



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

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS AND
COMPLIANCE REPORTS**

**For the Years Ended
December 31, 2020 and 2019**

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA
COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
December 31, 2020

Board of Directors
(Seated as of December 31, 2020)

Chance Barrett, President
Dave Stipe, Vice President
Laura Burrowes, Secretary Treasurer
Vince Rubino, Director
Wendy Nissen, Director
Glen Magera, Director
Josh Letcher, Director
Jamie Quinn, Director
Donna Martin, Director
Patrick Malone, Director
Robin Haidle, Director

Management

Tracy Diaz, Executive Director
Cassidy Kipp, Deputy Director
Carrie Gable, Chief Financial Officer
Anthony Smith, Director of Energy Assistance
Mel Rice, Director of Employment and Training
Cassidy Kipp, Director of Community Services

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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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INDEPENDENT AUDITOR'S REPORT

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), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019 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 conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CAPNM as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter*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 35 to 56 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, 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*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States 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 July 1, 2021, 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.

Carver Florek & James, CPAs

Missoula, Montana

July 1, 2021

CONSOLIDATED FINANCIAL STATEMENTS

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 As of December 31, 2020 and 2019

ASSETS	2020	2019
Cash and Cash Equivalents	\$ 3,864,251	\$ 3,498,207
Investment in Certificate of Deposit	123,808	123,315
Accounts Receivable	112,693	126,304
Employee Advances	132	295
Grants Receivable	322,713	445,915
Prepaid Expenses and Other Assets	663,603	657,444
Loans Receivable (Net of Allowance for Doubtful Accounts)	498,066	623,490
Loan Fees (Net of Amortization)	2,486	2,570
Equipment and Software (Net of Depreciation)	184,611	79,545
Land and Buildings (Net of Depreciation)	7,597,908	7,498,417
TOTAL ASSETS	\$ 13,370,271	\$ 13,055,502
 LIABILITIES AND NET ASSETS		
 LIABILITIES		
Accounts Payable	\$ 301,329	\$ 241,300
Due to Grantor/Funds Held in Trust	618,123	601,573
Payroll Liabilities and Compensated Absences	329,187	338,063
Deferred Revenue	81,885	102,664
Long-Term Debt	5,899,369	5,974,856
TOTAL LIABILITIES	\$ 7,229,893	\$ 7,258,456
 NET ASSETS		
Without Donor Restrictions	\$ 5,817,409	\$ 5,725,334
With Donor Restrictions	322,969	71,712
TOTAL NET ASSETS	\$ 6,140,378	\$ 5,797,046
 TOTAL LIABILITIES AND NET ASSETS	 \$ 13,370,271	 \$ 13,055,502

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, 2020 and 2019

NET ASSETS WITHOUT DONOR RESTRICTIONS	2020	2019
OPERATING REVENUES		
Program Grants	\$ 2,642,973	\$ 2,658,542
Contracts and Rental Income	1,653,509	2,322,033
Contributions	344,839	12,087
Gain on Acquisition of Partnerships	-	2,625,381
Interest	8,308	28,983
Interest Subsidy	170,636	80,457
Other	22,398	27,441
Net Assets Released from Restrictions	50,982	290,167
TOTAL OPERATING REVENUES	\$ 4,893,645	\$ 8,045,091
OPERATING EXPENSES		
Program Services		
Community Services	\$ 856,169	\$ 947,278
Energy Programs	1,791,245	2,271,613
Job Training Programs	610,976	628,425
Housing Programs	1,178,388	1,236,251
Supporting Services		
General Administration	364,792	334,595
TOTAL OPERATING EXPENSES	\$ 4,801,570	\$ 5,418,162
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 92,075	\$ 2,626,929
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	\$ 302,239	\$ 5,421
Net Assets Released from Restrictions	(50,982)	(290,167)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	\$ 251,257	\$ (284,746)
TOTAL CHANGE IN NET ASSETS	343,332	2,342,183
NET ASSETS AT BEGINNING OF YEAR		
Without Donor Restrictions	\$ 5,725,334	\$ 3,098,405
With Donor Restrictions	71,712	356,458
TOTAL NET ASSETS AT BEGINNING OF YEAR	\$ 5,797,046	\$ 3,454,863
NET ASSETS AT END OF YEAR		
Without Donor Restrictions	\$ 5,817,409	\$ 5,725,334
With Donor Restrictions	322,969	71,712
TOTAL NET ASSETS AT END OF YEAR	\$ 6,140,378	\$ 5,797,046

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 STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2020

	<u>Community Services</u>	<u>Energy Programs</u>	<u>Job Training Programs</u>	<u>Housing Programs</u>	<u>Total Expenses</u>
PROGRAM SERVICES					
Salaries and Wages	\$ 355,876	\$ 633,900	\$ 432,109	\$ 235,956	\$ 1,657,841
Health Insurance	43,458	74,060	70,026	15,670	203,214
TSA Contributions	13,779	23,993	7,446	3,330	48,548
Payroll Taxes	26,977	96,940	32,438	30,657	187,012
Contracted Services	38,085	16,647	7,659	26,452	88,843
Rent/Utilities	11,921	12,331	24,216	78,432	126,900
Supplies, Service & Repairs	39,992	102,936	19,825	229,777	392,530
Legal Assistance	26,858	-	-	10,808	37,666
Depreciation/Amortization	67,856	-	-	210,332	278,188
Telephone / Internet	4,011	11,765	7,012	4,930	27,718
Travel and Training	7,130	37,999	2,006	9,528	56,663
Interest	31,968	-	-	263,777	295,745
Property/General Liability Insurance	9,630	13,010	6,139	39,084	67,863
Bad Debts / (Recovery)	2	-	-	(17,710)	(17,708)
Home Weatherization	-	258,639	-	-	258,639
Fuel Assistance	25	504,110	-	-	504,135
Employment / Training	2,817	-	-	-	2,817
Housing Assistance/Loss on Purchase	-	-	-	-	-
Loss on Disposal of Assets	583	-	-	-	583
Supportive Services	161,446	1,136	720	500	163,802
Other Program Related	13,755	3,779	1,380	36,865	55,779
TOTAL PROGRAM SERVICES	\$ 856,169	\$ 1,791,245	\$ 610,976	\$ 1,178,388	\$ 4,436,778
SUPPORTING SERVICES					
General Administration	84,394	154,859	102,405	23,134	364,792
TOTAL EXPENSES	\$ 940,563	\$ 1,946,104	\$ 713,381	\$ 1,201,522	\$ 4,801,570

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 STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2019

	<u>Community Services</u>	<u>Energy Programs</u>	<u>Job Training Programs</u>	<u>Housing Programs</u>	<u>Total Expenses</u>
PROGRAM SERVICES					
Salaries and Wages	\$ 331,115	\$ 753,047	\$ 442,761	\$ 227,695	\$ 1,754,618
Health Insurance	40,174	96,794	68,162	21,758	226,888
TSA Contributions	11,043	25,878	8,701	3,423	49,045
Payroll Taxes	15,987	116,395	32,765	29,432	194,579
Contracted Services	24,630	13,219	6,884	18,323	63,056
Rent/Utilities	7,339	47,335	22,270	50,218	127,162
Supplies, Service & Repairs	38,301	90,315	24,284	158,448	311,348
Legal Assistance	5,040	-	-	47,441	52,481
Depreciation/Amortization	69,811	-	-	112,247	182,058
Telephone / Internet	5,330	13,080	7,973	5,930	32,313
Travel and Training	26,000	79,191	6,959	13,813	125,963
Interest	34,254	-	-	147,421	181,675
Property/General Liability Insurance	7,828	13,870	5,188	23,640	50,526
Bad Debts / (Recovery)	2	-	-	(13,893)	(13,891)
Home Weatherization	4,000	248,189	-	-	252,189
Fuel Assistance	-	731,991	-	-	731,991
Employment / Training	144	-	-	-	144
Housing Assistance/Loss on Purchase	813	-	-	351,870	352,683
Loss on Disposal of Assets	161,309	-	-	-	161,309
Supportive Services	160,570	29,452	1,401	4,926	196,349
Other Program Related	3,588	12,857	1,077	33,559	51,081
TOTAL PROGRAM SERVICES	\$ 947,278	\$ 2,271,613	\$ 628,425	\$ 1,236,251	\$ 5,083,567
SUPPORTING SERVICES					
General Administration	53,231	154,563	65,633	61,168	334,595
TOTAL EXPENSES	\$ 1,000,509	\$ 2,426,176	\$ 694,058	\$ 1,297,419	\$ 5,418,162

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grants and Contributions	\$ 3,392,473	\$ 2,671,248
Cash Received from Contracts	1,804,000	2,695,688
Cash Received from Interest	18,789	31,307
Cash Received from Other Operating Activities	20,372	528,946
Cash Received (Paid) for Amounts in Trust	16,550	-
Cash Paid to/for Employees	(2,382,295)	(2,487,864)
Cash Paid to Suppliers/Vendors	(1,819,604)	(2,062,450)
Cash Paid for Inventory of Homes	-	(215,089)
Cash Paid for Interest	(125,143)	(65,981)
Net Cash Flows from Operating Activities	<u>\$ 925,142</u>	<u>\$ 1,095,805</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal Loan Payments Received	\$ 137,781	\$ 110,104
Principal Loan Payments Advanced	-	(79,596)
Purchase of Investments	(493)	(489)
Purchase of Interest in Partnerships	-	(100,001)
Purchase of Equipment/Building Improvements	(484,019)	(52,012)
Net Cash Flows from Investing Activities	<u>\$ (346,731)</u>	<u>\$ (121,994)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Debt	\$ (212,367)	\$ (47,209)
Net Cash Flows from Financing Activities	<u>\$ (212,367)</u>	<u>\$ (47,209)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>\$ 366,044</u>	<u>\$ 926,602</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,498,207</u>	<u>2,571,605</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 3,864,251</u></u>	<u><u>\$ 3,498,207</u></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, 2020 and 2019

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	2020	2019
Change in Net Assets	\$ 343,332	\$ 2,342,183
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Items not Affecting Cash:		
Depreciation/Amortization	281,607	189,227
Provision for Loan Loss Reserves	(22,838)	163,918
Interest Added (Paid) to/on Debt	10,481	2,324
Deferred Developer Fees Expiration	136,880	0
Gain on Acquisition of Partnerships	-	(2,123,876)
Loss/(Gain) on Disposal/Purchase of Assets	(2,061)	161,710
Changes in Assets and Liabilities:		
Decrease/(Increase) in Grants Receivable	123,202	(55,056)
Decrease/(Increase) in Accounts Receivable	13,611	373,655
Decrease/(Increase) in Prepaid Expenses	(6,159)	105,996
Decrease/(Increase) in Employee Advances	163	1,091
Increase/(Decrease) in Accounts Payable	60,029	39,261
Increase/(Decrease) in Salaries and Accrued Payroll Payable	(8,876)	1,143
Increase/(Decrease) in Due to Grantor/Funds Held in Trust	16,550	(191,025)
Increase/(Decrease) in Deferred Revenue	(20,779)	85,254
Net Cash Flows from Operating Activities	\$ 925,142	\$ 1,095,805
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
<i>Financing Activities</i>		
Building and Equipment Assumed in Purchase	\$ -	\$ 4,200,000
Refinanced Debt Principal	602,003	-
Debt Assumed in Purchase of Building and Equipment	-	2,078,124
Rental Assistance Applied to Long-Term Debt Principal Payments	-	30,706
	\$ 602,003	\$ 6,308,830

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, 2020 and 2019

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, Polson Sunny Slope Vista Associates, Columbia Falls Teakettle Vista Associates, Columbia falls Teakettle Vista Associates II, Treasure Manor/CAPNM, Recapitalization Montana LLC, and Westgate Senior Associates for the years ending December 31, 2020 and 2019. 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 together with local partners to alleviate poverty, improve lives, and strengthen communities in Flathead, Lake, Lincoln and Sanders County."

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.

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2019

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

B. Organization, continued

Columbia Falls Teakettle Vista Associates (TK), Columbia Falls Teakettle Vista Associates II (TK II), Polson Sunny Slope Vista Associates (SS), and Westgate Senior Associates (WG) were Montana Limited Partnerships in which CAPNM was the general partner. On April 1, 2015, CAPNM purchased the interests of the limited partners of TK and WG, purchased the interest of TK II on December 31, 2019, and purchased the interests of SS on July 31, 2019 and became the sole owners of the entities. The entities listed were formed for the purpose of constructing, acquiring, owning, operating and managing 120 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 and also in accordance with Rural Development 515 regulations and guidelines as applicable. The projects were placed into service in October of 2000 to 2004 and the tax credit compliance periods ended in 2015 to 2019.

Treasure Manor/CAPNM is an entity which is a disregarded entity from CAPNM. The entity was formed for the purchase of the Treasure Manor apartment complex as required by the application for tax credits.

Recapitalization Montana LLC is a not-for-profit corporation under Internal Revenue Section 501 (c)(3) which serves a general partner in the Courtyard Associated Limited Partnership. This nonprofit corporation, wholly owned by CAPNM, was formed to facilitate the rehabilitation and operation of the Courtyard Apartments, a 32 unit low and moderate-income apartment complex in Kalispell, Montana.

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.

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2019

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

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, \$36,612, \$15,458, and \$1,043,093 are reserved for housing tenant deposits, tax and insurance payments, and replacement reserves, respectively for 2020. As of December 31, 2019, there was \$36,607, \$15,740, and \$1,035,441 reserved for tenant deposits, tax and insurance payments, and replacement reserves, respectively.

E. Receivables

Accounts receivable represent amounts owed to CAPNM from program service contracts and tenant rents. Contracts call for a fixed fee for service and are composed primarily of energy assistance reimbursements for services provided to 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 \$4,755,930 in grant commitments from various funding sources at December 31, 2020 compared to \$2,057,348 at December 31, 2019.

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. Prepaid Expenses

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2019

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

G. Certificate of Deposit

CAPNM has a certificate of deposit with a local financial institution. The certificate of deposit is reported at its principal balance plus accrued interest, which approximates fair value. The interest rate was 0.40% and 0.40% at December 31, 2020 and 2019, respectively. The certificate of deposit matured on November 18, 2018 and was renewed for three years.

H. 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.

I. Net Asset Classification

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

Net assets without donor restrictions 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 \$0 and \$1,621 of net assets without donor restrictions to be used for its land predevelopment fund as of December 31, 2020 and 2019, respectively.

Net assets with donor restrictions represent net assets subject to donor- (or certain grantor-) imposed restrictions. CAPNM had \$322,969 and \$71,712 of net assets with donor restrictions as of December 31, 2020 and 2019, respectively, primarily relating to contributions for client housing cost assistance and a supportive housing revolving loan fund.

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2020 and 2019

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

I. Net Asset Classification, continued

Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

As of December 31, 2020 and 2019, CAPNM had no net assets restricted in perpetuity.

J. 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 \$11,037 and \$0 of cash advanced to CAPNM as of December 31, 2020 and 2019, which was not earned and will be returned to the grantor.

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 \$607,086 and \$601,573 as of December 31, 2020 and 2019, respectively.

K. 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 significant income unrelated to its tax-exempt purpose in 2020 or 2019.

With few exceptions, CAPNM's information returns (I.R.S. Form 990) are not subject to examination for fiscal years prior to 2017.

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For the Years Ended December 31, 2020 and 2019

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

L. 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.

M. 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.

N. 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 implemented an indirect cost rate methodology for grant awards covered by the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

O. Advertising

CAPNM expenses the cost of advertising as incurred. Advertising expenses totaled \$6,260 in 2020 and \$7,822 in 2019, respectively.

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

P. 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.

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, repair assistance for senior citizens and very low-income individuals, and rehabilitation of vacant, foreclosed and/or abandoned homes.

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.

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

Q. 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.

R. Reclassification

Certain reclassifications have been made to the 2019 financial statement presentation to correspond to the current year's format. Total net assets and change in net assets for 2019 are unchanged due to these reclassifications.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, December 31, 2020 and 2019, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 2,769,088	\$ 2,410,419
Investment in Certificate of Deposit	123,808	123,315
Accounts Receivable	112,693	126,304
Employee Advances	132	295
Grants Receivable	322,713	445,915
Total Financial Assets Available	\$ <u>3,328,434</u>	\$ <u>3,106,248</u>

As part of CAPNM's liquidity management plan, they invest cash in excess of daily requirements in certificates of deposit and money market funds.

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NOTE 3. LOANS RECEIVABLE

A summary of loans receivable and their related allowances at December 31, 2020 and 2019 are as follows:

	Loans Receivable	Allowance Doubtful Accounts	Loans Receivable	Allowance Doubtful Accounts
	2020	2020	2019	2019
Senior Home Repair Program	\$ 357,411	\$ 17,871	\$ 402,336	\$ 20,117
Affordable Housing:				
Fernwell	-	-	50,000	-
Westgate Senior Associates	105,876	-	108,887	-
Silent Second Mortgages and Down-Payment Assistance	<u>263,676</u>	<u>105,150</u>	<u>380,758</u>	<u>189,487</u>
 Total	 \$ 726,963	 \$ <u>123,021</u>	 \$ 941,981	 \$ <u>209,604</u>
Intercompany Elimination	(105,876)		(108,887)	
Less Allowance	<u>(123,021)</u>		<u>(209,604)</u>	
Loans Receivable, Net	<u>\$ 498,066</u>		<u>\$ 623,490</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 3. 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 with payments 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 had available cash after paying all operating expenses and other mortgage payments. During 2018, an allowance of \$150,000 was recorded for the potential forgiveness of loan balances. According to the terms of agreement, the remaining \$50,000, was paid in full in 2020.

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.

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NOTE 3. LOANS RECEIVABLE, Continued

Silent Second Mortgages and Down Payment Assistance

The Mutual Self-Help (MSH) housing project enabled ownership of 154 homes to qualifying individuals and families. The program required participant homeowners to provide at least 65 percent of the labor during the construction of their and other's homes. CAPNM facilitated the construction through the purchase and development of parcels of land used by the program. CAPNM has loaned participants in their Mutual Self-Help Housing program funding for down-payment assistance for the purchase of the 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.

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, 2020 and 2019, 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, 2020 and 2019, CAPNM had no loans considered impaired.

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NOTE 3. LOANS RECEIVABLE, Continued

A summary of the allowance for credit losses and recorded investment in financing receivables as of December 31, 2020:

	RESIDENTIAL			TOTAL
	Senior Home Repair	Affordable Housing	Mutual Self-Help Housing	
Total Financing Receivables, December 31, 2020	\$ 357,411	\$ -	\$ 263,676	\$ 621,087
Allowance for Credit Losses, January 1, 2020	(20,117)	-	(189,487)	(209,604)
Charge-off's	-	-	-	-
Recoveries	-	-	-	-
Current Year Provision for Losses	2,246	-	84,337	86,583
Allowance for Credit Losses, December 31, 2020	<u>(17,871)</u>	<u>-</u>	<u>(105,150)</u>	<u>(123,021)</u>
Net Financing Receivables, December 31, 2020	<u>\$ 339,540</u>	<u>\$ -</u>	<u>\$ 158,526</u>	<u>\$ 498,066</u>
Receivables Individually Evaluated for Impairment	\$ -	\$ -	\$ -	\$ -
Allowance for Credit Losses	-	-	-	-
Receivables Collectively Evaluated for Impairment	357,411	-	263,676	621,087
Allowance for Credit Losses	<u>(17,871)</u>	<u>-</u>	<u>(105,150)</u>	<u>(123,021)</u>
Net Financing Receivables, December 31, 2020	<u>\$ 339,540</u>	<u>\$ -</u>	<u>\$ 158,526</u>	<u>\$ 498,066</u>

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NOTE 3. LOANS RECEIVABLE, Continued

A summary of the allowance for credit losses and recorded investment in financing receivables as of December 31, 2019:

	RESIDENTIAL			TOTAL
	Senior Home Repair	Affordable Housing	Mutual Self-Help Housing	
Total Financing Receivables, December 31, 2019	\$ 402,336	\$ 50,000	\$ 380,758	\$ 833,094
Allowance for Credit Losses, January 1, 2019	(16,137)	(150,000)	(212,100)	(378,237)
Charge-off's	-	-	-	-
Recoveries	-	-	-	-
Current Year Provision for Losses	(3,980)	150,000	22,613	168,633
Allowance for Credit Losses, December 31, 2019	(20,117)	-	(189,487)	(209,604)
Net Financing Receivables, December 31, 2019	\$ 382,219	\$ 50,000	\$ 191,271	\$ 623,490
Receivables Individually Evaluated for Impairment	\$ -	\$ -	\$ 63,746	\$ 63,746
Allowance for Credit Losses	-	-	(63,746)	(63,746)
Receivables Collectively Evaluated for Impairment	402,336	50,000	317,012	769,348
Allowance for Credit Losses	(20,117)	-	(125,741)	(145,858)
Net Financing Receivables, December 31, 2019	\$ 382,219	\$ 50,000	\$ 191,271	\$ 623,490

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NOTE 3. LOANS RECEIVABLE, Continued

An analysis of credit exposure by internally assigned grade at December 31, 2020 and 2019 is as follows:

	RESIDENTIAL SENIOR HOME / MUTUAL SELF-HELP		RESIDENTIAL AFFORDABLE HOUSING	
	2020	2019	2020	2019
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Pass - Performing Loans	\$ 621,087	\$ 719,348	\$ -	\$ 50,000
Pass with Collateral Deficiencies	-	-	-	-
Non-Performing, Collateralized	-	-	-	-
Non-Performing, Collateral Deficiencies	-	63,746	-	-
Total	<u>\$ 621,087</u>	<u>\$ 783,094</u>	<u>\$ -</u>	<u>\$ 50,000</u>

An analysis of past due financing receivables as of December 31, 2020 and 2019 is as follows:

	RESIDENTIAL SENIOR HOME / MUTUAL SELF-HELP		RESIDENTIAL AFFORDABLE HOUSING	
	2020	2019	2020	2019
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
30 - 59 Days Past Due	\$ -	\$ -	\$ -	\$ -
60 - 89 Days Past Due	-	-	-	-
Greater than 90 Days Past Due	-	63,746	-	-
Total Past Due	<u>\$ -</u>	<u>\$ 63,746</u>	<u>\$ -</u>	<u>\$ -</u>
Current Financing Receivables	<u>621,087</u>	<u>719,348</u>	<u>-</u>	<u>50,000</u>
Total Financing Receivables	<u>\$ 621,087</u>	<u>\$ 783,094</u>	<u>\$ -</u>	<u>\$ 50,000</u>

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NOTE 4. LAND, BUILDINGS AND EQUIPMENT

Land, buildings, and equipment consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Equipment and Software	\$ 627,021	\$ 605,940
Less: Accumulated Depreciation	<u>(442,410)</u>	<u>(526,395)</u>
Total	<u>\$ 184,611</u>	<u>\$ 79,545</u>
Land	\$ 1,033,541	\$ 733,541
Buildings and Improvements	883,168	802,054
Affordable Housing	7,689,942	7,649,015
Less: Accumulated Depreciation	<u>(2,008,743)</u>	<u>(1,686,194)</u>
Total Land and Buildings	<u>\$ 7,597,908</u>	<u>\$ 7,498,417</u>
Land, Buildings, Equipment and Software, Net	<u>\$ 7,782,519</u>	<u>\$ 7,577,961</u>

Depreciation expense totaled \$278,188 and \$182,058 for the years ended December 31, 2020 and 2019, respectively.

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NOTE 5. 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 2020 and 2019 is as follows:

	2020	2019
Deferred Revenue, January 1	\$ 102,664	\$ 17,410
Grant Awards Received	8,160,714	6,442,594
Less Earned Revenue for Expenses Incurred	<u>(3,425,563)</u>	<u>(4,299,992)</u>
Gross Deferred Revenue	4,837,815	2,160,012
Less Amount not Received in Cash	<u>(4,755,930)</u>	<u>(2,057,348)</u>
Net Deferred Revenue, December 31	<u>\$ 81,885</u>	<u>\$ 102,664</u>

NOTE 6. 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 2020, 2019, 2018, 2017, 2016, 2015, and 2014, \$50,000, \$290,000, \$160,000, \$90,000, \$66,667, \$0 and \$320,000 was released from restriction in compliance with the applicable loan agreement, respectively.

Interest expense totaled \$295,745 and \$181,675 for the years ended December 31, 2020 and 2019, respectively.

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NOTE 6. NOTES PAYABLE, Continued

CAPNM's long-term notes payable at December 31, 2020 and 2019 are as follows:

	Original Loan Amount	2020	2019
Note payable to Glacier Bank of Kalispell originating August 25, 2008 due on August 25, 2033. Interest is variable resetting every five years to 2.5% above the Federal Home Loan Bank Index with a rate floor of 4.5%. The rate was 4.5% and 5.39% as of December 31, 2020 and 2019. Terms are monthly principal and interest payments of \$5,145.35 secured by real property at 214 S. Main.	\$ 900,000	\$ 536,337	\$ 629,083
Mortgage Payable USDA Rural Development assumed February 1, 2018 due February 1, 2068. Interest is 3.25% subsidized to 1%. Terms call for monthly installments of \$5,118, payments are deferred until March 1, 2040. This agreement is secured by real property and rents of Treasure Manor Apartments	\$ 1,515,751	\$ 1,574,296	\$ 1,515,751
Mortgage Payable Rural Housing Service originated November 1, 2000, due November 1, 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	\$ 830,408	\$ 839,608

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NOTE 6. NOTES PAYABLE, Continued

	Original Loan Amount	2020	2019
Mortgage Payable Rural Housing Service originated August 29, 2003, due September 1, 2053. Interest 5.375% subsidized to 1%. Terms call for principal and interest payments monthly of \$2,122 secured by real property and rents of Polson Sunny Slope Vista Apartments	\$ 1,000,000	\$ 887,728	897,455
Promissory Note with USDA Rural Development, originating January 31, 2005 due in January 31, 2055. Interest 6.00% subsidized to 1%. Terms call for principal and interest payments monthly of \$3,144 secured by real property and rents of the Columbia Falls Teakettle Vista II Apartments	\$ 1,000,000	\$ 916,115	\$ 924,533
Promissory Note with the City of Columbia Falls, Montana, originating January 31, 2005 due in January 31, 2055. Interest 1.00% Fixed. Terms call for principal and interest payments annually of \$7,627 payable only from residual receipts of the Columbia Falls Teakettle Vista II Apartments	\$ 300,000	\$ 249,050	\$ 254,136
Mortgage Payable Rural Housing Service originated 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	\$ <u>905,435</u>	\$ <u>914,290</u>
Total Notes Payable		\$ <u>5,899,369</u>	\$ <u>5,974,856</u>

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NOTE 6. NOTES PAYABLE, Continued

Annual maturities of notes payable at December 31, 2020 are as follows:

Future maturities are:

<u>Years Ending:</u>		
2021	\$	82,759
2022		86,938
2023		91,350
2024		96,008
2025		100,926
Thereafter		<u>5,441,388</u>
	\$	<u><u>5,899,369</u></u>

NOTE 7. LEASES

CAPNM classified its leases as either operating or capital leases. All leases are classified as operating leases in 2020 and 2019. Lease terms for operating leases of office space are as follows:

<u>Location</u>	<u>Terms</u>
Libby Office	\$580.71 monthly through December 31, 2020
Polson Office	\$300 monthly through November 30, 2021
Eureka Office	\$265.00 monthly through December 31, 2020

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NOTE 7. LEASES, Continued

Future minimum rents are estimated at:

<u>Years Ending December 31:</u>	
2021	\$ 3,300
2022	-
2023	-
2024	-
2025	-
	<u>\$ 3,300</u>

NOTE 8. 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 \$140,415 and \$141,290 at December 31, 2020 and 2019, 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 contribution up to 5% of the employee's wage after one year of employment. Employees 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%

As of June 1, 2020, CAPNM's contributions vest immediately.

CAPNM contributed \$52,069 and \$52,865 to the 403(b) Thrift Plan in 2020 and 2019, respectively.

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NOTE 9. 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, 2020 and 2019 consisted of the following:

Description	2020	2019
Direct Participant Support Services	\$ 22,969	\$ 21,712
Libby Property	300,000	0
SHOP Housing Loans	<u>0</u>	<u>50,000</u>
Total	<u>\$ 322,969</u>	<u>\$ 71,712</u>

NOTE 10. 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. Big Sky Manor Corporation exited their limited partnership in 2017.

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, 2020 and 2019.

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.

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NOTE 10. 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 a one-year right of first refusal expiring August 14, 2018, to purchase the units upon the expiration of the 15-year low-income housing tax credit use restriction period in 2017 which it exercised.

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 which it exercised.

Recapitalization Montana LLC 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 rehabilitation and operation of a 32 unit low and moderate-income apartment complex in Kalispell, Montana. The Corporation is the general partner in Courtyard Associates, a Montana limited partnership. The Corporation owns .006 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 2034 plus one year.

NOTE 11. ACQUISITION OF PARTNERSHIP INTERESTS

On December 31, 2019, CAPNM purchased the limited partnership interests of 99.99 percent in the Columbia Falls Teakettle Vista II Apartments for a purchase price of one dollar. The wholly owned subsidiary corporation owned .01 percent of the partnership. The subsidiary has a one-year right of first refusal expiring August 14, 2018, to purchase the units upon the expiration of the 15-year low-income housing tax credit use restriction period in 2017 which it exercised. The assumption of the fair value of assets acquired and liabilities assumed of \$1,732,655 exceeded the fair value of the purchase price of the business of one dollar. Accordingly, the acquisition has been accounted for as a bargain purchase and, CAPNM recognized a gain of \$1,732,654 for the year ended December 31, 2019.

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the Years Ended December 31, 2020 and 2019

NOTE 11. ACQUISITION OF PARTNERSHIP INTERESTS, Continued

On July 31, 2019, CAPNM purchased the limited partnership interests of 99.99 percent in the Polson Sunny Slope Vista Apartments for a purchase price of \$100,001. The wholly owned subsidiary corporation owned .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 which it exercised. The assumption of the fair value of assets acquired and liabilities assumed of \$992,727 exceeded the fair value of the purchase price of the business of \$100,000. Accordingly, the acquisition has been accounted for as a bargain purchase and, CAPNM recognized a gain of \$892,727 for the year ended December 31, 2019.

A summary of the assets acquired and liabilities assumed, and amounts paid for the interests are as follows:

	Columbia Falls Teakettle Vista II Apartments LP	Polson Sunny Slope Vista Apartments LP
Cash and Cash Equivalents	\$ 49,755	\$ 15,484
Cash Reserves	360,288	239,033
Accounts Receivable	4,303	2,689
Prepaid Expenses	7,000	6,576
Property and Equipment	2,550,000	1,650,000
Total Assets	<u>\$ 2,971,346</u>	<u>\$ 1,913,782</u>
Accounts Payable	\$ 60,023	\$ 21,599
Long Term Debt	1,178,669	899,455
Total Liabilities	<u>\$ 1,238,692</u>	<u>\$ 921,054</u>
Partners' Equity	\$ 1,732,654	\$ 992,728
Less Cash Paid for Interests	(1)	(100,000)
Gain on Acquisitions	<u>\$ 1,732,653</u>	<u>\$ 892,728</u>

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 12. ADMINISTRATIVE COSTS

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

	<u>2020</u>	<u>2019</u>
Wages, Payroll Taxes and Fringe Benefits	\$ 276,967	\$ 260,859
Supplies, Printing, Postage, and Office Costs	43,647	24,277
Liability Insurance	20,569	20,719
Contract Services and Service Agreements	4,154	20,580
Travel and Training	320	3,270
Occupancy Costs	<u>19,135</u>	<u>4,890</u>
Total Administrative Expenses	<u>\$ 364,792</u>	<u>\$ 334,595</u>

NOTE 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 1, 2021, the date the financial statements were available for issue.

SINGLE AUDIT SECTION

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2020

FEDERAL SOURCE <i>PASS THROUGH SOURCE</i> PROGRAM	CFDA Number	Contract Number	Contract Period	2020 Federal Expenditures
Department of Agriculture				
<i>Direct</i>				
RURAL RENTAL ASSISTANCE PROGRAMS	10.427			63,406
INTEREST SUBSIDY	10.U01			17,811
Total Department of Agriculture				\$ <u>81,217</u>
Department of Housing and Urban Development				
<i>Local Initiatives Support Corporation</i>				
Rural LISC - CAPACITY BUILDING	14.252	PA#43110-0022	01/01/20 - 09/30/21	1,720
Rural LISC - TINY HOMES	14.259	PA#43110-0019	10/01/17 - 07/31/20	2,316
Total Capacity Building				\$ <u>4,036</u>
<i>Montana Dept. of Public Health and Human Services</i>				
EMERGENCY SOLUTIONS GRANTS PROGRAM	14.231	20-028-19008-0	04/01/20 - 04/01/22	92,886
EMERGENCY SOLUTIONS GRANTS PROGRAM	14.231	19-028-51008-0	08/01/19 - 09/30/20	57,774
Total Emergency Shelter				\$ <u>150,660</u>
<i>Direct</i>				
SHELTER PLUS, CONTINUUM OF CARE	14.267	MT0052L8T001904	10/01/20 - 09/30/21	11,247
SHELTER PLUS, CONTINUUM OF CARE	14.267	MT0052L8T001803	10/01/19 - 09/30/20	39,449
Total Shelter Plus, Continuum of Care				\$ <u>50,696</u>
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0043L8T001906	11/01/20 - 10/31/21	841
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0065L8T001800	11/01/19 - 10/31/20	20,845
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0065L8T001901	11/01/20 - 10/31/21	4,844
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0043L8T001805	11/01/19 - 10/31/20	29,759
Total Rapid-Rehousing, Continuum of Care				\$ <u>56,289</u>
YOUTH HOMELESSNESS DEMONSTRATIONS	14.276	MT0083Y8T001800	10/01/20 - 09/30/22	333
Total Youth Homlessness Demonstration				\$ <u>333</u>
Total Department of Housing and Urban Development				\$ <u>262,014</u>
Department of Energy				
<i>Montana Dept. of Public Health and Human Services</i>				
DOE WEATHERIZATION	81.042	19-028-30028-0	07/01/19 - 06/30/21	244,607
BONNEVILLE POWER WX	81.042	20-028-31006-0	10/01/19 - 09/30/21	132,343
Total Department of Energy				\$ <u>376,950</u>

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2020

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM	CFDA Number	Contract Number	Contract Period	2020 Federal Expenditures
Department of Treasury				
<i>Montana Dept. of Public Health and Human Services</i>				
SOCIAL SERVICES NON PROFIT GRANT - ROUND 1	20.019	NONE	3/1/20 - 1/31/21	10,000
SOCIAL SERVICES NON PROFIT GRANT - ROUND 2	20.019	NONE	3/1/20 - 1/31/21	48,909
Total Social Services Non Profit Grant				<u>\$ 58,909</u>
<i>Montana Dept. of Natural Resources and Conservation</i>				
BUSINESS ADAPTABILITY GRANT - ROUND 1	21.019	NONE	03/01/20 - 01/31/21	5,000
BUSINESS ADAPTABILITY GRANT - ROUND 2	21.019	NONE	03/01/20 - 01/31/21	5,000
Total Business Adaptability Grant				<u>\$ 10,000</u>
<i>Montana Dept. Agriculture</i>				
BUSINESS INNOVATION PROGRAM	21.019	NONE	03/01/20 - 06/30/21	1,984
Total Business Innovation Program				<u>\$ 1,984</u>
Total Department of Treasury				<u>\$ 70,893</u>
Department of Health and Human Services				
<i>Montana Dept. of Public Health and Human Services</i>				
<i>TANF Cluster</i>				
WoRC (Flathead & Lincoln Counties)	93.558	21-022-28016-0	07/01/20 - 06/30/22	372,254
WoRC (Flathead & Lincoln Counties)	93.558	20-022-28016-0	07/01/19 - 06/30/20	369,491
Total TANF Cluster				<u>\$ 741,745</u>
LIEAP WEATHERIZATION	93.568	19-028-16008-0	07/01/19 - 09/30/20	439,405
LIEAP WEATHERIZATION	93.568	20-028-16008-0	07/01/20 - 09/30/21	198,940
LIEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	19-028-13008-0	10/01/18 - 08/31/20	36,553
LIEAP, CRF	93.568	20-028-19068-0	05/01/20 - 09/30/21	104,143
LIEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	20-028-13008-0	10/01/19 - 08/31/21	565,553
LIEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	21-028-13008-0	10/01/20 - 09/30/22	95,307
Total LIEAP Programs				<u>\$ 1,439,902</u>
CSBG	93.569	20-028-19048-0	05/01/20 - 09/30/22	28,296
CSBG - RETURNED FUNDS	93.569	NONE	01/01/20 - 12/31/20	16,112
CSBG	93.569	19-028-10008-0	01/01/19 - 08/31/20	249,197
CSBG	93.569	20-028-10008-0	01/01/19 - 08/31/20	159,238
Total CSBG				<u>\$ 452,843</u>
Total Dept of Health and Human Services				<u>\$ 2,634,489</u>
TOTAL FEDERAL EXPENDITURES				<u>\$ 3,425,563</u>
LOANS AND LOAN GUARANTEES				
<i>Department of Agriculture</i>				
Direct Loan Guaranteed by the US Department of Agriculture	10.415	37716		<u>\$ 1,574,296</u>

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

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, 2020 through December 31, 2020. 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 (2019), 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
SHR	Self-Help Rehabilitation
TANF	Temporary Assistance to Needy Families
USB	Universal Systems Benefit
USDA	United States Department of Agriculture
WX	Weatherization

NOTE 3. INDIRECT COST RATE

CAPNM has elected to use the direct allocation method allowed under Uniform Guidance.

NOTE 4. OUTSTANDING BALANCES OF LOANS/LOAN GUARANTEES – END OF YEAR

Loan Guaranteed by the US Department of Agriculture 10.415 Loan Balance End of Year \$1,574,296

NOTE 5. SUBRECIPIENTS

The Agency has no subrecipients of federal awards for the year ended December 31, 2020.

SUPPLEMENTAL SCHEDULES

NORTHEAST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 STATEMENT OF FINANCIAL POSITION - COMBINING SCHEDULE
 As of December 31, 2020

ASSETS	CAPNM	CAPNM Treasure Manor	Recapitalization Montana LLC	Sunny Slope	Westgate	Teakettle II	Teakettle	Eliminations	TOTAL
Cash and Cash Equivalents	\$ 2,568,073	\$ 106,053	\$ 69,561	\$ 251,721	\$ 191,458	\$ 404,815	\$ 272,570	\$ -	\$ 3,864,251
Investment in Certificate of Deposit	123,808	-	-	-	-	-	-	-	123,808
Accounts Receivable	33,308	37,111	32,620	2,689	-	3,144	3,821	-	112,693
Employee Advances	132	-	-	-	-	-	-	-	132
Grants Receivable	322,713	-	-	-	-	-	-	-	322,713
Prepaid Expenses and Other Assets	333,375	5,984	504,000	3,916	6,454	7,779	4,347	(202,252)	663,603
Inventory of Homes for Resale	-	-	-	-	-	-	-	-	-
Loans Receivable (Net of Allowance)	603,942	-	-	-	-	-	-	(105,876)	498,066
Capitalized Housing Development Costs	-	-	-	-	-	-	-	-	-
Loan Fees (Net of Amortization)	-	-	-	-	2,486	-	-	-	2,486
Equipment and Software (Net of Depreciation)	165,692	-	-	5,204	-	13,715	-	-	184,611
Land and Buildings (Net of Depreciation)	935,276	1,200,221	-	1,598,112	687,837	2,489,593	686,869	-	7,597,908
TOTAL ASSETS	\$ 5,086,319	\$ 1,349,369	\$ 606,181	\$ 1,861,642	\$ 888,235	\$ 2,919,046	\$ 967,607	\$ (308,128)	\$ 13,370,271
LIABILITIES AND NET ASSETS									
LIABILITIES									
Trade Accounts Payable	\$ 181,213	\$ 29,483	\$ 64	\$ 24,570	\$ 30,884	\$ 20,548	\$ 14,567	\$ -	\$ 301,329
Due to Grantor/Funds Held in Trust	618,123	-	-	-	-	-	-	-	618,123
Salaries and Compensated Absences Payable	329,187	-	-	-	-	-	-	-	329,187
Deferred Revenue	81,885	-	-	-	-	-	-	-	81,885
Short-Term Debt	-	-	-	-	-	-	-	-	-
Long-Term Debt	536,337	1,574,296	-	887,728	936,284	1,165,165	905,435	(105,876)	5,899,369
TOTAL LIABILITIES	\$ 1,746,745	\$ 1,603,779	\$ 64	\$ 912,298	\$ 967,168	\$ 1,185,713	\$ 920,002	\$ (105,876)	\$ 7,229,893
NET ASSETS									
Without Donor Restrictions	\$ 3,016,605	\$ (254,410)	\$ 606,117	\$ 949,344	\$ (78,933)	\$ 1,733,333	\$ 47,605	\$ (202,252)	\$ 5,817,409
With Donor Restrictions	322,969	-	-	-	-	-	-	-	322,969
TOTAL NET ASSETS	\$ 3,339,574	\$ (254,410)	\$ 606,117	\$ 949,344	\$ (78,933)	\$ 1,733,333	\$ 47,605	\$ (202,252)	\$ 6,140,378
TOTAL LIABILITIES AND NET ASSETS	\$ 5,086,319	\$ 1,349,369	\$ 606,181	\$ 1,861,642	\$ 888,235	\$ 2,919,046	\$ 967,607	\$ (308,128)	\$ 13,370,271

NORTHEAST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 STATEMENT OF ACTIVITIES - COMBINING SCHEDULE
 For the Year Ended December 31, 2020

OPERATING REVENUES	CAPNM		Recapitalization	Sunny	Westgate	Teakettle II	Teakettle	Eliminations	TOTAL
	CAPNM	Treasure Manor	Montana LLC	Slope					
Program Grants	\$ 2,942,378	\$ -	\$ -	\$ 1,494	\$ -	\$ 733	\$ 607	\$ -	\$ 2,945,212
Contracts	845,982	154,525	25,627	147,244	169,605	186,645	123,881	-	1,653,509
Sale of Homes	-	-	-	-	-	-	-	-	-
Contributions	344,839	-	-	-	-	-	-	-	344,839
Interest/Interest Subsidy	7,620	17,832	171	32,324	37,556	37,355	46,086	-	178,944
Other	22,398	-	-	-	-	-	-	-	22,398
TOTAL OPERATING REVENUES	\$ 4,163,217	\$ 172,357	\$ 25,798	\$ 181,062	\$ 207,161	\$ 224,733	\$ 170,574	\$ -	\$ 5,144,902
OPERATING EXPENSES									
Salaries and Wages	\$ 1,743,975	\$ 41,176	\$ 3,942	\$ 22,431	\$ 24,462	\$ 27,205	\$ 23,014	\$ -	\$ 1,886,205
Health Insurance	230,118	-	431	-	577	-	-	-	231,126
TSA Contributions	51,873	-	197	-	-	-	-	-	52,070
Payroll Taxes	182,405	7,452	304	2,917	4,407	3,485	3,211	-	204,181
Contracted Services	71,142	-	30	5,900	4,500	5,850	5,575	-	92,997
Rent/Utilities	68,389	16,967	135	18,204	13,373	17,377	11,590	-	146,035
Supplies, Service & Repairs	212,595	55,959	1	47,005	44,653	41,581	31,622	-	433,416
Legal Assistance	37,531	44	84	44	44	44	44	-	37,835
Depreciation	67,856	30,897	-	54,769	33,545	60,407	30,714	-	278,188
Telephone / Internet	25,857	1,908	86	511	580	409	471	-	29,822
Travel and Training	51,382	347	125	1,218	1,379	1,375	1,157	-	56,983
Interest	31,968	43,376	-	47,957	53,159	56,754	62,531	-	295,745
Property/General Liability Insurance	49,769	7,025	20	6,511	13,357	7,000	4,750	-	88,432
Bad Debts	(17,708)	-	-	-	-	-	-	-	(17,708)
Home Weatherization	258,639	-	-	-	-	-	-	-	258,639
Fuel Assistance	504,135	-	-	-	-	-	-	-	504,135
Employment / Training	3,067	-	-	-	-	-	-	-	3,067
Housing Assistance	-	-	-	-	-	-	-	-	-
Loss on Disposal of Assets	583	-	-	-	-	-	-	-	583
Supportive Services	163,802	-	-	-	-	-	-	-	163,802
Other Program Related	18,277	5,312	905	210	25,995	2,567	2,751	-	56,017
TOTAL OPERATING EXPENSES	\$ 3,755,655	\$ 210,463	\$ 6,260	\$ 207,677	\$ 220,031	\$ 224,054	\$ 177,430	\$ -	\$ 4,801,570
NET INCOME	\$ 407,562	\$ (38,106)	\$ 19,538	\$ (26,615)	\$ (12,870)	\$ 679	\$ (6,856)	\$ -	\$ 343,332

NORTHEAST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
STATEMENT OF FINANCIAL POSITION - COMBINING SCHEDULE
As of December 31, 2019

ASSETS	CAPNM	CAPNM Treasure Manor	Recapitalization Montana LLC	CLT	Sunny Slope	Westgate	Teakettle II	Teakettle	Eliminations	TOTAL
Cash and Cash Equivalents	\$ 2,267,616	\$ 137,277	\$ (9,022)	\$ 45,798	\$ 254,482	\$ 175,714	\$ 410,043	\$ 262,097	\$ -	\$ 3,498,207
Investment in Certificate of Deposit	123,315	-	-	-	-	-	-	-	-	123,315
Accounts Receivable	23,850	(20)	91,661	461	2,689	-	4,303	3,821	-	126,304
Employee Advances	295	-	-	-	-	-	-	-	-	295
Grants Receivable	445,915	-	-	-	-	-	-	-	-	445,915
Prepaid Expenses and Other Assets	328,484	4,213	504,000	363	3,714	8,271	7,000	4,014	(202,252)	657,444
Inventory of Homes for Resale	-	-	-	114,042	-	-	-	-	-	-
Loans Receivable (Net of Allowance)	732,377	-	-	-	-	-	-	-	(108,887)	623,490
Capitalized Housing Development Costs	-	-	-	-	-	-	-	-	-	-
Loan Fees (Net of Amortization)	-	-	-	-	-	2,570	-	-	-	2,570
Equipment and Software (Net of Depreciation)	79,545	-	-	-	-	-	-	-	-	79,545
Land and Buildings (Net of Depreciation)	666,473	1,222,913	-	1,738,000	1,633,955	712,782	2,550,000	712,294	-	7,498,417
TOTAL ASSETS	\$ 4,667,870	\$ 1,364,383	\$ 586,639	\$ 1,898,664	\$ 1,894,840	\$ 899,337	\$ 2,971,346	\$ 982,226	\$ (311,139)	\$ 13,055,502
LIABILITIES AND NET ASSETS										
LIABILITIES										
Trade Accounts Payable	\$ 64,475	\$ 64,936	\$ 60	\$ 2,520	\$ 21,426	\$ 16,905	\$ 60,023	\$ 13,475	\$ -	\$ 241,300
Due to Grantor/Funds Held in Trust	601,573	-	-	-	-	-	-	-	-	601,573
Salaries and Compensated Absences Payable	338,063	-	-	-	-	-	-	-	-	338,063
Deferred Revenue	102,664	-	-	25,737	-	-	-	-	-	102,664
Short-Term Debt	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	629,083	1,515,751	-	-	897,455	948,495	1,178,669	914,290	(108,887)	5,974,856
TOTAL LIABILITIES	\$ 1,735,858	\$ 1,580,687	\$ 60	\$ 28,257	\$ 918,881	\$ 965,400	\$ 1,238,692	\$ 927,765	\$ (108,887)	\$ 7,258,456
NET ASSETS										
Without Donor Restrictions	\$ 2,860,300	\$ (216,304)	\$ 586,579	\$ 1,870,407	\$ 975,959	\$ (66,063)	\$ 1,732,654	\$ 54,461	\$ (202,252)	\$ 5,725,334
With Donor Restrictions	71,712	-	-	-	-	-	-	-	-	71,712
TOTAL NET ASSETS	\$ 2,932,012	\$ (216,304)	\$ 586,579	\$ 1,870,407	\$ 975,959	\$ (66,063)	\$ 1,732,654	\$ 54,461	\$ (202,252)	\$ 5,797,046
TOTAL LIABILITIES AND NET ASSETS	\$ 4,667,870	\$ 1,364,383	\$ 586,639	\$ 1,898,664	\$ 1,894,840	\$ 899,337	\$ 2,971,346	\$ 982,226	\$ (311,139)	\$ 13,055,502

NORTHEAST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
STATEMENT OF ACTIVITIES - COMBINING SCHEDULE
For the Year Ended December 31, 2019

OPERATING REVENUES	CAPNM	CAPNM	Recapitalization		Sunny					TOTAL
	CAPNM	Treasure Manor	Montana LLC	CLT	Slope	Westgate	Teakettle II	Teakettle	Eliminations	
Program Grants	\$ 2,663,963	\$ -	\$ -	\$ 270,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,663,963
Contracts	1,734,322	149,901	97,704	6,664	54,436	164,161	-	121,092	417	2,322,033
Sale of Homes	-	-	-	308,242	-	-	-	-	-	-
Contributions	12,087	-	-	-	-	-	-	-	-	12,087
Interest/Interest Subsidy	28,483	21,178	-	-	13,499	176	-	46,104	-	109,440
Other	27,441	-	-	-	-	-	-	-	2,625,381	2,652,822
TOTAL OPERATING REVENUES	\$ 4,466,296	\$ 171,079	\$ 97,704	\$ 585,671	\$ 67,935	\$ 164,337	\$ -	\$ 167,196	\$ 2,625,798	\$ 7,760,345
OPERATING EXPENSES										
Salaries and Wages	\$ 1,859,249	\$ 36,017	\$ 26,149	\$ -	\$ 9,127	\$ 20,486	\$ -	\$ 20,633	\$ -	\$ 1,971,661
Health Insurance	248,910	1,456	1,726	-	-	202	-	910	-	253,204
TSA Contributions	52,027	-	838	-	-	-	-	-	-	52,865
Payroll Taxes	194,225	7,220	2,278	-	1,195	4,249	-	3,201	-	212,368
Contracted Services	65,712	-	2,425	-	-	4,300	-	-	-	72,437
Rent/Utilities	76,805	15,061	1,888	-	9,297	12,562	-	11,790	-	127,403
Supplies, Service & Repairs	193,988	60,451	4,155	288	15,138	36,708	-	31,999	(10)	342,429
Legal Assistance	52,178	394	-	2,164	70	200	-	1,377	-	54,219
Depreciation	69,811	30,880	-	-	16,045	34,757	-	30,565	-	182,058
Telephone / Internet	29,707	1,735	1,271	-	415	1,121	-	673	-	34,922
Travel and Training	125,213	203	142	-	865	2,000	-	810	-	129,233
Interest	34,254	47,065	-	-	20,195	17,039	-	63,122	-	181,675
Property/General Liability Insurance	50,244	4,631	290	440	2,863	9,330	-	3,887	-	71,245
Bad Debts	(13,547)	(344)	-	-	-	-	-	-	-	(13,891)
Home Weatherization	252,189	-	-	-	-	-	-	-	-	252,189
Fuel Assistance	731,991	-	-	-	-	-	-	-	-	731,991
Employment / Training	172	-	-	-	-	-	-	-	-	172
Housing Assistance/Loss on Purchase	352,683	-	-	601,597	-	-	-	-	-	352,683
Loss on Disposal of Assets	161,309	-	-	-	-	-	-	-	-	161,309
Supportive Services	196,349	-	-	-	-	-	-	-	-	196,349
Other Program Related	23,780	(11,017)	-	162	9,494	25,795	-	3,589	-	51,641
TOTAL OPERATING EXPENSES	\$ 4,757,249	\$ 193,752	\$ 41,162	\$ 604,651	\$ 84,704	\$ 168,749	\$ -	\$ 172,556	\$ (10)	\$ 5,418,162
NET INCOME	\$ (290,953)	\$ (22,673)	\$ 56,542	\$ (18,980)	\$ (16,769)	\$ (4,412)	\$ -	\$ (5,360)	\$ 2,625,808	\$ 2,342,183

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSE
BUDGET AND ACTUAL

NORTHWESTERN ENERGY FREE WEATHERIZATION PROGRAM

Grant Number: DPHHS 20-028-33008-0
Grant Period: January 1, 2020 - December 10, 2020

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>19,165</u>	\$ <u>19,165</u>
Expenses		
Program Operations	\$ 7,599	
Salaries		\$ 5,647
Fringe Benefits		1,939
Contractor Payments/Materials		4,206
Health & Safety	\$ 2,686	
Salaries		\$ 815
Fringe Benefits		267
Contractor Payments/Materials		559
Program Overhead	8,880	
Salaries		99
Fringe Benefits		18
Rent, Utilities & Allocable Common Costs		<u>5,692</u>
Total Expenses	\$ <u>19,165</u>	\$ <u>19,242</u>
Transfer In	<u>0</u>	<u>77</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana**

**STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL**

LOW INCOME ENERGY ASSISTANCE PROGRAMS

Grant Number: DPHHS 19-028-130080
Grant Period: LIEAP - October 1, 2018 through August 31, 2020
 CRF - October 1, 2018 through August 31, 2020

	<u>LIEAP Administration</u>		<u>CRF</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Contract Revenue			\$ 707,741
Misc. Revenue		\$ 25	
Grant Revenue	\$ 210,306	210,306	
Total Revenue	<u>\$ 210,306</u>	<u>\$ 210,331</u>	<u>\$ 707,741</u>
Expenses			
	\$ 210,306		
Audit		\$ 876	
Salaries		122,740	
Fringe Benefits		20,786	
Supplies, Postage, Printing, Contract Svc, Misc.		5,813	
Insurance		979	
Telephone and Internet		8,318	
Travel & Training		2,698	
Rent & Utilities		10,483	
Support for Client Ed and Outreach		20,369	
Allocated Common Cost		17,269	
Wood - Reimbursement			\$ 19,634
Wood - Direct Client Pay			259,606
Wood - Vendor Payments			2,273
Utilities in Rent			12,306
Third Party Payment			7,718
General Vendor Payment			0
Emergency Repair			372,197
Client Utility Reimbursement			34,006
Total Expenses	<u>\$ 210,306</u>	<u>\$ 210,331</u>	<u>\$ 707,741</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

LIEAP - CLIENT ED

Grant Number: DPHHS 19-028-13008-0
Grant Period: October 1, 2018 through August 31, 2020

	Budget	Actual
Revenue		
Grant Revenue	\$ 117,649	\$ 117,649
LIEAP Support		<u>14,092</u>
Total Revenue	117,649	131,741
Expenses	\$ 117,649	
Personnel Costs		
Salaries		\$ 86,740
Fringe Benefits		12,514
Postage, Telephone, Audit, Printing, Misc.		13,286
Travel & Training		0
Consumable Supplies		312
Rent & Utilities		5,788
Educational items		0
Allocated Common Cost		13,102
Energy Share Support		<u>0</u>
Total Expenses	\$ 117,649	\$ 131,741
REVENUE OVER (UNDER) EXPENSES	\$ <u>0</u>	\$ <u>0</u>

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

LIEAP - OUTREACH

Grant Number: DPHHS 19-028-13008-0
Grant Period: October 1, 2018 through August 31, 2020

	Budget	Actual
Revenue		
Grant Revenue	\$ 75,131	\$ 38,443
LIEAP Support		5,098
	75,131	43,542
Expenses	\$ 75,131	
Salaries		\$ 21,352
Fringe Benefits		4,823
Supplies, Service Agreements & Permit Fees		611
Postage		778
Insurance		133
Printing		761
Telephone & Internet		1,164
Travel & Training		1,562
Rent & Utilities		1,730
Educational Items		2,566
Advertising & Marketing		2,963
Audit Expense		610
Allocated Common Cost		4,489
	75,131	43,542
Total Expenses	\$ 75,131	\$ 43,542
REVENUE OVER (UNDER) EXPENSES	\$ 0	\$ 0

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES

ENERGY SHARE OF MONTANA

Provider: Energy Share of Montana
Contract Period: July 1, 2019 through June 30, 2020

Revenue	
Contract Program Revenue	\$ 58,664
Expenses	
Administration	\$ 2,913
Operations	18,203
Fuel Fund	1,052
Fuel Fund - Deposits	2,854
Unrestricted USB	36,865
USB - NWE Benefits	<u>4,357</u>
Total Expenses	<u>\$ 66,244</u>
Transfer In	<u>7,580</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ 0</u></u>

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

PATHWAYS PROGRAM - FLATHEAD AND LINCOLN COUNTIES

Grant Number: DPHHS - 20-022-28016-0
Grant Period: July 1, 2019 through June 30, 2020

	<u>FLATHEAD COUNTY</u>		<u>LINCOLN COUNTY</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Revenue				
Grant Revenue	\$ 663,799	\$ 554,056	\$ 207,492	\$ 177,907
Miscellaneous Revenue	<u>0</u>	<u>25</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>663,799</u>	<u>554,081</u>	<u>207,492</u>	<u>177,907</u>
Expenses				
Client Advocacy	\$ 514,036	\$ 506,984	\$ 187,136	177,907
Education Pays Incentives	6,819	0	0	0
Client Education & Training	30,868	1,940	3,000	0
Employment & Work Services	71,917	44,591	7,924	0
Subsidized Employment	17,173	125	9,332	0
Direct Instruction Financial ED	12,715	441	0	0
Matched Savings	10,171	0	0	0
Refugee	<u>100</u>	<u>0</u>	<u>100</u>	<u>0</u>
Total Expenses	<u>\$ 663,799</u>	<u>\$ 554,081</u>	<u>\$ 207,492</u>	<u>\$ 177,907</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

COMMUNITY SERVICES BLOCK GRANT (CSBG)

Grant Number: DPHHS 19-028-10008-0
Grant Period: January 1, 2019 through August 31, 2020

	Budget	Actual
Revenue		
Grant Revenue	\$ 467,550	\$ 467,550
Miscellaneous Revenue		<u>2,435</u>
Total Revenue	<u>\$ 467,550</u>	<u>\$ 469,985</u>
Expenses		
Category 1 - Personnel Costs		
Salaries	\$ 239,278	\$ 221,591
Fringe Benefits	71,783	46,007
Contract Services	2,000	1,700
Category 2 - Non-Personnel Costs		
Audit Expense	1,625	11,715
Legal Expenses	1,500	384
Supplies, Telephone, Dues, Misc.	15,081	17,202
Travel & Training	20,000	7,954
Board Meeting Expenses	6,000	1,736
Rent & Utilities	21,535	6,489
Support To Programs	43,268	82,530
Support To Satalite Offices	7,600	0
Allocated Common Cost	37,880	44,122
Direct Supportive Services	0	8,555
Equipment	<u>0</u>	<u>20,000</u>
Total Expenses	<u>\$ 467,550</u>	<u>\$ 469,985</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

Capacity Building - Tiny Homes

Grant Number: 43110-0019
Grant Period: October 1, 2017 through July 31, 2020

	Actual
Revenue	
Grant Revenue	\$ 30,988
Expenses	
Salaries	\$ 15,044
Fringe Benefits	4,252
Telephone & Internet	220
Rent & Utilities	538
Travel & Training	1,731
Insurance	109
Contract Services	6,735
Supplies	75
Audit Expense	200
Allocated Common Cost	<u>3,026</u>
Total Expenses	\$ <u>31,930</u>
Transfer In	<u>942</u>
REVENUE OVER (UNDER) EXPENSES	\$ <u><u>0</u></u>

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES

SECTION 8 HOUSING ASSISTANCE

Contract Number: Montana Department of Commerce 20-745-0007

Contract Period: July 1, 2019 through June 30, 2020

Revenue

Revenue	\$ 179,614
Inspection Fees	3,865
Interest Income	<u>1</u>

Total Revenue \$ 183,480

Expenses

Salaries	\$ 85,934
Fringe Benefits	23,746
Audit	1,352
Supplies, Printing, Fees, Misc.	2,388
Postage	1,540
Service Agreements	317
Telephone & Internet	3,196
Travel & Training	7,345
Rent & Utilities	2,496
Allocated Common Cost	17,357
Insurance	<u>364</u>

Total Expenses \$ 146,035

Transfers Out 37,445

REVENUE OVER (UNDER) EXPENSES 0

**Supplemental Schedule
 NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 Kalispell, Montana**

**STATEMENT OF REVENUE AND EXPENSES
 BUDGET AND ACTUAL**

Rapid Rehousing Continuum of Care program

Grant Number: MT0043L8T001805
Grant Period: November 1, 2019 through October 31, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ 58,774	\$ 46,814
Expenses	\$ 58,774	
Salaries		\$ 15,301
Fringe Benefits		4,000
Telephone & Internet		665
Rent & Utilities		1,085
Travel & Training		174
Supplies, Postage, Fees, Misc.		392
Service Agreements		28
Supportive Services		22,639
Audit Expense		346
Allocated Common Cost		3,140
Total Expenses	<u>\$ 58,774</u>	<u>\$ 47,770</u>
Transfer In		<u>956</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSE
BUDGET AND ACTUAL

EMERGENCY SOLUTIONS GRANT

Grant Number: DPHHS 19-028-51008-0
Grant Period: August 1, 2019 through September 30, 2020

	Budget	Actual
Revenue		
Grant Revenue	\$ 112,723	\$ 112,723
Expenses		
Administration	\$ 6,413	\$ 7,882
Program Support	106,310	
Homeless Prevention		43,993
Rapid Re-Housing		62,697
	_____	_____
Total Expenses	\$ 112,723	\$ 114,572
Transfers In	_____	1,849
REVENUE OVER (UNDER) EXPENSES	\$ 0	\$ 0

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES

HUD - HOMEBUYER EDUCATION & HOUSING COUNSELING

Provider: NeighborWorks Montana
Contract Period: April 1, 2019 through March 31, 2020

Revenue	
Revenue	\$ 19,942
Revenue from Participants	<u>2,793</u>
Total Revenue	<u>\$ 22,735</u>
Expenses	
Salaries	\$ 14,993
Fringe Benefits	4,644
Audit	210
Records Check	50
Supplies, Postage, Printing, etc.	383
Service Agreements	128
Telephone & Internet	648
Travel & Training	(36)
Rent & Utilities	760
Allocated Common Cost	<u>2,463</u>
Total Expenses	<u>\$ 24,243</u>
Transfer In	9,322
Transfer Out to Next Year	<u>(7,814)</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ 0</u></u>

**Supplemental Schedule
 NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 Kalispell, Montana**

**STATEMENT OF REVENUE AND EXPENSES
 BUDGET AND ACTUAL**

Rapid Rehousing Continuum of Care program

Grant Number: MT0065L8T001800
Grant Period: November 1, 2019 through October 31, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ 29,393	\$ 20,845
Expenses	\$ 29,393	
Salaries		\$ 9,771
Fringe Benefits		2,619
Telephone & Internet		415
Rent & Utilities		1,676
Travel & Training		13
Supplies, Postage, Fees, Misc.		241
Supportive Services		7,254
Audit Expense		123
Allocated Common Cost		2,825
Total Expenses	<u>\$ 29,393</u>	<u>\$ 24,937</u>
Transfer In		<u>4,092</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

Shelter Plus Continuum of Care program

Grant Number: MT0052L8T001803
Grant Period: October 1, 2019 through September 30, 2020

	Budget	Actual
Revenue		
Grant Revenue	\$ 73,036	\$ 55,064
Expenses	\$ 73,036	
Salaries		\$ 3,630
Fringe Benefits		970
Telephone & Internet		124
Rent & Utilities		504
Travel & Training		128
Supplies, Postage, Fees, Misc.		104
Supportive Services		47,897
Audit Expense		56
Allocated Common Cost		1,651
	\$ 73,036	\$ 55,064
Total Expenses	\$ 73,036	\$ 55,064
REVENUE OVER (UNDER) EXPENSES	\$ 0	\$ 0

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
Kalispell, Montana

SCHEDULE OF ALLOCATED ADMINISTRATIVE COSTS
BUDGET AND ACTUAL

For the Twelve Months Ended December 31, 2020

	Budget	Actual
Expenses		
Salaries	\$ 264,680	\$ 228,351
Payroll Taxes and Fringe Benefits	55,674	48,603
Contract Services - Aff Action/shredding	7,950	4,154
Legal Services	2,000	169
Network Services	8,622	4,320
Supplies (Agency Wide - General Office)	10,124	12,265
Postage	2,500	6,376
Telephone, Email, Cellular (Ex. LD), Internet	2,250	2,104
Travel & Training (for Admin Staff)	2,500	320
Office Rent/Utilities/Janitorial	12,030	10,861
Advertising & Marketing	250	0
Service Agreements	9,650	12,800
Equipment Rental from General Fund	3,896	3,368
Accounting Software	200	0
General Liability Insurance	22,000	20,569
Dues and Subscriptions - fiscal and personnel	2,135	1,669
Repair & Maintenance	3,000	8,263
Storage	600	600
	<u>600</u>	<u>600</u>
Total Expenses	\$ <u>410,061</u>	\$ <u>364,792</u>

**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, 2020, 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 July 1, 2021.

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.

Carver Florek & James, CPAs

Missoula, Montana
July 1, 2021

**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, 2020. 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, 2020.

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 programs 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Cavan Florek & James, CPAs

Missoula, Montana
July 1, 2021

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2020

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
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 Program:

U.S. Department of Health and Human Services Community Services Block Grant (CSBG)	CFDA No. 93.569
U.S. Department of Agriculture Direct Loan Guaranteed by US Department of Agriculture	CFDA No. 10.415

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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DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

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 2019