



Audited Financial Statements

Nicholas Community Action Partnership, Inc.

Years Ended October 31, 2016 and 2015

Audited Financial Statements

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Years Ended October 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Nicholas Community Action Partnership, Inc. (a nonprofit organization), which comprise the statements of financial position as of October 31, 2016 and 2015, and the related statements of activities 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.

Auditor's 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 Nicholas Community Action Partnership, Inc. as of October 31, 2016 and 2015, 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

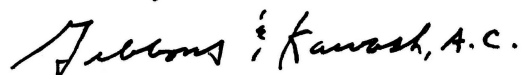
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of activity by program on pages 11-14 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 25, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other information on pages 15 to 24, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2017, on our consideration of the Nicholas Community Action Partnership, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nicholas Community Action Partnership, Inc.'s internal control over financial reporting and compliance.



Charleston, West Virginia
April 11, 2017

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

STATEMENTS OF FINANCIAL POSITION

October 31, 2016 and 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Cash	\$ 603,339	\$ 404,604
Investments	214,044	213,563
Accounts receivable for reimbursable program expenditures	156,528	226,153
Other assets	44,766	55,290
Property and equipment, net	<u>511,719</u>	<u>559,307</u>
Total assets	<u>\$ 1,530,396</u>	<u>\$ 1,458,917</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 49,054	\$ 49,471
Accrued wages	45,010	35,850
Accrued compensated absences	97,891	91,667
Refundable advances	52,117	692
Note payable	<u>190,194</u>	<u>221,573</u>
Total liabilities	434,266	399,253
Net assets, unrestricted	<u>1,096,130</u>	<u>1,059,664</u>
Total liabilities and net assets	<u>\$ 1,530,396</u>	<u>\$ 1,458,917</u>

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

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

STATEMENTS OF ACTIVITIES

Years Ended October 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues:		
Federal	\$ 1,542,678	\$ 1,442,832
State	499,775	558,312
Service fees, net	1,443,960	1,136,018
In-kind	174,578	179,148
Program income	88,317	59,711
Auxiliary income	227,335	297,844
Interest income	1,429	2,164
Contribution of property and equipment	<u>-</u>	<u>99,000</u>
Total revenues	<u>3,978,072</u>	<u>3,775,029</u>
Expenses:		
Salaries	1,601,308	1,474,480
Fringe benefits	376,911	354,822
In-kind	174,578	179,148
Contracted services	700,209	488,296
Equipment	4,360	1,316
Food purchases	217,676	211,691
Indirect costs	302,437	295,675
Insurance	16,429	23,106
Materials and supplies	138,089	110,825
Interest	5,966	6,265
Program costs	109,897	95,441
Professional fees	21,588	22,144
Travel	49,721	50,261
Utilities	54,860	55,890
Vehicle	56,942	40,444
Repairs and maintenance	43,191	28,290
Depreciation	<u>67,444</u>	<u>51,688</u>
Total expenses	<u>3,941,606</u>	<u>3,489,782</u>
Change in net assets	36,466	285,247
Net assets, beginning of year	<u>1,059,664</u>	<u>774,417</u>
Net assets, end of year	<u>\$ 1,096,130</u>	<u>\$ 1,059,664</u>

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

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

STATEMENTS OF CASH FLOWS

Years Ended October 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 36,466	\$ 285,247
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation	71,148	55,020
Contribution of property and equipment	-	(99,000)
(Increase) decrease in:		
Accounts receivable for reimbursable program expenditures	69,625	(84,869)
Other assets	10,524	(8,097)
Increase (decrease) in:		
Accounts payable	(417)	(11,763)
Accrued wages	9,160	2,137
Accrued compensated absences	6,224	7,360
Refundable advance	<u>51,425</u>	<u>374</u>
Net cash provided by operating activities	<u>254,155</u>	<u>146,409</u>
Cash flows from investing activities:		
Purchase of property and equipment	(23,560)	(168,120)
Proceeds from insurance reimbursement	-	20,450
Proceeds from sale (purchase) of investments	<u>(481)</u>	<u>(717)</u>
Net cash used in investing activities	<u>(24,041)</u>	<u>(148,387)</u>
Cash flows from financing activities:		
Principal payments on notes payable	<u>(31,379)</u>	<u>(27,731)</u>
Net increase (decrease) in cash	198,735	(29,709)
Cash, beginning of year	<u>404,604</u>	<u>434,313</u>
Cash, end of year	<u>\$ 603,339</u>	<u>\$ 404,604</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 9,701</u>	<u>\$ 10,188</u>
Non cash investing activity		
Contribution of property and equipment	<u>\$ -</u>	<u>\$ 99,000</u>

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

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

1 - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESDescription of Organization

Nicholas Community Action Partnership, Inc. (NCAP) is a non-profit organization organized to carry out community action programs in Nicholas County, West Virginia, which are generally funded by grants from local, state, and federal government agencies. Such grants usually require compliance with prescribed grant conditions and other special requirements, including the furnishing of certain amounts of cash and non-cash contributions. NCAP provides services designed to combat problems of poverty and to seek the elimination or reduction of conditions of poverty.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Cash

Cash includes deposits with financial institutions in operating accounts. All program receipts and disbursements are deposited and disbursed from a consolidated operating account.

Investments

Investments consist of certificates of deposit with local financial institutions which have original maturity dates in excess of ninety days of NCAP's Statement of Net Position date. Investments are carried at cost which approximates fair value.

Property and Equipment

Property and equipment are stated at cost or, in the case of donated assets, at fair value based on appraisal on the date of donation. Maintenance and repairs are charged to operations as incurred and assets with a cost of \$5,000 or more with a useful life of over one year are capitalized. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Land improvements	20 years
Building and fixtures	5 - 40 years
Equipment	5 - 12 years
Vehicles	4 - 10 years

Grants and Contract Support

NCAP recognizes revenue from its cost reimbursable grants as these costs are incurred. Grant funds are received based on requests for reimbursement from the applicable agency and a liability for refundable advances is recorded when grant advances exceed costs incurred. Similarly, a receivable is recognized when costs exceed the grant advances to the extent that funding is available for reimbursement.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)**1 - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Service Fees

NCAP has agreements with Medicaid that provide for payments to NCAP for services at predetermined rates based on the services provided. Service fees are reported net of contractual adjustments or the net realizable amounts from Medicaid under various agreements. NCAP's ability to receive future payments from these sources depends on legislation enacted and resources available to the State of West Virginia and the Medicaid program.

In-Kind Contributions

In-kind contributions for volunteer services related to Head Start and other programs are provided by qualified volunteers and are recognized as revenues and expenses in the year rendered based upon rates established by the Department of Labor. Revenue and the related expense for donated transportation, facility use, materials, and supplies are recorded at actual cost or through valuation procedures set forth as part of federal cost principles in the year received.

Net Assets

NCAP has classified its net assets and its revenues, gains, and losses based on the existence or absence of donor-imposed restrictions. Assets and contributions that are not restricted by donors or for which restrictions have expired are unrestricted.

Income Taxes

NCAP is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to taxes on income derived from its exempt activities. NCAP is classified as an organization that is not a private foundation under Section 509(a)(2).

Interfund Activity

All interfund transactions of support to/from programs and due to/from program balances are eliminated in the accompanying financial statements.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant estimates and assumptions that affect the reporting of amounts of assets and liabilities and revenues and expenses are those required in the determination of accumulated depreciation. Actual results in the near-term could differ from the estimates used to prepare these financial statements.

Reclassifications

Certain amounts presented in the 2015 financial statements have been reclassified to conform with the 2016 presentation.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)**1 - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Subsequent Events

The date to which events occurring after October 31, 2016, have been evaluated for possible adjustment to or disclosure in the financial statements is April 11, 2017 which is the date the financial statements were available to be issued.

2 - ALLOCATION OF INDIRECT COSTS

NCAP allocates certain administrative costs to the various programs based upon the ratio of each program's direct costs to total direct costs, excluding capital expenditures, certain food purchases and certain contracted services. Allocated administrative costs for the years ended October 31, 2016 and 2015, are as follows:

	<u>2016</u>	<u>2015</u>
Salaries	\$ 188,175	\$ 182,904
Fringe benefits	55,764	56,159
Contracted services	1,880	2,490
Telephone and utilities	11,526	10,871
Travel	5,377	4,696
Office supplies	9,021	8,119
Interest	3,735	3,923
Depreciation	3,704	3,332
Other	<u>23,255</u>	<u>23,181</u>
Total allocated indirect costs	<u>\$ 302,437</u>	<u>\$ 295,675</u>

3 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at October 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Land and land improvements	\$ 119,760	\$ 119,760
Building and fixtures	278,388	278,388
Equipment	96,046	96,046
Vehicles	<u>857,230</u>	<u>1,020,241</u>
	1,351,424	1,514,435
Less accumulated depreciation	<u>(839,705)</u>	<u>(955,128)</u>
	<u>\$ 511,719</u>	<u>\$ 559,307</u>

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)**4 - LONG-TERM DEBT**

Long-term debt consists of a note payable to a bank, due in monthly installments of \$3,160 including interest, with a final payment due on July 15, 2022. The note bears interest at a fixed rate of 4.25%. The note payable is secured by buildings and land. Interest paid for the fiscal years ended October 31, 2016 and 2015, was \$9,701 and \$10,188, respectively, including amounts comprising indirect costs. Maturities of long-term debt are as follows for the years ended October 31:

<u>Year</u>	<u>Amount</u>
2017	\$ 30,564
2018	31,888
2019	33,270
2020	34,712
2021	36,217
Thereafter	<u>23,543</u>
	<u>\$ 190,194</u>

5 - IN-KIND CONTRIBUTIONS AND GRANT MATCHING REQUIREMENTS

NCAP receives donated services in order to meet matching requirements of certain programs. These services do not meet the criteria for reporting revenue and related expenses in these financial statements under U.S. generally accepted accounting principles. The value of these services as estimated by management amounted to \$46,816 and \$39,561, for the years ended October 31, 2016 and 2015, respectively.

6 - RETIREMENT PLAN

NCAP sponsors a defined contribution 401(k) retirement plan for all employees who meet the eligibility requirements of the plan. NCAP matches 50% of employee contributions up to 6% of compensation. Employer contributions for the years ended October 31, 2016 and 2015 were \$19,187 and \$19,253, respectively.

7 - CONCENTRATIONS

Financial instruments which potentially expose NCAP to concentrations of credit risk consist of cash and other deposits with financial institutions reported as investments. NCAP places its cash and other deposits with high credit quality financial institutions. At times, the interest bearing balances in such institutions may exceed the FDIC insurance limit of \$250,000, in which case NCAP requires deposit collateral agreements.

NCAP receives 39% and 38% of its revenue from federal award programs, certain of which are directly funded and others which are passed through various state and local agencies, for the years ended October 31, 2016 and 2015, respectively. Direct federal funding of the Head Start program comprises 59% and 57% of the total federal revenue received for the years ended October 31, 2016 and 2015, respectively.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)**8 - FUNCTIONAL EXPENSES**

Expenses related to NCAP's operation of program activities are as follows:

	October 31	
	<u>2016</u>	<u>2015</u>
Program services	\$ 3,592,620	\$ 3,185,785
General and administrative	<u>348,986</u>	<u>303,997</u>
	<u>\$ 3,941,606</u>	<u>\$ 3,489,782</u>

OTHER INFORMATION

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

SCHEDULE OF ACTIVITY BY PROGRAM

Year Ended October 31, 2016

	Head Start	CSBG	Weatherization	III-B
Revenues:				
Federal	\$ 909,495	\$ 244,391	\$ 171,608	\$ 33,118
State	-	-	26	11,076
Service fees, net	-	-	-	-
In-kind	174,578	-	-	-
Program income	5,137	-	7,233	-
Auxiliary income	152,882	-	31,377	-
Interest income	-	-	-	-
Contribution of property and equipment	-	-	-	-
Total revenues	<u>1,242,092</u>	<u>244,391</u>	<u>210,244</u>	<u>44,194</u>
Expenses:				
Salaries	622,073	70,091	79,917	29,117
Fringe benefits	194,288	18,065	23,283	5,413
In-kind	174,578	-	-	-
Contracted services	846	3,476	595	-
Equipment	-	-	4,360	-
Food purchases	31,135	-	-	-
Indirect costs	107,202	19,083	23,013	4,794
Insurance	4,095	-	3,658	-
Materials and supplies	18,437	14,949	63,174	-
Interest	896	-	2,232	-
Program costs	8,356	39,224	7,543	468
Professional fees	-	20,476	1,112	-
Travel	25,584	301	1,802	182
Utilities	16,569	3,301	6,594	1,747
Vehicles	19,959	2,669	9,646	6,511
Repairs and maintenance	17,186	-	2,500	26
Depreciation	37,795	19,399	-	-
Total expenses	<u>1,278,999</u>	<u>211,034</u>	<u>229,429</u>	<u>48,258</u>
Change in net assets	(36,907)	33,357	(19,185)	(4,064)
Net assets - beginning of year (as restated)	182,410	109,889	10,351	-
Support from (to) other programs	<u>-</u>	<u>(52,756)</u>	<u>26,875</u>	<u>4,064</u>
Net assets - end of year	<u>\$ 145,503</u>	<u>\$ 90,490</u>	<u>\$ 18,041</u>	<u>\$ -</u>

(Continued)

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

SCHEDULE OF ACTIVITY BY PROGRAM
(Continued)

Year Ended October 31, 2016

	III-C	III-D	III-E	Emergency Food and Shelter
Revenues:				
Federal	\$ 156,615	\$ 2,153	\$ 11,685	\$ 5,509
State	93,479	380	361	-
Service fees, net	-	-	-	-
In-kind	-	-	-	-
Program income	50,207	-	549	-
Auxiliary income	-	-	-	-
Interest income	-	-	-	-
Contribution of property and equipment	-	-	-	-
Total revenues	<u>300,301</u>	<u>2,533</u>	<u>12,595</u>	<u>5,509</u>
Expenses:				
Salaries	119,694	906	12,302	-
Fringe benefits	22,250	123	1,855	-
In-kind	-	-	-	-
Contracted services	-	-	-	-
Equipment	-	-	-	-
Food purchases	186,503	38	-	-
Indirect costs	46,050	297	1,566	554
Insurance	8,676	-	-	-
Materials and supplies	24,600	-	-	-
Interest	2,016	-	-	-
Program costs	10,307	1,589	-	4,955
Professional fees	-	-	-	-
Travel	2,154	-	-	-
Utilities	21,341	-	-	-
Vehicles	8,763	-	-	-
Repairs and maintenance	10,147	-	-	-
Depreciation	2,000	-	-	-
Total expenses	<u>464,501</u>	<u>2,953</u>	<u>15,723</u>	<u>5,509</u>
Change in net assets	(164,200)	(420)	(3,128)	-
Net assets - beginning of year (as restated)	-	-	-	-
Support from (to) other programs	<u>164,200</u>	<u>420</u>	<u>3,128</u>	<u>-</u>
Net assets - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

SCHEDULE OF ACTIVITY BY PROGRAM
(Continued)

Year Ended October 31, 2016

	Medicaid	Lighthouse	FAIR	LIFE
Revenues:				
Federal	\$ -	\$ -	\$ -	\$ -
State	-	145,623	53,922	194,908
Service fees, net	1,443,960	-	-	-
In-kind	-	-	-	-
Program income	-	10,665	6,337	220
Auxiliary income	10,174	-	-	-
Interest income	-	-	-	-
Contribution of property and equipment	-	-	-	-
Total revenues	<u>1,454,134</u>	<u>156,288</u>	<u>60,259</u>	<u>195,128</u>
Expenses:				
Salaries	460,896	105,154	41,226	48,804
Fringe benefits	74,393	17,287	6,774	10,387
In-kind	-	-	-	-
Contracted services	688,692	-	-	-
Equipment	-	-	-	-
Food purchases	-	-	-	-
Indirect costs	66,832	14,035	5,397	7,641
Insurance	-	-	-	-
Materials and supplies	13,408	-	-	-
Interest	523	-	-	-
Program costs	25,292	1,037	2,442	-
Professional fees	-	-	-	-
Travel	8,363	2,117	188	103
Utilities	4,670	-	-	-
Vehicles	1,047	-	-	8,347
Repairs and maintenance	2,832	-	-	-
Depreciation	6,709	-	-	-
Total expenses	<u>1,353,657</u>	<u>139,630</u>	<u>56,027</u>	<u>75,282</u>
Change in net assets	100,477	16,658	4,232	119,846
Net assets - beginning of year (as restated)	633,951	23,949	6,706	(3,189)
Support from (to) other programs	<u>(25,992)</u>	<u>-</u>	<u>-</u>	<u>(119,844)</u>
Net assets - end of year	<u>\$ 708,436</u>	<u>\$ 40,607</u>	<u>\$ 10,938</u>	<u>\$ (3,187)</u>

(Continued)

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

SCHEDULE OF ACTIVITY BY PROGRAM
(Continued)

Year Ended October 31, 2016

	CSBG		2016 Totals	2015 totals
	T&TA	General		
Revenues:				
Federal	\$ 8,104	\$ -	\$ 1,542,678	\$ 1,442,832
State	-	-	499,775	558,312
Service fees, net	-	-	1,443,960	1,136,018
In-kind	-	-	174,578	179,148
Program income	-	7,969	88,317	59,711
Auxiliary income	-	32,902	227,335	297,844
Interest income	-	1,429	1,429	2,164
Contribution of property and equipment	-	-	-	99,000
Total revenues	8,104	42,300	3,978,072	3,775,029
Expenses:				
Salaries	-	11,128	1,601,308	1,474,480
Fringe benefits	-	2,793	376,911	354,822
In-kind	-	-	174,578	179,148
Contracted services	-	6,600	700,209	488,296
Equipment	-	-	4,360	1,316
Food purchases	-	-	217,676	211,691
Indirect costs	902	5,071	302,437	295,675
Insurance	-	-	16,429	23,106
Materials and supplies	-	3,521	138,089	110,825
Interest	-	299	5,966	6,265
Program costs	-	8,684	109,897	95,441
Professional fees	-	-	21,588	22,144
Travel	8,082	845	49,721	50,261
Utilities	-	638	54,860	55,890
Vehicles	-	-	56,942	40,444
Repairs and maintenance	-	10,500	43,191	28,290
Depreciation	-	1,541	67,444	51,688
Total expenses	8,984	51,620	3,941,606	3,489,782
Change in net assets	(880)	(9,320)	36,466	285,247
Net assets - beginning of year (as restated)	-	95,597	1,059,664	774,417
Support from (to) other programs	880	(975)	-	-
Net assets - end of year	\$ -	\$ 85,302	\$ 1,096,130	\$ 1,059,664

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.
 SCHEDULE OF ASSETS ACQUIRED WITH GRANT FUNDING
 (UNAUDITED)

October 31, 2016

<u>Program & Description</u>	<u>Purchase Date</u>	<u>Purchase Price</u>	<u>Program Total</u>
Head Start:			
2007 I-C Bus	5/19/2006	\$ 52,595	
1995 Modular - Mt. Lookout	1993	56,000	#
1996 Modular - Panther Ck. - 50%	1996	40,000	#
2016 I-C Bus	2/3/2015	87,962	
2005 Bus INC	8/6/2015	21,000	*
2006 Bus I-C	8/6/2015	26,000	*
2006 Bus I-C	8/6/2015	26,000	*
2006 Bus I-C	8/6/2015	<u>26,000</u>	*
Head Start total			\$ 335,557
CSBG:			
Sharp - 355N - Copier	6/1/2006	7,668	
2008 Chevrolet Equinox	11/06/2007	21,281	
Konica Minolta Copier	4/15/2010	6,008	
2011 I-C Bus	9/30/2010	74,105	
2011 I-C Bus	9/30/2010	74,105	
Ford Explorer	11/25/2014	30,975	
Xerox Copier	3/17/2015	<u>7,408</u>	
CSBG total			221,550
Weatherization:			
2001 Dodge Box Truck	5/8/2001	22,908	*
2001 Dodge Truck	5/8/2001	15,555	*
2008 Chevy Box Truck	11/30/2007	27,570	
Krendl Machine	01/02/2008	<u>6,297</u>	
Weatherization total			72,330
Senior Programs:			
2000 Dodge Mini-Van	7/5/2000	23,800	
2003 Chevy Van	1/31/2003	22,492	
2004 Chevy Van	11/24/2003	22,000	
2009 Dodge Journey	06/26/2008	23,417	
2008 Ford Ranger 4x4 Hot/Cold Truck	08/19/2008	34,753	
Sharp Copier - MX - M450N	10/14/2008	7,771	
2009 Chevy Traverse	9/18/2009	26,970	
2008 Jeep Patriot	10/27/2009	11,056	
1996 Modular - Panther Ck. - 50%	1996	40,000	#
1995 Modular - Panther Ck.	3/24/2014	5,800	
Sharp Copier - MX-3640	9/11/2014	7,342	
Chevy UT	3/20/2015	21,324	
2017 Ford Escape	8/10/2016	<u>23,562</u>	
Senior Programs total			<u>270,287</u>
Total assets acquired with grant funding		<u>\$ 899,724</u>	<u>\$ 899,724</u>

* The amount for the vehicle was estimated by management using similar purchases as a reference.

The amount for the modular was estimated by management using similar purchases as a reference.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.
 COMMUNITY SERVICES BLOCK GRANT
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
Federal income	<u>\$ 218,938</u>	<u>\$ 218,938</u>	<u>\$ -</u>
Expenses:			
Salaries	\$ 66,148	\$ 66,148	\$ -
Fringe benefits	16,081	16,081	-
Other	9,986	9,986	-
Materials and supplies	13,898	13,898	-
Program costs	68,827	68,827	-
Travel	3,282	3,282	-
Contractual	21,738	21,738	-
Indirect costs	<u>18,978</u>	<u>18,978</u>	<u>-</u>
Totals	<u>\$ 218,938</u>	<u>\$ 218,938</u>	<u>\$ -</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

LIGHTHOUSE
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
State income	\$ 149,351	\$ 149,351	\$ -
Project income	<u>8,500</u>	<u>9,952</u>	<u>(1,452)</u>
Total revenues	<u>\$ 157,851</u>	<u>\$ 159,303</u>	<u>\$ (1,452)</u>
Expenses:			
Salaries/wages	\$ 112,000	\$ 106,692	\$ 5,308
Fringe benefits	21,550	18,651	2,899
Travel	3,500	1,694	1,806
Program costs	2,700	814	1,886
Indirect costs	<u>18,101</u>	<u>14,795</u>	<u>3,306</u>
Total expenses	<u>\$ 157,851</u>	<u>\$ 142,646</u>	<u>\$ 15,205</u>
Excess of expenses over revenues			<u>\$ 13,753</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

FAIR
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
State income	\$ 51,832	\$ 51,832	\$ -
Project income	<u>3,000</u>	<u>6,111</u>	<u>(3,111)</u>
Total revenues	<u>\$ 54,832</u>	<u>\$ 57,943</u>	<u>\$ (3,111)</u>
Expenses:			
Salaries/wages	\$ 41,250	\$ 38,963	\$ 2,287
Fringe benefits	7,000	6,825	175
Program costs	-	267	(267)
Indirect costs	<u>6,582</u>	<u>5,325</u>	<u>1,257</u>
Total expenses	<u>\$ 54,832</u>	<u>\$ 51,380</u>	<u>\$ 3,452</u>
Excess of expenses over revenues			<u>\$ 341</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

LIFE
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
State income	\$ 196,800	\$ 196,800	\$ -
Support from other programs	<u>-</u>	<u>15,168</u>	<u>(15,168)</u>
Total revenues	<u>\$ 196,800</u>	<u>\$ 211,968</u>	<u>\$ (15,168)</u>
Expenses:			
Salaries	\$ 22,257	\$ 27,765	\$ (5,508)
Fringe benefits	2,423	7,402	(4,979)
Vehicle insurance	7,103	10,330	(3,227)
Indirect costs	3,938	5,252	(1,314)
Support to senior programs	<u>161,079</u>	<u>161,219</u>	<u>(140)</u>
Total expenses	<u>\$ 196,800</u>	<u>\$ 211,968</u>	<u>\$ (15,168)</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

TITLE III-B
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended September 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
Federal income	\$ 33,118	\$ 33,118	\$ -
State income	11,173	11,173	-
Program income	1,576	-	1,576
Support from other programs	<u>-</u>	<u>3,927</u>	<u>(3,927)</u>
Total revenues	<u>\$ 45,867</u>	<u>\$ 48,218</u>	<u>\$ (2,351)</u>
Expenses:			
Salaries/wages	\$ 28,159	\$ 29,034	\$ (875)
Fringe benefits	4,911	5,423	(512)
Local travel	141	323	(182)
Telephone	1,850	1,766	84
Vehicle maintenance	1,650	1,851	(201)
Vehicle operation	2,300	2,717	(417)
Vehicle insurance	1,800	1,800	-
Program costs	-	477	(477)
Indirect costs	<u>5,056</u>	<u>4,827</u>	<u>229</u>
Total expenses	<u>\$ 45,867</u>	<u>\$ 48,218</u>	<u>\$ (2,351)</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

TITLE III-C (ONE)
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended September 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
Federal income	\$ 49,110	\$ 49,110	\$ -
State income	53,864	53,864	-
Project income	25,000	37,657	(12,657)
Support from LIFE	<u>59,963</u>	<u>59,963</u>	<u>-</u>
Total revenues	<u>\$ 187,937</u>	<u>\$ 200,594</u>	<u>\$ (12,657)</u>
Expenses:			
Salaries/wages	\$ 52,000	\$ 39,155	\$ 12,845
Fringe benefits	14,592	7,578	7,014
Local travel	1,221	860	361
Office supplies	250	318	(68)
Disposable supplies	4,500	4,284	216
Permits & licenses	450	30	420
Employment testing	250	144	106
Rent	1,000	762	238
Telephone	1,500	1,501	(1)
Utilities	7,700	7,492	208
Depreciation	1,000	720	280
Bldg. repairs/maint.	5,000	4,226	774
Contracted services	760	760	-
Advertisement	150	123	27
Program costs	-	5,324	(5,324)
Insurance - liability	2,500	2,289	211
Insurance - flood	1,323	1,365	(42)
Food purchases	75,000	74,404	596
Indirect costs	<u>18,741</u>	<u>16,779</u>	<u>1,962</u>
Total expenses	<u>\$ 187,937</u>	<u>\$ 168,114</u>	<u>\$ 19,823</u>
Excess of expenses over revenues			<u>\$ 7,166</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

TITLE III-C (TWO)
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended September 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
Federal Income	\$ 73,668	\$ 73,668	\$ -
State income	80,796	80,796	-
Project income	10,000	11,780	(1,780)
Support from LIFE	73,652	73,652	-
Support from other programs	<u>20,434</u>	<u>62,790</u>	<u>(42,356)</u>
 Total revenue	 <u>\$ 258,550</u>	 <u>\$ 302,686</u>	 <u>\$ (44,136)</u>
Expenses:			
Salaries/wages	\$ 69,887	\$ 81,028	\$ (11,141)
Fringe benefits	15,000	14,831	169
Local travel	350	1,282	(932)
Office supplies	250	361	(111)
Disposable supplies	12,538	20,100	(7,562)
Permits & licenses	141	30	111
Employment testing	250	184	66
Rent	1,000	1,108	(108)
Telephone	2,000	2,006	(6)
Utilities	9,209	10,163	(954)
Depreciation	1,100	1,079	21
Bldg. repairs/maint.	2,500	4,998	(2,498)
Contracted services	1,140	1,140	-
Advertisement	200	145	55
Vehicle maintenance	1,000	5,022	(4,022)
Vehicle operation	4,050	4,029	21
Program costs	-	6,316	(6,316)
Insurance - liability	3,500	3,432	68
Insurance - flood	1,984	2,048	(64)
Food purchase	105,049	113,158	(8,109)
Indirect costs	<u>27,402</u>	<u>30,226</u>	<u>(2,824)</u>
 Total expenses	 <u>\$ 258,550</u>	 <u>\$ 302,686</u>	 <u>\$ (44,136)</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

TITLE III-D
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended September 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
Federal income	\$ 2,153	\$ 2,153	\$ -
State income	380	380	-
Support from other programs	<u>-</u>	<u>420</u>	<u>(420)</u>
Total revenues	<u>\$ 2,533</u>	<u>\$ 2,953</u>	<u>\$ (420)</u>
Expenses:			
Salaries/wages	\$ 574	\$ 907	\$ (333)
Fringe benefits	98	123	(25)
Program costs	1,582	1,629	(47)
Indirect costs	<u>279</u>	<u>294</u>	<u>(15)</u>
Total expenses	<u>\$ 2,533</u>	<u>\$ 2,953</u>	<u>\$ (420)</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

TITLE III-E
 SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET
 (UNAUDITED)

Program Year Ended September 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Under (Over)</u>
Revenues:			
Federal income	\$ 11,685	\$ 11,685	\$ -
State income	3,900	3,900	-
Program Income	1,471	673	798
Support from LIFE	<u>4,998</u>	<u>4,998</u>	<u>-</u>
Total revenues	<u>\$ 22,054</u>	<u>\$ 21,256</u>	<u>\$ 798</u>
Expenses:			
Salaries/wages	\$ 17,500	\$ 15,026	\$ 2,474
Fringe benefits	2,200	2,399	(199)
Indirect costs	2,354	1,961	393
Support to senior programs (III-C)	<u>-</u>	<u>1,870</u>	<u>(1,870)</u>
Total expenses	<u>\$ 22,054</u>	<u>\$ 21,256</u>	<u>\$ 798</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended October 31, 2016

Federal Grantor/ Pass-through Grantor Program Title	CFDA Number	Pass Through Agency Number	Federal Expenditures
Department of Health and Human Services			
Head Start (Direct Assistance)	93.600	N/A	\$ 895,679
Passed through the WV Office of Economic Opportunity:			
Community Services Block Grant	93.569	15CSBG-F11	63,365
Community Services Block Grant	93.569	16CSBG-F12	181,026
Community Services Block Grant	93.569	16CSBGDT11	8,104
Total Community Services Block Grant			<u>252,495</u>
Low-Income Home Energy Assistance	93.568	DHHRWX1509	139,469
Low-Income Home Energy Assistance	93.568	DHHRWX1609	596
Total Low-Income Home Energy Assistance			<u>140,065</u>
Passed through the Appalachian Area Agency on Aging:			
Special Programs for the Aging - Title III B	93.044	-	33,118
Special Programs for the Aging - Title III C	93.045	-	156,615
Total Aging Cluster			<u>189,733</u>
Special Programs for the Aging - Title III D	93.043	-	2,153
National Family Caregiver Support - Title III E	93.052	-	11,685
Department of Agriculture			
Passed through the WV Department of Education :			
School Breakfast Program	10.553	-	13,816
Department of Energy			
Passed through the WV Office of Economic Opportunity:			
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1509	9,304
	81.042	DOEWX1609	22,239
Total Weatherization Assistance for Low-Income Persons			<u>31,543</u>
Department of Homeland Security			
Emergency Food and Shelter	97.024	N/A	<u>5,509</u>
Total federal expenditures			<u>\$ 1,542,678</u>

See Note to the Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of the Nicholas Community Action Partnership, Inc. (NCAP), and is presented in conformity with accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the Nicholas Community Action Partnership, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Nicholas Community Action Partnership, Inc.

2 - INDIRECT COST RATE

NCAP has elected not to use 10 percent de-minimis indirect cost rate allowed under the Uniform Guidance.

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

To the Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia

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 Nicholas Community Action Partnership, Inc. (NCAP) (a nonprofit organization), which comprise the statement of financial position as of October 31, 2016, 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 April 11, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NCAP'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 NCAP's internal control. Accordingly, we do not express an opinion on the effectiveness of NCAP's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NCAP'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 NCAP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gibbons & Kawash, A.C.

Charleston, West Virginia
April 11, 2017

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

To the Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Nicholas Community Action Partnership, Inc.'s (NCAP) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on NCAP's major federal program for the year ended October 31, 2016. NCAP's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for NCAP's major federal program 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 (CFR) 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about NCAP'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 the major federal program. However, our audit does not provide a legal determination of NCAP's compliance.

Opinion on Major Federal Program

In our opinion, NCAP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended October 31, 2016.

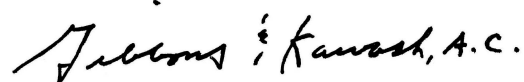
Report on Internal Control Over Compliance

Management of NCAP 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 NCAP's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of NCAP's internal control over compliance.

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

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

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



Charleston, West Virginia
April 11, 2017

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended October 31, 2016

Section I - Summary of Auditor's Results*Financial Statements*

Type of auditor's reports issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)? _____ Yes X No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Year Ended October 31, 2016

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None