



Northwest Portland Area Indian Health Board



Audit Summary Presentation
Fiscal Year Ended
September 30, 2019

Organization and History

- Founded in 1953, REDW_{LLC} is one of the largest CPA and business consulting firms based in the Southwestern U.S.
- Nearly 200 team members in Albuquerque and Phoenix
- Serve Tribes and healthcare organizations throughout the country



Audit Team

- Chris Tyhurst, CPA - Principal
- Alex Mercer – Senior Associate
- Victoria Spragg - Associate

Required Communications to Those Charged with Governance

- Required by our professional standards
- Discuss our views on:
 - NPAIHB's accounting practices and policies
 - Management's judgments and estimates
 - Financial statement disclosures
 - Financial statement and federal compliance
 - Other

Status of Our Audit — continued

- Our financial statement audit and federal awards audit is completed for the year ended September 30, 2019.
- Our audit was conducted in accordance with:
 - U.S. generally accepted auditing standards
 - Government Auditing Standards
 - Uniform Guidance
- Audit objective: Obtain **reasonable** – not absolute – assurance the financial statements are free from material misstatements, whether due to fraud or error.

Status of Our Audit — continued

- Scope of work performed was substantially the same as we discussed in our earlier audit planning communications meeting.
- We issued unmodified opinions on the financial statements and major federal programs compliance, and released our report on April 10, 2020.

Status of Our Audit — continued

- Our responsibility for other information contained in the financial statements.
- All records and information we requested were freely available for our inspection.
- Cooperation was excellent from management and all levels within the organization.

Results of Our Audit

- Accounting Practices and Policies
 - Significant accounting practices and policies are included in Note 1 to the financial statements
 - They are appropriate, comply with GAAP and industry standards, and were consistently applied
 - A summary of recently issued accounting pronouncements is included in Note 1
 - Leases
 - Revenue From Contracts With Customers
 - Implementation of new accounting standard
 - Presentation of Financial Statements of Not-for-Profit Entities
 - Aside from above, there were no significant changes in accounting policies and practices during the year

Results of Our Audit — continued

- Accounting Estimates
 - Significant accounting estimates include:
 - Depreciation expense
 - Management made no significant changes to the processes or assumptions used to develop significant accounting estimates during the fiscal year.

Results of Our Audit — continued

- Correcting Journal Entries
 - Management provided entry to reduce Indirect Revenue:

Account	Description	Debit	Credit
999-4035	Indirect Revenue	807.00	
999-6013	Minor Computer		807.00
Total		807.00	807.00

Internal Control Over Financial Reporting

- Professional standards require us to communicate to you, in writing, the following types of internal control over financial reporting items:

Category	Definition
Deficiency in 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.
Significant Deficiency	A deficiency or 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.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of AHCH's financial statements will not be prevented, or detected and corrected on a timely basis.

Internal Control Over Financial Reporting — continued

- In conjunction with our audit of the financial statements, we noted no material weaknesses.
- No significant deficiencies were reported.

Single Audit (Uniform Guidance)

- The following major programs were tested in accordance with OMB Uniform Guidance provisions:

CFDA #	Program Name
93.228	Health Management Development Program
93.243	Substance Abuse and Mental Health
93.772	Public Health Improvement and Training
93.788	Tribal Opioid Response

Single Audit (Uniform Guidance)

Finding: Subrecipient Monitoring – CFDA 93.228, 93.243 and 93.788

Criteria: The OMB Uniform Grant Guidance (2 CFR 200.331) requires that pass-through entities such as NPAIHB (1) evaluate each subrecipient's risk of noncompliance and (2) monitor the activities of the subrecipient as necessary to ensure compliance.

Condition: Risk assessments were not performed. Some monitoring procedures were performed, but not enough to meet the requirements of the Uniform Grant Guidance.

Other Required Communications

- No significant changes were made to our planned audit strategy or significant risks initially identified and discussed with you in our earlier audit planning communications meeting.
- No matters relevant to the audit regarding NPAIHB's financial reporting that we were made aware of as a result of our inquiries of those charged with.
- No specialized skills or knowledge were needed, outside our core engagement team, to perform the audit or evaluate results related to significant risks.

Other Required Communications — continued

- Since our earlier audit planning communication meeting, there were no significant changes in:
 - The basis for our determination that we can serve as principal auditor.

Other Required Communications — continued

- We are not aware of any consultations about accounting matters, auditing matters, or GAAP application between management and other CPA firms.
- No disagreements with management about matters, whether or not satisfactorily resolved, that could be significant to the NPAIHBs financial statements or our auditor's report.
- No significant difficulties we encountered during our audit.

Other Required Communications — continued

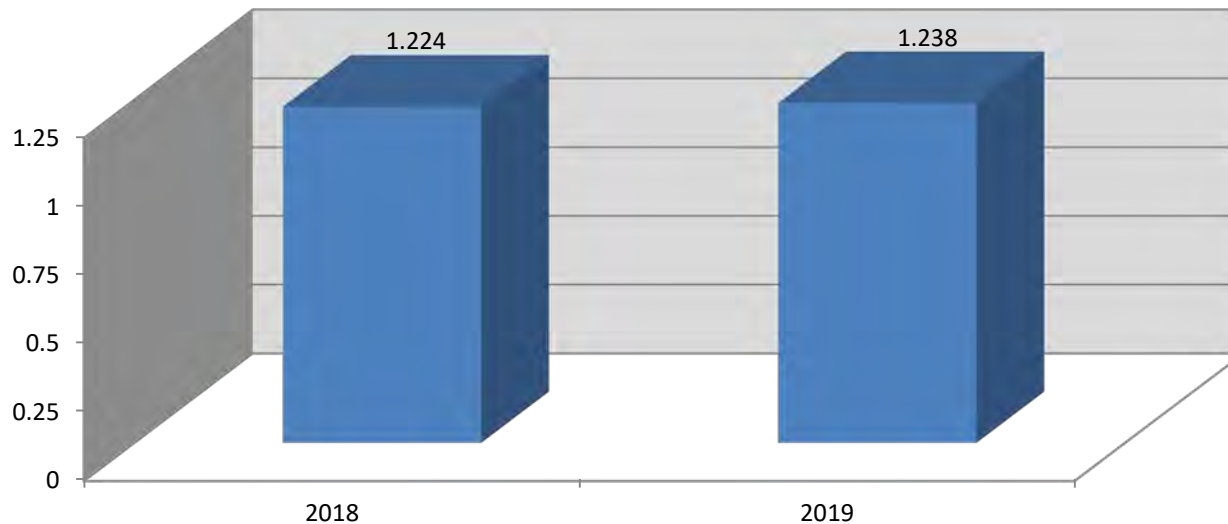
- No other matters significant to the oversight of the NPAIHB's financial reporting process not previously communicated.
- Various representations were requested and obtained from management in the form of a written letter.
- Our engagement letter describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services.



Financial Highlights

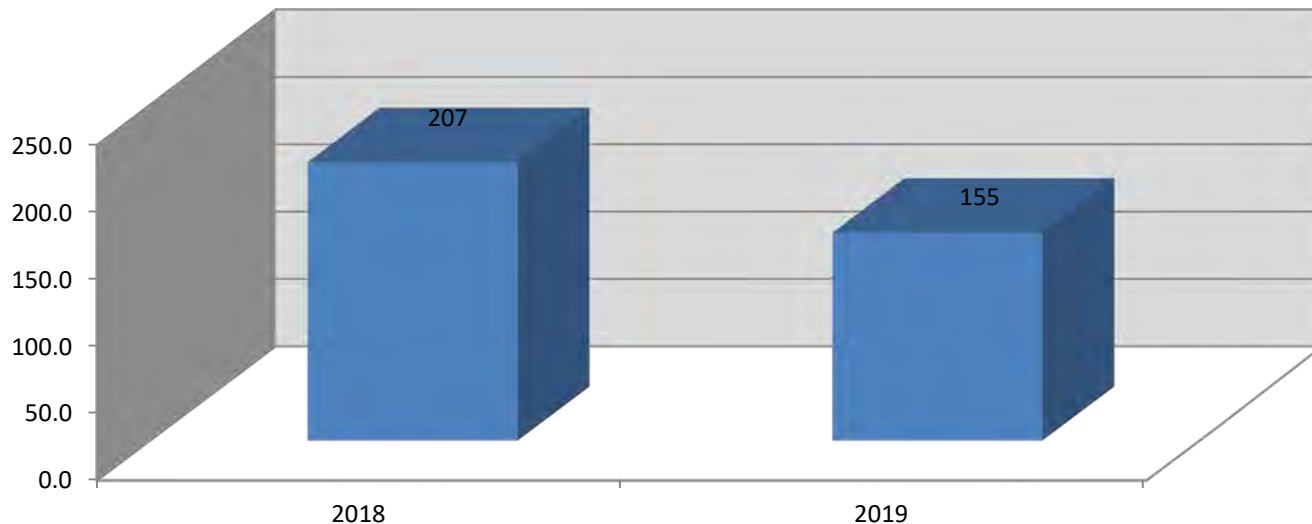
Current Ratio

- A financial ratio that measures whether or not an organization has enough resources to pay its debts for the next 12 months.
- Calculated by dividing current assets by current liabilities.

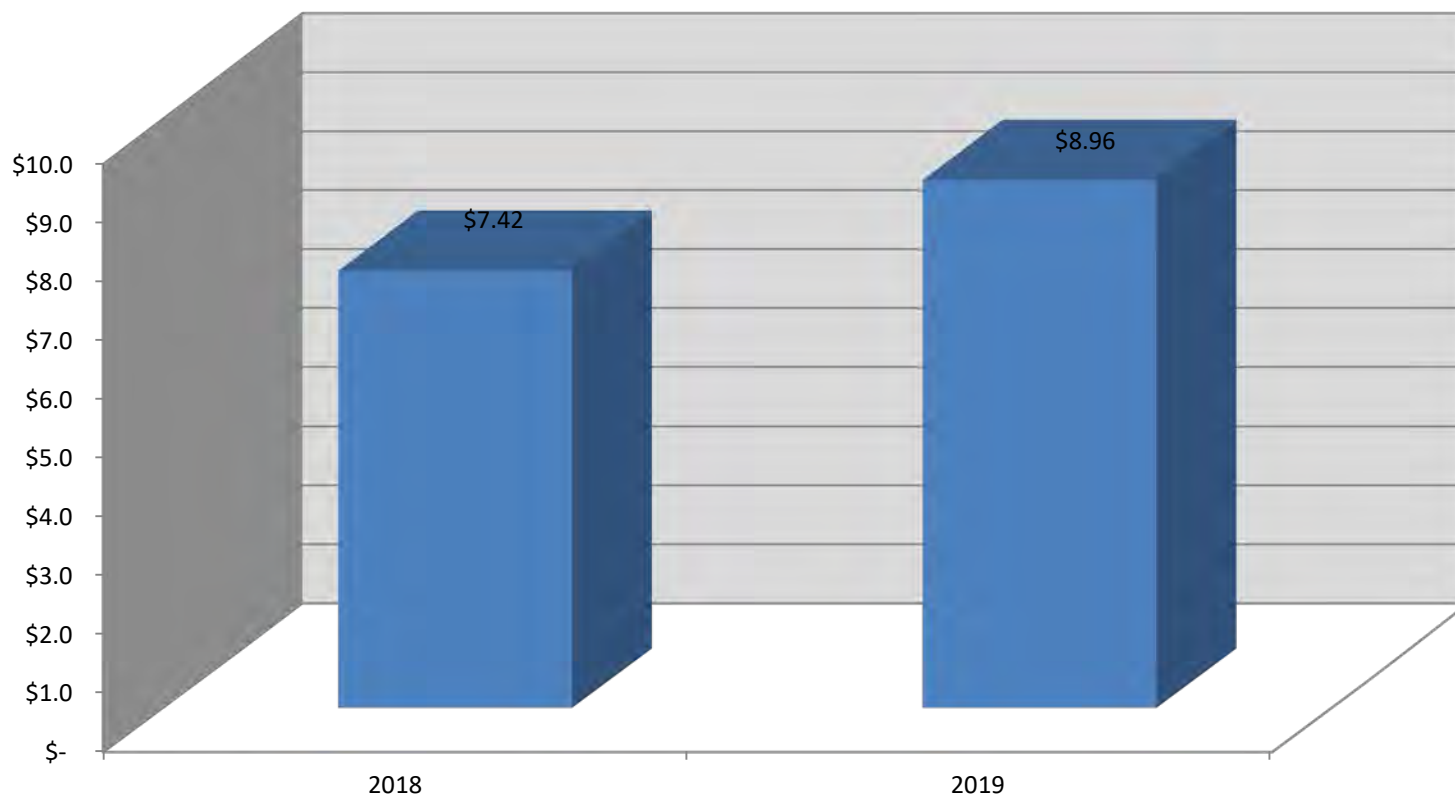


Days cash on hand

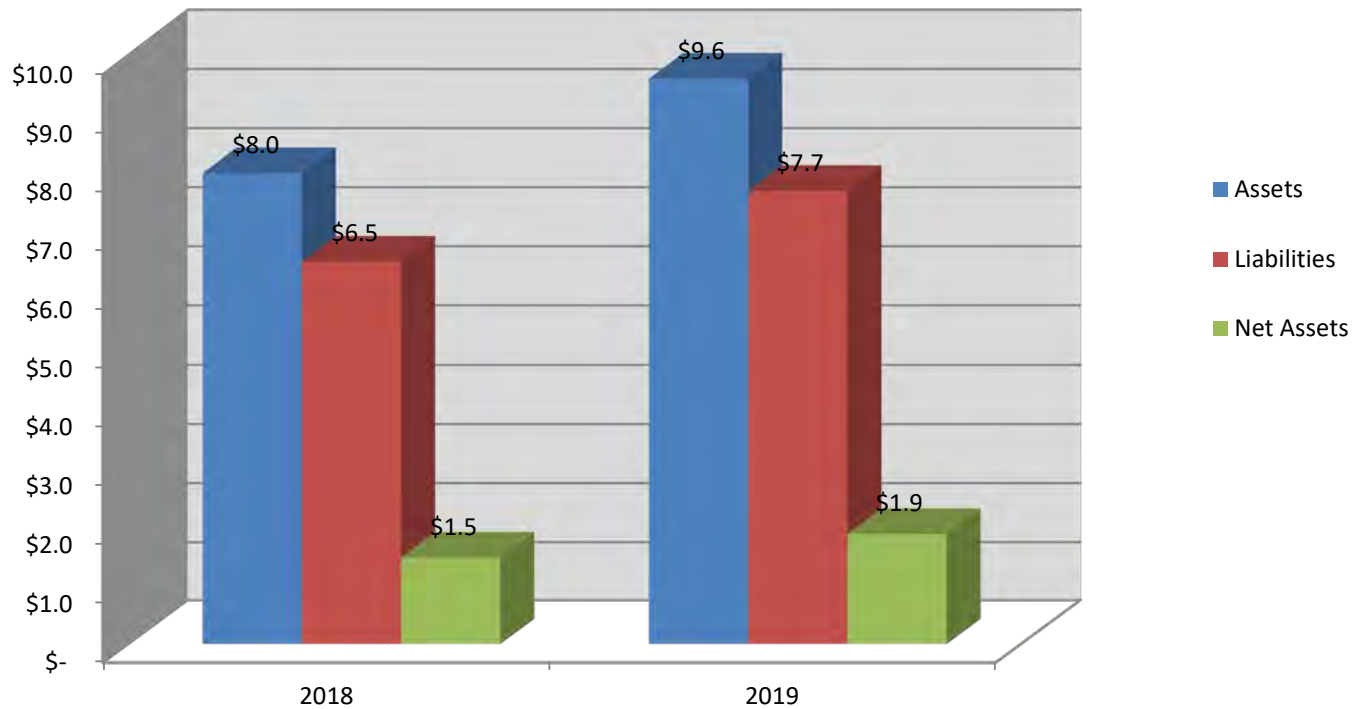
- Defined as the estimated number of days an organization can meet operating expenses if no additional revenues were received.
- Computed by dividing annual cash expenditures (excluding depreciation and bad debt) by 365 to obtain average daily expenditures. Then total cash on hand is divided by the average daily expenditures.



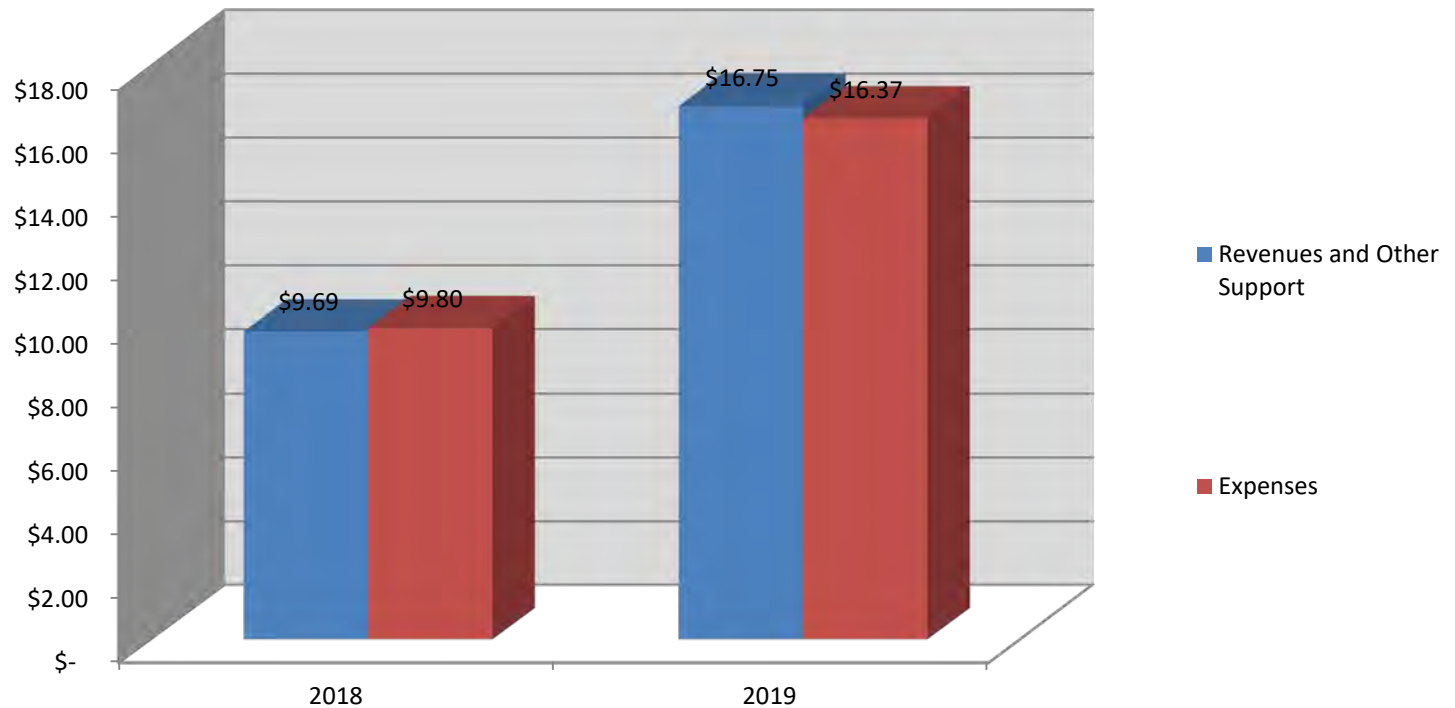
Cash and investments (in millions).



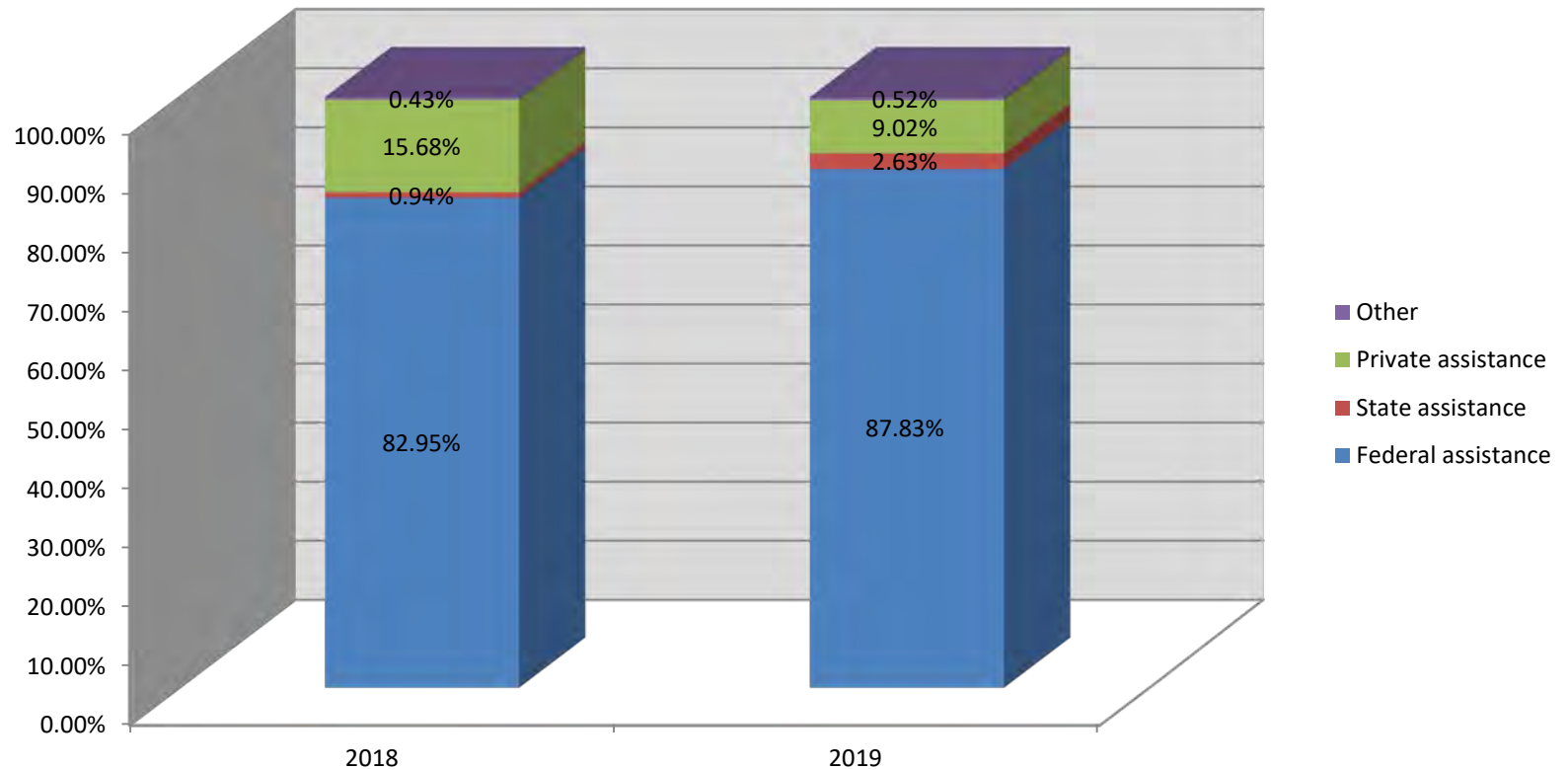
Statement of financial position (in millions).



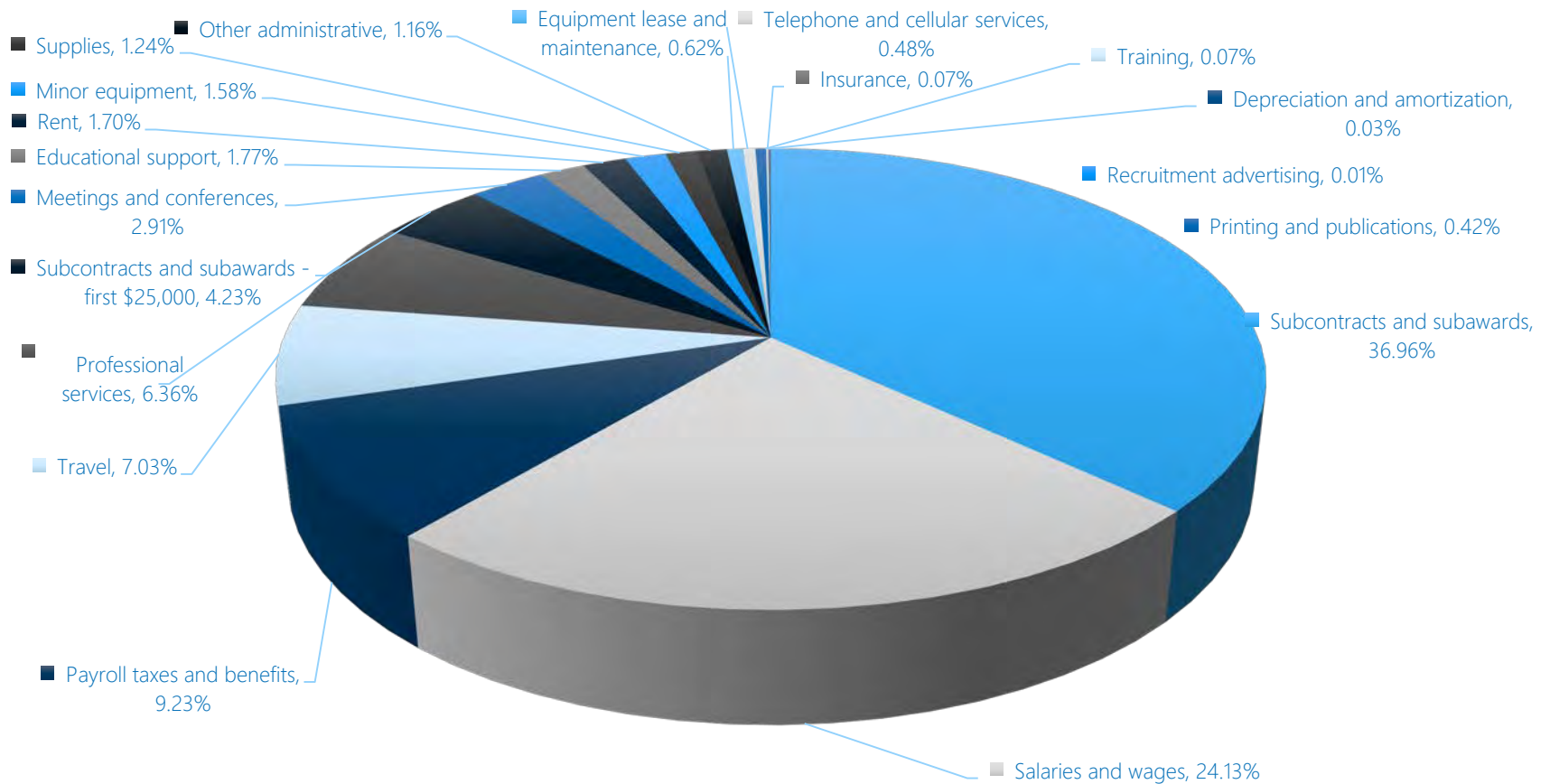
Statement of activities and changes in net assets (in millions).



Revenue sources



2019 operating expenses (total = \$16,370,296)





Thank You !

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