



**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, 2019 and 2018**

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA
COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
December 31, 2019

Board of Directors
(Seated as of December 31, 2019)

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

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

Phone: (406) 752-6565
Fax: (406) 752-6582
Email: capnm@capnm.net
Website: www.capnm.net

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

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

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CARVER
FLOREK &
JAMES, CPA's

CERTIFIED PUBLIC ACCOUNTANTS

Steven L. Carver, CPA
Gordon H. James, CPA
Jason K. Lund, CPA

Clinton T. Armstrong, CPA
Keegan Witt, CPA
Rebecca Balaich, CPA
Alex Florek, CPA
Kevin Cornia, CPA
Dillon Bishop, CPA

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 statement of financial position as of December 31, 2019 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.

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 audit. We did not audit the financial statements of Westgate Senior Associates, a subsidiary, whose statements reflect total assets constituting 6.9% of consolidated total assets at December 31, 2019 and total revenues constituting 2.1% of consolidated total revenues, for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us. And in our opinion, insofar as it relates to the amounts included for Westgate Senior Associates, is based solely on the report of other auditors. 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, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CAPNM as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the consolidated financial statements, CAPNM no longer consolidates Northwest Montana Community Land Trust, Inc. and the 2018 consolidated financial statements have been restated to exclude the activities of Northwest Montana Community Land Trust, Inc. Our opinion is not modified with respect to this matter.

Other Matter

The consolidated financial statements of CAPNM for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on September 24, 2019.

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 38 to 64 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 August 11, 2020, 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
August 11, 2020

CONSOLIDATED FINANCIAL STATEMENTS

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 As of December 31, 2019 and 2018

ASSETS	2019	2018
	<u> </u>	<u> </u>
Cash and Cash Equivalents	\$ 3,498,207	\$ 2,571,605
Investment in Certificate of Deposit	123,315	122,826
Accounts Receivable	126,304	499,959
Employee Advances	295	1,386
Grants Receivable	445,915	390,859
Prepaid Expenses and Other Assets	657,444	663,439
Loans Receivable (Net of Allowance for Doubtful Accounts)	623,490	820,240
Loan Fees (Net of Amortization)	2,570	2,654
Equipment and Software (Net of Depreciation)	79,545	199,401
Land and Buildings (Net of Depreciation)	<u>7,498,417</u>	<u>3,477,402</u>
TOTAL ASSETS	<u>\$ 13,055,502</u>	<u>\$ 8,749,771</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 241,300	\$ 202,039
Due to Grantor/Funds Held in Trust	601,573	792,598
Payroll Liabilities and Compensated Absences	338,063	336,920
Deferred Revenue	102,664	17,410
Long-Term Debt	<u>5,974,856</u>	<u>3,945,941</u>
TOTAL LIABILITIES	<u>\$ 7,258,456</u>	<u>\$ 5,294,908</u>
NET ASSETS		
Without Donor Restrictions	\$ 5,725,334	\$ 3,098,405
With Donor Restrictions	<u>71,712</u>	<u>356,458</u>
TOTAL NET ASSETS	<u>\$ 5,797,046</u>	<u>\$ 3,454,863</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,055,502</u>	<u>\$ 8,749,771</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 ACTIVITIES
For the Years Ended December 31, 2019 and 2018

NET ASSETS WITHOUT DONOR RESTRICTIONS	2019	2018
OPERATING REVENUES		
Program Grants	\$ 2,658,542	\$ 3,289,526
Contracts and Rental Income	2,322,033	2,159,034
Contributions	12,087	7,256
Gain on Acquisition of Partnerships	2,625,381	-
Interest	28,983	23,400
Interest Subsidy	80,457	97,946
Other	27,441	431,810
Net Assets Released from Restrictions	290,167	167,457
TOTAL OPERATING REVENUES	\$ 8,045,091	\$ 6,176,429
OPERATING EXPENSES		
Program Services		
Community Services	\$ 947,278	\$ 779,592
Energy Programs	2,271,613	2,143,347
Job Training Programs	628,425	781,603
Housing Programs	1,236,251	2,591,908
Supporting Services		
General Administration	334,595	389,853
TOTAL OPERATING EXPENSES	\$ 5,418,162	\$ 6,686,303
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 2,626,929	\$ (509,874)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	\$ 5,421	\$ 8,845
Net Assets Released from Restrictions	(290,167)	(167,457)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	\$ (284,746)	\$ (158,612)
TOTAL CHANGE IN NET ASSETS	2,342,183	(668,486)
NET ASSETS AT BEGINNING OF YEAR, as Restated (See Note 12)		
Without Donor Restrictions	\$ 3,098,405	\$ 3,608,279
With Donor Restrictions	356,458	515,070
TOTAL NET ASSETS AT BEGINNING OF YEAR	\$ 3,454,863	\$ 4,123,349
NET ASSETS AT END OF YEAR		
Without Donor Restrictions	\$ 5,725,334	\$ 3,098,405
With Donor Restrictions	71,712	356,458
TOTAL NET ASSETS AT END OF YEAR	\$ 5,797,046	\$ 3,454,863

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTIONN PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2019

	Community Services	Energy Programs	Job Training Programs	Housing Programs	Total Expenses
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	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 ACTIONN PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2018

	Community Services	Energy Programs	Job Training Programs	Housing Programs	Total Expenses
PROGRAM SERVICES					
Salaries and Wages	\$ 349,411	\$ 718,884	\$ 550,153	\$ 310,453	\$ 1,928,901
Health Insurance	40,024	91,343	75,270	35,849	242,486
TSA Contributions	14,752	27,701	14,110	6,608	63,171
Payroll Taxes	30,071	126,178	49,419	41,962	247,630
Contracted Services	7,404	11,149	4,764	41,981	65,298
Rent/Utilities	7,921	53,856	21,001	48,011	130,789
Supplies, Service & Repairs	29,204	80,000	21,554	150,427	281,185
Legal Assistance	10,800	-	-	46,987	57,787
Depreciation/Amortization	52,372	-	-	95,192	147,564
Telephone / Internet	3,097	10,959	11,134	6,801	31,991
Travel and Training	27,626	59,351	11,189	18,291	116,457
Interest	33,324	-	-	154,563	187,887
Property/General Liability Insurance	6,927	13,994	4,025	40,841	65,787
Bad Debts	2	-	-	84,587	84,589
Home Weatherization	-	326,031	-	800	326,831
Fuel Assistance	-	598,035	-	-	598,035
Employment / Training	1,344	135	7,199	50	8,728
Housing Assistance/Loss on Purchase	-	-	550	1,403,390	1,403,940
Supportive Services	158,721	13,404	9,764	47,468	229,357
Other Program Related	6,592	12,327	1,471	57,647	78,037
TOTAL PROGRAM SERVICES	\$ 779,592	\$ 2,143,347	\$ 781,603	\$ 2,591,908	\$ 6,296,450
SUPPORTING SERVICES					
General Administration	66,601	155,694	79,735	87,823	389,853
TOTAL EXPENSES	\$ 846,193	\$ 2,299,041	\$ 861,338	\$ 2,679,731	\$ 6,686,303

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, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grants and Contributions	\$ 2,671,248	\$ 3,562,202
Cash Received from Contracts	2,695,688	1,763,122
Cash Received from Interest	31,307	14,785
Cash Received from Other Operating Activities	528,946	83,090
Cash Received (Paid) for Amounts in Trust	-	6,653
Cash Paid to/for Employees	(2,487,864)	(2,840,502)
Cash Paid to Suppliers/Vendors	(2,062,450)	(1,990,860)
Cash Paid for Inventory of Homes	(215,089)	(9,778)
Cash Paid for Interest	(65,981)	(89,985)
Net Cash Flows from Operating Activities	\$ 1,095,805	\$ 498,727
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal Loan Payments Received	\$ 110,104	\$ 21,454
Principal Loan Payments Advanced	(79,596)	-
Purchase of Investments	(489)	(491)
Purchase of Interest in Partnerships	(100,001)	-
Purchase of Equipment/Building Improvements	(52,012)	(305,480)
Net Cash Flows from Investing Activities	\$ (121,994)	\$ (284,517)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Debt	\$ (47,209)	\$ (754,673)
Net Cash Flows from Financing Activities	\$ (47,209)	\$ (754,673)
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ 926,602	\$ (540,463)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,571,605	3,112,068
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,498,207	\$ 2,571,605

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, 2019 and 2018

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>2019</u>	<u>2018</u>
Change in Net Assets	\$ 2,342,183	\$ (668,486)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Items not Affecting Cash:		
Depreciation/Amortization	189,227	157,762
Provision for Loan Loss Reserves	163,918	151,941
Interest Added (Paid) to/on Debt	2,324	(8,615)
Gain on Acquisition of Partnerships	(2,123,876)	-
Loss on Disposal/Purchase of Assets	161,710	185,719
Pre-Development Costs Written Off	-	953,112
Changes in Assets and Liabilities:		
Decrease/(Increase) in Grants Receivable	(55,056)	232,333
Decrease/(Increase) in Accounts Receivable	373,655	(389,652)
Decrease/(Increase) in Prepaid Expenses	105,996	(116,845)
Decrease/(Increase) in Employee Advances	1,091	(1,140)
Decrease/(Increase) in Inventory of Land and Homes	0	0
Increase/(Decrease) in Trade Accounts Payable	39,261	88,803
Increase/(Decrease) in Salaries and Accrued Payroll Payable	1,143	(28,201)
Increase/(Decrease) in Due to Grantor/Funds Held in Trust	(191,025)	(63,347)
Increase/(Decrease) in Deferred Revenue	<u>85,254</u>	<u>5,343</u>
Net Cash Flows from Operating Activities	<u>\$ 1,095,805</u>	<u>\$ 498,727</u>
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
<i>Financing Activities</i>		
Building and Equipment Assumed in Purchase	\$ 4,200,000	\$ 1,282,100
Debt Assumed in Purchase of Building and Equipment	2,078,124	1,515,751
Rental Assistance Applied to Long-Term Debt Principal Payments	<u>30,706</u>	<u>15,883</u>
	<u>\$ 6,308,830</u>	<u>\$ 2,813,734</u>

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018

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, 2019 and 2018. 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, 2019 and 2018

**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, 2019 and 2018

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, \$36,607, \$15,740, and \$1,035,441 are reserved for housing tenant deposits, tax and insurance payments, and replacement reserves, respectively for 2019. As of December 31, 2018, there was \$24,529, \$3,116, and \$371,312 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 \$2,057,348 in grant commitments from various funding sources at December 31, 2019 compared to \$2,379,559 at December 31, 2018.

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, 2019 and 2018

**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, 2019 and 2018, 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 \$1,621 and \$31,268 of net assets without donor restrictions to be used for its land predevelopment fund as of December 31, 2019 and 2018, respectively.

Net assets with donor restrictions represent net assets subject to donor- (or certain grantor-) imposed restrictions. CAPNM had \$71,712 and \$356,458 of net assets with donor restrictions as of December 31, 2019 and 2018, 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
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**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, 2019 and 2018, 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 \$0 and \$10,000 of cash advanced to CAPNM as of December 31, 2019 and 2018, 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 \$601,573 and \$782,598 as of December 31, 2019 and 2018, 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 2019 or 2018.

With few exceptions, CAPNM's information returns (I.R.S. Form 990) are not subject to examination for fiscal years prior to 2016.

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**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 \$7,822 in 2019 and \$6,902 in 2018, 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. Subsequent Events

Management has evaluated subsequent events through August 11, 2020, the date which the financial statements were available for issue.

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, 2019 and 2018, comprise the following:

	2019	2018
Cash and Cash Equivalents	\$ 2,410,419	\$ 2,172,648
Investment in Certificate of Deposit	123,315	122,826
Accounts Receivable	126,304	499,959
Employee Advances	295	1,386
Grants Receivable	445,915	390,859
Total Financial Assets Available	\$ <u>3,106,248</u>	\$ <u>3,187,678</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, 2019 and 2018 are as follows:

	Loans Receivable	Allowance Doubtful Accounts	Loans Receivable	Allowance Doubtful Accounts
	2019	2019	2018	2018
Senior Home Repair Program	\$ 402,336	\$ 20,117	\$ 322,740	\$ 16,137
Affordable Housing:				
Fernwell	50,000	-	435,551	150,000
Westgate Senior Associates	108,887	-	111,869	-
Silent Second Mortgages and Down-Payment Assistance	<u>380,758</u>	<u>189,487</u>	<u>440,186</u>	<u>212,100</u>
Total	\$ 941,981	\$ <u>209,604</u>	\$ 1,310,346	\$ <u>378,237</u>
Intercompany Elimination	(108,887)		(111,869)	
Less Allowance	<u>(209,604)</u>		<u>(378,237)</u>	
Loans Receivable, Net	<u>\$ 623,490</u>		<u>\$ 820,240</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, as of December 31, 2019, is to be repaid 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.

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.

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NOTE 3. LOANS RECEIVABLE, Continued

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

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

CAPNM's loans are considered deferred loans, therefore no loans are considered past due as of December 31, 2019 and 2018, 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, 2019 and 2018, CAPNM had one loan that was considered impaired loans for \$63,746 with an allowance of \$63,746 recorded for impairment.

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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			
	Senior Home Repair	Affordable Housing	Mutual Self-Help Housing	TOTAL
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	\$ <u>382,219</u>	\$ <u>50,000</u>	\$ <u>191,271</u>	\$ <u>623,490</u>
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	\$ <u>382,219</u>	\$ <u>50,000</u>	\$ <u>191,271</u>	\$ <u>623,490</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, 2018:

	RESIDENTIAL			
	Senior Home Repair	Affordable Housing	Mutual Self-Help Housing	TOTAL
Total Financing Receivables, December 31, 2018	\$ 322,740	\$ 435,551	\$ 440,186	\$ 1,198,477
Allowance for Credit Losses, January 1, 2018	(17,016)	-	(209,280)	(226,296)
Charge-off's	-	-	-	-
Recoveries	879	-	-	879
Current Year Provision for Losses	-	(150,000)	(2,820)	(152,820)
Allowance for Credit Losses, December 31, 2018	(16,137)	(150,000)	(212,100)	(378,237)
Net Financing Receivables, December 31, 2018	\$ <u>306,603</u>	\$ <u>285,551</u>	\$ <u>228,086</u>	\$ <u>820,240</u>
Receivables Individually Evaluated for Impairment	\$ -	\$ 150,000	\$ -	\$ 150,000
Allowance for Credit Losses	-	(150,000)	-	(150,000)
Receivables Collectively Evaluated for Impairment	322,740	285,551	440,186	1,048,477
Allowance for Credit Losses	(16,137)	-	(212,100)	(228,237)
Net Financing Receivables, December 31, 2018	\$ <u>306,603</u>	\$ <u>285,551</u>	\$ <u>228,086</u>	\$ <u>820,240</u>

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NOTE 3. LOANS RECEIVABLE, Continued

An analysis of credit exposure by internally assigned grade at December 31, 2019 and 2018 is as follows:

	RESIDENTIAL SENIOR HOME / MUTUAL SELF-HELP		RESIDENTIAL AFFORDABLE HOUSING	
	2019	2018	2019	2018
Pass - Performing Loans	\$ 719,348	\$ 762,926	\$ 50,000	\$ 285,551
Pass with Collateral Deficiencies	-	-	-	-
Non-Performing, Collateralized	-	-	-	-
Non-Performing, Collateral Deficiencies	63,746	-	-	150,000
Total	<u>\$ 783,094</u>	<u>\$ 762,926</u>	<u>\$ 50,000</u>	<u>\$ 435,551</u>

An analysis of past due financing receivables as of December 31, 2019 and 2018 is as follows:

	RESIDENTIAL SENIOR HOME / MUTUAL SELF-HELP		RESIDENTIAL AFFORDABLE HOUSING	
	2019	2018	2019	2018
30 - 59 Days Past Due	\$ -	\$ -	\$ -	\$ -
60 - 89 Days Past Due	-	-	-	-
Greater than 90 Days Past Due	63,746	-	-	150,000
Total Past Due	\$ 63,746	\$ -	\$ -	\$ 150,000
Current Financing Receivables	<u>719,348</u>	<u>762,926</u>	<u>50,000</u>	<u>285,551</u>
Total Financing Receivables	<u>\$ 783,094</u>	<u>\$ 762,926</u>	<u>\$ 50,000</u>	<u>\$ 435,551</u>

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NOTE 4. LAND, BUILDINGS AND EQUIPMENT

Land, buildings, and equipment consisted of the following at December 31, 2019 and 2018:

	2019	2018
Equipment and Software	\$ 605,940	\$ 1,270,035
Less: Accumulated Depreciation	<u>(526,395)</u>	<u>(1,070,634)</u>
Total	<u>\$ 79,545</u>	<u>\$ 199,401</u>
Land	\$ 733,541	\$ 563,689
Buildings and Improvements	675,000	750,041
Affordable Housing	7,776,069	3,699,206
Less: Accumulated Depreciation	<u>(1,686,194)</u>	<u>(1,535,534)</u>
Total Land and Buildings	<u>\$ 7,498,416</u>	<u>\$ 3,477,402</u>
Land, Buildings, Equipment and Software, Net	<u><u>\$ 7,577,961</u></u>	<u><u>\$ 3,676,803</u></u>

Depreciation expense totaled \$189,227 and \$157,762 for the years ended December 31, 2019 and 2018, respectively.

In 2018 CAPNM assumed ownership of Treasure Manor Apartments, a 32-unit, Rural Development 515 senior and elderly housing property in Libby, Montana. On February 1, 2018, the Board of Directors of the Senior Citizens of Lincoln County transferred ownership of a 32-unit affordable housing complex for low to moderate income senior citizens to CAPNM. The project was initially funded by loans from the U.S. Department of Agriculture Rural Development program. CAPNM assumed the assets of the complex and also the debt associated with the complex. The transaction resulted in an assumption of debt in excess of the basis of the property of \$122,348 which is recorded as a loss on purchase in these financial statements.

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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 2019 and 2018 is as follows:

	2019	2018
Deferred Revenue, January 1	\$ 17,410	\$ 12,067
Grant Awards Received	6,442,594	6,734,507
Less Earned Revenue for Expenses Incurred	<u>(4,299,992)</u>	<u>(4,349,605)</u>
Gross Deferred Revenue	2,160,012	2,396,969
Less Amount not Received in Cash	<u>(2,057,348)</u>	<u>(2,379,559)</u>
Net Deferred Revenue, December 31	<u>\$ 102,664</u>	<u>\$ 17,410</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 2019, 2018, 2017, 2016, 2015, and 2014, \$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 \$181,675 and \$187,887 for the years ended December 31, 2019 and 2018, respectively.

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NOTE 6. NOTES PAYABLE, Continued

CAPNM's long-term notes payable at December 31, 2019 and 2018 are as follows:

	<u>Original Loan Amount</u>	<u>2019</u>	<u>2018</u>
Note payable to Glacier Bank of Kalispell originating August 25, 2008 due on August 25, 2033. Interest is variable resetting every three years to 2.5% above the Federal Home Loan Bank Index with a rate floor of 4.65% and a rate ceiling of 9.0%. The rate was 5.39 and 4.65% as of December 31, 2018 and 2017. Terms are monthly principal and interest payments of \$5,188.61 secured by real property at 214 S. Main.	\$ 900,000	\$ 629,083	\$ 660,081
Mortgage Payable USDA Rural Development assumed February 1, 2018 due February 1, 2068. Interest is 1.0%. Terms call for monthly installments of \$5,118, payments are deferred until March 1, 2038. This agreement is secured by real property and rents of Treasure Manor Apartments	\$ 1,515,751	\$ 1,515,751	\$ 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	\$ 839,608	\$ 847,551

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NOTE 6. NOTES PAYABLE, Continued

	Original Loan Amount	2019	2018
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	\$ 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	\$ 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	\$ 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	\$ 914,290	\$ 922,558
Total Notes Payable		\$ 5,974,856	\$ 3,945,941

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NOTE 6. NOTES PAYABLE, Continued

Annual maturities of notes payable at December 31, 2019 are as follows:

<u>Years Ending:</u>		
2020	\$	212,716
2021		79,710
2022		83,802
2023		88,894
2024		93,517
Thereafter		<u>5,416,217</u>
	\$	<u><u>5,974,856</u></u>

NOTE 7. LEASES

CAPNM classified its leases as either operating or capital leases. All leases are classified as operating leases in 2019 and 2018. Lease terms for operating leases of office space are as follows:

<u>Location</u>	<u>Terms</u>
Kalispell Weatherization	Month to month lease at \$3,178 per month through August 2019
Libby Office	\$1,050 monthly through December 31, 2019
Polson Office	\$300 monthly through November 30, 2021
Eureka Office	Month to month lease at \$250 per month
Sanders County Office	\$1,500 per year annually through March 31, 2020

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NOTE 7. LEASES, Continued

Future minimum rents are estimated at:

<u>Years Ending December 31:</u>	
2020	\$ 3,600
2021	3,300
2022	-
2023	-
2024	-
	<u>\$ 6,900</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 \$141,290 and \$159,102 at December 31, 2019 and 2018, 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 individual contributions vest immediately. CAPNM's contributions vest on the following schedule:

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

CAPNM contributed \$52,865 and \$63,171 to the 403(b) Thrift Plan in 2019 and 2018, 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, 2019 and 2018 consisted of the following:

Description	2019	2018
Direct Participant Support Services	\$ 21,712	\$ 16,458
SHOP Housing Loans	<u>50,000</u>	<u>340,000</u>
Total	<u>\$ 71,712</u>	<u>\$ 356,458</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, 2019 and 2018.

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2019 and 2018

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 of 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 which is recorded as a gain on the purchase in these financial 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, 2019 and 2018

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 of 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 which is recorded as a gain on the purchase in these financial statements.

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		<u>(1)</u>		<u>(100,000)</u>
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
For the Years Ended December 31, 2019 and 2018

NOTE 12. ADMINISTRATIVE COSTS

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

	2019	2018
	<u>2019</u>	<u>2018</u>
Wages, Payroll Taxes and Fringe Benefits	\$ 260,859	\$ 328,973
Supplies, Printing, Postage, and Office Costs	24,277	21,122
Liability Insurance	20,719	24,561
Contract Services and Service Agreements	20,580	9,582
Travel and Training	3,270	2,590
Occupancy Costs	<u>4,890</u>	<u>3,025</u>
Total Administrative Expenses	<u>\$ 334,595</u>	<u>\$ 389,853</u>

NOTE 13. RESTATEMENT OF BEGINNING NET ASSETS-CHANGE IN REPORTING ENTITY

In 2012, CAPNM consolidated the Northwest Montana Community Land Trust, Inc. (CLT) in its financial statements due to the economic dependency of the CLT on the Agency. In 2019, the CLT was no longer is financially dependent on CAPNM and no longer warranted consolidation with CAPNM. The financial statements for 2018 have been restated to exclude the activities of the CLT. The effect of this restatement was to decrease total change in net assets by \$12,840 and decrease beginning net assets as of January 1, 2018 by \$1,884,287.

NOTE 14. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared COVID-19, a new strain of coronavirus, as a pandemic and on March 12, 2020 the state of Montana declared a state of emergency related to the pandemic. As of the date of issuance of the financial statements, CAPNM has not seen any significant adverse impacts of the COVID-19 pandemic. CAPNM is not able to estimate the future effects COVID-19 will have on CAPNM's financial condition, liquidity, and future results of operations.

In March 2020, CAPNM was notified of the offer of a donation 4.1 acre parcel of land located in Lincoln County, Montana with an appraised market value of \$301,866. The donor donated the subject property for the purpose of facilitating the development of affordable housing in the Libby, Montana area. The property will be conveyed by a deed containing a covenant restricting any construction on the property to the building of or related to the building of duplexes and/or single-family homes on the parcel. The offer was accepted by CAPNM in June 2020.

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, 2019

FEDERAL SOURCE	CFDA			2019
<i>PASS THROUGH SOURCE</i>	Number	Contract Number	Contract Period	Federal
PROGRAM				Expenditures
Department of Agriculture				
<i>Rural Development</i>				
SELF-HELP TECHNICAL ASSISTANCE	10.420	SECTION 523	12/09/16 - 11/09/19	139,701
<i>Direct</i>				
RURAL RENTAL ASSISTANCE PROGRAMS	10.427			61,872
INTEREST SUBSIDY	10.U01			21,162
Total Department of Agriculture				\$ 222,735
Department of Housing and Urban Development				
<i>Local Initiatives Support Corporation</i>				
Rural LISC - TINY HOMES	14.252	PA#43110-0019	10/01/17 - 07/31/20	11,599
Total Capacity Building				\$ 11,599
<i>Montana Dept. of Public Health and Human Services</i>				
EMERGENCY SOLUTIONS GRANTS PROGRAM	14.231	18-028-51008-0	08/01/18 - 08/30/19	56,294
EMERGENCY SOLUTIONS GRANTS PROGRAM	14.231	19-028-51008-0	08/01/19 - 07/31/20	54,948
Total Emergency Shelter				\$ 111,243
<i>City of Kalispell</i>				
HERA NEIGHBORHOOD STABILIZATION PROGRAM - 1	14.228	PROGRAM INCOME	01/01/14 - 06/25/19	0
HERA NEIGHBORHOOD STABILIZATION PROGRAM - 3	14.228	PROGRAM INCOME	01/01/14 - 06/25/19	318,000
Total Neighborhood Stabilization				\$ 318,000
<i>Direct</i>				
SHELTER PLUS, CONTINUUM OF CARE	14.267	MT0052L8T001702	10/01/18 - 09/30/19	43,091
SHELTER PLUS, CONTINUUM OF CARE	14.267	MT0052L8T001803	10/01/19 - 09/30/20	15,615
Total Shelter Plus, Continuum of Care				\$ 58,706
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0043L8T001704	11/01/18 - 10/31/19	42,829
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0043L8T001805	11/01/19 - 10/31/20	17,056
Total Rapid-Rehousing, Continuum of Care				\$ 59,885
Total Department of Housing and Urban Development				\$ 559,432
Department of Energy				
<i>Montana Dept. of Public Health and Human Services</i>				
DOE WEATHERIZATION	81.042	18-028-30028-0	07/01/18 - 06/30/19	66,982
DOE WEATHERIZATION	81.042	19-028-30028-0	07/01/19 - 06/30/19	121,814
BONNEVILLE POWER WX	81.042	19-028-31006-0	10/01/18 - 09/30/19	105,207
BONNEVILLE POWER WX	81.042	20-028-31006-0	10/01/19 - 09/30/20	23,209
Total Department of Energy				\$ 317,212

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

FEDERAL SOURCE				2019
<i>PASS THROUGH SOURCE</i>	CFDA			Federal
PROGRAM	Number	Contract Number	Contract Period	Expenditures
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	19-022-28016-0	08/01/18 - 06/30/19	360,000
WoRC (Flathead & Lincoln Counties)	93.558	19-022-28016-0	07/01/19 - 06/30/20	362,473
Total TANF Cluster				\$ 722,473
LIEAP WEATHERIZATION	94.568	18-028-16008-0	07/01/18 - 09/30/19	590,199
LIEAP WEATHERIZATION	94.568	19-028-16008-0	07/01/19 - 08/31/20	286,718
LIEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	18-028-13008-0	10/01/16 - 08/31/19	52,834
LIEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	19-028-13008-0	10/01/18 - 08/31/20	812,248
LIEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	20-028-13008-0	10/01/19 - 08/31/21	212,432
Total LIEAP Programs				\$ 1,954,430
CSBG	93.569	18-028-10008-0	01/01/18 - 08/31/19	273,170
CSBG - RETURNED FUNDS	93.569	NONE	01/01/19 - 08/31/19	17,500
CSBG - SPECIAL PROJECTS INSTITUTIONAL RLSE HOUSI	93.569	NONE	05/01/19 - 09/30/19	12,542
CSBG - SPECIAL PROJECTS FAMILY ENGAGEMENT	93.569	NONE	05/01/19 - 09/30/19	2,144
CSBG	93.569	19-028-10008-0	01/01/19 - 08/31/20	218,353
Total CSBG				\$ 523,709
Total Dept of Health and Human Services				\$ 3,200,613
TOTAL FEDERAL EXPENDITURES				\$ 4,299,992
LOANS AND LOAN GUARANTEES				
<i>Department of Agriculture</i>				
Direct Loan Guaranteed by the US Department of Agriculture	10.415	37716		\$ 1,515,751

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

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, 2019 through December 31, 2019. 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 (2018), 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
WoRC	Work Readiness Component
WX	Weatherization

NOTE 3. INDIRECT COST RATE

CAPNM has elected to use the 10 percent *de minimis* indirect cost rate 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 \$1,515,751

NOTE 5. SUBRECIPIENTS

The Agency has no subrecipients of federal awards for the year ended December 31, 2019.

SUPPLEMENTAL SCHEDULES

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	Sunny Slope	Westgate	Teakettle II	Teakettle	Eliminations	TOTAL
Cash and Cash Equivalents	\$ 2,267,616	\$ 137,277	\$ (9,022)	\$ 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	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	3,714	8,271	7,000	4,014	(202,252)	657,444
Inventory of Homes for Resale	-	-	-	-	-	-	-	-	-
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	-	1,633,955	712,782	2,550,000	712,294	-	7,498,417
TOTAL ASSETS	\$ 4,667,870	\$ 1,364,383	\$ 586,639	\$ 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	\$ 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	-	-	-	-	-	-	-	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	\$ 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	\$ 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	\$ 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	\$ 1,894,840	\$ 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

	CAPNM	CAPNM Treasure Manoir	Recapitalization Montana LLC	Sunny Slope	Westgate	Teakettle II	Teakettle	Eliminations	TOTAL
OPERATING REVENUES									
Program Grants	\$ 2,663,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,663,963
Contracts	1,734,322	149,901	97,704	54,436	164,161	-	121,092	417	2,322,033
Sale of Homes	-	-	-	-	-	-	-	-	-
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	<u>\$ 4,466,296</u>	<u>\$ 171,079</u>	<u>\$ 97,704</u>	<u>\$ 67,935</u>	<u>\$ 164,337</u>	<u>\$ -</u>	<u>\$ 167,196</u>	<u>\$ 2,625,798</u>	<u>\$ 7,760,345</u>
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	15,138	36,708	-	31,999	(10)	342,429
Legal Assistance	52,178	394	-	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	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	-	-	-	-	-	-	-	352,683
Loss on Disposal of Assets	161,309	-	-	-	-	-	-	-	161,309
Supportive Services	196,349	-	-	-	-	-	-	-	196,349
Other Program Related	23,780	(11,017)	-	9,494	25,795	-	3,589	-	51,641
TOTAL OPERATING EXPENSES	<u>\$ 4,757,249</u>	<u>\$ 193,752</u>	<u>\$ 41,162</u>	<u>\$ 84,704</u>	<u>\$ 168,749</u>	<u>\$ -</u>	<u>\$ 172,556</u>	<u>\$ (10)</u>	<u>\$ 5,418,162</u>
NET INCOME	<u>\$ (290,953)</u>	<u>\$ (22,673)</u>	<u>\$ 56,542</u>	<u>\$ (16,769)</u>	<u>\$ (4,412)</u>	<u>\$ -</u>	<u>\$ (5,360)</u>	<u>\$ 2,625,808</u>	<u>\$ 2,342,183</u>

NORTHEAST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
STATEMENT OF FINANCIAL POSITION - COMBINING SCHEDULE
As of December 31, 2018

ASSETS	CAPNM	CAPNM Treasure Manor	Recapitalization Montana LLC	CAPNM Courtyard	Westgate	Teakettle	Eliminations	TOTAL
Cash and Cash Equivalents	\$ 2,069,478	\$ 112,937	\$ (30,596)	\$ 3,186	\$ 166,908	\$ 249,692	\$ -	\$ 2,571,605
Investment in Certificate of Deposit	122,826	-	-	-	-	-	-	122,826
Accounts Receivable	391,832	6	56,687	47,613	-	3,821	-	499,959
Employee Advances	1,386	-	-	-	-	-	-	1,386
Grants Receivable	390,859	-	-	-	-	-	-	390,859
Prepaid Expenses and Other Assets	751,735	3,288	504,000	-	7,480	3,187	(606,251)	663,439
Inventory of Homes for Resale	-	-	-	-	-	-	-	-
Loans Receivable (Net of Allowance)	932,110	-	-	-	-	-	(111,870)	820,240
Capitalized Housing Development Costs	-	-	-	-	-	-	-	-
Loan Fees (Net of Amortization)	-	-	-	-	2,654	-	-	2,654
Equipment and Software (Net of Depreciation)	206,688	-	-	-	-	(7,287)	-	199,401
Land and Buildings (Net of Depreciation)	726,008	1,253,793	-	-	747,455	750,146	-	3,477,402
TOTAL ASSETS	\$ 5,592,922	\$ 1,370,024	\$ 530,091	\$ 50,799	\$ 924,497	\$ 999,559	\$ (718,121)	\$ 8,749,771
LIABILITIES AND NET ASSETS								
LIABILITIES								
Trade Accounts Payable	\$ 112,710	\$ 47,904	\$ 54	\$ -	\$ 26,727	\$ 14,644	\$ -	\$ 202,039
Due to Grantor/Funds Held in Trust	792,598	-	-	-	-	-	-	792,598
Salaries and Compensated Absences Payable	336,920	-	-	-	-	-	-	336,920
Deferred Revenue	17,410	-	-	-	-	-	-	17,410
Short-Term Debt	-	-	-	-	-	-	-	-
Long-Term Debt	660,080	1,515,751	-	-	959,421	922,559	(111,870)	3,945,941
TOTAL LIABILITIES	\$ 1,919,718	\$ 1,563,655	\$ 54	\$ -	\$ 986,148	\$ 937,203	\$ (111,870)	\$ 5,294,908
NET ASSETS								
Without Donor Restrictions	\$ 3,316,746	\$ (193,631)	\$ 530,037	\$ 50,799	\$ (61,651)	\$ 62,356	\$ (606,251)	\$ 3,098,405
With Donor Restrictions	356,458	-	-	-	-	-	-	356,458
TOTAL NET ASSETS	\$ 3,673,204	\$ (193,631)	\$ 530,037	\$ 50,799	\$ (61,651)	\$ 62,356	\$ (606,251)	\$ 3,454,863
TOTAL LIABILITIES AND NET ASSETS	\$ 5,592,922	\$ 1,370,024	\$ 530,091	\$ 50,799	\$ 924,497	\$ 999,559	\$ (718,121)	\$ 8,749,771

NORTHEAST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
STATEMENT OF ACTIVITIES - COMBINING SCHEDULE
For the Year Ended December 31, 2018

	CAPNM	CAPNM Treasure Manors	Recapitalization Montana LLC	CAPNM Courtyard	Westgate	Teakettle	Eliminations	TOTAL
OPERATING REVENUES								
Program Grants	\$ 3,289,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,289,526
Contracts	1,584,004	120,830	119,416	66,500	153,026	115,259	-	2,159,035
Sale of Homes	-	-	-	-	-	-	-	-
Contributions	16,101	-	-	-	-	-	-	16,101
Interest/Interest Subsidy	23,054	14,901	52	-	37,336	46,003	-	121,346
Other	428,423	3,387	504,000	-	-	-	(504,000)	431,810
TOTAL OPERATING REVENUES	<u>\$ 5,341,108</u>	<u>\$ 139,118</u>	<u>\$ 623,468</u>	<u>\$ 66,500</u>	<u>\$ 190,362</u>	<u>\$ 161,262</u>	<u>\$ (504,000)</u>	<u>\$ 6,017,818</u>
OPERATING EXPENSES								
Salaries and Wages	\$ 2,082,916	\$ 28,571	\$ 40,755	\$ 10,084	\$ 17,986	\$ 19,881	\$ -	\$ 2,200,193
Health Insurance	274,925	2,288	3,415	-	-	1,560	-	282,188
TSA Contributions	67,480	-	1,423	-	-	-	-	68,903
Payroll Taxes	241,896	5,515	4,189	2,556	2,960	2,761	-	259,877
Contracted Services	49,082	9,500	1,116	-	5,050	550	-	65,298
Rent/Utilities	85,412	12,715	3,272	6,013	11,778	12,149	-	131,339
Supplies, Service & Repairs	175,526	55,413	771	11,443	43,248	24,833	-	311,234
Legal Assistance	57,172	88	-	607	-	-	-	57,867
Depreciation	53,935	28,307	-	-	34,757	30,565	-	147,564
Telephone / Internet	30,044	1,216	1,233	180	929	864	-	34,466
Travel and Training	115,159	-	2	202	2,083	1,601	-	119,047
Interest	33,375	36,779	-	-	54,062	63,671	-	187,887
Property/General Liability Insurance	65,775	7,065	356	4,629	8,451	4,072	-	90,348
Bad Debts	84,760	-	-	-	-	(171)	-	84,589
Home Weatherization	326,831	-	-	-	-	-	-	326,831
Fuel Assistance	598,035	-	-	-	-	-	-	598,035
Employment / Training	7,790	1,148	-	-	-	-	-	8,938
Housing Assistance/Loss on Purchase	1,259,796	144,144	-	-	-	-	-	1,403,940
Supportive Services	229,357	-	-	-	-	-	-	229,357
Other Program Related	41,155	-	5,640	3,205	25,973	2,429	-	78,402
TOTAL OPERATING EXPENSES	<u>\$ 5,880,421</u>	<u>\$ 332,749</u>	<u>\$ 62,172</u>	<u>\$ 38,919</u>	<u>\$ 207,277</u>	<u>\$ 164,765</u>	<u>\$ -</u>	<u>\$ 6,686,303</u>
NET INCOME	<u>\$ (539,313)</u>	<u>\$ (193,631)</u>	<u>\$ 561,296</u>	<u>\$ 27,581</u>	<u>\$ (16,915)</u>	<u>\$ (3,503)</u>	<u>\$ (504,000)</u>	<u>\$ (668,485)</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

WEATHERIZATION ASSISTANCE PROGRAMS

Grant Number: DPHHS 18-028-30028-0, 18-028-16008-0
Grant Period: DOE: July 1, 2018 through June 30, 2019 (18-028-30028-0)
LIEAP: July 1, 2017 through September 30, 2019 (18-028-16008-0)

	LIEAP		DOE	
	Budget	Actual	Budget	Actual
Revenue				
Grant Revenue	\$ 876,502	\$ 876,502	\$ 349,323	\$ 317,688
Misc Revenue		593		
Total Revenue	<u>\$ 876,502</u>	<u>\$ 877,095</u>	<u>\$ 349,323</u>	<u>\$ 317,688</u>
Expenses				
Administration	\$ 87,650	\$ 90,825	\$ 38,893	\$ 29,735
Program Support	788,852	789,445	256,820	258,749
Liability Ins			3,000	0
Financial Audit			2,500	1,564
Training & TA			31,268	31,268
Health and Safety			16,842	5,766
Total Expenses	<u>\$ 876,502</u>	<u>\$ 880,270</u>	<u>\$ 349,323</u>	<u>\$ 327,083</u>
Transfer In		3,175		9,394
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 EXPENSE
BUDGET AND ACTUAL

BONNEVILLE POWER ADMINISTRATION WEATHERIZATION

Grant Number: DPHHS 19-028-31006-0
Grant Period: October 1, 2018 through September 30, 2019

	Budget	Actual
Grant Revenue	\$ <u>117,586</u>	\$ <u>117,586</u>
Expenses		
Administration	\$ 14,679	\$ 15,335
Program Operations	99,663	104,445
Health and Safety	<u>3,245</u>	<u>4,276</u>
Total Expenses	\$ <u>117,586</u>	\$ <u>124,056</u>
Transfer In	<u> </u>	<u>6,470</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

NORTHWESTERN ENERGY FREE WEATHERIZATION PROGRAM

Grant Number: DPHHS 19-028-33008-0
Grant Period: January 1, 2019 - December 2, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>64,768</u>	\$ <u>64,768</u>
Expenses		
Program Operations	\$ 43,269	
Salaries		\$ 19,971
Fringe Benefits		7,769
Contractor Payments/Materials		20,911
Program Overhead	21,499	
Salaries		5,725
Fringe Benefits		2,007
Rent, Utilities & Allocable Costs	<u> </u>	<u>13,767</u>
Total Expenses	\$ <u>64,768</u>	\$ <u>70,151</u>
Transfer In	<u> </u>	<u>5,383</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 18-028-13008
Grant Period: LIEAP - October 1, 2017 through August 31, 2019
CRF - October 1, 2017 through August 31, 2019

	LIEAP Administration		CRF
	Budget	Actual	Actual
Revenue			
Contract Revenue			\$ 528,392
Misc. Revenue		\$ 0	
Grant Revenue	\$ 178,902	178,902	
Total Revenue	\$ 178,902	\$ 178,902	\$ 528,392
Expenses	\$ 178,902		
Audit		\$ 2,994	
Salaries		110,835	
Fringe Benefits		22,966	
Supplies, Postage, Printing, Contract Svc, Misc.		10,055	
Insurance		648	
Telephone and Internet		3,903	
Travel & Training		752	
Rent & Utilities		8,222	
Support for Client Ed and Outreach		12,581	
Allocated Administration		16,037	
Wood - Reimbursement			\$ 20,202
Wood - Direct Client Pay			231,847
Wood - Vendor Payments			1,898
Utilities in Rent			13,713
Third Party Payment			9,061
General Vendor Payment			138
Emergency Repair			223,686
Client Utility Reimbursement			27,846
Total Expenses	\$ 178,902	\$ 188,993	\$ 528,392
Transfer In		10,090	
REVENUE OVER (UNDER) EXPENSES	\$ 0	\$ 0	\$ 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

LIEAP - CLIENT ED

Grant Number: DPHHS 18-028-13008-0
Grant Period: October 1, 2017 through August 31, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ 87,661	\$ 87,661
LIEAP Support		9,252
	<u> </u>	<u> </u>
Total Revenue	<u>\$ 87,661</u>	<u>\$ 96,913</u>
Expenses	\$ 87,661	
Personnel Costs		
Salary & Wages		\$ 63,162
Fringe Benefits		11,106
Postage, Telephone, Audit, Printing, Misc.		6,156
Travel & Training		316
Consumable Supplies		0
Rent & Utilities		4,246
Educational items		2,810
Allocated Administration		8,780
Energy Share Support		594
	<u> </u>	<u> </u>
Total Expenses	<u>\$ 87,661</u>	<u>\$ 97,170</u>
Transfer In		257
	<u> </u>	<u> </u>
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 18-028-13008-0
Grant Period: October 1, 2017 through August 31, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>75,131</u>	\$ <u>75,131</u>
Expenses	\$ 75,131	
Salaries		\$ 26,928
Fringe Benefits		7,129
Supplies, Service Agreements & Permit Fees		356
Postage		60
Insurance		136
Printing		156
Telephone & Internet		873
Travel & Training		1,498
Rent & Utilities		1,768
Educational Items		31,316
Advertising & Marketing		4,908
Audit Expense		623
Allocated Administration		<u>7,575</u>
Total Expenses	\$ <u>75,131</u>	\$ <u>83,330</u>
Transfer In		<u>8,199</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

ENERGY SHARE OF MONTANA

Provider: Energy Share of Montana
Contract Period: July 1, 2018 through June 30, 2019

Revenue

Contract Program Revenue	\$ 48,506
Contract Admin Revenue	9,203
Contract Reveue Other	110
Denied Application Revenue	<u>718</u>

Total Revenue \$ 58,538

Expenses

Administration	\$ 2,029
Operations	13,492
Fuel Fund	220
Fuel Fund - Propane	159
Fuel Fund - Deposits	2,980
TEAM	1,462
TEAM Deposit	305
Unrestricted USB	36,782
USB - NWE Benefits	<u>6,599</u>

Total Expenses \$ 64,028

Transfer In 5,490

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

WoRC PROGRAM - FLATHEAD AND LINCOLN COUNTIES

Grant Number: DPHHS - 19-022-28016-0
Grant Period: August 1, 2018 through June 30, 2019

	FLATHEAD COUNTY		LINCOLN COUNTY	
	Budget	Actual	Budget	Actual
Revenue				
Grant Revenue	\$ 608,391	\$ 523,586	\$ 190,209	\$ 187,392
Expenses				
Client Advocacy	\$ 443,650	\$ 440,423	\$ 187,874	187,392
Education Pays Incentives	5,793	2,951	0	0
Client Education & Training	50,295	21,883	0	0
Employment & Work Services	65,924	50,556	664	0
Subsidized Employment	21,242	4,608	1,571	0
Direct Instruction Financial ED	12,114	1,623	0	0
Matched Savings	9,273	1,541	0	0
Refugee	100	0	100	0
Total Expenses	\$ 608,391	\$ 523,586	\$ 190,209	\$ 187,392
REVENUE OVER (UNDER) EXPENSE	\$ 0	\$ 0	\$ 0	\$ 0

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

STATEMENT OF REVENUE AND EXPENSES

SOCIAL SECURITY PAYEE - LIBBY

Program Period: July 1, 2018 through June 30, 2019

	Actual
Revenue	
Revenue	\$ <u>700</u>
Program Operation Expenses	
Administration	\$ 525
Audit	21
Salaries	3,610
Fringe Benefits	1,068
Telephone & Internet	292
Rent & Utilities	163
Software, Postage & Insurance	<u>94</u>
Total Program Operation Expenses	\$ <u>5,773</u>
Transfer In	<u>5,073</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

COMMUNITY SERVICES BLOCK GRANT (CSBG)

Grant Number: DPHHS 18-028-10008-0
Grant Period: January 1, 2018 through August 31, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ 454,769	\$ 454,769
Miscellaneous Revenue		<u>6,971</u>
Total Revenue	\$ <u>454,769</u>	\$ <u>461,740</u>
Expenses		
Category 1 - Personnel Costs		
Salaries	\$ 232,308	\$ 225,823
Fringe Benefits	69,693	54,399
Contract Services	2,000	0
Category 2 - Non-Personnel Costs		
Audit Expense	1,600	15,411
Legal Expenses	1,500	1,770
Supplies, Telephone, Dues, Misc.	14,878	18,736
Travel & Training	20,000	9,525
Board Meeting Expenses	6,000	3,176
Rent & Utilities	28,508	6,100
Support To Programs	41,393	96,946
Allocated Administration	<u>36,889</u>	<u>29,855</u>
Total Expenses	\$ <u>454,769</u>	\$ <u>461,740</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

Wells Fargo - Tiny Villiage

Grant Number: NA
Grant Period: September 26, 2017 through September 30, 2019

	Actual
Revenue	
Grant Revenue	\$ 3,000
Interest Revenue	<u>7</u>
Total Revenue	\$ <u>3,007</u>
Expenses	
Salaries	\$ 1,938
Fringe Benefits	488
Telephone & Internet	26
Rent & Utilities	66
Travel & Training	147
Insurance	8
Supplies	69
Audit Expense	2
Allocated Administration	<u>274</u>
Total Expenses	\$ <u>3,018</u>
Transfer In	<u>11</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

**COMMUNITY SERVICES BLOCK GRANT (CSBG) SPECIAL PROJECT "Institutional Release
Housing Program"**

Grant Number: Special Projects
Grant Period: January 1, 2019 through September 30, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>16,500</u>	\$ <u>12,542</u>
Expenses		
Personnel Costs	\$ 1,456	
Salaries		\$ 5,556
Fringe Benefits		1,471
Non Personnel Costs	15,044	
Telephone & Internet		255
Rent & Utilities		248
Travel & Training		171
Insurance		39
Supportive Services		4,397
Audit Expense		42
Allocated Administration	<u> </u>	<u>778</u>
Total Expenses	\$ <u>16,500</u>	\$ <u>12,956</u>
Transfer In	<u> </u>	<u>414</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

**COMMUNITY SERVICES BLOCK GRANT (CSBG) SPECIAL PROJECT "Family
Engagement/Outreach"**

Grant Number: Special Projects
Grant Period: January 1, 2019 through September 30, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>2,200</u>	\$ <u>2,144</u>
Expenses		
Non Personnel Costs	\$ 2,200	
Postage		\$ 1,935
Audit Expense		14
Allocated Administration	<u> </u>	<u>195</u>
Total Expenses	\$ <u>2,200</u>	\$ <u>2,144</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

Wireless Key System

Contract Number: NONE
Contract Period: May 1, 2019 to September 30, 2019

Revenue

Grant Revenue	\$ 4,000
Interest Income	<u>1</u>

Total Revenue

\$ 4,001

Expenses

Audit	\$ 51
Allocated Administration	364
Repair & Maintenance	<u>3,586</u>

Total Expenses

\$ 4,001

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

SELF-HELP TECHNICAL ASSISTANCE GRANT

Grant Number: USDA-RD, Section 523 Self Help Technical Assistance Grant
Contract Period: December 9, 2016 to November 16, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>340,000</u>	\$ <u>262,951</u>
Expenses		
Personnel Costs		
Salaries	\$ 177,115	\$ 144,564
Fringe Benefits	75,907	42,950
Non-Personnel Costs		
Travel & Training	16,500	9,715
Agency Owned Tools	500	0
Repair/Maintenance of Tools	500	0
Equipment Rental Expenses	500	0
Truck Expenses/Fuel/Maint	7,100	6,727
Office Supplies/Consumables	2,489	6,669
Audit	3,500	5,718
Legal Fees	500	0
Insurance	3,000	3,001
Postage	240	447
Printing	360	761
Telephone & Internet	3,840	2,268
Dues & Subscriptions	1,000	700
Rent & Utilities	7,200	8,958
Advertising & Marketing	3,600	4,188
Records Checks	5,000	1,900
Network Charges	240	1,092
Allocable Administration	<u>30,909</u>	<u>23,893</u>
Total Expenses	\$ <u>340,000</u>	\$ <u>263,551</u>
Transfer In	<u> </u>	<u>600</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

SECTION 8 HOUSING ASSISTANCE

Contract Number: Montana Department of Commerce 19-745-0007

Contract Period: July 1, 2018 through June 30, 2019

Revenue

Revenue	\$ 148,850
Inspection Fees	<u>3,995</u>

Total Revenue	\$ <u>152,845</u>
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Expenses

Salaries	\$ 88,419
Fringe Benefits	26,815
Audit	1,058
Supplies, Printing, Fees, Misc.	1,469
Postage	1,474
Service Agreements	340
Telephone & Internet	2,281
Travel & Training	3,466
Rent & Utilities	4,790
Allocated Administration	13,062
Insurance	<u>510</u>

Total Expenses	\$ <u>143,684</u>
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Transfers Out	<u>9,161</u>
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REVENUE OVER (UNDER) EXPENSES	\$ <u><u>0</u></u>
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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: MT0043L8T001704
Grant Period: November 1, 2018 through October 31, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ 56,758	\$ 54,897
Misc Revenue	<u> </u>	<u>1</u>
Total Revenue	<u>\$ 56,758</u>	<u>\$ 54,898</u>
Expenses	\$ 56,758	
Salaries		\$ 17,647
Fringe Benefits		4,827
Telephone & Internet		807
Rent & Utilities		1,179
Travel & Training		443
Supplies, Postage, Fees, Misc.		86
Service Agreements		85
Supportive Services		32,229
Audit Expense		152
Allocated Administration	<u> </u>	<u>2,523</u>
Total Expenses	<u>\$ 56,758</u>	<u>\$ 59,978</u>
Transfer In	<u> </u>	<u>5,080</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 18-028-51008-0
Grant Period: August 1, 2018 through August 31, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>101,766</u>	\$ <u>101,766</u>
Expenses		
Administration	\$ 5,815	\$ 5,978
Program Support	95,952	
Homeless Prevention		27,318
Rapid Re-Housing	<u> </u>	<u>71,088</u>
Total Expenses	\$ <u>101,766</u>	\$ <u>104,382</u>
Transfers In	<u> </u>	<u>2,616</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

HUD - HOMEBUYER EDUCATION & HOUSING COUNSELING

Provider: NeighborWorks Montana
Contract Period: April 1, 2018 through March 31, 2019

Revenue

Revenue	\$ 53,784
Revenue from Participants	<u>95</u>

Total Revenue

\$ 53,879

Expenses

Salaries	\$ 36,230
Fringe Benefits	9,116
Audit	507
Records Check	1,452
Supplies, Postage, Printing, etc.	1,442
Service Agreements	223
Telephone & Internet	583
Travel & Training	3,699
Rent & Utilities	1,507
Allocated Administration	<u>5,515</u>

Total Expenses

\$ 60,274

Transfer In

14,210

Transfer Out to Next Year

(7,814)

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

Shelter Plus Continuum of Care program

Grant Number: MT0052L8T001702
Grant Period: October 1, 2018 through September 30, 2019

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>94,801</u>	\$ <u>55,058</u>
Expenses	\$ 94,801	
Salaries		\$ 4,072
Fringe Benefits		959
Telephone & Internet		114
Rent & Utilities		175
Travel & Training		288
Supplies, Postage, Fees, Misc.		59
Service Agreements		23
Supportive Services		48,762
Audit Expense		31
Allocated Administration	<u> </u>	<u>575</u>
Total Expenses	\$ <u>94,801</u>	\$ <u>55,058</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

SCHEDULE OF ALLOCATED ADMINISTRATIVE COSTS
BUDGET AND ACTUAL

For the Twelve Months Ended December 31, 2019

	Budget	Actual
Expenses		
Salaries	\$ 200,559	\$ 217,043
Fringe Benefits	50,617	47,925
Supplies & Printing	9,924	12,619
Service Agreements	9,550	9,461
Postage	4,500	3,759
Telephone	2,250	2,285
Travel & Training	2,500	3,270
Liability Insurance	22,000	20,719
Dues and Subscriptions	2,135	3,161
Rent & Utilities	8,600	241
Advertising & Marketing	250	79
Contract Services	7,950	9,381
Storage	600	550
Repairs and Maintenance	3,000	2,040
Legal Assistance	1,000	1,738
Equipment Rental from General Fund	3,096	0
Internet Services/Web Site Development	300	324
Copy Center	100	0
Accounting Software/Network Costs	<u>2,700</u>	<u>0</u>
Total Expenses	\$ <u>331,631</u>	\$ <u>334,595</u>



CARVER
FLOREK &
JAMES, CPA's

CERTIFIED PUBLIC ACCOUNTANTS

Steven L. Carver, CPA
Gordon H. James, CPA
Jason K. Lund, CPA

Clinton T. Armstrong, CPA
Keegan Witt, CPA
Rebecca Balaich, CPA
Alex Florek, CPA
Kevin Cornia, CPA
Dillon Bishop, CPA

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, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 11, 2020.

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.

Caver Florek & James, CPAs

Missoula, Montana
August 11, 2020



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Steven L. Carver, CPA
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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, 2019. 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, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

Carver Flook & James, CPAs

Missoula, Montana
August 11, 2020

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2019

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	
Low Income Home Energy Assistance Program	CFDA No. 93.568

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

Auditee qualified as a low-risk auditee?	Yes
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NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended December 31, 2019

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 2018