

**COMMUNITY ACTION PARTNERSHIP OF
RAMSEY & WASHINGTON COUNTIES
St. Paul, Minnesota**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEARS ENDED SEPTEMBER 30, 2020 AND 2019



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Action Partnership of Ramsey & Washington Counties
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Partnership of Ramsey & Washington Counties (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 Community Action Partnership of Ramsey & Washington Counties as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information – Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the 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 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 August 19, 2021, on our consideration of Community Action Partnership of Ramsey & Washington Counties' 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 result of that testing, and not to provide an opinion on the effectiveness of Community Action Partnership of Ramsey & Washington Counties' 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 Community Action Partnership of Ramsey & Washington Counties' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 19, 2021

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 492,834	\$ 505,044
Grants Receivable	4,090,785	2,336,421
Accounts Receivable	570,262	66,622
Current Portion of Revolving Loans Receivable, Net	127,942	194,169
Prepaid Expenses	292,262	266,350
Other Assets	28,700	55,178
Total Current Assets	5,602,785	3,423,784
PROPERTY AND EQUIPMENT, NET	4,120,031	4,222,177
OTHER ASSETS		
Revolving Loans Receivable, Net	29,329	72,950
Total Assets	\$ 9,752,145	\$ 7,718,911
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,535,448	\$ 763,145
Accrued Payroll and Related Expenses	2,086,977	1,620,647
Current Maturities of Long-Term Debt	5,734	5,528
Line of Credit	-	98,500
Grant Funds Received in Advance	378,043	5,000
Total Current Liabilities	4,006,202	2,492,820
LONG-TERM LIABILITIES		
Deferred Loan Agreements	325,000	269,637
Long-Term Debt	191,150	196,532
Total Long-Term Liabilities	516,150	466,169
Total Liabilities	4,522,352	2,958,989
NET ASSETS		
Without Donor Restrictions	3,206,286	2,524,970
With Donor Restrictions	2,023,507	2,234,952
Total Net Assets	5,229,793	4,759,922
Total Liabilities and Net Assets	\$ 9,752,145	\$ 7,718,911

See accompanying Notes to Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020			2019		
	Without Restriction	With Restriction	Total	Without Restriction	With Restriction	Total
REVENUE						
Government Grants	\$ 25,070,965	\$ -	\$ 25,070,965	\$ 22,864,102	\$ -	\$ 22,864,102
Program Income	887,410	152,848	1,040,258	954,652	78,987	1,033,639
Contributions	126,858	-	126,858	60,785	-	60,785
Rental Income	753,404	-	753,404	740,590	-	740,590
In-Kind Contributions	212,696	-	212,696	232,712	-	232,712
Other	1,098,222	-	1,098,222	98,578	-	98,578
Net Assets Released from Restriction Through Satisfaction of Program/Purpose Restrictions	364,293	(364,293)	-	118,236	(118,236)	-
Total Revenue	<u>28,513,848</u>	<u>(211,445)</u>	<u>28,302,403</u>	<u>25,069,655</u>	<u>(39,249)</u>	<u>25,030,406</u>
EXPENSES						
Program Activities:						
Head Start Activities	17,352,118	-	17,352,118	15,259,118	-	15,259,118
Energy Conservation	2,112,711	-	2,112,711	2,242,959	-	2,242,959
Energy Assistance	2,648,484	-	2,648,484	2,793,208	-	2,793,208
Community Engagement	1,500,476	-	1,500,476	1,667,646	-	1,667,646
Other Programs	614,038	-	614,038	1,121,290	-	1,121,290
Total Program Activities	<u>24,227,827</u>	<u>-</u>	<u>24,227,827</u>	<u>23,084,221</u>	<u>-</u>	<u>23,084,221</u>
SUPPORTIVE SERVICES						
Fundraising	22,804	-	22,804	65,490	-	65,490
Management and General	3,581,901	-	3,581,901	2,096,501	-	2,096,501
Total Expenses	<u>27,832,532</u>	<u>-</u>	<u>27,832,532</u>	<u>25,246,212</u>	<u>-</u>	<u>25,246,212</u>
CHANGE IN NET ASSETS	681,316	(211,445)	469,871	(176,557)	(39,249)	(215,806)
Net Assets - Beginning of Year	<u>2,524,970</u>	<u>2,234,952</u>	<u>4,759,922</u>	<u>2,701,527</u>	<u>2,274,201</u>	<u>4,975,728</u>
NET ASSETS - END OF YEAR	<u>\$ 3,206,286</u>	<u>\$ 2,023,507</u>	<u>\$ 5,229,793</u>	<u>\$ 2,524,970</u>	<u>\$ 2,234,952</u>	<u>\$ 4,759,922</u>

See accompanying Notes to Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	Energy Assistance	Energy Conservation	Head Start	Community Engagement	Other Programs	Total Program Services	Management and General	Fundraising	Total
Wages and Benefits	\$ 1,670,364	\$ 1,049,349	\$ 13,103,403	\$ 826,044	\$ 98,524	\$ 16,747,684	\$ 1,661,884	\$ -	\$ 18,409,568
In Kind	-	-	212,696	-	-	212,696	-	-	212,696
Fees	110,906	863,354	1,188,335	117,685	117,387	2,397,667	910,942	20,551	3,329,160
Operating Expense	126,974	24,847	584,454	57,297	32,753	826,325	40,492	1,472	868,289
Equipment and Furnishings	7,820	24,194	356,137	37,372	5,434	430,957	199,932	-	630,889
Travel	4,669	6,876	51,580	3,432	244	66,801	4,870	-	71,671
Occupancy	82,527	58,753	645,151	91,336	165,768	1,043,535	97,453	-	1,140,988
Advertising and Insurance	106,044	16,639	106,441	24,561	40,124	293,809	11,004	-	304,813
Amortization and Depreciation	5,078	28,195	172,777	34,096	137,752	377,898	-	-	377,898
Program Expense	531,174	31,108	792,301	152,469	-	1,507,052	1,750	-	1,508,802
Ancillary Expense	2,928	9,396	138,843	156,184	16,052	323,403	653,574	781	977,758
Total Functional Expenses	\$ 2,648,484	\$ 2,112,711	\$ 17,352,118	\$ 1,500,476	\$ 614,038	\$ 24,227,827	\$ 3,581,901	\$ 22,804	\$ 27,832,532

See accompanying Notes to Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

	Energy Assistance	Energy Conservation	Head Start	Community Engagement	Other Programs	Total Program Services	Management and General	Fundraising	Total
Wages and Benefits	\$ 1,641,948	\$ 1,029,236	\$ 11,195,786	\$ 1,130,013	\$ 410,811	\$ 15,407,794	\$ 1,376,565	\$ 30,608	\$ 16,814,967
In-Kind	23,500	-	209,212	-	-	232,712	-	-	232,712
Fees	67,416	922,831	1,079,388	79,973	409,826	2,559,434	399,626	17	2,959,077
Operating Expense	77,435	23,651	507,732	(19,604)	68,374	657,588	50,518	-	708,106
Equipment and Furnishings	25,111	40,791	347,580	35,635	4,671	453,788	68,883	-	522,671
Travel	7,906	19,628	104,082	7,038	4,400	143,054	13,365	-	156,419
Occupancy	88,131	69,208	581,542	42,163	45,556	826,600	86,387	-	912,987
Advertising and Insurance	123,204	15,402	68,187	4,029	29,066	239,888	16,069	-	255,957
Amortization and Depreciation	-	6,185	50,657	178,133	126,598	361,573	-	-	361,573
Program Expense	732,200	109,387	1,018,983	133,930	3,626	1,998,126	29,290	-	2,027,416
Ancillary Expense	6,357	6,640	95,969	76,336	18,362	203,664	55,798	34,865	294,327
Total Functional Expenses	\$ 2,793,208	\$ 2,242,959	\$ 15,259,118	\$ 1,667,646	\$ 1,121,290	\$ 23,084,221	\$ 2,096,501	\$ 65,490	\$ 25,246,212

See accompanying Notes to Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 469,871	\$ (215,806)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	377,898	361,573
Provision for Loan Loss for Revolving Loans Receivable	31,883	32,526
Changes in Operating Assets and Liabilities:		
Grants Receivable	(1,754,364)	(239,827)
Accounts Receivable	(503,640)	(32,175)
Prepaid Expenses	(25,912)	33,819
Other Assets	26,478	(28,559)
Accounts Payable	610,057	(60,771)
Accrued Payroll and Related Expenses	466,330	(50,103)
Grant Funds Received in Advance	373,043	(124,034)
Net Cash Provided (Used) by Operating Activities	71,644	(323,357)
CASH FLOWS FROM INVESTING ACTIVITIES		
Revolving Loans Issued	(40,022)	(269,767)
Collections on Revolving Loans	117,987	198,326
Purchase of Property and Equipment	(113,506)	(160,202)
Net Cash Used by Investing Activities	(35,541)	(231,643)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	1,099,668	98,500
Proceeds from Issuance of Long-Term Debt & Deferred Loans	(1,142,805)	384,637
Principal Payments on Long-Term Debt	(5,176)	(4,595)
Net Cash Provided (Used) by Financing Activities	(48,313)	478,542
CHANGE IN CASH AND CASH EQUIVALENTS	(12,210)	(76,458)
Cash and Cash Equivalents - Beginning of Year	505,044	581,502
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 492,834	\$ 505,044
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITY		
Accounts Payable for Property and Equipment	\$ 162,246	\$ -

See accompanying Notes to Financial Statements.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Community Action Partnership of Ramsey & Washington Counties (the Organization) was established as a nonprofit corporation in 1965. The Organization partners with people to overcome poverty in Ramsey, Washington, and Anoka counties in Minnesota through a variety of programs and initiatives. The Organization takes a threefold approach to its work: directly serving participants enrolled in programs; educating the public, community leaders, and policymakers about the impact of poverty and the support that is needed; and transforming systems to eliminate barriers so that all community members can achieve their full potential. To understand the current needs of the low-income community, the Organization commissions a community needs assessment every three years. The Organization is primarily supported through federal and state government grants, supplemented by local grants, foundation grants, and donations to the Organization.

Federal Head Start grants are the largest source of funding for the Organization, comprising approximately 49% and 45% of total revenue for the years ended September 30, 2020 and 2019, respectively. Head Start and Early Head Start services provide comprehensive early childhood education and family services to families with children pre-natal through five years. The program promotes school readiness through educational, health, nutritional, social, and parent services to children pre-natal through five and their families. During the fiscal year, approximately 1,622 families were served.

Other significant federal and state grants fund additional low-income programs administered by the Organization, including: Low Income Home Energy Assistance Program (LIHEAP) grants, Energy Conservation Program Weatherization grants, Community Services Block Grant, and the Minnesota Community Action Grant.

Energy Assistance is a health and safety program funded by the federal government's Low Income Home Energy Assistance Program (LIHEAP) grant contract which helps with utility bill payments, crisis intervention when utility service shut-off is imminent, advocacy for utility consumer rights, and referrals to other support programs. Approximately 22,981 households were served during the program year through heat and crisis assistance.

Energy Conservation and Weatherization program activities are supported by funding from the U.S. Departments of Energy and Health and Human Services, plus utility conservation improvement program funds. The program performs energy audits on single and multi-family dwellings for low-income owners and renters, utilizing specialized staff which uses the latest energy conservation tools and techniques to perform the work. Work includes performing energy audits; repairing and replacing mechanical systems; and insulating and air sealing homes. The program weatherized 245 homes in Ramsey, Washington and Anoka counties during the fiscal year.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations (Continued)

The work of the Community Engagement program is funded through the federal Community Services Block Grant and the state of Minnesota Community Action Grant. Program work is focused in three areas: supporting people who are striving to increase their income, encouraging people to build their personal assets, and facilitating civic engagement focused on creating systemic change. All three of these approaches are designed to help low-income people build vital pathways to economic stability.

Other programs reflect additional organizational activities, including Community Housing, Property Management, and Strategic Initiatives. Community Housing operates multiple housing sites across Ramsey and Washington counties; each site provides affordable and quality housing solutions to eligible individuals and families. Property Management includes the leasing of a portion of the organization's headquarters building to other separate and similar mission-based organizations to help defray occupancy costs. Strategic Initiatives coordinates communication and impact measurement activities to increase public understanding of the organization's work; additionally, the program also coordinates agency planning and community assessment activities.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Those resources not subject to donor-imposed restrictions. The Organization has discretionary control over these resources.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of those resources which are limited as to use by donor-imposed stipulations or those resources subject to donor-imposed stipulations that they be maintained in perpetuity by the Organization. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Donor-restricted contributions, the restrictions of which are met in the same year as the gift is made, are reported as with donor restrictions contributions in the current year. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions are reported as reclassifications between the applicable classes of net assets.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Organization receives revenue primarily from grants and contracts, rental income, and program services. Cost-reimbursable federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant or contract provisions. The Organization was awarded cost-reimbursable grants of approximately \$9,400,000 that have not been recognized at September 30, 2020, because qualifying expenditures have not yet been incurred. To the extent that grant advances exist, these amounts are deferred until such time as the related services are provided. Rental income is recognized when earned.

Program income consists primarily of fees with the childcare and weatherization activities and is recognized over time as the services are performed.

Expenditures under governmental awards are subject to review by the granting authority. While management anticipates no disallowance, to the extent that such a review reduces expenditures allowable under these contracts, the Organization will reduce revenues for the period within which the disallowance is determined.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction on a contribution is met in the year of contribution, the contribution is recorded as revenue without restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$143,646 and \$146,615 for the years ended September 30, 2020 and 2019, respectively.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all savings accounts and short-term investments purchased with a maturity date of three months or less to be cash equivalents.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consist primarily of performance government grant and contract reimbursements. Management has determined that no allowance for uncollectible receivables is required since collection of the receivables is expected based on history and experience with these organizations.

Revolving Loans Receivable

Revolving loans are a combination of low-interest and interest-free loans to low-income individuals. They are reported at the principal balance outstanding, net of the allowance for loan losses.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses based on an evaluation of the outstanding loans. Loan losses are charged against the allowance when management believes the collectibility of the principal is unlikely. Subsequent recoveries, if any, are recorded as revenue to the loan program.

Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired. A loan is impaired when, based on current information and events, it is probable that the Organization will be unable to collect all amounts due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal owed.

The general component covers nonimpaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is based on the actual loss history experienced by the Organization over recent years. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost or, if donated, at approximate fair value and depreciated using the straight-line method over the estimated useful life of the asset. The Organization considers property and equipment to be items with an original value of \$5,000 or more and a useful life of over one year.

Facilities leased under capital leases are recorded in property and equipment, with corresponding obligations carried in current and long-term liabilities. The amount capitalized is the lower of the present value of the minimum lease payment or the fair value of the leased property. Amortization of capital leases is recorded on a straight-line basis over the estimated life of the property.

The cost of equipment purchased with grant funds during the year is capitalized at cost on the statements of financial position. Depreciation is provided using the straight-line method over the estimated useful life of the equipment. The various funding sources have a reversionary interest in the equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations.

The net book value of equipment purchased with grant funds at September 30, 2020 and 2019 was \$858,515 and \$1,044,439, respectively.

Building renovations in the year ended September 30, 2002 were funded in part by a \$200,000 grant from the Minnesota Department of Education. This grant must be repaid if the property is sold. As the Organization has no intention of selling the property, the initial grant was recorded as revenue without restriction.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). It is also exempt from Minnesota franchise or income tax. The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements.

In-Kind Contributions

In-kind contributions for space, supplies, and professional services are recorded in the statements of activities as revenue and expenses in the period they are received. During the years ended September 30, 2020 and 2019, the Organization received \$212,696 and \$232,712 of in-kind, respectively, primarily for its Head Start program.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation

Joint costs are allocated to benefiting program and support activities using various allocation methods, depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of more than one of the Organization's activities and which cannot be readily identified with a final cost objective.

Functional Expense Allocation (continued)

Expenses are allocated based on direct expenses whenever possible, and these include costs specific to the various programs. Space costs are allocated to all functions based on the square footage occupied, human resource costs are allocated based on employee counts, finance costs are allocated based on number of transactions, and information technology costs are allocated based on equipment counts by department.

Change in Accounting Principle

In 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. There was no material impact on the Organization's balance sheet and results of operations upon adoption using the modified retrospective approach of the new standard.

The Organization also adopted Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. The Organization adopted the standard related to both contributions received and contributions made during 2020. The accounting change has not been retrospectively applied to prior periods presented but applied prospectively. The implementation of this standard had no impact on the change in net assets as previously reported.

Concentrations

The Organization maintains cash and cash equivalents at three banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At certain times during the year, cash balances may be in excess of FDIC coverage. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

As of September 30, 2020 and 2019, approximately 79% and 81%, respectively, of the employees of the Organization are subject to a collective bargaining agreement with the American Federation of State, County, and Municipal Employees. The agreement expires on March 31, 2023.

Subsequent Events

Subsequent events have been evaluated through August 19, 2021, which is the date the financial statements were available to be issued.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 2 LIQUIDITY

A significant majority of the Organization's revenue is comprised of reimbursements from federal, state, and locally funded programs. Cash reimbursements are requested from these funding sources after expenses have been incurred by the Organization. Reimbursement requests are typically fulfilled and deposited into the Organization's accounts within a range of 2 to 25 business days from the date of request (dependent on funding source).

The Organization's working capital and cash flows have seasonal variations during the year attributable to commencement and closure of programmatic activities, typically in the third and fourth fiscal quarters. To manage liquidity needs, the Organization maintains a line of credit of \$2.5 million with a bank that is drawn upon, if needed, during the year to manage cash flow. As a part of its operating policy, the Organization strives to maintain net assets without donor restrictions of at least 30 to 45 days of average operating expenses and an unrestricted cash balance equal to or greater than 15 to 23 days of average operating expenses.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Financial Assets:		
Cash and Equivalents	\$ 492,834	\$ 505,044
Grants Receivable, Net	4,090,785	2,336,421
Accounts Receivable, Net	570,262	66,622
Current Portion of Revolving Loans Receivable, Net	127,942	194,169
Less: Net Assets with Donor Restrictions	<u>(460,279)</u>	<u>(621,069)</u>
Total Financial Assets	<u>\$ 4,821,544</u>	<u>\$ 2,481,187</u>

NOTE 3 GRANTS RECEIVABLE

The balance at September 30 consisted of amounts due from various agencies as follows:

	<u>2020</u>	<u>2019</u>
Federally Funded Programs	\$ 3,114,540	\$ 1,519,876
State and Local Funded Programs	949,804	816,545
Total	<u>\$ 4,090,785</u>	<u>\$ 2,336,421</u>

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 4 PROPERTY AND EQUIPMENT

The balance at September 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Land and Land Improvements	\$ 1,506,435	\$ 1,506,435
Buildings	7,704,313	7,512,290
Furniture and Equipment	<u>2,048,769</u>	<u>1,965,040</u>
Total	11,259,517	10,983,765
Less: Accumulated Depreciation and Amortization	<u>(7,139,486)</u>	<u>(6,761,588)</u>
Property and Equipment, Net	<u>\$ 4,120,031</u>	<u>\$ 4,222,177</u>

NOTE 5 RENTAL INCOME

At September 30, 2020, approximately 40% of the available space is leased to other entities that also primarily serve low-income individuals. Rent revenue received for the years ended September 30, 2020 and 2019 was \$753,404 and \$740,590, respectively. Future anticipated rents under noncancelable leases are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 642,719
2022	324,058
2023	262,511
2024	157,723
2025	<u>38,243</u>
Total	<u>\$ 1,425,254</u>

NOTE 6 REVOLVING LOANS RECEIVABLE

The Organization has received grants to make a combination of low-interest and interest-free, 24-month to 36-month installment loans to low-income individuals for rental assistance, childcare or medical bills, and vehicle purchases or repairs. Any loan repayments are used to make other loans to low-income individuals.

Revolving loans for the years ended September 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Vehicle Purchase or Repair Loans	\$ 183,478	\$ 297,119
Allowance for Loan Losses	<u>(26,207)</u>	<u>(30,000)</u>
Revolving Loans Receivable, Net	157,271	267,119
Less: Current Portion, Net	<u>127,942</u>	<u>194,169</u>
Revolving Loans Receivable, Long-Term Portion, Net	<u>\$ 29,329</u>	<u>\$ 72,950</u>

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 6 REVOLVING LOANS RECEIVABLE (CONTINUED)

Detailed analysis of the allowance for loan losses as of September 30 was as follows:

	<u>2020</u>	<u>2019</u>
Balance at Beginning	\$ 30,000	\$ 30,000
Loans Charged Off	(31,883)	(32,526)
Provision for Loan Loss	28,090	32,526
Balance at End	<u>\$ 26,207</u>	<u>\$ 30,000</u>

Detailed analysis of loans evaluated for impairment as of September 30 was as follows:

	<u>2020</u>	
	<u>Loan Balance</u>	<u>Allowance Balance</u>
Individually Evaluated for Impairment	\$ -	\$ -
Collectively Evaluated for Impairment	183,478	26,207
Total	<u>\$ 183,478</u>	<u>\$ 26,207</u>
	<u>2019</u>	
Individually Evaluated for Impairment	\$ -	\$ -
Collectively Evaluated for Impairment	297,119	30,000
Total	<u>\$ 297,119</u>	<u>\$ 30,000</u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions are as follows:

<u>Source</u>	<u>Restriction</u>	<u>2020</u>	<u>2019</u>
Capital Campaign	Building Activities	\$ 155,088	\$ 155,088
Donations	Various Purpose Restrictions	54,024	227,825
City of St. Paul	Donated Building to Head Start Program	1,563,228	1,613,883
Donations	Loan Pool	251,167	238,156
Net Assets with Donor Restrictions at September 30		<u>\$ 2,023,507</u>	<u>\$ 2,234,952</u>

Releases from restriction of \$273,800 and \$50,656 were for purpose restrictions and the donated building to head start program, respectively, for the year ended September 30, 2020. For the year ended September 30, 2019, the Organization had releases of \$67,579 and \$50,657 for purpose restrictions and the donated building to the Head Start program, respectively. The Organization received a donor-restricted contribution of a building with an appraised value of \$2,150,000 in the year ended September 30, 2009. The Organization is required to return the building to the donor if it fails to use it in the Head Start program. As the building is depreciated, net assets are released from restriction on the statements of activities.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 8 UNEMPLOYMENT INSURANCE TRUST

The Organization is a participant in a trust as an alternative means of funding unemployment costs. The Organization is required to make annual contributions to the trust as determined by the trustee. The payments made to the trust by the Organization are used to pay unemployment claims as well as administrative costs of the trust.

NOTE 9 RETIREMENT PLAN

All eligible employees of the Organization are able to make contributions to a retirement plan authorized under Section 403(b) of the IRC immediately upon hire. After two years of service, the Organization contributes 3% of the employees' eligible salaries to the plan. All amounts are 100% vested upon contribution to the plan. The employer's contribution for the years ended September 30, 2020 and 2019 was \$306,844 and \$297,916, respectively.

NOTE 10 OPERATING LEASES

The Organization leases various space and equipment under operating leases. All lease agreements include provisions for termination should government funding become unavailable. Lease expense for the years ended September 30, 2020 and 2019 was \$396,839 and \$299,368, respectively. Future minimum lease commitments, by fiscal year, are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 282,209
2022	210,968
2023	152,839
2024	105,393
2025	55,002
Thereafter	32,085
Total	<u>\$ 838,496</u>

NOTE 11 RELATED PARTY

The Organization leases space in a building to Ramsey County Human Services under a lease expiring August 2021. The current year rent received under this lease from Ramsey County was \$244,128.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 12 LINE OF CREDIT

On April 10, 2017, the Organization entered into a line of credit agreement with Bremer Bank. The line of credit is secured with the building located at 450 Syndicate St. N., St. Paul, MN 55104, and provides for short-term borrowing up to \$2,500,000 at a variable interest rate of Prime + 0.25%. Management renewed the agreement in the prior fiscal year and the line of credit matured on April 10, 2021.

Subsequent to year-end, the Organization renewed the line of credit for up to \$2,500,000 at a variable interest rate of a reference rate set by the lender + 0.25%. This line of credit agreement matures April 10, 2023.

The outstanding balance due on this line of credit was \$-0- and \$98,500 as of September 30, 2020 and 2019, respectively.

NOTE 13 DEFERRED LOAN AGREEMENTS

The Organization entered into a deferred loan agreement with the Ramsey County Housing and Redevelopment Authority in September 2018 for an amount not to exceed \$325,000 for purchase and rehabilitation of a property in North St. Paul, Minnesota to be rented to income-qualifying families through the HOME Investment Partnership Act. As of September 30, 2020, the Organization had drawn \$325,000 for the property purchase and improvements. No payments are due as long as the property is maintained as affordable rental housing for a 20-year period, after which time the loan balance will be forgiven.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 14 LONG TERM DEBT

Long-term debt consisted of the following at September 30:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Bremer Bank - A mortgage was issued for property in Little Canada, Minnesota and bears a variable interest rate of 5.31% per annum. The interest rate was set April 23, 2018 and will be adjusted every five years thereafter, based on changes in an independent index which is the business day yield on the five-year Interest Rate Swaps plus 2.5%. The mortgage is payable in monthly installments of \$629 through March 2028, with a final balloon payment of \$59,575 due in April 2028. The loan is secured by the Little Canada property.	\$ 86,152	\$ 88,971
Bremer Bank - A mortgage was issued for property in North St. Paul, Minnesota and bears a variable interest rate of 5.34% per annum. The interest rate was set December 13, 2018 and will be adjusted every five years thereafter, based on changes in an independent index which is the business day yield on the five-year Interest Rate Swaps plus 2.15%. The mortgage is payable in monthly installments of \$701 through November 2028, with a final balloon payment of \$86,907 due in December 2028. The loan is secured by the North St. Paul property.	<u>110,732</u>	<u>113,089</u>
Total	196,884	202,060
Less: Current Maturities	<u>(5,734)</u>	<u>(5,528)</u>
Long-Term Debt Total	<u><u>\$ 191,150</u></u>	<u><u>\$ 196,532</u></u>

Subsequent to year-end, the Organization entered into a loan agreement with Santander Bank to finance the purchase of vehicles. The loan was issued in March 2021 for an original principal amount of \$239,975 for a term of 36 months. Three annual payments of \$40,355 are due beginning in fiscal year 2021 and one payment of \$144,000 will be made by the vehicle vendor per an addendum to the loan agreement. There is no stated interest rate per the agreement; however, the imputed interest rate based on the loan terms is 4.80% per annum. The loan is secured by the vehicles.

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 15 ASSET RETIREMENT OBLIGATION

The Organization's main operating location at 450 Syndicate Street North is known to contain asbestos. No asset retirement obligation is recorded in the statements of financial position as the costs of asbestos abatement are indeterminable at this time. The Organization has identified the potential locations of asbestos throughout the building and will take appropriate remediation procedures when necessary.

NOTE 16 PROGRAM OPERATIONS

The Organization has a grant with the State of Minnesota Department of Commerce for outreach, intake, eligibility, and certification of LIHEAP-eligible participants. Client benefits for LIHEAP-eligible participants are subsequently paid directly by the state of Minnesota. For the years ended September 30, 2020 and 2019, client benefits in the amount of \$9,930,659 and \$10,635,500, respectively, paid by the state, are not included in the statements of activities as they were not part of the grant award.



**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
Community Action Partnership of Ramsey & Washington Counties
Saint Paul, Minnesota

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 Community Action Partnership of Ramsey & Washington Counties, which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 19, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action Partnership of Ramsey & Washington Counties' internal control over financial reporting (internal control) as a basis for designing 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 Community Action Partnership of Ramsey & Washington Counties' internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Ramsey & Washington Counties' 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 Community Action Partnership of Ramsey & Washington Counties' 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 financial statements. 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 result of that testing, and not to provide an opinion on the effectiveness of Community Action Partnership of Ramsey & Washington Counties' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Partnership of Ramsey & Washington Counties' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 19, 2021



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

Board of Directors
Community Action Partnership of Ramsey & Washington Counties
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Community Action Partnership of Ramsey & Washington Counties' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Partnership of Ramsey & Washington Counties' major federal programs for the year ended September 30, 2020. Community Action Partnership of Ramsey & Washington Counties' 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 Community Action Partnership of Ramsey & Washington Counties' 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 Community Action Partnership of Ramsey & Washington Counties' 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 Community Action Partnership of Ramsey & Washington Counties' compliance.

Opinion on Each Major Federal Program

In our opinion, Community Action Partnership of Ramsey & Washington Counties 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 September 30, 2020.

Report on Internal Control Over Compliance

Management of Community Action Partnership of Ramsey & Washington Counties 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 Community Action Partnership of Ramsey & Washington Counties' 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 Community Action Partnership of Ramsey & Washington Counties' 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 19, 2021

**COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020**

Federal Grantor/Program or Cluster Title	Pass-Through Agency	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture				
Child and Adult Care Food Program	Minnesota Department of Education	N/A	10.558	\$ 486,326
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	Minnesota Department of Human Services	GRK%163776/ 3000071845	10.580	60,251
Total U.S. Department of Agriculture				<u>546,577</u>
U.S. Department of Energy				
Weatherization Assistance for Low-Income Persons (19-20)	Minnesota Department of Commerce	141974	81.042	1,125,714
Weatherization Assistance for Low-Income Persons (20-21)	Minnesota Department of Commerce	157633	81.042	211,761
Subtotal 81.042 CFDA				<u>1,337,475</u>
Total U.S. Department of Energy				<u>1,337,475</u>
U.S. Department of Health and Human Services				
Low-Income Home Energy Assistance (Weatherization 19-20)	Minnesota Department of Commerce	19B1MNLIEA	93.568	522,251
Low-Income Home Energy Assistance (Weatherization 20-21)	Minnesota Department of Commerce	20B1MNLIEA	93.568	106,534
Low-Income Home Energy Assistance (19-20)	Minnesota Department of Commerce	1563	93.568	12,753,086
Subtotal 93.568 CFDA				<u>13,381,871</u>
Community Service Block Grant (19-21)	Minnesota Department of Health and Human Services	GRK%160074	93.569	1,160,467
COVID-19: Community Service Block Grant	Minnesota Department of Human Services	GRK%127513	93.569	91,251
Subtotal 93.569 CFDA				<u>1,251,718</u>
Head Start (19-20)	Direct	N/A	93.600	6,772,812
Early Head Start (19-20)	Direct	N/A	93.600	785,621
Head Start (20-21)	Direct	N/A	93.600	5,232,193
Early Head Start (20-21)	Direct	N/A	93.600	756,146
COVID-19: Head Start (20-22)	Direct	N/A	93.600	127,586
Subtotal 93.600 CFDA				<u>13,674,358</u>
Total U.S. Department of Health and Human Services				<u>28,307,947</u>
U.S. Department of Housing and Urban Development				
Home Investment Partnerships Program	Washington County Community Development Agency	N/A	14.239	325,000
U.S. Department of Treasury				
COVID-19: Coronavirus Relief Fund	Ramsey County	FASD COVID19-0013	21.019	178,957
COVID-19: Coronavirus Relief Fund	City of Roseville, Minnesota	N/A	21.019	22,989
COVID-19: Coronavirus Relief Fund	City of White Bear Lake, Minnesota	N/A	21.019	386
COVID-19: Coronavirus Relief Fund	City of New Brighton, Minnesota	N/A	21.019	466
Total U.S. Department of Treasury				<u>202,798</u>
Total Federal Financial Assistance				<u>\$ 30,719,797</u>

**COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020**

Grant Description	Pass-Through Agency	Grant Number	CFDA Number	Expenditures
State and Local Programs				
Minnesota Community Action Grant 20-21	Minnesota Department of Human Services	127513	N/A	\$ 525,404
Healthy AIR 19-20	Minnesota Department of Commerce	N/A	N/A	9,166
Minnesota Head Start 19-20	Minnesota Department of Education	4534	N/A	2,357,264
Minnesota Head Start 20-21	Minnesota Department of Education	4803	N/A	927,754
HS Pathway II Scholarship Funds 19-21	Minnesota Department of Education	N/A	N/A	657,311
Ramsey County SHIP Grant	Ramsey County	N/A	N/A	2,595
Healthy Homes		N/A	N/A	(49)
Pathways to Prosperity 19-20	City of Saint Paul Police Department	N/A	N/A	46,328
Pathways to Prosperity 20-21	City of Saint Paul Police Department	N/A	N/A	16,938
MN VITA Grant	Minnesota Department of Revenue	N/A	N/A	3,957
MN Transitional Housing 20-21	Minnesota Department of Human Services	N/A	N/A	103,578
				<u>4,650,246</u>
Total State and Local Financial Assistance				<u>\$ 4,650,246</u>

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2020

NOTE 1 BASIS OF PRESENTATION

This schedule includes state and local activity as well as the federal grant activity of Community Action Partnership of Ramsey & Washington Counties under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of Community Action Partnership of Ramsey & Washington Counties, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of Community Action Partnership of Ramsey & Washington Counties.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Community Action Partnership of Ramsey & Washington Counties has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 CFDA 93.568

Included in CFDA 93.568 are client benefits paid by the state of Minnesota of \$9,930,659. These expenditures are not included in the statements of activities.

NOTE 4 LOAN OUTSTANDING

The balance of the loan outstanding for the HOME Investment Partnership Program, CFDA 14.239, as of September 30, 2020 is \$325,000.

**COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial
- Statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors' report issued on:
compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required
to be reported in accordance with
2 CFR 200.516(a)? _____ yes X no

Identification of Major Federal Programs

CFDA Number(s)

93.600

93.569

Name of Federal Program or Cluster

U.S. Department of Health and Human Services
Head Start
U.S. Department of Health and Human Services
Community Services Block Grant

Dollar threshold used to distinguish between
Type A and Type B programs:

\$921,593

Auditee qualified as low-risk auditee?

 X yes _____ no

COMMUNITY ACTION PARTNERSHIP OF RAMSEY & WASHINGTON COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

B. Findings – Financial Statements Audit

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

C. Findings – Major Federal Award Programs Audit

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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