k/a Randall, Hensel & Peterson  
Missoula, Montana  
August 17, 2016

NORTHWEST MONTANA HUMAN RESOURCES, INC.  
 OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended December 31, 2015

Section I – Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued:	U nmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 500.516(a)?	No

Identification of Major Federal Programs:

Department of Energy	CFDA No. 81.042
Department of Housing and Urban Development SHOP Loans	CFDA No. 14.247

The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance was \$750,000.

Auditee qualified as a low-risk auditee?	Yes
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NORTHWEST MONTANA HUMAN RESOURCES, INC.  
OBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended December 31, 2015

Section II -Financial Statement Findings

None Reported

Section III – Federal Awards Findings and Questioned

Costs None Reported

Section IV – Summary Schedule of Prior Audit Findings

There were no findings in 2014