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**THE COMMUNITY  
PARTNERSHIP**

**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**KEAN, WIGGINS & COMPANY, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
PO BOX 876, 704 WEST 2<sup>ND</sup> STREET  
ROLLA, MISSOURI 65402**

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# KEAN, WIGGINS & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS  
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Community Partnership  
Rolla, Missouri

We have audited the accompanying financial statements of The Community Partnership (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expense, and cash flows for the years then ended, and related notes to the financial statements.

## **Management's Responsibility for the Financial Statements**

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

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of 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 The Community Partnership as of June 30, 2018 and 2017, 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.

*Kean, Wiggins & Company, LLC*

Kean, Wiggins & Company, LLC

Rolla, Missouri

October 30, 2018

**THE COMMUNITY PARTNERSHIP  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2018 AND 2017**

|   | June 30,          |                   |
|---|-------------------|-------------------|
|   | 2018              | 2017              |
| <b>ASSETS</b>                           |                   |                   |
| <b>Current assets</b>                   |                   |                   |
| Cash and cash equivalents               | \$ 380,872        | \$ 420,442        |
| Accounts receivable                     | 94,081            | 65,278            |
| Inventory                               | 42,098            | 50,542            |
| Security deposit                        | 3,250             | 3,250             |
| Prepays                                 | 6,195             | 5,245             |
| Total current assets                    | 526,496           | 544,757           |
| <b>Fixed assets</b>                     |                   |                   |
| Leasehold improvements                  | 30,083            | -                 |
| Vehicle and trailers                    | 45,464            | 45,464            |
| Accumulated depreciation                | (23,169)          | (13,539)          |
| Total fixed assets                      | 52,378            | 31,925            |
| <b>TOTAL ASSETS</b>                     | <b>\$ 578,874</b> | <b>\$ 576,682</b> |
| <b>LIABILITIES</b>                      |                   |                   |
| <b>Current liabilities</b>              |                   |                   |
| Accounts payable                        | \$ 53,439         | \$ 30,419         |
| Note payable (current)                  | 7,887             | 7,739             |
| Payroll liabilities                     | 4,295             | 1,774             |
| Accrued payroll                         | 13,781            | 13,794            |
| Accrued vacation                        | 31,955            | 30,227            |
| Deferred revenue                        | 27,091            | 29,891            |
| Total current liabilities               | 138,448           | 113,844           |
| <b>Long term liabilities</b>            |                   |                   |
| Note payable                            | 12,082            | 19,971            |
| <b>TOTAL LIABILITIES</b>                | 150,530           | 133,815           |
| <b>NET ASSETS</b>                       |                   |                   |
| Unrestricted net assets                 | 344,838           | 360,225           |
| Temporarily restricted net assets       | 83,506            | 82,643            |
| <b>TOTAL NET ASSETS</b>                 | <b>428,344</b>    | <b>442,868</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 578,874</b> | <b>\$ 576,682</b> |

The accompanying notes are an integral part of these statements.

**THE COMMUNITY PARTNERSHIP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018 AND 2017**

| UNRESTRICTED NET ASSETS   | Years Ended June 30,            |                                 |
|---|---------------------------------|---------------------------------|
| Support and revenue   | 2018                            | 2017                            |
| Public support:   |                                 |                                 |
| Donations   | \$ 374,054                      | \$ 397,689                      |
| NAP tax credit donation   | -                               | 10,750                          |
| In-kind donations   | 13,499                          | 11,019                          |
| State of Missouri   | 795,050                         | 827,193                         |
| Children's trust fund   | -                               | 9,990                           |
| Foundation grants   | 54,569                          | 48,662                          |
| Missouri preschool project  | 3,348                           | 4,890                           |
| Senate Bill 40 board  | 65,865                          | 58,696                          |
| Total public support  | <u>1,306,385</u>                | <u>1,368,890</u>                |
| Other revenue:  |                                 |                                 |
| Interest income   | 1,764                           | 1,538                           |
| Salvage and vending sales   | 6,128                           | 4,000                           |
| Thrift store revenue  | 249,870                         | 266,980                         |
| Other income  | 298                             | 492                             |
| Total other revenue   | <u>258,060</u>                  | <u>273,010</u>                  |
| <b>Total support and revenue</b>                                  | <b>1,564,445</b>                | <b>1,641,900</b>                |
| <b>Net assets released from restrictions:</b>                     |                                 |                                 |
| Net assets released from restrictions                             | <u>20,597</u>                   | <u>16,407</u>                   |
| <b>Total unrestricted support, revenue, and reclassifications</b> | <b>1,585,042</b>                | <b>1,658,306</b>                |
| <b>Expenses</b>   |                                 |                                 |
| Program expenses  | 1,164,695                       | 1,220,048                       |
| Support services  |                                 |                                 |
| Management and General  | 405,084                         | 403,475                         |
| Fundraising   | 9,190                           | 7,718                           |
| Total support services  | <u>414,274</u>                  | <u>411,193</u>                  |
| <b>Total expenses</b>   | <b><u>1,578,969</u></b>         | <b><u>1,631,241</u></b>         |
| <b>Increase (decrease) in unrestricted net assets</b>             | <b>6,073</b>                    | <b>27,065</b>                   |
| <b>TEMPORARILY RESTRICTED NET ASSETS</b>                          |                                 |                                 |
| Net assets released from restrictions                             | <u>(20,597)</u>                 | <u>(16,407)</u>                 |
| <b>Increase (decrease) in temporarily restricted net assets</b>   | <b><u>(20,597)</u></b>          | <b><u>(16,407)</u></b>          |
| <b>Increase (decrease) in net assets</b>                          | <b>(14,524)</b>                 | <b>10,659</b>                   |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                              | <b><u>442,868</u></b>           | <b><u>432,209</u></b>           |
| <b>NET ASSETS, END OF YEAR</b>                                    | <b><u><u>\$ 428,344</u></u></b> | <b><u><u>\$ 442,868</u></u></b> |

The accompanying notes are an integral part of these statements.

**THE COMMUNITY PARTNERSHIP  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018**

|   | <u>Program</u>      | <u>Management<br/>&amp; General</u> | <u>Fundraising</u> | <u>Total</u>        |
|---|---------------------|-------------------------------------|--------------------|---------------------|
| Advertising                                 | \$ -                | \$ 5,018                            | \$ -               | \$ 5,018            |
| Audit                                       | -                   | 6,695                               | -                  | 6,695               |
| Background search/MVR                       | -                   | 130                                 | -                  | 130                 |
| Board group expense                         | -                   | 1,286                               | -                  | 1,286               |
| Contract labor                              | 9,850               | -                                   | -                  | 9,850               |
| Community neighborhood development          | 16,237              | -                                   | -                  | 16,237              |
| Copier rental/maintenance                   | -                   | 1,511                               | -                  | 1,511               |
| Copies                                      | 3,648               | -                                   | -                  | 3,648               |
| Cost of sales                               | 258,314             | -                                   | -                  | 258,314             |
| Depreciation                                | -                   | 9,630                               | -                  | 9,630               |
| Educare services                            | 24,764              | -                                   | -                  | 24,764              |
| Employee benefits                           | 61,750              | 24,674                              | -                  | 86,424              |
| Family support training and supplies        | 38,441              | -                                   | -                  | 38,441              |
| Fees/finance charges                        | -                   | 5,133                               | -                  | 5,133               |
| G/L insurance                               | -                   | 16,501                              | -                  | 16,501              |
| In-kind donations expense                   | 13,499              | -                                   | -                  | 13,499              |
| Internet service                            | 990                 | -                                   | -                  | 990                 |
| Mentor training                             | 1,235               | -                                   | -                  | 1,235               |
| Office repairs/cleaning/maintenance         | -                   | 13,066                              | -                  | 13,066              |
| Payroll                                     | 476,792             | 190,516                             | -                  | 667,308             |
| Payroll taxes                               | 40,968              | 16,370                              | -                  | 57,338              |
| Postage                                     | -                   | 1,282                               | -                  | 1,282               |
| Professional development                    | -                   | 9,713                               | -                  | 9,713               |
| Public relations                            | 447                 | -                                   | 9,190              | 9,637               |
| Remodel/upgrade                             | -                   | 7,109                               | -                  | 7,109               |
| Rent  | -                   | 64,680                              | -                  | 64,680              |
| Subcontract services                        | 177,939             | -                                   | -                  | 177,939             |
| Supplies                                    | 8,101               | -                                   | -                  | 8,101               |
| Technology                                  | -                   | 13,464                              | -                  | 13,464              |
| Telephone                                   | 9,337               | -                                   | -                  | 9,337               |
| Travel-mileage                              | 15,033              | -                                   | -                  | 15,033              |
| Utilities                                   | -                   | 18,306                              | -                  | 18,306              |
| Vehicle                                     | 1,597               | -                                   | -                  | 1,597               |
| Youth training and support-supplies, etc.   | 4,583               | -                                   | -                  | 4,583               |
| Youth training and support-youth incentives | 1,170               | -                                   | -                  | 1,170               |
| <b>Total Expenses</b>                       | <b>\$ 1,164,695</b> | <b>\$ 405,084</b>                   | <b>\$ 9,190</b>    | <b>\$ 1,578,969</b> |

The accompanying notes are an integral part of these statements.

**THE COMMUNITY PARTNERSHIP  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017**

|   | <u>Program</u>      | <u>Management<br/>&amp; General</u> | <u>Fundraising</u> | <u>Total</u>       |
|---|---------------------|-------------------------------------|--------------------|--------------------|
| Advertising                                 | \$ -                | \$ 7,014                            | \$ -               | \$ 7,014           |
| Audit                                       | -                   | 5,595                               | -                  | 5,595              |
| Background search/MVR                       | -                   | 223                                 | -                  | 223                |
| Board group expense                         | -                   | 262                                 | -                  | 262                |
| Contract labor                              | 7,987               | -                                   | -                  | 7,987              |
| Community neighborhood development          | 20,159              | -                                   | -                  | 20,159             |
| Copier rental/maintenance                   | -                   | 1,599                               | -                  | 1,599              |
| Copies                                      | 3,623               | -                                   | -                  | 3,623              |
| Cost of sales                               | 271,633             | -                                   | -                  | 271,633            |
| Depreciation                                | -                   | 9,093                               | -                  | 9,093              |
| Educare services                            | 21,401              | -                                   | -                  | 21,401             |
| Employee benefits                           | 59,704              | 23,856                              | -                  | 83,560             |
| Family support training and supplies        | 25,266              | -                                   | -                  | 25,266             |
| Fees/finance charges                        | -                   | 5,592                               | -                  | 5,592              |
| G/L insurance                               | -                   | 15,562                              | -                  | 15,562             |
| In-kind donations expense                   | 11,019              | -                                   | -                  | 11,019             |
| Internet service                            | 929                 | -                                   | -                  | 929                |
| Mentor training                             | 920                 | -                                   | -                  | 920                |
| Office repairs/cleaning/maintenance         | -                   | 13,692                              | -                  | 13,692             |
| Payroll                                     | 504,439             | 201,564                             | -                  | 706,003            |
| Payroll taxes                               | 43,374              | 17,331                              | -                  | 60,705             |
| Postage                                     | -                   | 1,282                               | -                  | 1,282              |
| Professional development                    | -                   | 8,610                               | -                  | 8,610              |
| Public relations                            | 1,495               | -                                   | 7,718              | 9,213              |
| Rent  | -                   | 64,212                              | -                  | 64,212             |
| Subcontract services                        | 207,627             | -                                   | -                  | 207,627            |
| Supplies                                    | 6,459               | -                                   | -                  | 6,459              |
| Technology                                  | -                   | 12,345                              | -                  | 12,345             |
| Telephone                                   | 9,023               | -                                   | -                  | 9,023              |
| Travel-mileage                              | 17,026              | -                                   | -                  | 17,026             |
| Utilities                                   | -                   | 15,643                              | -                  | 15,643             |
| Vehicle                                     | 990                 | -                                   | -                  | 990                |
| Youth training and support-supplies, etc.   | 6,574               | -                                   | -                  | 6,574              |
| Youth training and support-youth incentives | 400                 | -                                   | -                  | 400                |
| <b>Total Expenses</b>                       | <b>\$ 1,220,048</b> | <b>\$ 403,475</b>                   | <b>\$ 7,718</b>    | <b>\$1,631,241</b> |

The accompanying notes are an integral part of these statements.



**THE COMMUNITY PARTNERSHIP  
STATEMENT OF CASH FLOW  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

|   | Year Ended June 30, |            |
|---|---------------------|------------|
|   | 2018                | 2017       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |            |
| Change in net assets  | \$ (14,523)         | \$ 10,659  |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |            |
| Depreciation expense  | 9,630               | 9,093      |
| (Increase) decrease in accounts receivable  | (28,803)            | 9,283      |
| (Increase) decrease in inventory  | 8,444               | 4,653      |
| (Increase) decrease in prepaids   | (950)               | (5,245)    |
| Increase (decrease) in accounts payable   | 23,020              | 2,813      |
| Increase (decrease) in accrued vacation payable   | 1,728               | 901        |
| Increase (decrease) in deferred revenue   | (2,800)             | 1,792      |
| Increase (decrease) in payroll liabilities  | 2,521               | 977        |
| Increase (decrease) in accrued payroll  | (13)                | (19,911)   |
| Total adjustments   | 12,777              | 4,356      |
| Net cash provided (used) by operating activities  | (1,746)             | 15,015     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |            |
| Purchase of property and leasehold improvements   | (30,083)            | -          |
| Proceeds from sale of assets  | -                   | -          |
| Net cash provided (used) by investing activities  | (30,083)            | -          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |                     |            |
| Loan advances   | -                   | -          |
| Payments on loan  | (7,741)             | (8,198)    |
| Net cash provided (used) by financing activities  | (7,741)             | (8,198)    |
| <b>NET INCREASE IN CASH/CASH EQUIVALENTS</b>  | (39,570)            | 6,817      |
| <b>CASH, BEGINNING OF YEAR</b>  | 420,442             | 413,625    |
| <b>CASH, END OF YEAR</b>  | \$ 380,872          | \$ 420,442 |

The accompanying notes are an integral part of these statements.

**THE COMMUNITY PARTNERSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 – NATURE OF ACTIVITIES & SIGNIFICANT ACCOUNTING POLICES**

**Nature of Business**

The Community Partnership (the Partnership) was established in 1997 to support the development of healthy and thriving communities by promoting awareness of needs, creating and implementing services and partnerships to help meet those needs, and encouraging individual responsibility.

**Basis of Accounting**

The financial statements of the Partnership are prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

**Cash and Cash Equivalents**

For the purposes of these statements, cash consists of money in checking and money market accounts.

**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 organization estimates that inventory turnover at the Resale Shop is approximately two months. Since it is implausible to take a year end physical inventory count on the Resale Shop items due to the large number of items present, the year-end inventory is valued at the sum of the sales made in the subsequent two months after year-end.

**In-Kind Donations**

Donations of items received for resale are recorded as contributions at their estimated fair value at the date of donation. Donated services, and other miscellaneous in-kind donations such as use of facilities, are recognized as contributions if the donations (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Partnership. Volunteers also provided tutoring and other services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Partnership receives more than 9,636 volunteer hours per year from approximately 850 volunteers. Due to the reports the Partnership is required to file with the State of Missouri, in-kind donations are reported as a single line item on the expense side of the transaction. Reporting each in-kind donation with the appropriate expense account would misstate the amounts to be refunded by the State of Missouri to the Partnership.

**THE COMMUNITY PARTNERSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**Allowance for Doubtful Accounts**

The Partnership has deemed all receivables to be fully collectible due to the fact that the majority of receivables are state contracts; therefore, no allowance for doubtful accounts has been determined.

**Inventory**

Inventory consists of the items donated to the Partnership thrift store and held for resale at June 30, 2018. Items are valued at fair market value as of the date of donation.

**Financial Statement Presentation**

The financial statements are prepared in accordance with generally accepted accounting principles promulgated in the United States of America for not-for-profit organizations. The Partnership, therefore, reports information about its financial position and activities using three classes of net assets that recognize the existence and nature of restrictions on its net assets.

Unrestricted net assets represent resources over which the Board of Directors has unlimited discretionary control to carry out the activities of the organization in accordance with the articles and bylaws of the organization.

Temporarily restricted net assets represent resources whose use is limited by donor imposed restrictions that will be met either by actions of the organization or by the passage of time. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Permanently restricted net assets represent resources whose use is limited by donor imposed restrictions that require the net assets to be maintained permanently. The Partnership has no permanently restricted net assets.

**Income Taxes**

The Partnership is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Partnership's tax-exempt purpose is subject to taxation as unrelated business income. The Partnership had no unrelated business income. Open tax years subject to examination by the Internal Revenue Service as of June 30, 2018 were 2017, 2016, and 2015.

**Fixed Assets**

Major acquisitions of property, equipment, and leasehold improvements are capitalized. These acquisitions are stated at cost, or if donated, at the approximated fair value at the date of donation. The costs of long-term additions and betterments are capitalized and expenditures for repairs and maintenance are expensed when paid. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in additions to or deductions from net assets.

**THE COMMUNITY PARTNERSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

Fixed assets are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Depreciation expense for fiscal years ending June 30, 2018 and 2017 were \$9,630 and \$9,093 respectively.

Some furniture and equipment purchased by the Partnership are used to meet grant requirements. The State of Missouri owns the assets purchased using state dollars and if the Partnership should dissolve, the assets would be returned to the state. Accordingly, this furniture and equipment is expensed when purchased.

**Advertising Costs**

Advertising costs are expensed as incurred. Advertising costs for the year ended June 30, 2018 and 2017 were \$5,018 and \$7,014 respectively.

**Fundraising Costs**

Fundraising costs are expensed as incurred. Fundraising costs for the years ended June 30, 2018 and 2017 were \$9,190 and \$7,718 respectively.

**Subsequent Events**

The Partnership evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through October 30, 2018, which is the date the financial statements were available to be issued.

**NOTE 2 - CONCENTRATIONS**

The Partnership places its cash and cash equivalents with credit-worthy, high quality financial institutions. Balances at these institutions are insured by FDIC up to \$250,000. All balances were fully insured as of June 30, 2018 and 2017.

Off balance sheet repurchases balances are not insured or guaranteed by the FDIC or any other government agency. The off balance sheet repurchase balance does, however, represent purchases of government-back securities. The Foundation's off balance sheet repurchases balances as of June 30, 2018 and 2017 were \$246,502 and \$273,348.35 respectively. These balances are included in cash and cash equivalents.

**NOTE 3 – EMPLOYEE BENEFIT PLAN**

The Partnership has a SIMPLE Individual Retirement Account plan covering substantially all employees. Under the plan, the Partnership matches employee contributions up to 3% of gross wages. Plan expenses incurred by the Partnership during the year ended June 30, 2018 and 2017 were \$16,858 and \$18,753 respectively.



# KEAN, WIGGINS & COMPANY, LLC

October 30, 2018

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of  
The Community Partnership  
Rolla, Missouri

We have audited the financial statements of The Community Partnership for the years ended June 30, 2018 and 2017, and have issued our report thereon dated October 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 17, 2018. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Community Partnership are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2017/2018 or 2016/2017 fiscal years. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the year end resale shop inventory is based on an assumption of inventory turnover rates, which has been assumed as every two months. The sum of the resale shop sales in the subsequent two months after fiscal year end are used as the year-end inventory balance. We evaluated the key factors and assumptions used to develop the inventory valuation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the use of estimates in Note 1 to the financial statements describe the steps taken to estimate year-end Resale Shop inventory and how actual results from these estimations could differ.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 30, 2018.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of The Community Partnership and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Kean, Wiggins & Company, LLC*

Kean, Wiggins & Company, LLC

Rolla, Missouri