



**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, 2021 and 2020**

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA
COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
December 31, 2021

Board of Directors
(Seated as of December 31, 2021)

Chance Barrett, President
Wendy Nissen, Vice President
Laura Burrowes, Secretary Treasurer
Vince Rubino, Director
Tony Brockman, Director
Glen Magera, Director
Josh Letcher, Director
Jamie Quinn, Director
Donna Martin, Director
Steve Stanley, Director
Robin Haidle, Director

Management

Tracy Diaz, Executive Director
Cassidy Kipp, Deputy Director
Carrie Gable, Chief Financial Officer
Mel Rice, Director of Energy Assistance
Sara Aczas, Director of Employment and Training
Sean O'Neill, Director of Community Services

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

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

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Northwest Montana Human Resources, Inc. DBA Community Action Partnership of Northwest Montana's (CAPNM), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CAPNM as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 18, 2022 on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CAPNM's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering CAPNM's internal control over financial reporting and compliance.

Carver Florek & James, CPAs

Missoula, Montana
July 18, 2022

CONSOLIDATED FINANCIAL STATEMENTS

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 As of December 31, 2021 and 2020

ASSETS	2021	2020
Cash and Cash Equivalents	\$ 3,589,444	\$ 3,864,251
Investment in Certificate of Deposit	124,274	123,808
Accounts Receivable	57,166	112,693
Employee Advances	-	132
Grants Receivable	727,752	322,713
Prepaid Expenses and Other Assets	688,637	663,603
Loans Receivable (Net of Allowance for Doubtful Accounts)	511,185	498,066
Loan Fees (Net of Amortization)	2,402	2,486
Equipment and Software (Net of Depreciation)	432,650	184,611
Land and Buildings (Net of Depreciation)	7,456,053	7,597,908
TOTAL ASSETS	\$ 13,589,563	\$ 13,370,271
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 383,840	\$ 301,329
Due to Grantor/Funds Held in Trust	633,795	618,123
Payroll Liabilities and Compensated Absences	309,660	329,187
Deferred Revenue	64,423	81,885
Long-Term Debt	5,824,417	5,899,369
TOTAL LIABILITIES	\$ 7,216,135	\$ 7,229,893
NET ASSETS		
Without Donor Restrictions	\$ 6,052,698	\$ 5,817,409
With Donor Restrictions	320,730	322,969
TOTAL NET ASSETS	\$ 6,373,428	\$ 6,140,378
TOTAL LIABILITIES AND NET ASSETS	\$ 13,589,563	\$ 13,370,271

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, 2021 and 2020

NET ASSETS WITHOUT DONOR RESTRICTIONS	2021	2020
OPERATING REVENUES		
Program Grants	\$ 3,616,270	\$ 2,642,973
Contracts and Rental Income	1,616,882	1,653,509
Contributions	3,076	344,839
Interest	10,826	8,308
Interest Subsidy	168,809	170,636
Other	24,638	22,398
Net Assets Released from Restrictions	3,893	50,982
TOTAL OPERATING REVENUES	\$ 5,444,394	\$ 4,893,645
OPERATING EXPENSES		
Program Services		
Community Services	\$ 1,185,566	\$ 856,169
Energy Programs	1,944,926	1,791,245
Job Training Programs	590,906	610,976
Housing Programs	1,152,088	1,178,388
Supporting Services		
General Administration	335,619	364,792
TOTAL OPERATING EXPENSES	\$ 5,209,105	\$ 4,801,570
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 235,289	\$ 92,075
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	\$ 1,654	\$ 302,239
Net Assets Released from Restrictions	(3,893)	(50,982)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	\$ (2,239)	\$ 251,257
TOTAL CHANGE IN NET ASSETS	233,050	343,332
NET ASSETS AT BEGINNING OF YEAR		
Without Donor Restrictions	\$ 5,817,409	\$ 5,725,334
With Donor Restrictions	322,969	71,712
TOTAL NET ASSETS AT BEGINNING OF YEAR	\$ 6,140,378	\$ 5,797,046
NET ASSETS AT END OF YEAR		
Without Donor Restrictions	\$ 6,052,698	\$ 5,817,409
With Donor Restrictions	320,730	322,969
TOTAL NET ASSETS AT END OF YEAR	\$ 6,373,428	\$ 6,140,378

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2021

	Community Services	Energy Programs	Job Training Programs	Housing Programs	Total Expenses
PROGRAM SERVICES					
Salaries and Wages	\$ 404,432	\$ 590,430	\$ 409,215	\$ 243,750	\$ 1,647,827
Health Insurance	47,562	75,350	70,881	16,057	209,850
TSA Contributions	15,184	21,723	11,107	3,370	51,384
Payroll Taxes	31,997	51,635	31,664	30,593	145,889
Contracted Services	16,523	15,523	5,371	26,316	63,733
Rent/Utilities	11,068	18,815	15,291	78,948	124,122
Supplies, Service & Repairs	9,111	273,060	35,584	195,889	513,644
Legal Assistance	1,570	-	-	5,185	6,755
Depreciation/Amortization	89,776	-	-	194,346	284,122
Telephone / Internet	4,246	7,841	6,320	5,983	24,390
Travel and Training	13,066	66,724	1,905	9,201	90,896
Interest	23,748	-	-	259,647	283,395
Property/General Liability Insurance	11,266	16,239	3,096	42,640	73,241
Bad Debts / (Recovery)	23,002	-	-	1,633	24,635
Home Weatherization	1,337	210,776	-	-	212,113
Fuel Assistance	31	579,309	-	-	579,340
Employment / Training	2,706	-	-	-	2,706
Loss on Disposal of Assets	1,857	-	-	-	1,857
Supportive Services	183,348	11,390	-	-	194,738
Other Program Related	293,736	6,111	472	38,530	338,849
TOTAL PROGRAM SERVICES	\$ 1,185,566	\$ 1,944,926	\$ 590,906	\$ 1,152,088	\$ 4,873,486
SUPPORTING SERVICES					
General Administration	91,733	131,876	89,748	22,262	335,619
TOTAL EXPENSES	\$ 1,277,299	\$ 2,076,802	\$ 680,654	\$ 1,174,350	\$ 5,209,105

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2020

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

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grants and Contributions	\$ 3,214,171	\$ 3,392,473
Cash Received from Contracts	1,672,409	1,804,000
Cash Received from Interest	4,527	18,789
Cash Received from Other Operating Activities	24,638	20,372
Cash Received (Paid) for Amounts in Trust	-	16,550
Cash Paid to/for Employees	(2,303,638)	(2,382,295)
Cash Paid to Suppliers/Vendors	(2,300,094)	(1,819,604)
Cash Paid for Interest	<u>(114,586)</u>	<u>(125,143)</u>
Net Cash Flows from Operating Activities	\$ 197,427	\$ 925,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal Loan Payments Received	\$ 75,263	\$ 137,781
Principal Loan Payments Advanced	(80,000)	-
Purchase of Investments	(466)	(493)
Sale of Fixed Assets	500	-
Purchase of Equipment/Building Improvements	<u>(392,579)</u>	<u>(484,019)</u>
Net Cash Flows from Investing Activities	\$ (397,282)	\$ (346,731)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Debt	<u>(74,952)</u>	<u>(212,367)</u>
Net Cash Flows from Financing Activities	\$ (74,952)	\$ (212,367)
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (274,807)	\$ 366,044
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,864,251</u>	<u>3,498,207</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,589,444</u>	<u>\$ 3,864,251</u>

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 CONSOLIDATED STATEMENTS OF CASH FLOWS, continued
 For the Years Ended December 31, 2021 and 2020

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>2021</u>	<u>2020</u>
Change in Net Assets	\$ 233,050	\$ 343,332
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Items not Affecting Cash:		
Depreciation/Amortization	284,122	281,607
Provision for Loan Loss Reserves	(2,083)	(22,838)
Interest Added (Paid) to/on Debt	(6,299)	10,481
Loss/(Gain) on Disposal/Purchase of Assets	1,857	(2,061)
Changes in Assets and Liabilities:		
Decrease/(Increase) in Grants Receivable	(405,039)	123,202
Decrease/(Increase) in Accounts Receivable	55,527	13,611
Decrease/(Increase) in Prepaid Expenses	(25,034)	(6,159)
Decrease/(Increase) in Employee Advances	132	163
Increase/(Decrease) in Trade Accounts Payable	82,511	60,029
Increase/(Decrease) in Salaries and Accrued Payroll Payable	(19,527)	(8,876)
Increase/(Decrease) in Due to Grantor/Funds Held in Trust	15,672	16,550
Increase/(Decrease) in Deferred Revenue	<u>(17,462)</u>	<u>(20,779)</u>
Net Cash Flows from Operating Activities	<u>\$ 197,427</u>	<u>\$ 925,142</u>
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
<i>Financing Activities</i>		
Refinanced Debt Principal	<u>-</u>	<u>602,003</u>
	<u>\$ -</u>	<u>\$ -</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, 2021 and 2020

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, 2021 and 2020. 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, continued
For the Years Ended December 31, 2021 and 2020

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, continued
For the Years Ended December 31, 2021 and 2020

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, \$36,619, \$15,339, and \$996,931 are reserved for housing tenant deposits, tax and insurance payments, and replacement reserves, respectively for 2021. As of December 31, 2020, there was \$36,612, \$15,458, and \$1,043,093 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 \$6,299,447 in grant commitments from various funding sources at December 31, 2021 compared to \$4,755,930 at December 31, 2020.

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, continued
For the Years Ended December 31, 2021 and 2020

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, 2021 and 2020, 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. There were no Board of Directors designated net assets as of December 31, 2021 and 2020, respectively.

Net assets with donor restrictions represent net assets subject to donor- (or certain grantor-) imposed restrictions. CAPNM had \$320,730 and \$322,969 of net assets with donor restrictions as of December 31, 2021 and 2020, 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, continued
For the Years Ended December 31, 2021 and 2020

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, 2021 and 2020, 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 \$23,110 and \$11,037 of cash advanced to CAPNM as of December 31, 2021 and 2020, 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 \$610,685 and \$607,086 as of December 31, 2021 and 2020, 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 2021 or 2020.

With few exceptions, CAPNM's information returns (I.R.S. Form 990) are not subject to examination for fiscal years prior to 2018.

NORTHWEST MONTANA HUMAN RESOURCES, INC.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued
For the Years Ended December 31, 2021 and 2020

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 \$11,884 in 2021 and \$6,260 in 2020, 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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 For the Years Ended December 31, 2021 and 2020

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.

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, 2021 and 2020, comprise the following:

		2021		2020
Cash and Cash Equivalents	\$	2,540,557	\$	2,769,088
Investment in Certificate of Deposit		124,274		123,808
Accounts Receivable		57,166		112,693
Employee Advances		-		132
Grants Receivable		727,752		322,713
Total Financial Assets Available	\$	3,449,749	\$	3,328,434

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
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 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued
 For the Years Ended December 31, 2021 and 2020

NOTE 3. LOANS RECEIVABLE

A summary of loans receivable and their related allowances at December 31, 2021 and 2020 are as follows:

	Loans Receivable	Allowance Doubtful Accounts	Loans Receivable	Allowance Doubtful Accounts
	2021	2021	2020	2020
Senior Home Repair Program	\$ 287,148	\$ 14,357	\$ 357,411	\$ 17,871
Affordable Housing:				
Fernwell	-	-	-	-
Courtyard Apartments	82,527			
Westgate Senior Associates	102,842	-	105,876	-
Silent Second Mortgages and Down-Payment Assistance	<u>262,440</u>	<u>106,573</u>	<u>263,676</u>	<u>105,150</u>
 Total	 \$ 734,957	 \$ <u>120,930</u>	 \$ 726,963	 \$ <u>123,021</u>
Intercompany Elimination	(102,842)		(105,876)	
Less Allowance	<u>(120,930)</u>		<u>(123,021)</u>	
Loans Receivable, Net	<u>\$ 511,185</u>		<u>\$ 498,066</u>	

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

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NOTE 3. LOANS RECEIVABLE, Continued

Affordable Housing – Fernwell Limited Partnership - The Fernwell Limited Partnership was established in 1995 to own and operate 36 units of affordable housing for low-income individuals at 20 4th Avenue East, Kalispell, Montana. CAPNM participated in the project as the local nonprofit sponsor during the building phase. Under terms of a grant from the Federal Home Loan Bank of Seattle (Affordable Housing Program), CAPNM received \$180,000 from Glacier Bank of Kalispell. These funds were loaned to the Fernwell Limited Partnership at 3.5% interest for a period of 15 years with payments deferred until 2011. CAPNM was also awarded \$255,551 from the Montana Department of Commerce HOME Program to loan to the Partnership. Two loans were made; the first was \$185,551 at 7.5% interest over a 20-year term with payments deferred until the year 2016 except for 0.5% annual interest payments and the second was \$70,000 at 3.5% interest over a 20-year term, payments deferred until the year 2016. Each note provides that interest is due only to the extent that the Partnership had available cash after paying all operating expenses and other mortgage payments. During 2018, an allowance of \$150,000 was recorded for the potential forgiveness of loan balances. According to the terms of agreement, the remaining \$50,000, was paid in full in 2020.

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

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued
For the Years Ended December 31, 2021 and 2020

NOTE 3. LOANS RECEIVABLE, Continued

Silent Second Mortgages and Down Payment Assistance

The Mutual Self-Help (MSH) housing project enabled ownership of 154 homes to qualifying individuals and families. The program required participant homeowners to provide at least 65 percent of the labor during the construction of their and other's homes. CAPNM facilitated the construction through the purchase and development of parcels of land used by the program. CAPNM has loaned participants in their Mutual Self-Help Housing program funding for down-payment assistance for the purchase of the land the homes were built on and cost over runs during construction of their homes. The loans range from \$750 to \$41,710 per household. All loans are due upon the sale, refinance, or rental of the home constructed. The down payment assistance and silent second mortgages bear interest at a rate of 0.0% to 3.50% and are funded by grants for mutual self-help housing, HOME investment partnerships program, and supportive housing from the U.S. Department of Housing and Urban Development and U.S. Department of Agriculture.

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

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

CAPNM's loans are considered deferred loans, therefore no loans are considered past due as of December 31, 2021 and 2020, 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, 2021 and 2020, CAPNM had no loans considered impaired.

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued
 For the Years Ended December 31, 2021 and 2020

NOTE 3. LOANS RECEIVABLE, Continued

A summary of the allowance for credit losses and recorded investment in financing receivables as of December 31, 2021:

	RESIDENTIAL			
	Senior Home Repair	Affordable Housing	Mutual Self-Help Housing	TOTAL
Total Financing Receivables, December 31, 2021	\$ 287,148	\$ 82,527	\$ 262,440	\$ 632,115
Allowance for Credit Losses, January 1, 2021	(17,871)	-	(105,150)	(123,021)
Charge-off's	-	-	-	-
Recoveries	-	-	-	-
Current Year Provision for Losses	3,514	-	(1,423)	2,091
Allowance for Credit Losses, December 31, 2021	(14,357)	-	(106,573)	(120,930)
Net Financing Receivables, December 31, 2021	\$ 272,791	\$ 82,527	\$ 155,867	\$ 511,185
Receivables Individually Evaluated for Impairment	\$ -	\$ -	\$ -	\$ -
Allowance for Credit Losses	-	-	-	-
Receivables Collectively Evaluated for Impairment	287,148	82,527	262,440	632,115
Allowance for Credit Losses	(14,357)	-	(106,573)	(120,930)
Net Financing Receivables, December 31, 2021	\$ 272,791	\$ 82,527	\$ 155,867	\$ 511,185

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued
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NOTE 3. LOANS RECEIVABLE, Continued

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

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

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 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued
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NOTE 3. LOANS RECEIVABLE, Continued

An analysis of credit exposure by internally assigned grade at December 31, 2021 and 2020 is as follows:

	RESIDENTIAL SENIOR HOME / MUTUAL SELF-HELP		RESIDENTIAL AFFORDABLE HOUSING	
	2021	2020	2021	2020
	Pass - Performing Loans	\$ 549,588	\$ 621,087	\$ 82,527
Pass with Collateral Deficiencies	-	-	-	-
Non-Performing, Collateralized	-	-	-	-
Non-Performing, Collateral Deficiencies	-	-	-	-
Total	<u>\$ 549,588</u>	<u>\$ 621,087</u>	<u>\$ 82,527</u>	<u>\$ -</u>

An analysis of past due financing receivables as of December 31, 2021 and 2020 is as follows:

	RESIDENTIAL SENIOR HOME / MUTUAL SELF-HELP		RESIDENTIAL AFFORDABLE HOUSING	
	2021	2020	2021	2020
	30 - 59 Days Past Due	\$ -	\$ -	\$ -
60 - 89 Days Past Due	-	-	-	-
Greater than 90 Days Past Due	-	-	-	-
Total Past Due	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Current Financing Receivables	<u>549,588</u>	<u>621,087</u>	<u>82,527</u>	<u>-</u>
Total Financing Receivables	<u>\$ 549,588</u>	<u>\$ 621,087</u>	<u>\$ 82,527</u>	<u>\$ -</u>

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued
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NOTE 4. LAND, BUILDINGS AND EQUIPMENT

Land, buildings, and equipment consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equipment and Software	\$ 903,668	\$ 627,021
Less: Accumulated Depreciation	<u>(471,018)</u>	<u>(442,410)</u>
Total	<u>\$ 432,650</u>	<u>\$ 184,611</u>
Land	\$ 1,033,541	\$ 1,033,541
Buildings and Improvements	883,168	883,168
Affordable Housing	7,782,306	7,689,942
Less: Accumulated Depreciation	<u>(2,242,962)</u>	<u>(2,008,743)</u>
Total Land and Buildings	<u>\$ 7,456,053</u>	<u>\$ 7,597,908</u>
Land, Buildings, Equipment and Software, Net	<u>\$ 7,888,703</u>	<u>\$ 7,782,519</u>

Depreciation expense totaled \$284,122 and \$278,188 for the years ended December 31, 2021 and 2020, respectively.

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 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
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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 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Deferred Revenue, January 1	\$ 81,885	\$ 102,664
Grant Awards Received	10,404,465	8,160,714
Less Earned Revenue for Expenses Incurred	<u>(4,122,480)</u>	<u>(3,425,563)</u>
Gross Deferred Revenue	6,363,870	4,837,815
Less Amount not Received in Cash	<u>(6,299,447)</u>	<u>(4,755,930)</u>
Net Deferred Revenue, December 31	<u>\$ 64,423</u>	<u>\$ 81,885</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 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, \$0, \$50,000, \$290,000, \$160,000, \$90,000, \$66,667, \$0 and \$320,000 was released from restriction in compliance with the applicable loan agreement, respectively.

Interest expense totaled \$283,395 and \$295,745 for the years ended December 31, 2021 and 2020, respectively.

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 For the Years Ended December 31, 2021 and 2020

NOTE 6. NOTES PAYABLE, Continued

CAPNM's long-term notes payable at December 31, 2021 and 2020 are as follows:

	Original Loan Amount	2021	2020
Note payable to Glacier Bank of Kalispell originating August 25, 2008 due on August 25, 2033. Interest is variable resetting every five years to 2.5% above the Federal Home Loan Bank Index with a rate floor of 4.5%. The rate was 4.5% and 5.39% as of December 31, 2020 and 2019. Terms are monthly principal and interest payments of \$5,145.35 secured by real property at 214 S. Main.	\$ 900,000	\$ 503,987	\$ 536,337
Mortgage Payable USDA Rural Development assumed February 1, 2018 due February 1, 2068. Interest is 3.25% subsidized to 1%. Terms call for monthly installments of \$5,118, payments are deferred until March 1, 2040. This agreement is secured by real property and rents of Treasure Manor Apartments	\$ 1,515,751	\$ 1,574,296	\$ 1,574,296
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	\$ 820,617	\$ 830,408

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NOTE 6. NOTES PAYABLE, Continued

	Original Loan Amount	2021	2020
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	\$ 877,465	\$ 887,728
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	\$ 907,668	\$ 916,115
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	\$ 244,432	\$ 249,050
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	\$ 895,952	\$ 905,435
Total Notes Payable		<u>\$ 5,824,417</u>	<u>\$ 5,899,369</u>

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NOTE 6. NOTES PAYABLE, Continued

Annual maturities of notes payable at December 31, 2021 are as follows:

Future maturities are:

<u>Years Ending:</u>	
2022	\$ 86,660
2023	91,060
2024	95,704
2025	100,608
2026	105,784
Thereafter	<u>5,344,601</u>
	<u>\$ 5,824,417</u>

NOTE 7. LEASES

CAPNM classified its leases as either operating or capital leases. All leases are classified as operating leases in 2021 and 2020. Lease terms for operating leases of office space are as follows:

<u>Location</u>	<u>Terms</u>
Libby Office	\$580.71 monthly through December 31, 2021
Polson Office	\$300 monthly through November 30, 2024
Eureka Office	\$265.00 monthly through December 31, 2021

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NOTE 7. LEASES, Continued

Future minimum rents are estimated at:

<u>Years Ending December 31:</u>	
2022	\$ 3,600
2023	3,600
2024	3,300
2025	-
2026	-
	<u>\$ 10,500</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 \$114,498 and \$140,415 at December 31, 2021 and 2020, respectively.

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

<u>Years of Service</u>	<u>Vesting Percentage</u>
1 years or more	100%

CAPNM contributed \$52,376 and \$52,069 to the 403(b) Thrift Plan in 2021 and 2020, respectively.

NORTHWEST MONTANA HUMAN RESOURCES, INC.
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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, 2021 and 2020 consisted of the following:

Description	2021	2020
Direct Participant Support Services	\$ 20,730	\$ 22,969
Libby Property	300,000	300,000
Total	<u>\$ 320,730</u>	<u>\$ 322,969</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, 2021 and 2020.

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, continued
For the Years Ended December 31, 2021 and 2020

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.

In 2021, an operating deficit loan in the amount of \$80,000 was issued from Recapitalization Montana LLC to Courtyard Associates. Repayment will occur as allowable within the limited partnership agreement. Debt will accrue 4% interest until time of repayment.

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued
 For the Years Ended December 31, 2021 and 2020

NOTE 11. ADMINISTRATIVE COSTS

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

	<u>2021</u>	<u>2020</u>
Wages, Payroll Taxes and Fringe Benefits	\$ 229,293	\$ 276,967
Supplies, Printing, Postage, and Office Costs	56,095	43,647
Liability Insurance	23,174	20,569
Contract Services and Service Agreements	5,263	4,154
Travel and Training	7,176	320
Occupancy Costs	<u>14,618</u>	<u>19,135</u>
Total Administrative Expenses	<u>\$ 335,619</u>	<u>\$ 364,792</u>

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 18, 2022, the date the financial statements were available for issue.

SINGLE AUDIT SECTION

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2021

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM	CFDA Number	Contract Number	Contract Period	Federal Expenditures	Awards to Subrecipients
Department of Housing and Urban Development					
<i>Local Initiatives Support Corporation</i>					
Rural LISC - CAPACITY BUILDING	14.252	PA#43110-0022	01/01/20 - 03/31/22	24,080	-
Total Capacity Building				<u>\$ 24,080</u>	<u>-</u>
<i>Montana Dept. of Public Health and Human Services</i>					
EMERGENCY SOLUTIONS GRANTS PROGRAM	14.231	20-028-19008-0	04/01/20 - 08/31/22	530,149	245,570
EMERGENCY SOLUTIONS GRANTS PROGRAM	14.231	20-028-51008-0	07/01/21 - 06/30/22	2,776	-
Total Emergency Solutions Grants Program				<u>\$ 532,925</u>	<u>245,570</u>
<i>Montana Dept. of Commerce</i>					
COVID-19 - SECTION 8 HOUSING CHOICE VOUCHER PROGRAM	14.871	22-745-0007	07/01/21 - 12/31/21	42,563	-
Total COVID-19 - Section 8 Housing Choice Voucher Program				<u>\$ 42,563</u>	<u>-</u>
<i>Direct</i>					
SHELTER PLUS, CONTINUUM OF CARE	14.267	MT0052L8T002005	10/01/20 - 09/30/21	12,133	-
SHELTER PLUS, CONTINUUM OF CARE	14.267	MT0052L8T001904	10/01/20 - 09/30/21	49,075	-
Total Shelter Plus, Continuum of Care				<u>\$ 61,208</u>	<u>-</u>
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0043L8T001906	11/01/20 - 10/31/21	40,322	-
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0043L8T002007	11/01/21 - 10/31/22	8,229	-
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0065L8T002002	11/01/21 - 10/31/22	1,912	-
RAPID-REHOUSING, CONTINUUM OF CARE	14.267	MT0065L8T001901	11/01/20 - 10/31/21	9,612	-
Total Rapid-Rehousing, Continuum of Care				<u>\$ 60,075</u>	<u>-</u>
YOUTH HOMELESSNESS DEMONSTRATIONS	14.276	MT0083Y8T001899	05/11/21 - 09/30/22	7,091	-
YOUTH HOMELESSNESS DEMONSTRATIONS	14.276	MT0083Y8T001800	10/01/20 - 05/10/21	1,900	-
Total Youth Homlessness Demonstration				<u>\$ 8,991</u>	<u>-</u>
Total Department of Housing and Urban Development				<u>\$ 729,843</u>	<u>245,570</u>
Department of Energy					
<i>Montana Dept. of Public Health and Human Services</i>					
DOE WEATHERIZATION	81.042	19-028-30028-0	07/01/19 - 06/30/21	133,783	-
DOE WEATHERIZATION	81.042	21-028-30028-0	07/01/20 - 06/30/22	121,539	-
BONNEVILLE POWER WX	81.042	20-028-31006-0	10/01/19 - 09/30/21	7,382	-
BONNEVILLE POWER WX	81.042	21-028-31006-0	10/01/20 - 09/30/21	165,751	-
BONNEVILLE POWER WX	81.042	22-028-31006-0	10/01/21 - 09/30/22	374	-
Total Department of Energy				<u>\$ 428,829</u>	<u>-</u>

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2021

FEDERAL SOURCE PASS THROUGH SOURCE PROGRAM	CFDA Number	Contract Number	Contract Period	Federal Expenditures	Awards to Subrecipients
Department of Treasury					
<i>Montana Dept. of Public Health and Human Services</i>					
NEIGHBORWORKS - EMERGENCY RENTAL ASSISTANCE PROGRAM	21.023	NONE	03/30/21 - 12/31/21	17,899	0
Total Emergency Rental Assistance				\$ 17,899	0
<i>Montana Dept. Agriculture</i>					
BUSINESS INNOVATION PROGRAM	21.019	NONE	03/01/20 - 06/30/21	16	0
Total Business Innovation Program				\$ 16	0
Total Department of Treasury				\$ 17,915	0
Department of Health and Human Services					
<i>Montana Dept. of Public Health and Human Services</i>					
<i>TANF Cluster</i>					
WoRC (Flathead & Lincoln Counties)	93.558	21-022-28016-0	07/01/20 - 06/30/22	689,768	0
Total TANF Cluster				\$ 689,768	0
LIEAP WEATHERIZATION	93.568	20-028-16008-0	07/01/20 - 09/30/21	477,073	0
LIEAP WEATHERIZATION	93.568	21-028-16008-0	07/01/21 - 09/30/22	262,691	0
LIEAP, CRF	93.568	20-028-19068-0	05/01/20 - 09/30/21	15,540	0
ARPA LIHWAP ADMIN & OUTREACH	93.568	21-028-18053-5	10/01/21 - 09/30/23	0	0
ARPA LIHEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	21-028-19053-5	10/01/21 - 09/30/22	17,499	0
LIEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	20-028-13008-0	10/01/19 - 09/30/21	86,636	0
LIEAP ADMIN, LIEAP CRF & CLIENT ED	93.568	22-028-13008-0	10/01/21 - 09/30/23	197,054	0
LIEAP ADMIN, OUTREACH, LIEAP CRF & CLIENT ED	93.568	21-028-13008-0	10/01/20 - 09/30/22	544,649	0
Total LIEAP Programs				\$ 1,601,143	0
CSBG	93.569	20-028-19048-0	05/01/20 - 09/30/22	127,684	23,537
CSBG	93.569	21-028-10008-0	01/01/21 - 09/30/22	205,240	7,955
CSBG	93.569	20-028-10008-0	01/01/20 - 08/31/21	322,058	7,565
Total CSBG				\$ 654,982	39,057
Total Dept of Health and Human Services				\$ 2,945,893	39,057
TOTAL FEDERAL EXPENDITURES				\$ 4,122,480	284,627
LOANS AND LOAN GUARANTEES					
<i>Department of Agriculture</i>					
Direct Loan Guaranteed by the US Department of Agriculture	10.415			\$ 1,574,296	

NORTHWEST MONTANA HUMAN RESOURCES, INC.
DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

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 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, 2021 through December 31, 2021. 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 (2020), but were completed in the current year and, consequently; amounts shown differ from amounts reported in the accompanying financial statements. Acronyms used are as follows:

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

NOTE 3. INDIRECT COST RATE

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

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

Loan Guaranteed by the US Department of Agriculture 10,415 Loan Balance End of Year \$1,574,296

SUPPLEMENTAL SCHEDULES

NORTHEAST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 STATEMENT OF FINANCIAL POSITION - COMBINING SCHEDULE
 As of December 31, 2021

ASSETS	CAPNM	CAPNM Treasure Manor	Recapitalization Montana LLC	Sunny Slope	Westgate	Teakettle II	Teakettle	Eliminations	TOTAL
Cash and Cash Equivalents	\$ 2,279,689	\$ 187,076	\$ 12,297	\$ 194,340	\$ 203,446	\$ 428,997	\$ 283,599	\$ -	\$ 3,589,444
Investment in Certificate of Deposit	124,274	-	-	-	-	-	-	-	124,274
Accounts Receivable	46,657	379	-	2,689	(3)	3,135	4,309	-	57,166
Employee Advances	-	-	-	-	-	-	-	-	-
Grants Receivable	727,752	-	-	-	-	-	-	-	727,752
Prepaid Expenses and Other Assets	356,560	6,061	504,000	4,155	6,997	8,427	4,689	(202,252)	688,637
Inventory of Homes for Resale	-	-	-	-	-	-	-	-	-
Loans Receivable (Net of Allowance)	531,500	-	82,527	-	-	-	-	(102,842)	511,185
Capitalized Housing Development Costs	-	-	-	-	-	-	-	-	-
Loan Fees (Net of Amortization)	-	-	-	-	2,402	-	-	-	2,402
Equipment and Software (Net of Depreciation)	415,690	-	-	5,204	-	11,756	-	-	432,650
Land and Buildings (Net of Depreciation)	893,366	1,169,136	-	1,649,605	660,445	2,427,389	656,112	-	7,456,053
TOTAL ASSETS	\$ 5,375,488	\$ 1,362,652	\$ 598,824	\$ 1,855,993	\$ 873,287	\$ 2,879,704	\$ 948,709	\$ (305,094)	\$ 13,589,563
LIABILITIES AND NET ASSETS									
LIABILITIES									
Trade Accounts Payable	\$ 231,622	\$ 55,135	\$ 64	\$ 24,719	\$ 35,709	\$ 21,176	\$ 15,415	\$ -	\$ 383,840
Due to Grantor/Funds Held in Trust	633,795	-	-	-	-	-	-	-	633,795
Salaries and Compensated Absences Payable	309,660	-	-	-	-	-	-	-	309,660
Deferred Revenue	64,423	-	-	-	-	-	-	-	64,423
Short-Term Debt	-	-	-	-	-	-	-	-	-
Long-Term Debt	503,987	1,574,296	-	877,465	923,459	1,152,100	895,952	(102,842)	5,824,417
TOTAL LIABILITIES	\$ 1,743,487	\$ 1,629,431	\$ 64	\$ 902,184	\$ 959,168	\$ 1,173,276	\$ 911,367	\$ (102,842)	\$ 7,216,135
NET ASSETS									
Without Donor Restrictions	\$ 3,311,271	\$ (266,779)	\$ 598,760	\$ 953,809	\$ (85,881)	\$ 1,706,428	\$ 37,342	\$ (202,252)	\$ 6,052,698
With Donor Restrictions	320,730	-	-	-	-	-	-	-	320,730
TOTAL NET ASSETS	\$ 3,632,001	\$ (266,779)	\$ 598,760	\$ 953,809	\$ (85,881)	\$ 1,706,428	\$ 37,342	\$ (202,252)	\$ 6,373,428
TOTAL LIABILITIES AND NET ASSETS	\$ 5,375,488	\$ 1,362,652	\$ 598,824	\$ 1,855,993	\$ 873,287	\$ 2,879,704	\$ 948,709	\$ (305,094)	\$ 13,589,563

NORTHEAST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 STATEMENT OF ACTIVITIES - COMBINING SCHEDULE
 For the Year Ended December 31, 2021

	CAPNM	CAPNM Treasure Manor	Recapitalization Montana LLC	Sunny Slope	Westgate	Teakettle II	Teakettle	Eliminations	TOTAL
OPERATING REVENUES									
Program Grants	\$ 3,616,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,616,270
Contracts	842,949	179,839	-	147,541	164,129	149,922	132,502	-	1,616,882
Sale of Homes	-	-	-	-	-	-	-	-	-
Contributions	4,730	-	-	-	-	-	-	-	4,730
Interest/Interest Subsidy	7,899	16,467	2,565	32,290	37,459	36,914	46,041	-	179,635
Other	24,638	-	-	-	-	-	-	-	24,638
TOTAL OPERATING REVENUES	\$ 4,496,486	\$ 196,306	\$ 2,565	\$ 179,831	\$ 201,588	\$ 186,836	\$ 178,543	\$ -	\$ 5,442,155
OPERATING EXPENSES									
Salaries and Wages	\$ 1,692,918	\$ 43,799	\$ 5,324	\$ 23,325	\$ 24,429	\$ 19,086	\$ 30,335	\$ -	\$ 1,839,216
Health Insurance	233,195	39	588	25	284	7	-	-	234,138
TSA Contributions	52,110	-	266	-	-	-	-	-	52,376
Payroll Taxes	136,307	8,012	432	3,116	4,388	2,390	3,868	-	158,513
Contracted Services	46,596	-	-	5,650	5,500	5,600	5,650	-	68,996
Rent/Utilities	60,339	16,403	480	16,793	13,340	18,354	13,031	-	138,740
Supplies, Service & Repairs	377,808	49,533	-	29,307	40,634	35,322	33,214	-	565,818
Legal Assistance	7,243	-	20	-	-	-	-	-	7,263
Depreciation	89,776	31,085	-	40,866	27,476	64,162	30,757	-	284,122
Telephone / Internet	20,856	2,247	350	779	885	417	400	-	25,934
Travel and Training	92,613	201	450	1,103	1,480	1,176	1,049	-	98,072
Interest	23,748	41,514	-	47,419	52,482	56,332	61,900	-	283,395
Property/General Liability Insurance	54,219	10,314	70	6,884	11,998	7,779	5,151	-	96,415
Bad Debts	24,791	94	-	-	(250)	-	-	-	24,635
Home Weatherization	212,113	-	-	-	-	-	-	-	212,113
Fuel Assistance	579,340	-	-	-	-	-	-	-	579,340
Employment / Training	2,706	-	-	-	-	-	-	-	2,706
Loss on Disposal of Assets	1,857	-	-	-	-	-	-	-	1,857
Supportive Services	194,738	-	-	-	-	-	-	-	194,738
Other Program Related	300,786	5,434	1,942	99	25,890	3,116	3,451	-	340,718
TOTAL OPERATING EXPENSES	\$ 4,204,059	\$ 208,675	\$ 9,922	\$ 175,366	\$ 208,536	\$ 213,741	\$ 188,806	\$ -	\$ 5,209,105
NET INCOME	\$ 292,427	\$ (12,369)	\$ (7,357)	\$ 4,465	\$ (6,948)	\$ (26,905)	\$ (10,263)	\$ -	\$ 233,050

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

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

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

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

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

STATEMENT OF REVENUE AND EXPENSE
BUDGET AND ACTUAL

DOE

Grant Number: DPHHS 19-028-30028-0
Grant Period: July 1, 2019 through June 30, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 537,170	\$ 500,205
Expenses		
Administration	\$ 56,249	\$ 52,781
Program Support	361,403	361,501
Liability Ins	2,500	-
Financial Audit	3,000	5,102
Training & TA	55,000	26,763
Health and Safety	<u>59,018</u>	<u>59,018</u>
Total Expenses	<u>\$ 537,170</u>	<u>\$ 505,165</u>
Transfer In	<u>-</u>	<u>4,961</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ -</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

LIEAP

Grant Number: DPHHS 20-028-30028-0
Grant Period: July 1, 2020 through September 30, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 676,013	\$ 676,013
Program Income		1,030
Misc Revenue		34
Total Revenue	\$ 676,013	\$ 677,077
Expenses		
Administration	\$ 67,601	\$ 71,130
Program Support	608,412	609,476
Total Expenses	\$ 676,013	\$ 680,606
Transfer In	-	3,529
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 EXPENSE
 BUDGET AND ACTUAL**

BONNEVILLE POWER ADMINISTRATION WEATHERIZATION

Grant Number: DPHHS 20-028-31006-0
Grant Period: October 1, 2019 through September 30, 2021

	Budget	Actual
Grant Revenue	\$ <u>162,934</u>	\$ <u>162,934</u>
Expenses		
Administration	\$ 20,559	\$ 36,624
Program Operations	99,663	100,920
Health and Safety	<u>42,712</u>	<u>42,737</u>
Total Expenses	\$ <u>162,934</u>	\$ <u>180,281</u>
Transfer In	<u>-</u>	<u>17,347</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</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

BONNEVILLE POWER ADMINISTRATION WEATHERIZATION

Grant Number: DPHHS 21-028-31006-0
Grant Period: October 1, 2020 through September 30, 2021

	Budget	Actual
Grant Revenue	\$ <u>165,779</u>	\$ <u>165,751</u>
Expenses		
Administration	\$ 20,581	\$ 20,553
Program Operations	101,639	101,639
Health and Safety	<u>43,559</u>	<u>43,559</u>
Total Expenses	\$ <u>165,779</u>	\$ <u>165,751</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<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 21-028-33008-0
Grant Period: January 1, 2021 through December 10, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ <u>19,877</u>	\$ <u>19,877</u>
Expenses		
Program Operations	\$ 11,720	11,720
Health & Safety	\$ 2,935	3,440
Program Overhead	5,221	4,933
Total Expenses	\$ <u>19,877</u>	\$ <u>20,094</u>
Transfer In	<u>-</u>	<u>217</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</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 20-028-130080
Grant Period: LIEAP - October 1, 2019 through September 30, 2021
 CRF - November 14, 2019 through November 11, 2020

	<u>LIEAP Administration</u>		<u>CRF</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Contract Revenue			\$ 509,343
Misc. Revenue		\$	25
Grant Revenue	\$ 207,297	\$ 207,297	-
Total Revenue	<u>\$ 207,297</u>	<u>\$ 207,297</u>	<u>\$ 509,368</u>
Expenses			
	\$ 207,297		
Audit		\$ 1,988	
Salaries		113,084	
Fringe Benefits		20,208	
Supplies, Postage, Printing, Contract Svc, Misc.		6,299	
Insurance		806	
Telephone and Internet		7,118	
Travel & Training		268	
Rent & Utilities		9,303	
Support for Client Ed and Outreach		22,786	
Allocated Common Cost		25,437	
Wood - Reimbursement			\$ 16,834
Wood - Direct Client Pay			279,708
Wood - Vendor Payments			6,202
Utilities in Rent			16,846
Third Party Payment			7,512
General Vendor Payment			3,834
Emergency Repair			139,397
Client Utility Reimbursement			39,035
Total Expenses	<u>\$ 207,297</u>	<u>\$ 207,297</u>	<u>\$ 509,368</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<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

LIEAP - OUTREACH

Grant Number: DPHHS 20-028-13008-0
Grant Period: October 1, 2019 through September 30, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 55,196	\$ 46,655
LIEAP Support	<u> -</u>	<u> 6,197</u>
Total Revenue	55,196	52,853
Expenses	\$ 55,196	
Personnel Costs		
Salaries		\$ 25,769
Fringe Benefits		5,505
Postage, Telephone, Printing, Misc.		7,456
Travel & Training		250
Consumable Supplies		382
Rent & Utilities		1,525
Educational items		5,768
Allocated Common Cost		5,733
Audit		465
Total Expenses	<u>\$ 55,196</u>	<u>\$ 52,852</u>
REVENUE OVER (UNDER) EXPENSES	<u> -</u>	<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

LIEAP - CLIENT ED

Grant Number: DPHHS 20-028-13008-0
Grant Period: October 1, 2020 through September 30, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 121,580	\$ 101,748
LIEAP Support	-	16,129
	121,580	117,877
Expenses	\$ 121,580	
Salaries		\$ 68,129
Fringe Benefits		10,240
Supplies, Service Agreements & Permit Fees		1,629
Postage		4,955
Insurance		238
Printing		816
Telephone & Internet		2,754
Travel & Training		1
Rent & Utilities		5,488
Educational Items		7,498
Audit Expense		1,090
Allocated Common Cost		15,039
	\$ 121,580	\$ 117,877
Total Expenses	\$ 121,580	\$ 117,877
REVENUE OVER (UNDER) EXPENSES	\$ -	\$ -

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, 2020 through June 30, 2021

Revenue	
Contract Program Revenue	\$ 34,189
Expenses	
Administration	\$ 3,508
Operations	19,459
Fuel Fund	408
Fuel Fund - Deposits	1,903
Unrestricted USB	5,873
USB - NWE Benefits	<u>19,360</u>
Total Expenses	\$ <u>50,512</u>
Transfer In	<u>16,322</u>
REVENUE OVER (UNDER) EXPENSES	\$ <u><u>-</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 20-028-10008-0
Grant Period: January 1, 2020 through August 31, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 481,296	\$ 481,296
Miscellaneous Revenue	<u>-</u>	<u>3,016</u>
Total Revenue	<u>\$ 481,296</u>	<u>\$ 484,312</u>
Expenses		
Category 1 - Personnel Costs		
Salaries	\$ 198,402	\$ 196,606
Fringe Benefits	59,521	41,426
Contract Services	2,000	1,424
Category 2 - Non-Personnel Costs		
Audit Expense	2,000	3,589
Legal Expenses	2,500	1,031
Supplies, Telephone, Dues, Misc.	30,076	38,070
Travel & Training	20,000	5,739
Board Meeting Expenses	6,000	1,991
Rent & Utilities	17,856	12,390
Support To Programs	103,606	62,728
Support To Satalite Offices	7,600	-
Allocated Common Cost	31,735	42,936
Direct Supportive Services	-	20,149
Repair & Maintenance	-	36,192
Equipment	-	12,478
Subgrant	<u>-</u>	<u>7,565</u>
Total Expenses	<u>\$ 481,296</u>	<u>\$ 484,312</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</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 - CARES

Grant Number: DPHHS 20-028-190680
Grant Period: May 5, 2020 through September 30, 2021

Revenue	\$ 61,313
Expenses	
Audit	\$ 502
Salaries	25,259
Fringe Benefits	4,702
Supplies, Postage, Printing, Contract Svc, Misc.	20,533
Insurance	283
Telephone and Internet	1,106
Rent & Utilities	2,439
Allocated Common Cost	<u>6,489</u>
Total Expenses	<u>\$ 61,313</u>
REVENUE OVER (UNDER) EXPENSES	<u><u>\$ -</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**

Social Services Nonprofit Grant

Grant Period: April 1, 2020 through January 31, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 10,000	\$ 10,000
Expenses	\$ 10,000	
Program Support	_____	\$ 10,000
Total Expenses	\$ 10,000	\$ 10,000
REVENUE OVER (UNDER) EXPENSES	\$ -	\$ -

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

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

Business Adaptability Program Grant

Grant Period: April 1, 2020 through January 31, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 5,000	\$ 5,000
Expenses	\$ 5,000	
Supplies	_____	\$ 5,000
Total Expenses	\$ 5,000	\$ 5,000
REVENUE OVER (UNDER) EXPENSES	\$ -	\$ -

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

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

Montana Innovation Grant (Kits)

Grant Period: April 1, 2020 through January 31, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 2,000	\$ 2,000
Expenses	\$ 2,000	
Supplies		\$ 404
Supportive Services		1,632
Audit Expense		5
	\$ 2,000	\$ 2,041
Total Expenses		
Transfer In	-	41
REVENUE OVER (UNDER) EXPENSES	\$ -	\$ -

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: MT0083Y8T001800
Grant Period: October 1, 2020 through May 10, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 2,233	\$ 2,233
Expenses	\$ 2,233	
Salaries		\$ 3,009
Fringe Benefits		952
Telephone & Internet		92
Rent & Utilities		109
Travel & Training		2
Supplies, Postage, Fees, Misc.		20
Audit Expense		42
Allocated Common Cost		606
	_____	_____
Total Expenses	\$ 2,233	\$ 4,832
Transfer In	-	2,599
REVENUE OVER (UNDER) EXPENSES	-	-

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

STATEMENT OF REVENUE AND EXPENSES

SECTION 8 HOUSING ASSISTANCE

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

Contract Period: July 1, 2020 through June 30, 2021

Revenue

Revenue	\$ 184,726
Inspection Fees	<u>580</u>

Total Revenue

\$ 185,306

Expenses

Salaries	\$ 95,148
Fringe Benefits	26,823
Audit	1,535
Supplies, Printing, Fees, Misc.	3,477
Postage	1,823
Service Agreements	804
Telephone & Internet	3,179
Travel & Training	3,367
Rent & Utilities	2,241
Allocated Common Cost	20,204
Insurance	<u>380</u>

Total Expenses

\$ 158,979

Transfers Out

26,326

REVENUE OVER (UNDER) EXPENSES

\$ -

Supplemental Schedule
NORTHWEST MONTANA HUMAN RESOURCES, INC.
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Kalispell, Montana

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

Rapid Rehousing Continuum of Care program

Grant Number: MT0043L8T001906
Grant Period: November 1, 2020 through October 31, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 58,270	\$ 41,163
Expenses	\$ 58,270	
Salaries		\$ 10,215
Fringe Benefits		3,032
Telephone & Internet		463
Rent & Utilities		442
Travel & Training		-
Supplies, Postage, Fees, Misc.		52
Service Agreements		-
Supportive Services		24,626
Audit Expense		339
Allocated Common Cost		1,994
	\$ 58,270	\$ 41,163
Total Expenses	\$ 58,270	\$ 41,163
REVENUE OVER (UNDER) EXPENSES	\$ -	\$ -

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, 2020 through March 31, 2021

Revenue	
Revenue	\$ 15,599
Expenses	
Salaries	\$ 9,056
Fringe Benefits	2,833
Audit	165
Supplies, Postage, Printing, etc.	385
Telephone & Internet	325
Travel & Training	360
Rent & Utilities	591
Allocated Common Cost	<u>1,981</u>
Total Expenses	\$ <u>15,696</u>
Transfer In	7,910
Transfer Out to Next Year	<u>(7,814)</u>
REVENUE OVER (UNDER) EXPENSES	\$ <u><u>-</u></u>

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

STATEMENT OF REVENUE AND EXPENSES
BUDGET AND ACTUAL

Rapid Rehousing Continuum of Care program

Grant Number: MT0065L8T001901
Grant Period: November 1, 2020 through October 31, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 29,057	\$ 14,456
Expenses	\$ 29,057	
Salaries		\$ 5,823
Fringe Benefits		1,601
Telephone & Internet		472
Rent & Utilities		624
Travel & Training		2
Supplies, Postage, Fees, Misc.		23
Supportive Services		3,873
Audit Expense		136
Allocated Common Cost		1,902
	\$ 29,057	\$ 14,456
Total Expenses	\$ 29,057	\$ 14,456
REVENUE OVER (UNDER) EXPENSES	\$ -	\$ -

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: MT0052L8T001904
Grant Period: October 1, 2020 through September 30, 2021

	Budget	Actual
Revenue		
Grant Revenue	\$ 72,424	\$ 60,322
Expenses	\$ 72,424	
Salaries		\$ 5,122
Fringe Benefits		1,342
Telephone & Internet		292
Rent & Utilities		314
Travel & Training		63
Supplies, Postage, Fees, Misc.		124
Supportive Services		51,522
Audit Expense		449
Allocated Common Cost		1,094
	\$ 72,424	\$ 60,322
Total Expenses	\$ 72,424	\$ 60,322
REVENUE OVER (UNDER) EXPENSES	\$ -	\$ -

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, 2021

	Budget	Actual
Expenses		
Salaries	\$ 178,373	\$ 192,097
Payroll Taxes and Fringe Benefits	41,882	37,904
Contract Services	16,900	5,263
Legal Services	1,000	508
Network Services	3,599	4,586
Supplies (Agency Wide - General Office)	9,250	14,186
Postage	3,750	4,598
Telephone, Email, Cellular (Ex. LD), Internet	2,250	1,544
Travel & Training (for Admin Staff)	2,500	7,176
Office Rent/Utilities/Janitorial	11,000	6,163
Advertising & Marketing	250	1,548
Service Agreements	14,620	15,146
Equipment Rental from General Fund	3,300	3,231
General Liability Insurance	25,300	23,174
Dues and Subscriptions - fiscal and personnel	1,754	933
Repair & Maintenance	4,000	17,632
Storage	600	640
	<u>600</u>	<u>640</u>
Total Expenses	\$ <u>320,328</u>	\$ <u>336,330</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Northwest Montana Human Resources, Inc. DBA Community Action Partnership of Northwest Montana (CAPNM), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 18, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CAPNM's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Carver Florek & James, CPAs

Missoula, Montana
July 18, 2022

**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

Opinion on 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 identified as subject to audit 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, 2021. CAPNM's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CAPNM complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to CAPNM's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

Cover Florek & James, CPAs

Missoula, Montana

July 18, 2022

NORTHWEST MONTANA HUMAN RESOURCES, INC.
 DBA COMMUNITY ACTION PARTNERSHIP OF NORTHWEST MONTANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2021

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 200.516(a)?	No

Identification of Major Federal Program:

U.S. Department of Health and Human Services Low-Income Home Energy Assistance (LIEAP)	CFDA No. 93.568
U.S. Department of Energy Weatherization Assistance for Low-Income Persons	CFDA No. 81.042

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
For the Year Ended December 31, 2021

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 2020