

**NORTHWEST COMMUNITY
ACTION PARTNERSHIP**
Chadron, Nebraska

Independent Auditors' Report and
Financial Statements with
Supplementary Information

For the Year Ended
June 30, 2019

NORTHWEST COMMUNITY ACTION PARTNERSHIP
Chadron, Nebraska

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-14
SUPPLEMENTARY INFORMATION:	
Combining Schedule of Activities	15-17
Schedule of Expenditures of Federal Awards	18-19
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	22-23
Schedule of Findings and Questioned Costs	24
Summary Schedule of Prior Audit Findings	25

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwest Community Action Partnership
Chadron, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of Northwest Community Action Partnership (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Community Action Partnership as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. The combining schedule of activities (presented on pages 15-17) is prepared for additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2019, on our consideration of Northwest Community Action Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northwest Community Action Partnership'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 Northwest Community Action Partnership's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
September 6, 2019

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Statement of Financial Position

June 30, 2019

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 234,995.01
Grants and Contracts Receivable	280,086.38
Inventory	57,265.20
Prepaid Expenses	30,171.05
	<hr/>
Total Current Assets	602,517.64
	<hr/>
Capital Assets, net	618,231.92
Deposits	1,971.80
	<hr/>
TOTAL ASSETS	\$ 1,222,721.36
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

Liabilities	
Current Liabilities	
Accounts Payable	\$ 60,302.28
Accrued Paid Time Off	78,476.54
Accrued Employee Withholdings	28,358.78
Accrued Payroll Taxes	5,672.36
Use Tax Payable	113.14
Line of Credit Payable	-
Refundable Grant Advances	9,159.91
Lease Deposits	250.00
	<hr/>
Total Current Liabilities	182,333.01
	<hr/>
TOTAL LIABILITIES	182,333.01
	<hr/>
Net Assets	
With Donor Restrictions	154,258.64
Without Donor Restrictions	886,129.71
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Total Net Assets	1,040,388.35
	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 1,222,721.36
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Statement of Activities

For the Year Ended June 30, 2019

CHANGES IN NET ASSETS

Changes in Net Assets Without Donor Restrictions

Support and Revenues	
Contributions	\$ 4,305,661.66
Other Revenue	11,410.06
Rent Revenue	-
Total Support and Revenues	<u>4,317,071.72</u>
Expenses	
Program Services	
Early Childhood	2,771,982.83
Community Services	386,636.47
Transportation Services	34,176.04
Senior Services	111,086.10
Weatherization	438,291.74
Supporting Activities	
Management and General	537,974.38
Fundraising	23,041.23
Total Expenses	<u>4,303,188.79</u>
Net Assets Released From Restrictions	
through Satisfaction of Program Restrictions	<u>18,817.48</u>
Increase (Decrease) in Net Assets without Donor Restrictions	32,700.41
Net Assets with Donor Restrictions	
Contributions	16,738.70
Other Revenue	-
Net Assets Released From Restrictions	
Through Satisfaction of Program Restrictions	<u>(18,817.48)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>(2,078.78)</u>
Increase (Decrease) in Net Assets	30,621.63
Net Assets at Beginning of the Year	<u>1,009,766.72</u>
Net Assets at End of the Year	<u>\$ 1,040,388.35</u>

The accompanying notes are an integral part of the financial statements.

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Services							Supporting Activities			Total
	Early Childhood	Community Services	Transportation Services	Senior Services	Weatherization	Program Services	Total Program Services	Management and General	Fundraising	Organization Services	
Salaries and Fringe Benefits	\$ 1,968,142.23	\$ 170,479.75	\$ 26,815.88	\$ 60,615.50	\$ 166,094.14	\$ 2,392,147.50	\$ 2,392,147.50	\$ 347,428.86	\$ 22,030.05	\$ 2,761,606.41	
Client Services	25,305.45	72,700.75	-	953.92	-	98,960.12	98,960.12	1,714.50	-	100,674.62	
Computer Expense	29,394.59	429.99	-	881.08	1,215.29	31,920.95	31,920.95	17,352.48	-	49,273.43	
Depreciation Expense	83,279.06	4,723.52	-	120.02	13,766.02	101,888.62	101,888.62	12,590.24	-	114,478.86	
Dues and Subscriptions	21,986.57	2,030.29	186.50	732.85	514.70	25,450.91	25,450.91	2,699.75	-	28,150.66	
Food	69,118.00	1,201.69	-	-	34.20	70,353.89	70,353.89	91.86	-	70,445.75	
Interest Expense	-	-	-	-	-	-	-	9.01	-	9.01	
Materials	-	-	-	-	197,648.79	197,648.79	197,648.79	1,177.77	-	198,826.56	
Occupancy Cost	284,796.01	24,326.76	1,665.72	11,810.33	18,764.87	341,363.69	341,363.69	89,091.03	91.18	430,545.90	
Office Cost	42,618.92	8,383.98	1,223.94	1,923.38	1,008.63	55,158.85	55,158.85	5,766.88	-	60,925.73	
Other Expense	(1,689.17)	3,119.28	24.00	5,418.28	365.59	7,237.98	7,237.98	2,159.65	220.00	9,617.63	
Printing and Publications	3,921.12	872.41	45.57	1,051.25	666.17	6,556.52	6,556.52	3,558.03	-	10,114.55	
Professional Services	47,175.39	277.43	-	1,050.91	1,400.50	49,904.23	49,904.23	19,011.44	-	68,915.67	
Repairs and Maintenance	47,675.59	2,059.66	1,707.29	1,382.92	1,767.80	54,593.26	54,593.26	3,279.48	-	57,872.74	
Small Equipment	6.00	-	-	-	1,752.67	1,758.67	1,758.67	-	-	1,758.67	
Supplies	51,873.45	88,627.79	49.64	21,947.34	3,607.77	166,105.99	166,105.99	12,347.68	700.00	179,153.67	
Training	48,168.19	2,520.99	-	36.57	6,481.01	57,206.76	57,206.76	18,352.13	-	75,558.89	
Travel	50,211.43	4,882.18	2,457.50	3,161.75	23,203.59	83,916.45	83,916.45	1,343.59	-	85,260.04	
Total Expenses	\$ 2,771,982.83	\$ 386,636.47	\$ 34,176.04	\$ 111,086.10	\$ 438,291.74	\$ 3,742,173.18	\$ 3,742,173.18	\$ 537,974.38	\$ 23,041.23	\$ 4,303,188.79	

The accompanying notes are an integral part of the financial statements.

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Statement of Cash Flows

For the Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 30,621.63
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	114,478.86
(Gain) Loss on the Disposal of Assets	-
(Increase) Decrease in Grants and Contracts Receivable	(92,681.68)
(Increase) Decrease in Prepaid Expense	(19,525.18)
(Increase) Decrease in Inventory	3,393.24
Increase (Decrease) in Accounts Payable	(72,380.86)
Increase (Decrease) in Refundable Grant Advances	7,856.25
Increase (Decrease) in Accrued Paid Time Off	7,466.13
Increase (Decrease) in Other Accrued Expenses	(10,486.00)
	<hr/>
Net Cash Provided by (Used in) Operating Activities	(31,257.61)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for Purchase of Capital Assets	(94,849.14)
Cash Received from the Sale of Capital Assets	-
	<hr/>
Net Cash Provided by (Used in) Investing Activities	(94,849.14)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Line of Credit	11,500.00
Principal Payments on Line of Credit	(11,575.00)
	<hr/>
Net Cash Provided by (Used in) Financing Activities	(75.00)
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	(126,181.75)
	<hr/>
Cash and Cash Equivalents, Beginning of the Year	361,176.76
	<hr/>
Cash and Cash Equivalents, End of the Year	\$ 234,995.01
	<hr/> <hr/>
Supplemental Information	
Cash Paid During the Period for:	
Interest Expense	\$ 9.01
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The accompanying notes are an integral part of the financial statements.

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Notes to the Financial Statements

June 30, 2019

1. NATURE OF ACTIVITIES

Northwest Community Action Partnership (the “Organization”) is a nonprofit Community Action Agency and organized exclusively for charitable purposes. Such purposes are to improve the quality of life and the economic self-sufficiency of people with low incomes and other eligible people in Box Butte, Cherry, Dawes, Sheridan, and Sioux, counties, by providing services, support, and opportunities. In addition we provide weatherization services to these following counties Banner, Cheyenne, Deuel, Garden, Kimball, Morrill, and Scotts Bluff.

The Organization provides services, assistance, and activities to aid those of low income by enlarging employment opportunities, by improving human performance, motivation, and productivity, and by bettering the conditions in which people live, learn, and work. The Organization administers the following major sources of revenue to meet the needs of the area it serves: Low-Income Home Energy Assistance Programs, Community Services Block Grant Programs, Head Start Programs, Weatherization Assistance for Low Income Persons Programs, Retired and Senior Volunteer Programs, and Volunteer Programs, and others. Expenses are broken down by program services. The following is a description of the program services:

Early Childhood Development – Services are provided to children from birth to age 5 and pregnant families which are low income. The program strives to strengthen families and their children through comprehensive child development plans.

Community Services – Low income clients are provided assistance with homeless prevention, education, health insurance, employment, family development, food pantry and mobile food distributions.

Weatherization Services – Services are provided to income eligible families, while helping people, changing lives, and engaging communities to alleviate poverty.

Volunteer Services – Program provides volunteer opportunities for seniors and others to support their community.

Transportation Services – Community based transportation system designed to meet the needs of residents who do not have regular access to transportation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Principle

Effective July 1, 2018, The Organization adopted Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (ASC Topic 958) and Health Care Entities (ASC Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle (continued)

and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. The Organization net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. Likewise, The Organization net assets previously reported as unrestricted are now reported as net assets without donor restrictions. The Organization did not have any permanently restricted net assets.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, The Organization's net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions – consists of amounts that are available for use in carrying out the activities of The Organization and are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor or certain grantor imposed restrictions. 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. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid instruments with a maturity of three months or less when acquired.

Inventory

Inventory consists of weatherization materials held for use in the weatherization program and are valued at lower of cost or fair value, using the first-in, first-out method (FIFO).

Allowance for Doubtful Accounts

Grant and contract receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of others to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Capital Assets

It is the Organization's policy to capitalize costs with a useful life of more than one year and a value over \$5,000.00. Capital assets are stated at cost, if purchased, and at fair value at the date of donation, if donated. Such items acquired under grants from Federal and state sources are considered to be owned by the Organization while used in the programs for which they are purchased or in programs authorized in the future. However, the funding source has a revisionary interest in the property. The Organization has \$618,231.92 net book value, of property in which the funding sources have a revisionary interest. Capital assets purchased or donated to the Organization are depreciated based on estimated useful lives using the straight-line method as follows:

Equipment	5-7 Years
Vehicles	5 Years
Capital Improvements	10-15 Years
Buildings	20 Years

Non Cash Contributions

Contributed personnel services are recognized and recorded at fair value only to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Contributed goods are recognized at fair value on the date received.

Contributions and Unconditional Promises to Give

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from Federal income taxes under IRS Code Section 501(c)3. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Allocated Costs

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated using various allocation methods.

3. CONCENTRATION OF CREDIT RISK

At year-end, the carrying amount of the Organization's deposits was \$234,995.01. The bank balance was held at two banks resulting in no concentration of credit risk. The bank balance was \$291,301.65. Of the bank balance \$291,301.65 was covered by FDIC insurance and no funds were unsecured at year end.

4. GRANT AND CONTRACTS RECEIVABLE, NET

Grant and contracts receivables at June 30, 2019, consisted of amounts due as follows:

Head Start Program	\$ 71,400.24
Early Head Start Program	87,155.06
Transportation Program - Federal	5,256.00
Transportation Program - State	1,637.00
HSATF Grant - State	12,341.86
Retired and Senior Volunteer Services	1,347.64
Weatherization Assistance Program - Federal	48,403.38
Community Service Block Grant - Federal	49,247.03
Supplemental Nutrition Assistance - Federal	2,024.25
Other Receivables	<u>1,273.92</u>
	<u>\$280,086.38</u>

All receivables at June 30, 2019, are considered collectible. Accordingly, the allowance for uncollectibility is zero.

5. INVENTORY

Inventory consisted of the following at June 30, 2019:

Weatherization Materials on Hand	\$ 22,924.14
Weatherization Work in Progress	<u>34,341.06</u>
Total Inventory	<u>\$ 57,265.20</u>

6. CAPITAL ASSETS, NET

Following are the changes in capital assets for the year ended June 30, 2019:

	Balance 6/30/2018	Additions	Retirements	Balance 6/30/2019
Capital Assets				
Capital Assets Not Being Depreciated				
Land	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00
Other Capital Assets				
Buildings	629,575.00	-	-	629,575.00
Capital Improvements	682,464.81	58,705.83	-	741,170.64
Equipment	67,886.27	36,143.00	-	104,029.27
Vehicles	1,047,120.14	-	-	1,047,120.14
Total Capital Assets	<u>2,527,046.22</u>	<u>94,848.83</u>	<u>-</u>	<u>2,621,895.05</u>
Accumulated Depreciation				
Buildings	\$ (432,093.80)	\$ (31,478.75)		\$ (463,572.55)
Capital Improvements	(539,331.50)	(36,242.54)		(575,574.04)
Equipment	(74,851.70)	(4,520.00)		(79,371.70)
Vehicles	(842,907.58)	(42,236.79)		(885,144.37)
Total Accumulated Depreciation	<u>(1,889,184.58)</u>	<u>(114,478.08)</u>	<u>-</u>	<u>(2,003,662.66)</u>
Total Net Capital Assets	<u>\$ 637,861.64</u>	<u>\$ (19,629.25)</u>	<u>\$ -</u>	<u>\$ 618,232.39</u>

7. LINE OF CREDIT

The Organization has obtained one unsecured line of credit from Security First Bank in the amount of \$150,075.00. The purpose of the line of credit is to provide adequate cash flow for the Organization. The interest rate is 5.95% and renewable annually. The Organization paid \$9.01 in interest for the year ending June 30, 2019. The balance as of June 30, 2019, was \$0.00.

8. OPERATING LEASES

As of June 30, 2019 the Organization has entered into a number of operating leases for space, and a postage machine. Total payments for the year ended June 30, 2019 was \$27,726.00 Under the current lease agreements, the future minimum lease rentals are as follows:

2020	\$ 10,596.00
2021	696.00
2022	696.00
2023	638.00

9. NET ASSETS

Net assets without donor restrictions

At June 30, 2019, all unrestricted net assets are undesignated as to their use.

Net assets with donor restrictions

Donation balances received & restricted to use within the following programs:

Parent Fund Donations	\$ 2,766.58
Head Start Donations/Other Revenue	51,254.31
Community Service	33,657.96
DOE Restricted	207.53
Senior Activities Donations	17,958.24
Feeding Hungry	47,996.64
Diaper Bank	<u>417.38</u>
Total Net Assets with Donor Restrictions	<u>\$ 154,258.64</u>

10. LIQUIDITY

At June 30, 2019, all net assets with donor restrictions are available for payment of qualifying expenses within the respective The Organization funds as such expenses are incurred, except for contributions receivable which are available when the receivable is collected, which is expected within the next year, and the expense is incurred. Likewise, as of June 20, 2019, all net assets without donor restrictions are available to meet cash needs for general expenses of the Organization within one year.

Cash and Cash Equivalents	\$ 234,995.01
Accounts Receivable, Net	280,086.37
Less: Cash Received with Donor Restrictions	<u>(154,258.64)</u>
Net Liquidity	<u>\$ 360,822.74</u>

11. EMPLOYEE BENEFIT PLAN

The Organization maintains an employee benefit plan that provides the employees the choice of several benefits options. The options include Health Insurance, 403(b) and Roth Retirement, Vision, Dental, Life, Disability, AFLAC and a cafeteria plan. The plans are available to all employees .75 Full Time Equivalent (FTE) and above. The regular monthly benefit is \$450.00 per employee. Additional benefits for health insurance are paid where necessary to maintain the 9.86% ACA limit. The total employee benefits paid for the year ended June 30, 2019, was \$248,180.92.

12. COMPENSATED ABSENCES

Vacation Leave

All regular, full-time employees earn vacation bi-weekly, based on the following schedule:

<u>Service Period</u>	<u>Paid Vacation</u>
0 to 3 years	13 days
3 + years	19.5 days

12. COMPENSATED ABSENCES (Continued)

Part time employees earn vacation based on the previous schedule on a prorated basis, based on the number of hours worked.

Accumulation is limited to the days the employee is eligible to earn in one year.

Sick Leave

All regular full/part time hourly employees earn sick leave at a rate of 4 hours per 80 hours worked. Regular full/part time exempt employees earn sick leave at a rate of five-hundredth of a day per day worked. A total of not more than 60 days of sick leave may be carried over from one calendar year to the next. Sick leave is lost upon separation from the Organization.

The Organization determines a liability for compensated absences when the following conditions are met:

1. The Organization’s obligation relating to employees’ rights to receive compensation for future absences is attributable to employee services already rendered.
2. The obligation relates to the rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the Organization has accrued a liability for vacation pay which has been earned, but not taken, by Organization employees. The Organization has not accrued a liability for sick leave earned, but not taken, by Organization employees, in accordance with guidance provided by FASB ASC 710-10-25-7, as the amounts cannot be reasonably estimated at this time.

13. IN-KIND CONTRIBUTIONS

Under the grant agreements, the Organization (grantee) receives a percentage of total estimated project funds from the Federal government. The balance of the project funds is contributed to the Organization from non-Federal sources in the form of “in-kind” contributions of services, materials or property from the Organization, delegated agencies, the community, or non-Federal governmental organizations. The services and goods donated are valued according to the grant guidelines. In-kind revenues and in-kind expenses that are allowable under generally accepted accounting principles (GAAP) have been recognized in the financial statements.

	<u>Services</u>	<u>Space</u>	<u>Goods and Travel</u>	<u>Total</u>
Head Start–18	\$ 399,569.67	\$ 193,758.00	\$ 16,506.31	\$ 609,833.98
Head Start–19	198,579.41	0.00	6,235.22	204,814.63
CSBG – 18	5,300.55	0.00	30,395.89	35,696.44
CSBG – 19	8,083.25	0.00	53,709.13	61,792.38
Diaper Bank	0.00	0.00	100.00	100.00
Mgt. & General	0.00	0.00	4,906.00	4,906.00
RSVP - 19	<u>384.32</u>	<u>9,340.08</u>	<u>21,673.23</u>	<u>31,397.63</u>
Total In-Kind	<u>611,917.20</u>	<u>203,098.08</u>	<u>133,525.78</u>	<u>948,541.06</u>
Non-GAAP	<u>(430,182.06)</u>	<u>0.00</u>	<u>0.00</u>	<u>(430,182.06)</u>
Total GAAP In-Kind	<u>\$ 181,735.14</u>	<u>\$ 203,098.08</u>	<u>\$ 133,525.78</u>	<u>\$ 518,359.00</u>

14. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

15. CONCENTRATION OF RISK

Most of the Organization's revenues are in the form of grants from federal and state sources to serve specified geographical areas defined within the various grants. The Organization's ability to continue operations, if the grant programs were lost or canceled, is dependant upon the Organization's ability to generate unrestricted funds.

16. SUBSEQUENT EVENTS

The Organization evaluated events and transactions occurring subsequent to June 30, 2019 through September 6, 2019, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring recognition in the financial statements. Additionally, there were no non-recognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Combining Schedule of Activities
For the Year Ended June 30, 2019

Program:	Head Start 11/30/2019	Head Start 93.600/10.558	Head Start 11/30/2018	Head Start 93.600/10.558	Parent Funds 6/30/2019	Head Start Donations 6/30/2019	ESG - Homeless 6/30/2019	FEMA 19 1/31/2019	Community Services 9/30/2019	Community Services Block Grant 9/30/2018	Community Services United Way 6/30/2019	GED/Rescare MOU's 6/30/2019
Year End:	93.600/10.558	93.600/10.558	11/30/2019	93.600/10.558	N/A	N/A	6/30/2019	1/31/2019	9/30/2019	9/30/2018	6/30/2019	6/30/2019
CFDA Number:	93.600/10.558	93.600/10.558	93.600/10.558	93.600/10.558	N/A	N/A	6/30/2019	1/31/2019	9/30/2019	9/30/2018	6/30/2019	6/30/2019
Functional Basis Category:	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Early Childhood	Community Services	Community Services	Community Services	Community Services	Community Services	Community Services
Support and Revenues												
Contributions												
Federal Grants	\$ 1,483,779.26	\$ 1,261,289.98	\$ 1,261,289.98	\$ 1,261,289.98	\$ -	\$ -	\$ 500.63	\$ 31,837.37	\$ 145,560.39	\$ 82,757.07	\$ -	\$ -
CACFP Grants	55,905.24	35,493.10	35,493.10	35,493.10	-	-	-	-	-	-	-	-
State Grants	-	-	-	-	-	-	55,819.62	-	-	-	-	960.00
Local Grants	-	-	-	-	-	-	-	-	-	-	-	2,000.00
Other Local	-	-	-	-	4,057.43	-	-	-	-	-	-	-
Non Cash	204,814.63	609,833.98	609,833.98	609,833.98	-	-	-	-	61,792.38	35,696.44	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Rent Income	-	-	-	-	-	-	-	-	-	-	-	-
Allocation Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Support and Revenues	1,744,499.13	1,906,617.06	1,906,617.06	1,906,617.06	4,057.43	-	56,320.25	31,837.37	207,352.77	118,453.51	6,200.00	2,960.00
Expenses												
Salaries & Fringe Benefits	1,016,224.15	770,182.94	770,182.94	770,182.94	-	-	29,739.88	-	75,961.01	49,115.64	5,020.25	-
Salaries & Fringe Non Cash	198,579.41	399,569.67	399,569.67	399,569.67	-	-	-	-	8,083.25	5,300.55	-	-
Allocation Cost	46,503.82	21,390.54	21,390.54	21,390.54	-	-	-	-	5,480.38	2,510.28	-	-
Client Services	8,428.75	14,989.66	14,989.66	14,989.66	1,653.15	233.89	34,644.54	31,484.63	2.90	-	-	-
Computer Expense	539.35	28,852.24	28,852.24	28,852.24	3.00	-	-	-	429.99	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-
Dues and Subscriptions	9,062.41	12,807.16	12,807.16	12,807.16	-	117.00	-	-	1,233.75	796.54	-	-
Food	37,390.92	31,425.02	31,425.02	31,425.02	10.49	291.57	-	-	-	109.53	-	-
Indirect Cost	237,931.31	180,992.99	180,992.99	180,992.99	-	-	6,988.88	-	17,850.84	11,542.17	1,179.75	-
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy Cost	64,650.68	32,340.89	32,340.89	32,340.89	-	-	-	21.34	15,006.13	9,148.29	-	960.00
Occupancy Cost - Non Cash	-	193,758.00	193,758.00	193,758.00	-	-	-	-	-	-	-	-
Office Cost	14,554.06	28,064.86	28,064.86	28,064.86	-	-	-	20.69	5,027.33	2,322.58	-	1,000.00
Other Expense	(3,685.34)	1,658.17	1,658.17	1,658.17	3.00	335.00	-	-	1,996.45	1,122.83	-	-
Printing and Publications	1,735.81	2,185.31	2,185.31	2,185.31	-	-	-	80.33	565.10	226.98	-	-
Professional Services	29,527.29	17,648.10	17,648.10	17,648.10	-	-	-	-	277.43	-	-	-
Repairs and Maintenance	26,345.32	66,192.10	66,192.10	66,192.10	-	1,234.31	-	-	1,560.66	499.00	-	-
Small Equipment	-	6.00	6.00	6.00	-	-	-	-	-	-	-	-
Supplies	19,913.84	22,161.94	22,161.94	22,161.94	970.59	4,178.34	-	230.38	46.09	3,029.34	-	1,000.00
Supplies - Non Cash	4,566.05	16,075.69	16,075.69	16,075.69	-	-	-	-	53,709.13	30,395.89	-	-
Training	6,620.46	41,547.73	41,547.73	41,547.73	-	-	-	-	1,570.14	950.85	-	-
Travel	23,941.67	24,337.43	24,337.43	24,337.43	-	(167.46)	-	-	3,499.14	1,383.04	-	-
Travel Non Cash	1,669.17	430.62	430.62	430.62	-	-	-	-	-	-	-	-
Transfers To/From	-	-	-	-	-	-	(15,053.05)	-	15,053.05	-	-	-
Total Expenses	1,744,499.13	1,906,617.06	1,906,617.06	1,906,617.06	2,640.23	6,222.65	56,320.25	31,837.37	207,352.77	118,453.51	6,200.00	2,960.00
Change in Net Assets	-	-	-	-	1,417.20	(6,222.65)	-	-	-	-	-	-
Beginning Net Assets	-	-	-	-	1,349.38	57,476.96	-	-	-	-	-	-
Ending Net Assets	\$ -	\$ -	\$ -	\$ -	\$ 2,766.58	\$ 51,254.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Combining Schedule of Activities
For the Year Ended June 30, 2019

Support and Revenues	LIHEAP-Box Fans		Community Service Donations		Diaper Bank/CSBG Ins.		SNAP		Feeding Hungry		Transportation		Senior Activities		Retired Senior Volunteer Program		LiHEAP	
	Program: 9/30/2018	93.568	6/30/2019	N/A	6/30/2019	6/30/2019	9/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019	12/31/2018	93.568
CFDA Number:	Community Services	Community Services	Community Services	Community Services	Community Services	Community Services	Community Services	Emergency Services	Transportation Services	Senior Services	Senior Services	Senior Services	Senior Services	Senior Services	Senior Services	Senior Services	Weatherization	Weatherization
Contributions																		
Federal Grants	\$ 0.44	\$ -	\$ -	\$ -	\$ 3,144.07	\$ -	\$ -	\$ -	\$ 22,509.00	\$ -	\$ -	\$ 84,278.00	\$ -	\$ 219,309.71	\$ -	\$ 85,850.18		
CACFP Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State Grants	-	-	-	-	-	-	-	-	8,660.00	-	-	9,793.57	-	-	-	-	-	-
Local Grants	-	-	-	-	10,000.00	-	-	-	-	-	-	5,972.02	-	-	-	-	-	-
Other Local	-	-	11,781.90	-	-	190.00	-	709.37	8,563.25	-	-	31,397.63	-	-	-	-	-	
Non Cash	-	-	100.00	-	-	100.00	-	-	962.00	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Support and Revenues	0.44	11,781.90	290.00	13,144.07	709.37	40,694.25	219,309.71	85,850.18	219,309.71	85,850.18	85,850.18	85,850.18	85,850.18	85,850.18	85,850.18	85,850.18	85,850.18	85,850.18
Expenses																		
Salaries & Fringe Benefits	-	-	-	10,642.97	-	26,815.88	-	-	-	-	60,615.50	-	-	85,777.53	-	25,889.63	-	
Salaries & Fringe Non Cash	-	-	-	-	-	-	-	-	-	-	384.32	-	-	-	-	-	-	
Allocation Cost	-	-	2.38	-	-	-	-	-	-	-	6,958.10	-	-	2,181.57	-	1,257.90	-	
Client Services	0.44	6,568.24	-	-	-	-	-	953.92	-	-	881.08	-	-	-	-	1,166.99	-	
Computer Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dues and Subscriptions	-	-	-	-	-	186.50	-	-	-	-	732.85	-	-	333.10	-	107.00	-	
Food	-	1,092.16	-	-	-	-	-	-	-	-	-	-	-	-	34.20	-	-	
Indirect Cost	-	-	-	2,501.10	-	6,301.73	-	-	-	-	14,244.64	-	-	20,157.71	-	6,084.07	-	
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Occupancy Cost	-	150.00	-	-	-	1,882.20	-	-	-	-	3,269.81	-	-	86,305.39	-	42,967.14	-	
Occupancy Cost - Non Cash	-	-	-	-	-	-	-	-	-	-	9,340.08	-	-	13,363.52	-	2,491.54	-	
Office Cost	-	13.38	-	-	-	-	-	-	-	-	1,621.49	-	-	151.95	-	65.11	-	
Other Expense	-	-	-	-	-	24.00	-	-	-	-	5,418.28	-	-	12.23	-	0.02	-	
Printing and Publications	-	-	-	-	-	45.57	-	-	-	-	1,051.25	-	-	99.31	-	-	-	
Professional Services	-	-	-	-	-	-	-	-	-	-	1,050.91	-	-	1,400.50	-	-	-	
Repairs and Maintenance	-	-	-	-	-	1,707.29	-	-	-	-	1,382.92	-	-	(257.55)	-	75.00	-	
Small Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	427.99	-	-	-	
Supplies	-	52.18	-	-	-	49.64	-	-	-	-	216.11	-	-	2,949.66	-	-	-	
Supplies - Non Cash	-	-	64.78	-	-	-	-	-	-	-	460.16	-	-	-	-	-	-	
Training	-	-	100.00	-	-	-	-	-	-	-	21,271.07	-	-	-	-	-	-	
Travel	-	-	-	-	-	-	-	-	-	-	36.57	-	-	408.58	-	1,998.79	-	
Travel Non Cash	-	-	-	-	-	2,457.50	-	-	-	-	2,564.08	-	-	5,998.22	-	3,812.81	-	
Transfers To/From	-	-	-	-	-	-	-	-	-	-	402.16	-	-	-	-	(100.02)	-	
Total Expenses	0.44	7,875.96	167.16	13,144.07	1,911.48	40,694.25	219,309.71	85,850.18	219,309.71	85,850.18	219,309.71	85,850.18	85,850.18	85,850.18	85,850.18	85,850.18	85,850.18	85,850.18
Change in Net Assets	-	3,905.94	122.84	-	(1,202.11)	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning Net Assets	-	29,752.02	294.54	-	47,996.64	-	-	-	-	-	19,160.35	-	-	-	-	-	-	-
Ending Net Assets	\$ -	\$ 33,657.96	\$ 417.38	\$ -	\$ 47,996.64	\$ -	\$ 17,958.24	\$ -	\$ -	\$ -	\$ 17,958.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Combining Schedule of Activities

For the Year Ended June 30, 2019

Functional Basis Category:	Program:	DOE - Insurance	LIHEAP	Management & General	Indirect Cost Pool	Northwest Improvements	Sub-Total Organization Wide	Elimination Entries	Total Organization Wide
	Year End:	6/30/2019	12/31/2019	6/30/2019	6/30/2019	6/30/2019	6/30/2019		
CFDA Number:		N/A	93.568	N/A	N/A	N/A			
Support and Revenues	Weatherization	Weatherization	Weatherization	Support Services	Support Services	Support Services			
Contributions									
Federal Grants	\$ -	\$ -	\$ 164,059.33	\$ -	\$ -	\$ -	\$ 3,584,875.43	\$ -	\$ 3,584,875.43
CACFP Grants	-	-	-	-	-	-	91,398.34	-	91,398.34
State Grants	-	-	-	-	-	-	65,439.62	-	65,439.62
Local Grants	-	-	-	(2,340.00)	-	-	25,653.57	-	25,653.57
Other Local	-	-	-	100,249.57	-	-	131,523.54	(94,849.14)	36,674.40
Non Cash	-	-	-	4,906.00	-	-	948,541.06	(430,182.06)	518,359.00
Other Revenue	-	-	-	5,670.27	-	4,777.79	11,410.06	-	11,410.06
Rent Income	-	-	-	-	-	-	-	-	-
Allocation Revenue	-	-	-	10,100.04	519,908.91	-	530,008.95	(530,008.95)	-
Total Support and Revenues			164,059.33	118,585.88	519,908.91	4,777.79	5,388,850.57	(1,055,040.15)	4,333,810.42
Expenses									
Salaries & Fringe Benefits	-	-	54,426.98	4,944.93	363,742.40	771.58	2,579,871.27	-	2,579,871.27
Salaries & Fringe Non Cash	-	-	-	-	-	-	611,917.20	(430,182.06)	181,735.14
Allocation Cost	-	-	1,641.66	(88,343.58)	55.95	361.00	-	-	-
Client Services	-	-	-	1,714.50	-	-	100,674.62	-	100,674.62
Computer Expense	-	-	48.30	1,826.31	15,526.17	-	49,273.43	-	49,273.43
Depreciation Expense	-	-	-	114,478.86	-	-	114,478.86	-	114,478.86
Dues and Subscriptions	-	-	74.60	731.25	732.50	1,236.00	28,150.66	-	28,150.66
Food	-	-	-	91.86	-	-	70,445.75	-	70,445.75
Indirect Cost	-	-	12,790.35	1,162.05	-	181.32	519,908.91	(519,908.91)	-
Interest Expense	-	-	-	9.01	-	-	9.01	-	9.01
Materials	-	-	68,376.26	-	-	1,177.77	198,826.56	-	198,826.56
Occupancy Cost	-	-	3,590.07	75,071.07	15,575.68	26.64	237,547.86	(10,100.04)	227,447.82
Occupancy Cost - Non Cash	-	-	-	-	-	-	203,098.08	-	203,098.08
Office Cost	-	-	791.57	127.70	5,602.39	36.79	60,925.73	-	60,925.73
Other Expense	-	-	353.34	2,352.20	27.45	-	9,617.63	-	9,617.63
Printing and Publications	-	-	566.86	3,146.05	411.98	-	10,114.55	-	10,114.55
Professional Services	-	-	-	167.07	18,844.37	-	68,915.67	-	68,915.67
Repairs and Maintenance	-	-	1,950.35	5,342.94	10,546.54	-	116,578.88	(58,706.14)	57,872.74
Small Equipment	-	-	1,324.68	-	20,150.00	-	21,908.67	(36,143.00)	(14,234.33)
Supplies	-	-	658.11	2,368.15	5,543.99	229.54	64,122.84	-	64,122.84
Supplies - Non Cash	-	-	-	4,906.00	-	-	131,023.83	-	131,023.83
Training	-	-	4,073.64	-	18,197.13	155.00	75,558.89	-	75,558.89
Travel	-	-	13,392.56	(2,222.36)	3,505.92	60.03	82,758.09	-	82,758.09
Travel Non Cash	-	-	-	-	-	-	2,501.95	-	2,501.95
Transfers To/From	-	-	-	(41,446.44)	41,446.44	100.02	-	-	-
Total Expenses			164,059.33	86,427.57	519,908.91	4,335.69	5,358,228.94	(1,055,040.15)	4,303,188.79
Change in Net Assets	-	-	-	32,158.31	-	442.10	30,621.63	-	30,621.63
Beginning Net Assets	207.53	-	-	854,652.87	-	(1,123.57)	1,009,766.72	-	1,009,766.72
Ending Net Assets	\$ 207.53	\$ -	\$ 886,811.18	\$ -	\$ -	\$ (681.47)	\$ 1,040,388.35	\$ -	\$ 1,040,388.35

NORTHWEST COMMUNITY ACTION PARTNERSHIP

Chadron, Nebraska

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	CFDA #	Federal Expenditures
<u>U.S. Department of Homeland Security</u>			
Direct Programs:			
Emergency Food and Shelter National Board Program	N/A	97.024	\$ 31,837.37
Total U.S. Department of Homeland Security			<u>31,837.37</u>
<u>Corporation for National and Community Service</u>			
Direct Programs:			
Retired and Senior Volunteer Program	N/A	94.002	<u>84,278.00</u>
Total Corporation for National and Community Services			<u>84,278.00</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Programs:			
Head Start 2018	N/A	93.600	903,999.95
Head Start 2018 - Training	N/A	93.600	1,881.10
Early Head Start 2018	N/A	93.600	346,461.35
Early Head Start 2018 - Training	N/A	93.600	8,947.58
Head Start 2019	N/A	93.600	1,053,136.55
Head Start 2019 - Training	N/A	93.600	9,486.52
Early Head Start 2019	N/A	93.600	414,673.81
Early Head Start 2019 - Training	N/A	93.600	6,482.38
		TOTAL 93.600 (M)	<u>2,745,069.24</u>
Passed-through:			
State of Nebraska Department of Health and Human Services			
Community Services Block Grant	0G18B1NECOSR	93.569	82,757.07
Community Services Block Grant	0G19B1NECOSR	93.569	<u>145,560.39</u>
		TOTAL 93.569	<u>228,317.46</u>
Nebraska Energy Office			
Low Income Home Energy Assistance Program	L17/18-014	93.568	85,850.18
Low Income Home Energy Assistance Program	L18/19-015	93.568	164,059.33
State of Nebraska Department of Health and Human Services			
Low Income Home Energy Assistance Program - Box Fan	2017	93.568	0.44
		TOTAL 93.568	<u>249,909.95</u>
Total U.S. Department of Health and Human Services			<u>3,223,296.65</u>
<u>U.S. Department of Energy</u>			
Passed-through:			
Nebraska Energy Office			
Weatherization Assistance Program	D18/19	81.042	<u>219,309.71</u>
Total U.S. Department of Energy			<u>219,309.71</u>
<u>U.S. Department of Transportation - Federal Transit Administration</u>			
Passed-through:			
Nebraska Department of Road and Sheridan County, Nebraska			
Formula Grants for Other than Urbanized Areas	RPT-C811 (215)	20.509	\$ <u>22,509.00</u>
Total U.S. Department of Transportation - Federal Transit Administration			<u>22,509.00</u>

NORTHWEST COMMUNITY ACTION PARTNERSHIP
Chadron, Nebraska
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	CFDA #	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed-through:			
Nebraska SNAP State Outreach Supplemental Nutrition Assistance Program	NCAP Project #15	10.579	3,144.07
Passed-through:			
State of Nebraska Department of Education Child and Adult Care Food Program - 2018	23-1000	10.558	35,493.10
Child and Adult Care Food Program - 2019	23-1000	10.558	55,905.24
		TOTAL 10.558	<u>91,398.34</u>
Total U.S. Department of Agriculture			<u>94,542.41</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through:			
Nebraska Department of Health and Human Services Emergency Shelter Grants - Panhandle	18NHAP103	14.231	500.63
Emergency Shelter Grants - Cherry	18NHAP204	14.231	-
		TOTAL 14.231	<u>500.63</u>
Total U.S. Department of Housing and Urban Development			<u>500.63</u>
Total Expenditures of Federal Awards			<u>\$ 3,676,273.77</u>

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Northwest Community Action Partnership and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

NOTE B --INDIRECT COST RATE

Northwest Community Action Partnership did not elect to use the 10% de minimis cost rate, as it does not qualify.

(M) - Major Program

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Northwest Community Action Partnership
Chadron, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Northwest Community Action Partnership (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 6, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northwest Community Action Partnership'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northwest Community Action Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Community Action Partnership'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 Organization'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 Northwest Community Action Partnership's 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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
September 6, 2019

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

Board of Directors
Northwest Community Action Partnership
Chadron, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Northwest Community Action Partnership's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Northwest Community Action Partnership's major federal programs for the year ended June 30, 2019. Northwest Community Action Partnership's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Northwest Community Action Partnership's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northwest Community Action Partnership's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Northwest Community Action Partnership complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Northwest Community Action Partnership is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northwest Community Action Partnership's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Northwest Community Action Partnership's internal control over compliance.

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

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

Purpose of this Report

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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
September 6, 2019

NORTHWEST COMMUNITY ACTION PARTNERSHIP
Chadron, Nebraska

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

The auditors' report expresses an unmodified opinion on the financial statements of Northwest Community Action Partnership.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Non compliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____ <u>X</u> _____	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported

The auditors' report on compliance for the major federal award programs for Northwest Community Action Partnership expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start	CFDA 93.600
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The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____ <u>X</u> _____	Yes	_____ _____	No
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II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

NORTHWEST COMMUNITY ACTION PARTNERSHIP
Chadron, Nebraska

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

NONE