

**LAKES AND PINES COMMUNITY
ACTION COUNCIL, INC.**

AUDITED FINANCIAL STATEMENTS

Year Ended September 30, 2011

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

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LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Lakes and Pines Community Action
Council, Inc.
Mora, Minnesota**

We have audited the accompanying Statement of Financial Position of Lakes and Pines Community Action Council, Inc. (the "Council") as of September 30, 2011 and the related Statement of Activities and Cash Flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakes and Pines Community Action Council, Inc. as of September 30, 2011, the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2012, on our consideration of the Council's internal control over financial reporting and our tests of the Council's compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.



Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying supplementary information identified in the Table of Contents 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 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*, and is also not a required part of the financial statements. The accompanying supplementary information identified in the Table of Contents, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
March 19, 2012

AUDITED FINANCIAL STATEMENTS

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION
September 30, 2011

	<u>Total</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,163,965
Restricted Cash - Unemployment Trust	198,832
Due from Other Programs	337,674
Investments - Certificates of Deposit	398,162
Interest Receivable	1,541
Accounts Receivable	53,499
Grants Receivable	407,146
Prepaid Expenses	40,798
Weatherization Inventory	82,467
Total Current Assets	<u>2,684,084</u>
 Property and Equipment, Net	 366,065
 Other Asset	
Investments - Certificates of Deposit	<u>339,754</u>
 Total Assets	 <u><u>\$ 3,389,903</u></u>
 LIABILITIES AND NET ASSETS	
Current Liabilities	
Due to Other Programs	\$ 337,674
Accounts Payable	194,611
Accrued Payroll and Related Taxes and Benefits	304,716
Accrued Vacation	115,942
Accrued Unemployment Insurance	198,832
Deferred Revenue - Grants	437,453
Total Current Liabilities	<u>1,589,228</u>
 Net Assets	
Unrestricted:	
Undesignated	1,295,777
Designated	138,833
Investment in Property and Equipment	366,065
Total Unrestricted	<u>1,800,675</u>
 Total Liabilities and Net Assets	 <u><u>\$ 3,389,903</u></u>

The Notes to the Financial Statements are an integral part of these statements.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES
Year Ended September 30, 2011

	<u>Total</u>
REVENUES	
Grant Revenue	
Federal Grants	\$ 7,078,977
State Grants	1,413,150
Other Grants	239,765
Program Support	111,522
Interest Income	22,699
Total Revenues	<u>8,866,113</u>
EXPENSES	
Wages and Fringe Benefits	5,565,222
Professional Services	61,259
Contractual Services	167,881
Vehicle Expense and Travel	477,168
Training	75,119
Supplies and Copy Costs	156,207
Insurance	42,937
Equipment Maintenance	52,252
Office Rent, Utilities and Space Costs	166,970
Dues, Subscriptions and Memberships	8,671
Communication (Postage and Telephone)	73,188
Printed Forms and Advertising	19,506
Direct Client Support	2,026,811
Miscellaneous	2,653
Total Expenses	<u>8,895,844</u>
Change in Net Assets	(29,731)
Other Changes in Net Assets	
Weatherization Inventory Used	(23,458)
NET ASSETS	
Beginning of Year	1,857,352
Prior Period Adjustment	<u>(3,488)</u>
Beginning of Year, as Restated	<u>1,853,864</u>
End of Year	<u><u>\$ 1,800,675</u></u>

The Notes to the Financial Statements are an integral part of these statements.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF CASH FLOWS
Year Ended September 30, 2011

CASH FLOWS - OPERATING ACTIVITIES

Change in Net Assets	\$ (29,731)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows - Operating Activities:	
Depreciation	99,900
Loss on Disposal of Equipment	670
Change in Assets and Liabilities:	
Interest Receivable	24
Accounts Receivable	(21,480)
Grants Receivable	94,522
Prepaid Expenses	7,506
Accounts Payable	(37,753)
Accrued Payroll and Related Taxes and Benefits	(208,490)
Deferred Revenue - Grants	67,720
Total Adjustments	<u>2,619</u>
Net Cash Flows - Operating Activities	<u>(27,112)</u>

CASH FLOWS - INVESTING ACTIVITIES

Net Investment Purchases	(15,010)
Equipment Purchases	<u>(4,839)</u>
Net Cash Flows - Investing Activities	<u>(19,849)</u>

Net Change in Cash and Cash Equivalents (46,961)

CASH AND CASH EQUIVALENTS

Beginning of Year	<u>1,210,926</u>
End of Year	<u><u>\$ 1,163,965</u></u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Lakes and Pines Community Action Council, Inc. (the “Council”) is a nonprofit community action agency incorporated under the provisions of the Minnesota Nonprofit Corporations Act, *Minnesota Statutes*. The mission of the Council is to build prosperous communities by serving local families and individuals in their pursuit of self-reliance. The Council is a private, non-profit corporation that offers a variety of programs to assist low-income families and individuals of seven county areas. Using income guidelines along with other criteria, the Council provides assistance to eligible residents of Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs and Pine Counties of Minnesota. The Board of Directors consists of representatives of the public sector, sector-served and private sector.

Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting. The accounting policies of the Council conform to U.S. generally accepted accounting principles applicable to nonprofit organizations.

Revenues and expenses are accounted for on the accrual basis for all classes of net assets. Revenues are recognized when earned and expensed when incurred.

Use of Estimates

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

Financial Statement Presentation

The assets, liabilities, net assets, revenues and expenses of the Council are reported based upon net assets restrictions and the purposes for which resources are to be spent and the means by which spending activities are controlled. Net asset restrictions are categorized as follows:

Unrestricted

Accounts for all financial resources which are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Resources may be used at the discretion of the Board of Directors.

The Council has elected to present temporarily restricted contributions, which are fulfilled in the same period, within unrestricted net assets.

Temporarily Restricted

Accounts for (a) contributions and other inflows of assets whose use by the Council is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Council pursuant to those stipulations, (b) other asset enhancements and diminishments subject to the same kinds of stipulations and (c) reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time or their fulfillment and removal by actions of the Council pursuant to those stipulations. At September 30, 2011 the Council did not have temporarily restricted net assets.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation (Continued)

Permanently Restricted

Accounts for all financial resources which include a donor-imposed restriction that stipulates the resources be maintained permanently, but permits the Council to use or expend part or all of the income derived from the donated assets. At September 30, 2011 the Council did not have permanently restricted net assets.

Cash and Cash Equivalents

For purpose of the Statement of Cash Flows, the Council considers cash in financial institutions and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. There were no payments made for interest or income taxes.

Restricted Cash

The Council has elected out of Minnesota state unemployment insurance and participates in a grantor trust to cover unemployment insurance claims.

Restricted cash represents the Council's estimated cash balance at September 30, 2011 for eligible unemployment insurance claims. If claims exceed payments into the trust the Council could become liable for those claims.

Investments

Investments consist of certificates of deposit that have original maturities greater than three months and are recorded at cost.

Accounts Receivable

The accounts receivable of the Council are the result of the Council extending unsecured credit to the Council's users. Management reviews the current status of the receivables and currently expenses all accounts which are determined to be uncollectible, accordingly, no allowance for doubtful accounts was deemed necessary at September 30, 2011. Accounts receivable are considered delinquent after 30 days and the Council does not accrue interest on delinquent receivables.

Weatherization Inventory

Inventory is valued at the lower of cost based on first-in, first-out (FIFO) method or market. Inventory consists of materials and supplies used for the Weatherization Program.

Property and Equipment

The Council capitalizes expenses for land, building and equipment with a cost greater than \$ 2,400. Contributed items are recorded at fair market value at the date of the contribution. Capitalized property and equipment are depreciated over their estimated useful lives ranging from 5 to 39 years. Depreciation is calculated using the straight line basis and totaled \$ 99,900 for the year ended September 30, 2011.

The funding sources have a reversionary interest in the equipment purchased with grant funds. Dispositions and ownership of any proceeds are subject to funding source regulations.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets that management expects to hold and use is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. The Council has determined that no impairment existed at September 30, 2011.

Accrued Compensated Absences

Compensated absences are charged to expenses during the period earned based on employee length of service. A liability for accrued compensated absences is shown in the Statement of Financial Position as of September 30, 2011.

Grants

Grant revenues and expenses are accounted for on the accrual basis. Revenues from grant awards are recognized as spent. Expenses are recognized when the related liability is incurred. Grant monies drawn in excess of the related grant expenses are treated as deferred revenue. Grant expenses in excess of the related grant monies drawn are treated as grants receivable.

Program Support

Program support is recognized as revenue in the year services are provided.

In-Kind Contributions

In-kind contributions are reflected as contributions valued at fair value on date of donation. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of nonprofessional and professional volunteers have donated significant amounts of their time in the Council's Early Childhood and Family Development Program, specifically the Head Start Program. As of September 30, 2011, donated time totaling \$ 609,512 was recorded in the Head Start Program, however, no amounts have been reflected in the statements for donated services.

Due to the nature of the Council's Head Start program, the Council receives the use of private homes while conducting home visits free of charge for the Head Start Program and recognizes an in-kind contribution for the fair market value of rent. For the year ended September 30, 2011, the fair market value of the donated space was estimated at \$ 10,820. No amounts have been reflected in the statements for donated space.

Functional Expense Allocation

The Council allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based on estimates by management. Functional classification of expenses for the year ended September 30, 2011 consisted of \$ 8,277,036 related to program services and \$ 618,808 related to management and general support services.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cost Allocation

The Council follows a cost allocation plan to allocate costs not directly attributable to specific programs.

Advertising Costs

The Council's policy is to expense advertising costs as they are incurred. During the year ended September 30, 2011, the Council incurred advertising costs totaling \$ 19,506.

Income Taxes

The Council is a not-for-profit corporation that has been granted tax exempt status by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code. Therefore, no income taxes are paid and contributions to the Council may be tax deductible by the donor. The Council is also exempt from Minnesota franchise, income tax and sales tax. The Council will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense, if incurred. Generally, the Council is no longer subject to examination by tax authorities for years before 2008.

Subsequent Events

The Council has evaluated subsequent events through March 19, 2012, the date which the financial statements were available to be issued.

NOTE 2 – GRANTS RECEIVABLE/DEFERRED REVENUE

	<u>September 30, 2011</u>
Federal Programs	\$ 355,015
State and Local Programs	<u>(385,322)</u>
Net Deferred Revenue - Grants	<u>\$ (30,307)</u>

Grants receivable and deferred revenue are included on the Statement of Financial Position as follows:

	<u>September 30, 2011</u>
Grants Receivable	\$ 407,146
Deferred Revenue	<u>(437,453)</u>
Net Deferred Revenue - Grants	<u>\$ (30,307)</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 3 – PROPERTY AND EQUIPMENT

	<u>September 30, 2011</u>
Land	\$ 40,900
Buildings and Improvements	435,328
Vehicles and Equipment	<u>798,740</u>
	1,274,968
Less Accumulated Depreciation	<u>(908,903)</u>
Property and Equipment, Net	<u>\$ 366,065</u>

NOTE 4 – DESIGNATED NET ASSETS

Board of Director designated net assets are as follows:

	<u>September 30, 2011</u>
Designated for:	
Caring Members (East Central Energy)	\$ 2,880
Contracted Services	24,288
EAP/Furnace	39,907
Emergency Services	22,161
Head Start	745
Inspection Services	29,584
MHFA Administration Funds	12,742
Pine County Financial Education	1,000
Reading is Fundamental (RIF)	3,082
Tax Assistance	1,700
Transportation Assistance	<u>744</u>
Total Board of Director Designated Net Assets	<u>\$ 138,833</u>

NOTE 5 – RETIREMENT PLAN

The Council sponsors a 403(b) retirement plan. The plan covers substantially all full-time employees. Contributions to the plan amounted to \$ 100,191 for the year ended September 30, 2011.

NOTE 6 – MATCHING FUNDS

Certain grants require securing of matching funds from other sources. The Council is meeting the matching fund requirements.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2011

NOTE 7 – CONCENTRATIONS AND CONTINGENCIES

Concentrations

During the year ended September 30, 2011, 77% of the Council's revenue was from the Energy Assistance and Weatherization Programs funded through the U.S. Department of Health and Human Services and the U.S. Department of Energy. A total of 95% of the Council's revenue was from state and federal sources.

Nonexpendable Property

Under provisions of various federal grants, title to all nonexpendable property acquired for use in the programs shall revert to the grantor upon termination of the programs.

Federal and State Program Activities

Federal and state program activities are subject to financial and compliance regulation. To the extent that any expenditures are disallowed, a liability to the respective federal or state agency could result.

Claims

The Council is subject to claims arising in the normal course of business. While it is not feasible to determine the outcomes of any of these claims, it is the opinion of management that their outcomes will not have a material effect on the financial position or activities of the Council.

Employee Dental Plan

The Council maintains a self-insured employee dental plan which insures covered employees and their families for approved claims. The Council is liable for those claims up to the Plan's stop-loss limit of \$ 1,000 per enrolled employee and each eligible family member.

NOTE 8 – PRIOR PERIOD ADJUSTMENT

Prior Audit Report Net Assets as of September 30, 2010	\$ 1,857,352
Net Corrections:	
Accounts Receivable	7,477
Inventory	105,925
Grants Receivable	(5,697,469)
Land	40,900
Accounts Payable	1,452
Accrued Expenses	472
Accrued Vacation	(115,942)
Unapplied Grant Funds	6,023,430
Deferred Revenue	<u>(369,733)</u>
Restated Net Assets as of September 30, 2010	<u>\$ 1,853,864</u>

SUPPLEMENTARY INFORMATION

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - BY FUNCTION
September 30, 2011

	Administration	Community Services	Early Childhood and Family Development
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ 138,547	\$ 49,613
Restricted Cash - Unemployment Trust	-	-	-
Due from Other Funds	-	-	-
Investments - Certificates of Deposit	-	-	-
Interest Receivable	-	-	-
Accounts Receivable	10,836	-	640
Grants Receivable	84,397	49,093	100,047
Prepaid Expenses	8,413	196	15,010
Weatherization Inventory	-	-	-
Total Current Assets	103,646	187,836	165,310
Property and Equipment, Net	-	-	-
Other Asset			
Investments - Certificates of Deposit	-	-	-
Total Assets	\$ 103,646	\$ 187,836	\$ 165,310
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Funds	\$ 87,217	\$ 49,093	\$ 75,314
Accounts Payable	16,429	2,648	40,590
Accrued Payroll and Related Taxes and Benefits	-	-	-
Accrued Vacation	-	-	-
Accrued Unemployment	-	-	-
Deferred Revenue - Grants	-	136,095	49,406
Total Current Liabilities	103,646	187,836	165,310
Net Assets			
Unrestricted	-	-	-
Designated	-	-	-
Investment in Property and Equipment	-	-	-
Total Unrestricted	-	-	-
Total Liabilities and Net Assets	\$ 103,646	\$ 187,836	\$ 165,310

<u>Weatherization</u>	<u>Energy Assistance</u>	<u>Housing Rehabilitation</u>	<u>Other Programs</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 975,805	\$ 1,163,965
-	-	-	198,832	198,832
-	-	-	337,674	337,674
-	-	-	398,162	398,162
-	-	-	1,541	1,541
1,006	-	-	41,017	53,499
73,433	57,558	42,618	-	407,146
8,104	-	543	8,532	40,798
82,467	-	-	-	82,467
<u>165,010</u>	<u>57,558</u>	<u>43,161</u>	<u>1,961,563</u>	<u>2,684,084</u>
-	-	-	366,065	366,065
-	-	-	339,754	339,754
<u>\$ 165,010</u>	<u>\$ 57,558</u>	<u>\$ 43,161</u>	<u>\$ 2,667,382</u>	<u>\$ 3,389,903</u>
\$ 56,553	\$ 27,864	\$ 41,633	\$ -	\$ 337,674
25,990	29,694	1,528	77,732	194,611
-	-	-	304,716	304,716
-	-	-	115,942	115,942
-	-	-	198,832	198,832
-	-	-	251,952	437,453
<u>82,543</u>	<u>57,558</u>	<u>43,161</u>	<u>949,174</u>	<u>1,589,228</u>
82,467	-	-	1,213,310	1,295,777
-	-	-	138,833	138,833
-	-	-	366,065	366,065
<u>82,467</u>	<u>-</u>	<u>-</u>	<u>1,718,208</u>	<u>1,800,675</u>
<u>\$ 165,010</u>	<u>\$ 57,558</u>	<u>\$ 43,161</u>	<u>\$ 2,667,382</u>	<u>\$ 3,389,903</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - BY FUNCTION

Year Ended September 30, 2011

	<u>Administration</u>	<u>Community Services</u>	<u>Early Childhood and Family Development</u>
REVENUES			
Grant Revenue			
Federal Grants	\$ 307,181	\$ 194,582	\$ 2,508,338
State Grants	37,782	341,192	612,341
Other Grants	-	26,441	81,674
Program Support	-	1,500	-
Interest Income	-	913	183
Total Revenues	<u>344,963</u>	<u>564,628</u>	<u>3,202,536</u>
EXPENSES			
Wages and Fringe Benefits	228,379	262,653	2,472,961
Professional Services	2,622	3,338	18,224
Contractual Services	209	16,403	147,525
Vehicle Expense and Travel	16,084	6,588	260,033
Training	3,925	1,812	21,493
Supplies and Copy Costs	15,482	6,200	71,941
Insurance	1,968	613	13,060
Equipment Maintenance	5,297	4,450	4,342
Office Rent, Utilities and Space Costs	13,409	4,054	82,897
Dues, Subscriptions and Memberships	5,905	765	1,622
Communication (Postage and Telephone)	2,966	2,669	27,061
Printed Forms and Advertising	3,728	500	1,771
Other Direct Client Support	44,989	254,583	79,606
Miscellaneous	-	-	-
Total Expenses	<u>344,963</u>	<u>564,628</u>	<u>3,202,536</u>
Change in Net Assets	-	-	-
Other Change in Net Assets			
Weatherization Inventory Used	-	-	-
NET ASSETS			
Beginning of Year	-	-	-
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of Year, as Restated	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Weatherization</u>	<u>Energy Assistance</u>	<u>Housing Rehabilitation</u>	<u>Other Programs</u>	<u>Total</u>
\$ 2,670,458	\$ 1,398,418	\$ -	\$ -	\$ 7,078,977
47,257	-	374,578	-	1,413,150
-	-	-	131,650	239,765
-	6,047	10,790	93,185	111,522
11	8	35	21,549	22,699
<u>2,717,726</u>	<u>1,404,473</u>	<u>385,403</u>	<u>246,384</u>	<u>8,866,113</u>
1,661,399	744,568	119,960	75,302	5,565,222
19,581	16,102	1,392	-	61,259
684	566	604	1,890	167,881
172,591	3,534	8,437	9,901	477,168
45,356	1,994	382	157	75,119
7,023	46,156	1,082	8,323	156,207
23,508	3,352	436	-	42,937
3,569	13,277	3,381	17,936	52,252
45,869	11,826	909	8,006	166,970
65	314	-	-	8,671
12,012	22,326	3,033	3,121	73,188
-	12,766	741	-	19,506
725,760	527,204	243,465	151,204	2,026,811
309	488	1,581	275	2,653
<u>2,717,726</u>	<u>1,404,473</u>	<u>385,403</u>	<u>276,115</u>	<u>8,895,844</u>
-	-	-	(29,731)	(29,731)
(23,458)	-	-	-	(23,458)
-	-	-	1,857,352	1,857,352
105,925	-	-	(109,413)	(3,488)
<u>105,925</u>	<u>-</u>	<u>-</u>	<u>1,747,939</u>	<u>1,853,864</u>
<u>\$ 82,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,208</u>	<u>\$ 1,800,675</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - ADMINISTRATION

September 30, 2011

	<u>#104 Community Services Block Grant</u>
ASSETS	
Current Assets	
Accounts Receivable	\$ 10,836
Grants Receivable	84,397
Prepaid Expenses	<u>8,413</u>
 Total Current Assets	 <u><u>\$ 103,646</u></u>
 LIABILITIES AND NET ASSETS	
Current Liabilities	
Due to Other Programs	\$ 87,217
Accounts Payable	<u>16,429</u>
Total Current Liabilities	103,646
 Net Assets	
Unrestricted	 <u>-</u>
 Total Liabilities and Net Assets	 <u><u>\$ 103,646</u></u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - ADMINISTRATION
Year Ended September 30, 2011

	#103 MN Community Action Grant	#104 Community Services Block Grant	Total
REVENUES			
Grant Revenue			
Federal Grants	\$ -	\$ 307,181	\$ 307,181
State Grants	37,782	-	37,782
Total Revenues	<u>37,782</u>	<u>307,181</u>	<u>344,963</u>
EXPENSES			
Wages and Fringe Benefits	25,613	202,766	228,379
Professional Services	225	2,397	2,622
Contractual Services	-	209	209
Vehicle Expense and Travel	2,010	14,074	16,084
Training	297	3,628	3,925
Supplies and Copy Costs	1,199	14,283	15,482
Insurance	1,000	968	1,968
Equipment Maintenance	1,940	3,357	5,297
Office Rent, Utilities and Space Costs	1,191	12,218	13,409
Dues, Subscriptions and Memberships	90	5,815	5,905
Communication (Postage and Telephone)	(3,593)	6,559	2,966
Printed Forms and Advertising	-	3,728	3,728
Administration Direct Client Support	7,810	37,179	44,989
Total Expenses	<u>37,782</u>	<u>307,181</u>	<u>344,963</u>
Change in Net Assets	-	-	-
NET ASSETS			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - COMMUNITY SERVICES

September 30, 2011

	<u>#128 Rural Poverty Fund</u>	<u>#136 Emergency Shelter Program '11/'12</u>	<u>#135 Homeless Prevention Rapid Rehousing ARRA</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,546	\$ -	\$ -
Grants Receivable	-	531	48,562
Prepaid Expenses	-	-	-
Total Current Assets	<u>\$ 3,546</u>	<u>\$ 531</u>	<u>\$ 48,562</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ -	\$ 531	\$ 48,562
Accounts Payable	-	-	-
Deferred Revenue - Grants	<u>3,546</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>3,546</u>	<u>531</u>	<u>48,562</u>
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 3,546</u>	<u>\$ 531</u>	<u>\$ 48,562</u>

#156 Family Homeless Prevention '11/'12	Total
\$ 135,001	\$ 138,547
-	49,093
<u>196</u>	<u>196</u>
<u>\$ 135,197</u>	<u>\$ 187,836</u>
\$ -	\$ 49,093
2,648	2,648
<u>132,549</u>	<u>136,095</u>
135,197	187,836
<u>-</u>	<u>-</u>
<u>\$ 135,197</u>	<u>\$ 187,836</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - COMMUNITY SERVICES
Year Ended September 30, 2011

	#127 Tax Assistance	#128 Rural Poverty Fund	#134 Emergency Shelter Program '10/'11	#136 Emergency Shelter Program '11/'12
REVENUES				
Grant Revenue				
Federal Grants	\$ -	\$ -	\$ 16,313	\$ 531
State Grants	6,000	-	-	-
Other Grants	-	54	-	-
Program Support	1,500	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>7,500</u>	<u>54</u>	<u>16,313</u>	<u>531</u>
EXPENSES				
Wages and Fringe Benefits	2,390	54	8,058	-
Professional Services	167	-	-	-
Contractual Services	1,000	-	-	-
Vehicle Expense and Travel	204	-	-	-
Training	-	-	-	-
Supplies and Copy Costs	736	-	-	147
Insurance	-	-	-	-
Equipment Maintenance	2,500	-	-	-
Office Rent, Utilities and Space Costs	-	-	-	-
Dues, Subscriptions and Memberships	-	-	-	-
Communication (Postage and Telephone)	3	-	-	-
Printed Forms and Advertising	500	-	-	-
Community Services Direct Client Support	-	-	8,255	384
Total Expenses	<u>7,500</u>	<u>54</u>	<u>16,313</u>	<u>531</u>
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

#135 Homeless Prevention Rapid Rehousing ARRA	#155 Family Homeless Prevention '10/'11	#156 Family Homeless Prevention '11/'12	#152 Region 7E Adult Mental Health	#071 Emergency Food and Shelter Program	Total
\$ 149,716	\$ -	\$ -	\$ -	\$ 28,022	\$ 194,582
-	310,241	24,951	-	-	341,192
16,738	-	-	9,649	-	26,441
-	-	-	-	-	1,500
-	380	27	506	-	913
<u>166,454</u>	<u>310,621</u>	<u>24,978</u>	<u>10,155</u>	<u>28,022</u>	<u>564,628</u>
102,441	141,098	7,629	983	-	262,653
578	834	93	64	1,602	3,338
-	15,403	-	-	-	16,403
681	4,431	1,272	-	-	6,588
162	1,275	375	-	-	1,812
223	2,487	2,587	20	-	6,200
-	613	-	-	-	613
-	1,950	-	-	-	4,450
2,071	1,167	135	681	-	4,054
127	638	-	-	-	765
278	2,046	269	73	-	2,669
-	-	-	-	-	500
<u>59,893</u>	<u>138,679</u>	<u>12,618</u>	<u>8,334</u>	<u>26,420</u>	<u>254,583</u>
<u>166,454</u>	<u>310,621</u>	<u>24,978</u>	<u>10,155</u>	<u>28,022</u>	<u>564,628</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**STATEMENT OF FINANCIAL POSITION -
EARLY CHILDHOOD & FAMILY DEVELOPMENT
September 30, 2011**

	<u>#233 Head Start 'T'</u>	<u>#11C Child and Adult Care Food Program '12</u>	<u>#229 State '12</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Accounts Receivable	640	-	-
Grants Receivable	87,499	3,035	9,513
Prepaid Expenses	13,034	-	1,817
	<u>101,173</u>	<u>3,035</u>	<u>11,330</u>
Total Current Assets	<u>\$ 101,173</u>	<u>\$ 3,035</u>	<u>\$ 11,330</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ 65,712	\$ 3,035	\$ 6,567
Accounts Payable	35,461	-	4,763
Deferred Revenue - Grants	-	-	-
	<u>101,173</u>	<u>3,035</u>	<u>11,330</u>
Total Current Liabilities	<u>101,173</u>	<u>3,035</u>	<u>11,330</u>
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 101,173</u>	<u>\$ 3,035</u>	<u>\$ 11,330</u>

#285 Parent Ed Initiative '11	#286 Building Blocks for Success '11	Total
\$ 25,024	\$ 24,589	\$ 49,613
-	-	640
-	-	100,047
159	-	15,010
<u>\$ 25,183</u>	<u>\$ 24,589</u>	<u>\$ 165,310</u>
\$ -	\$ -	\$ 75,314
366	-	40,590
24,817	24,589	49,406
<u>25,183</u>	<u>24,589</u>	<u>165,310</u>
-	-	-
<u>\$ 25,183</u>	<u>\$ 24,589</u>	<u>\$ 165,310</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - EARLY CHILDHOOD & FAMILY DEVELOPMENT
Year Ended September 30, 2011

	#232 Head Start 'S'	#233 Head Start 'T'	#10C Child and Adult Care Food Program '11	#11C Child and Adult Care Food Program '12
REVENUES				
Grant Revenue				
Federal Grants	\$ 2,085,843	\$ 387,166	\$ 32,294	\$ 3,035
State Grants	-	-	-	-
Other Grants	-	-	-	-
In-Kind Contributions	620,332	-	-	-
Interest Income	19	-	-	-
Total Revenues	<u>2,706,194</u>	<u>387,166</u>	<u>32,294</u>	<u>3,035</u>
EXPENSES				
Wages and Fringe Benefits	1,602,644	299,383	-	-
Professional Services	13,261	910	-	-
Contractual Services	120,849	25,817	-	-
Vehicle Expense and Travel	168,450	28,157	-	-
Training	17,687	764	-	-
In-Kind Contribution	620,332	-	-	-
Supplies and Copy Costs	39,255	14,933	-	-
Insurance	10,393	5	-	-
Equipment Maintenance	2,594	701	-	-
Office Rent, Utilities and Space Costs	59,023	9,183	-	-
Dues, Subscriptions and Memberships	930	483	-	-
Communication (Postage and Telephone)	18,616	3,057	-	-
Printed Forms and Advertising	785	637	-	-
Head Start Direct Client Support	31,375	3,136	32,294	3,035
Total Expenses	<u>2,706,194</u>	<u>387,166</u>	<u>32,294</u>	<u>3,035</u>
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

#228 State '11	#229 State '12	#284 Parent Ed Initiative '10	#285 Parent Ed Initiative '11	#286 Building Blocks for Success '11	Head Start 'S' Non-Federal Share Elimination	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,508,338
478,147	134,194	-	-	-	-	612,341
-	-	31,081	50,183	410	-	81,674
-	-	-	-	-	(620,332)	-
139	-	-	18	7	-	183
<u>478,286</u>	<u>134,194</u>	<u>31,081</u>	<u>50,201</u>	<u>417</u>	<u>(620,332)</u>	<u>3,202,536</u>
392,469	114,740	23,105	40,203	417	-	2,472,961
3,347	371	8	327	-	-	18,224
746	92	-	21	-	-	147,525
42,032	11,494	4,978	4,922	-	-	260,033
931	184	1,668	259	-	-	21,493
-	-	-	-	-	(620,332)	-
13,357	2,581	686	1,129	-	-	71,941
2,661	1	-	-	-	-	13,060
634	413	-	-	-	-	4,342
12,834	1,857	-	-	-	-	82,897
209	-	-	-	-	-	1,622
4,216	885	84	203	-	-	27,061
174	170	5	-	-	-	1,771
4,676	1,406	547	3,137	-	-	79,606
<u>478,286</u>	<u>134,194</u>	<u>31,081</u>	<u>50,201</u>	<u>417</u>	<u>(620,332)</u>	<u>3,202,536</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - WEATHERIZATION
September 30, 2011

	#332 DOE Wx '12	#324 DOE Wx ARRA	#368 EAP Wx C/O '11	Total
ASSETS				
Current Assets				
Accounts Receivable	\$ -	\$ 1,006	\$ -	\$ 1,006
Grants Receivable	3,063	63,780	6,590	73,433
Prepaid Expenses	-	7,933	171	8,104
Weatherization Inventory	-	82,467	-	82,467
	\$ 3,063	\$ 155,186	\$ 6,761	\$ 165,010
LIABILITIES AND NET ASSETS				
Current Liabilities				
Due to Other Programs	\$ -	\$ 52,268	\$ 4,285	\$ 56,553
Accounts Payable	3,063	20,451	2,476	25,990
Total Current Liabilities	3,063	72,719	6,761	82,543
Net Assets				
Unrestricted	-	82,467	-	82,467
	\$ 3,063	\$ 155,186	\$ 6,761	\$ 165,010

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - WEATHERIZATION

Year Ended September 30, 2011

	<u>#322 DOE Wx '11</u>	<u>#332 DOE Wx '12</u>	<u>#324 DOE Wx ARRA</u>
REVENUES			
Grant Revenue			
Federal Grants	\$ 268,050	\$ 3,063	\$ 2,031,345
State Grants	-	-	-
Interest Income	-	-	11
Total Revenues	<u>268,050</u>	<u>3,063</u>	<u>2,031,356</u>
EXPENSES			
Wages and Fringe Benefits	216,583	-	1,317,068
Professional Services	604	3,063	12,459
Contractual Services	80	-	604
Vehicle Expense and Travel	14,422	-	124,953
Training	10,653	-	34,632
Supplies and Copy Costs	240	-	1,872
Insurance	-	-	23,493
Equipment Maintenance	51	-	2,582
Office Rent, Utilities and Space Costs	3,639	-	33,065
Dues, Subscriptions and Memberships	-	-	65
Communication (Postage and Telephone)	1,020	-	8,379
Weatherization Direct Client Support	20,576	-	472,057
Miscellaneous	182	-	127
Total Expenses	<u>268,050</u>	<u>3,063</u>	<u>2,031,356</u>
Change in Net Assets	-	-	-
Other Changes in Net Assets			
Weatherization Inventory Used	-	-	(23,458)
NET ASSETS			
Beginning of Year	-	-	-
Prior Period Adjustment	-	-	105,925
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,467</u>

<u>#367</u> <u>EAP Wx</u> <u>C/O '10</u>	<u>#368</u> <u>EAP Wx</u> <u>C/O '11</u>	<u>#388</u> <u>Propane</u> <u>'11</u>	<u>Total</u>
\$ 356,525	\$ 11,475	\$ -	\$ 2,670,458
-	-	47,257	47,257
-	-	-	11
<u>356,525</u>	<u>11,475</u>	<u>47,257</u>	<u>2,717,726</u>
88,270	6,723	32,755	1,661,399
1,152	2,202	101	19,581
-	-	-	684
33,032	184	-	172,591
71	-	-	45,356
2,230	1,821	860	7,023
-	-	15	23,508
826	39	71	3,569
8,992	173	-	45,869
-	-	-	65
2,274	333	6	12,012
219,678	-	13,449	725,760
-	-	-	309
<u>356,525</u>	<u>11,475</u>	<u>47,257</u>	<u>2,717,726</u>
-	-	-	-
-	-	-	(23,458)
-	-	-	-
-	-	-	105,925
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,467</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - ENERGY ASSISTANCE
September 30, 2011

	<u>#431 Energy Assistance '11</u>
ASSETS	
Current Assets	
Grants Receivable	\$ <u>57,558</u>
Total Current Assets	<u>\$ 57,558</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Due to Other Programs	\$ 27,864
Accounts Payable	<u>29,694</u>
Total Current Liabilities	57,558
Net Assets	
Unrestricted	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 57,558</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - ENERGY ASSISTANCE
Year Ended September 30, 2011

	#431 Energy Assistance '11	#432 Reach Out for Warmth '11	Energy Assistance '11 Elimination	Total
REVENUES				
Grant Revenue				
Federal Grants	\$ 8,047,756	\$ 3,112	\$ (6,652,450)	\$ 1,398,418
Program Support	-	6,047	-	6,047
Interest Income	8	-	-	8
Total Revenues	<u>8,047,764</u>	<u>9,159</u>	<u>(6,652,450)</u>	<u>1,404,473</u>
EXPENSES				
Wages and Fringe Benefits	744,568	-	-	744,568
Professional Services	16,102	-	-	16,102
Contractual Services	566	-	-	566
Vehicle Expense and Travel	3,534	-	-	3,534
Training	1,994	-	-	1,994
Supplies and Copy Costs	46,156	-	-	46,156
Insurance	3,352	-	-	3,352
Equipment Maintenance	13,277	-	-	13,277
Office Rent, Utilities and Space Costs	11,826	-	-	11,826
Dues, Subscriptions and Memberships	314	-	-	314
Communication (Postage and Telephone)	22,326	-	-	22,326
Printed Forms and Advertising	12,766	-	-	12,766
Energy Assistance Direct Client Support	7,170,495	9,159	(6,652,450)	527,204
Miscellaneous	488	-	-	488
Total Expenses	<u>8,047,764</u>	<u>9,159</u>	<u>(6,652,450)</u>	<u>1,404,473</u>
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - HOUSING REHABILITATION
September 30, 2011

	<u>#515 MHFA Loan Program</u>	<u>#572 Cloquet Revolving Loan Fund</u>	<u>#573 Princeton NSP</u>
ASSETS			
Current Assets			
Grants Receivable	\$ 12,012	\$ 1,001	\$ 10,702
Prepaid Expenses	<u>226</u>	<u>-</u>	<u>86</u>
Total Current Assets	<u><u>\$ 12,238</u></u>	<u><u>\$ 1,001</u></u>	<u><u>\$ 10,788</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ 11,447	\$ 990	\$ 10,647
Accounts Payable	<u>791</u>	<u>11</u>	<u>141</u>
Total Current Liabilities	<u>12,238</u>	<u>1,001</u>	<u>10,788</u>
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 12,238</u></u>	<u><u>\$ 1,001</u></u>	<u><u>\$ 10,788</u></u>

<u>#574 McGregor HRC</u>	<u>#575 Pine County</u>	<u>#576 City of Braham</u>	<u>#577 Princeton/ Milaca Collaborative</u>	<u>Total</u>
\$ 2,353	\$ 10,119	\$ 353	\$ 6,078	\$ 42,618
86	86	-	59	543
<u>\$ 2,439</u>	<u>\$ 10,205</u>	<u>\$ 353</u>	<u>\$ 6,137</u>	<u>\$ 43,161</u>
\$ 2,107	\$ 10,099	\$ 353	\$ 5,990	\$ 41,633
332	106	-	147	1,528
<u>2,439</u>	<u>10,205</u>	<u>353</u>	<u>6,137</u>	<u>43,161</u>
-	-	-	-	-
<u>\$ 2,439</u>	<u>\$ 10,205</u>	<u>\$ 353</u>	<u>\$ 6,137</u>	<u>\$ 43,161</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - HOUSING REHABILITATION
Year Ended September 30, 2011

	<u>#515 MHFA Loan Program</u>	<u>#572 Cloquet Revolving Loan Fund</u>	<u>#573 Princeton NSP</u>
REVENUES			
Grant Revenue			
State Grants	\$ 276,059	\$ 3,383	\$ 8,165
Program Support	-	709	10,081
Interest Income	35	-	-
Total Revenues	<u>276,094</u>	<u>4,092</u>	<u>18,246</u>
EXPENSES			
Wages and Fringe Benefits	30,048	3,539	12,965
Professional Services	811	56	112
Contractual Services	552	5	15
Vehicle Expense and Travel	3,198	-	972
Training	90	6	26
Supplies and Copy Costs	519	61	137
Insurance	219	1	72
Equipment Maintenance	443	168	444
Office Rent, Utilities and Space Costs	454	52	130
Communication (Postage and Telephone)	1,428	112	301
Printed Forms and Advertising	-	-	-
Housing Rehabilitation Direct Client Support	237,719	92	2,136
Miscellaneous	613	-	936
Total Expenses	<u>276,094</u>	<u>4,092</u>	<u>18,246</u>
Change in Net Assets	-	-	-
NET ASSETS			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>#574 McGregor HRC</u>	<u>#575 Pine County</u>	<u>#576 City of Braham</u>	<u>#577 Princeton/ Milaca Collaborative</u>	<u>Total</u>
\$ 34,400	\$ 46,403	\$ 90	\$ 6,078	\$ 374,578
-	-	-	-	10,790
-	-	-	-	35
<u>34,400</u>	<u>46,403</u>	<u>90</u>	<u>6,078</u>	<u>385,403</u>
28,770	39,117	83	5,438	119,960
162	187	-	64	1,392
15	15	-	2	604
1,772	2,254	-	241	8,437
25	235	-	-	382
101	235	-	29	1,082
72	72	-	-	436
444	1,814	-	68	3,381
130	132	-	11	909
401	770	7	14	3,033
210	320	-	211	741
2,298	1,220	-	-	243,465
-	32	-	-	1,581
<u>34,400</u>	<u>46,403</u>	<u>90</u>	<u>6,078</u>	<u>385,403</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - OTHER PROGRAMS
September 30, 2011

	#051 Conservation Improvement	#001 Payroll Fund	#050 Special Programs	Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 229,804	\$ 312,440	\$ 433,561	\$ 975,805
Restricted Cash	-	-	198,832	198,832
Due from Other Programs	-	-	337,674	337,674
Investments	-	-	398,162	398,162
Interest Receivable	-	-	1,541	1,541
Accounts Receivable	29,935	-	11,082	41,017
Prepaid Expenses	-	-	8,532	8,532
Total Current Assets	259,739	312,440	1,389,384	1,961,563
Property and Equipment, Net	-	-	366,065	366,065
Other Asset				
Investment	-	-	339,754	339,754
Total Assets	\$ 259,739	\$ 312,440	\$ 2,095,203	\$ 2,667,382
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 7,787	\$ 7,724	\$ 62,221	\$ 77,732
Accrued Payroll and Related Taxes and Benefits	-	304,716	-	304,716
Accrued Vacation	-	-	115,942	115,942
Accrued Unemployment	-	-	198,832	198,832
Deferred Revenue - Grants	251,952	-	-	251,952
Total Current Liabilities	259,739	312,440	376,995	949,174
Net Assets				
Unrestricted	-	-	1,213,310	1,213,310
Designated	-	-	138,833	138,833
Investment in Property and Equipment	-	-	366,065	366,065
Total Liabilities and Net Assets	\$ 259,739	\$ 312,440	\$ 2,095,203	\$ 2,667,382

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - OTHER PROGRAMS
Year Ended September 30, 2011

	<u>#051</u> <u>Conservation</u> <u>Improvement</u>	<u>#050</u> <u>Special</u> <u>Programs</u>	<u>Total</u>
REVENUES			
Grant Revenue			
Other Grants	\$ 131,650	\$ -	\$ 131,650
Program Support	-	93,185	93,185
Interest Income	<u>18</u>	<u>21,531</u>	<u>21,549</u>
Total Revenues	<u>131,668</u>	<u>114,716</u>	<u>246,384</u>
EXPENSES			
Wages and Fringe Benefits	68,665	6,637	75,302
Contractual Services	1,067	823	1,890
Vehicle Expense and Travel	9,460	441	9,901
Training	157	-	157
Supplies and Copy Costs	3,598	4,725	8,323
Equipment Maintenance	754	17,182	17,936
Office Rent, Utilities and Space Costs	8,006	-	8,006
Communication (Postage and Telephone)	3,121	-	3,121
Other Direct Client Support	133,565	17,639	151,204
Miscellaneous	<u>275</u>	<u>-</u>	<u>275</u>
Total Expenses	<u>228,668</u>	<u>47,447</u>	<u>276,115</u>
Transfers	97,000	(97,000)	-
Change in Net Assets	-	(29,731)	(29,731)
NET ASSETS			
Beginning of Year	-	1,857,352	1,857,352
Prior Period Adjustment	<u>-</u>	<u>(109,413)</u>	<u>(109,413)</u>
Beginning of Year, as Restated	<u>-</u>	<u>1,747,939</u>	<u>1,747,939</u>
End of Year	<u>\$ -</u>	<u>\$ 1,718,208</u>	<u>\$ 1,718,208</u>

FEDERAL FINANCIAL REPORT
(Follow form instructions)

COPY

Page of
1
pages

1. Federal Agency and Organizational Element to Which Report is Submitted HHS ADMINISTRATION FOR CHILDREN & FAMILIES	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 05CH4092/45
---	--

3. Recipient Organization (Name and complete address including Zip code)
LAKES & PINES COMMUNITY ACTION COMMITTEE, INC 1700 MAPLE AVE EAST MORA MN 55051

4a. DUNS Number 74217639	4b. EIN 1410900982A1	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) A449G	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Final	7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual
-----------------------------	-------------------------	--	--	--

8. Project/Grant Period (Month, Day, Year)
From: 08/01/2010 To: 07/31/2011

9. Reporting Period End Date (Month, Day, Year)
07/31/2011

10. Transactions Cumulative

(Use lines a-c for single or multiple grant reporting)

Federal Cash (To report multiple grants, also use FFR Attachment):

a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	

(Use lines d-o for single grant reporting)

Federal Expenditures and Unobligated Balance:

d. Total Federal funds authorized	2,481,329
e. Federal share of expenditures	2,481,329
f. Federal share of unliquidated obligations	0
g. Total Federal share (sum of lines e and f)	2,481,329
h. Unobligated balance of Federal funds (line d minus g)	0

i. Total recipient share required	620,332
j. Recipient share of expenditures	620,332
k. Remaining recipient share to be provided (line i minus j)	0

Program Income:

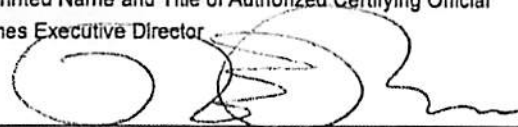
l. Total Federal program income earned	0
m. Program income expended in accordance with the deduction alternative	0
n. Program income expended in accordance with the addition alternative	0
o. Unexpended program income (line l minus line m or line n)	0

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
						g. Totals:	0

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

Total Training and Technical Assistance-\$33,156.00 Total Administrative Costs-\$356,141.18 Percent of Administration 12.0%

13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official Robert C. Benes Executive Director	c. Telephone (Area code, number, and extension) 320-679-1800 x112
	d. Email Address bobb@lakesandpines.org
	e. Date Report Submitted (Month, Day, Year) 10/25/2011

14. Agency use only

Standard Form 425 - Revised 6/28/2010
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2011

Federal Grantors/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Federal Expenditures - Cash			
U.S. Department of Agriculture			
Pass-through from Minnesota Department of Education:			
Child Care Food Program	10.558	8-332-501-6	\$ 35,329
U.S. Department of Housing and Urban Development			
Direct:			
Emergency Shelter Grant Program 10/11	14.231	1031077	16,313
Emergency Shelter Grant Program 12/13	14.231	GRK%29708	531
Pass-through from Minnesota Department of Human Services:			
ARRA Rapid Rehousing Program	14.257	1039077	<u>149,716</u>
Total U.S. Department of Housing and Urban Development			166,560
U.S. Department of Homeland Security:			
Pass-through from Aitkin County:			
Emergency Food and Shelter	97.024	28-4898-00	2,257
Pass-through from Chisago County:			
Emergency Food and Shelter	97.024	28-4922-00	6,427
Pass-through from Isanti County:			
Emergency Food and Shelter	97.024	28-4966-00	1,729
Pass-through from Kanabec County:			
Emergency Food and Shelter	97.024	28-4972-00	6,334
Pass-through from Mille Lacs County:			
Emergency Food and Shelter	97.024	28-5002-00	5,025
Pass-through from Pine County:			
Emergency Food and Shelter	97.024	28-5024-00	<u>6,250</u>
Total U.S. Department of Homeland Security			28,022
U.S. Department of Energy:			
Pass-through from Minnesota Department of Commerce:			
Weatherization Assistance for Low Income Persons:			
ARRA DOE 10/12	81.042	B29132	2,031,345
DOE Weatherization 10/11	81.042	B29057	268,050
DOE Weatherization 11/12	81.042	28601	<u>3,063</u>
Total U.S. Department of Energy			2,302,458
U.S. Department of Health and Human Services:			
Direct:			
Head Start 'S'	93.600	05CH 4092/45	2,085,843
Head Start 'T'	93.600	05CH 4092/46	387,166
Pass-through from Minnesota Department of Commerce:			
Low Income Home Energy Assistance:			
EAP/WX Carryover 2010	93.568	B29057	356,525
EAP/WX Carryover 2011	93.568	28601	11,475
EAP ROFW 2011	93.568	B46895	3,112
EAP 2011	93.568	B46895	1,395,306
Pass-through from Minnesota Department of Health and Human Services:			
CSBG 2010-2012	93.569	1010077-R	<u>307,181</u>
Total U.S. Department of Health and Human Services			<u>4,546,608</u>
Total Federal Expenditures - Cash			<u>7,078,977</u>
Federal Expenditures - Noncash			
Head Start 'S'	93.600		<u>620,332</u>
Total Federal Awards			<u>\$ 7,699,309</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2011**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Council and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Noncash expenditures of federal awards include amounts estimated for donated facility space of \$ 10,820 and volunteer services of \$ 609,512.



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

Board of Directors
Lakes and Pines Community Action
Council, Inc.
Mora, Minnesota

We have audited the financial statements of Lakes and Pines Community Action Council, Inc. as of and for the year ended September 30, 2011, and have issued our report thereon dated March 19, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Council is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133*, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompany Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133* to be material weaknesses, Audit Findings No. 11-01, 11-02 and 11-03.



COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Council's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Council in a separate letter dated March 19, 2012.

The Council's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133*. We did not audit the Council's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, Board of Directors and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
March 19, 2012



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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Board of Directors
Lakes and Pines Community Action
Council, Inc.
Mora, Minnesota

COMPLIANCE

We have audited the compliance of Lakes and Pines Community Action Council, Inc., with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133*. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*. Those Standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council'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. Our audit does not provide a legal determination on the Council's compliance with those requirements.

In our opinion, Lakes and Pines Community Action Council, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.



INTERNAL CONTROL OVER COMPLIANCE

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB *Circular A-133*, 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 the Council'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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors and federal and state awarding and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
March 19, 2012

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB *CIRCULAR A-133*
September 30, 2011**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Noncompliance material to financial statements noted? No

Federal Awards

Type of auditor’s report issued on compliance for major programs: Unqualified

Internal control over major programs:

- Major weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*? No

Identification of Major Programs

CFDA No.: 14.257
Name of Federal Program: Rapid Rehousing Program

CFDA No.: 81.042
Name of Federal Program: Weatherization Assistance for Low Income Persons

CFDA No.: 93.568
Name of Federal Program: Low Income Home Energy Assistance Program

Dollar threshold used to distinguish between type A and type B programs? \$ 300,000

Auditee qualified as low risk auditee? No

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB CIRCULAR A-133**

September 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Current Year

Audit Finding No. 11-01 – Preparation of Financial Statements

Criteria or Specific Requirement:

Internal control that supports the Council's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements requires management to prepare annual financial statements in accordance with U.S. generally accepted accounting principles.

Condition:

The Council does not have procedures in place to provide for the preparation of annual financial statements in accordance with U.S. generally accepted accounting principles, except for the use of the external auditor to draft the Council's financial information in the form of financial statements.

Questioned Costs:

None

Context:

This finding impacts the internal control over the preparation of financial statements in accordance with U.S. generally accepted accounting principles.

Effect:

The lack of procedures over the preparation of the annual financial statements in accordance with U.S. generally accepted accounting principles, could adversely affect the Council's ability to report financial data consistent with the assertions of management in the consolidated financial statements.

Cause:

Management has engaged the external auditors to draft the Council's financial information in the form of consolidated financial statements.

Recommendation:

Annually review the consolidated financial statements as prepared by the external auditors to ensure they are properly prepared in accordance with U.S. generally accepted accounting principles.

Management's Response:

Due to the complexity involved with the prior period adjustment and initial year presentation, management believed better results were achieved by relying on the expertise of the external auditors regarding these matters. It is the expectation of management to prepare the financial statements in future years.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB CIRCULAR A-133
September 30, 2011**

SECTION II – FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Current Year

Audit Finding 11-02 – Lack of Segregation of Accounting Duties

Criteria or Specific Requirement:

Internal control that supports the Council's ability to initiate, authorize, record, process or report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

Condition:

The Council does not have adequate segregation of accounting duties.

Questioned Costs:

None

Context:

This finding impacts the internal control for all significant accounting functions.

Effect:

The lack of adequate segregation of accounting duties could adversely affect the Council's ability to initiate, authorize, record, process and report financial data consistent with the assertions of management in the financial statements.

Cause:

There are a limited number of office employees.

Recommendation:

Perform a review of the accounting system, including changes that may occur. Implement all segregation recommendations to adequately segregate all accounting duties.

Management's Response:

Management will continue to assess accounting duties performed and implement segregation whenever practical and cost effective.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB *CIRCULAR A-133*
September 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Current Year

Audit Finding 11-03 – Significant Audit Entries Identified by the External Auditors

Criteria or Specific Requirement:

Internal control that supports the Organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements requires management to reconcile and adjust all significant financial statement accounts prior to the audit.

Condition:

The Organization did not reconcile and adjust all significant financial statement accounts prior to the audit.

Questioned Costs:

None

Context:

This finding impacts the internal control over the preparation of financial statements in accordance with U.S. generally accepted accounting principles.

Effect:

Management not reconciling and adjusting all significant financial statement accounts prior to the audit, could adversely affect the Organization's ability to report financial data consistent with the assertions of management in the financial statements.

Cause:

Management did not reconcile and adjust all significant financial statement accounts prior to the audit.

Recommendation:

We recommend management or the Organization's representative, reconcile and adjust all significant financial statement accounts prior to the audit fieldwork.

Management's Response:

Due to the complexity involved with the prior period adjustment management relied on the expertise of the external auditors regarding these matters. It is the expectation of management to reconcile and adjust all significant financial statements accounts prior to fieldwork going forward.

Prior Year

None

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Current Year and Prior Year

There were no findings and no questioned costs.