

**Lakes and Pines Community Action Council, Inc.**

**Financial Statements**

**September 30, 2022 and 2021**



**Lakes and Pines Community Action Council, Inc.**  
**Table of Contents**

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10
Supplementary Information	
Schedule of Expenditures of Federal Awards	20
Notes to Schedule of Expenditures of Federal Awards	22
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	25
Schedule of Findings and Questioned Costs	28

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Lakes and Pines Community Action Council, Inc., which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lakes and Pines Community Action Council, Inc. as of September 30, 2022 and 2021, 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.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lakes and Pines Community Action Council, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakes and Pines Community Action Council, Inc.'s ability to continue as a going concern for one year.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lakes and Pines Community Action Council, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakes and Pines Community Action Council, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023, on our consideration of Lakes and Pines Community Action Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Lakes and Pines Community Action Council, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lakes and Pines Community Action Council, Inc.'s internal control over financial reporting and compliance.

*BergankDV, Ltd.*

St. Cloud, Minnesota  
January 23, 2023

**Lakes and Pines Community Action Council, Inc.**  
**Statements of Financial Position**  
**As of September 30, 2022 and 2021**

	2022	2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 789,465	\$ 938,983
Restricted cash	168,634	256,632
Certificates of deposit	651,634	647,083
Accounts receivable	33,159	92,046
Grants receivable	1,343,107	1,106,900
Prepaid expenses	21,797	29,592
Weatherization inventory	71,825	62,730
Total current assets	3,079,621	3,133,966
Property and equipment, net	355,102	404,533
Total assets	\$ 3,434,723	\$ 3,538,499
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 171,663	\$ 365,040
Due to other agency	2,920	2,920
Accrued payroll and related taxes and benefits	196,064	183,723
Accrued vacation	168,597	170,271
Accrued unemployment insurance	21,652	86,134
Refundable advances	455,329	372,611
Total current liabilities	1,016,225	1,180,699
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	2,044,185	2,034,435
Designated by the Board	105,829	124,625
Total without donor restrictions	2,150,014	2,159,060
With donor restrictions	268,484	198,740
Total net assets	2,418,498	2,357,800
Total liabilities and net assets	\$ 3,434,723	\$ 3,538,499

See notes to financial statements.

**Lakes and Pines Community Action Council, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Grants and contributions	\$ 8,614,399	\$ 280,922	\$ 8,895,321
Program support	894,171	-	894,171
Interest income	5,579	-	5,579
Net assets released from restrictions	211,178	(211,178)	-
Total revenues	9,725,327	69,744	9,795,071
<b>Expenses</b>			
Program services			
Community services	2,122,465	-	2,122,465
Early childhood and family development	3,351,872	-	3,351,872
Weatherization	1,220,707	-	1,220,707
Energy assistance	872,440	-	872,440
Housing rehabilitation	668,589	-	668,589
Other program services	170,313	-	170,313
Management and general	1,327,987	-	1,327,987
Total expenses	9,734,373	-	9,734,373
Change in net assets	(9,046)	69,744	60,698
<b>Net Assets</b>			
Beginning of year	2,159,060	198,740	2,357,800
End of year	\$ 2,150,014	\$ 268,484	\$ 2,418,498

**Lakes and Pines Community Action Council, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Grants and contributions	\$ 10,270,984	\$ 137,524	\$ 10,408,508
Program support	1,311,664	-	1,311,664
Interest income	10,394	-	10,394
Gain on sale of property and equipment	175	-	175
Net assets released from restrictions	101,386	(101,386)	-
Total revenues	<u>11,694,603</u>	<u>36,138</u>	<u>11,730,741</u>
<b>Expenses</b>			
Program services			
Community services	4,012,443	-	4,012,443
Early childhood and family development	3,272,076	-	3,272,076
Weatherization	1,025,109	-	1,025,109
Energy assistance	805,431	-	805,431
Housing rehabilitation	1,067,905	-	1,067,905
Other program services	319,283	-	319,283
Management and general	1,117,145	-	1,117,145
Total expenses	<u>11,619,392</u>	<u>-</u>	<u>11,619,392</u>
Change in net assets	75,211	36,138	111,349
<b>Net Assets</b>			
Beginning of year	<u>2,083,849</u>	<u>162,602</u>	<u>2,246,451</u>
End of year	<u>\$ 2,159,060</u>	<u>\$ 198,740</u>	<u>\$ 2,357,800</u>



**Lakes and Pines Community Action Council, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2022**

	Program Services						Total	Management and General	Total
	Community Services	Early Childhood and Family Development	Weatherization	Energy Assistance	Housing Rehabilitation	Other Program Services			
<b>Expenses</b>									
Wages and fringe benefits	\$ 1,034,216	\$ 2,556,621	\$ 577,633	\$ 757,310	\$ 155,834	\$ (24,372)	\$ 5,057,242	\$ 1,102,977	\$ 6,160,219
Professional services	56,283	12,303	4,311	2,753	3,597	1,466	80,713	12,086	92,799
Contractual services	66,807	201,381	-	-	-	-	268,188	16,362	284,550
Vehicle expenses and travel	22,247	127,122	41,959	1,915	5,206	46	198,495	13,193	211,688
Training	12,138	54,126	11,404	3,476	1,169	-	82,313	25,276	107,589
Supplies and copy costs	25,288	96,221	17,087	19,418	487	6,812	165,313	53,391	218,704
Insurance	7,197	31,219	26,137	9,070	1,377	-	75,000	1,714	76,714
Office rent, utilities, and space costs	31,271	129,499	46,451	-	-	366	207,587	31,292	238,879
Dues and subscriptions	2,962	25,003	77	4,114	-	-	32,156	23,194	55,350
Communication, postage and telephone	29,652	54,329	4,129	17,005	2,937	-	108,052	11,354	119,406
Printed forms and advertising	15,274	1,948	9,443	8,915	78	-	35,658	37,148	72,806
Direct client support	819,130	62,100	482,076	48,464	497,904	67,913	1,977,587	-	1,977,587
Depreciation	-	-	-	-	-	118,082	118,082	-	118,082
<b>Total expenses</b>	<b>\$ 2,122,465</b>	<b>\$ 3,351,872</b>	<b>\$ 1,220,707</b>	<b>\$ 872,440</b>	<b>\$ 668,589</b>	<b>\$ 170,313</b>	<b>\$ 8,406,386</b>	<b>\$ 1,327,987</b>	<b>\$ 9,734,373</b>

**Lakes and Pines Community Action Council, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2021**

	Program Services							Management and General	Total
	Community Services	Early Childhood and Family Development	Weatherization	Energy Assistance	Housing Rehabilitation	Other Program Services	Total		
<b>Expenses</b>									
Wages and fringe benefits	\$ 1,372,439	\$ 2,425,442	\$ 609,300	\$ 688,501	\$ 105,482	\$ 11,413	\$ 5,212,577	\$ 927,444	\$ 6,140,021
Professional services	36,904	6,669	2,555	1,306	2,663	1,013	51,110	7,860	58,970
Contractual services	64,990	236,300	955	101	-	-	302,346	13,149	315,495
Vehicle expenses and travel	22,872	112,825	42,926	877	2,707	77	182,284	5,301	187,585
Training	3,770	52,798	695	2,031	-	-	59,294	11,916	71,210
Supplies and copy costs	87,781	103,311	13,968	81,696	788	2,320	289,864	50,987	340,851
Insurance	8,647	28,936	17,019	9,806	1,133	66	65,607	746	66,353
Office rent, utilities, and space costs	51,489	140,644	38,602	475	-	1,268	232,478	34,082	266,560
Dues and subscriptions	1,988	14,440	45	-	-	-	16,473	20,634	37,107
Communication, postage and telephone	25,365	58,078	4,244	13,757	1,809	-	103,253	18,152	121,405
Printed forms and advertising	1,100	52,938	23,693	6,881	1,163	-	85,775	21,617	107,392
Direct client support	2,335,098	39,695	271,107	-	952,160	188,605	3,786,665	5,257	3,791,922
Depreciation	-	-	-	-	-	114,521	114,521	-	114,521
<b>Total expenses</b>	<b>\$ 4,012,443</b>	<b>\$ 3,272,076</b>	<b>\$ 1,025,109</b>	<b>\$ 805,431</b>	<b>\$ 1,067,905</b>	<b>\$ 319,283</b>	<b>\$ 10,502,247</b>	<b>\$ 1,117,145</b>	<b>\$ 11,619,392</b>

**Lakes and Pines Community Action Council, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows - Operating Activities</b>		
Change in net assets	\$ 60,698	\$ 111,349
Adjustments to reconcile change in net assets to net cash flows - operating activities		
Depreciation	118,082	114,521
Gain on sale of property and equipment	-	(175)
Change in operating assets and liabilities		
Accounts receivable	58,887	33,521
Grants receivable	(236,207)	268,109
Prepaid expenses	7,795	71,460
Weatherization inventory	(9,095)	(9,320)
Accounts payable	(193,377)	221,127
Due to other agency	-	(373)
Accrued payroll and related taxes and benefits	12,341	5,055
Accrued vacation	(1,674)	1,217
Accrued unemployment insurance	(64,482)	47,425
Deferred revenue	-	(98,890)
Refundable advances	82,718	(253,590)
Total adjustments	<u>(225,012)</u>	<u>400,087</u>
Net cash flows - operating activities	<u>(164,314)</u>	<u>511,436</u>
 <b>Cash Flows - Investing Activities</b>		
Reinvested earnings and purchases of certificates of deposit	(4,551)	(9,831)
Proceeds from sale of property and equipment	-	175
Purchases of property and equipment	<u>(68,651)</u>	<u>(64,251)</u>
Net cash flows - investing activities	<u>(73,202)</u>	<u>(73,907)</u>
 Net change in cash and cash equivalents and restricted cash	(237,516)	437,529
 <b>Cash and Cash Equivalents and Restricted Cash</b>		
Beginning of year	<u>1,195,615</u>	<u>758,086</u>
 End of year	<u>\$ 958,099</u>	<u>\$ 1,195,615</u>
 <b>Reconciliation to Statement of Financial Position</b>		
Cash and cash equivalents	\$ 789,465	\$ 938,983
Restricted cash	<u>168,634</u>	<u>256,632</u>
 Total cash and cash equivalents and restricted cash	<u>\$ 958,099</u>	<u>\$ 1,195,615</u>

See notes to financial statements.

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 1 – ORGANIZATION AND 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, private sector, and persons representing low-income individuals and families in their local community.

**Accounting 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.

*Self-Insured Unemployment Insurance*

Provisions for a reserve under a self-insured program for unemployment compensation are allowable to the extent that the provisions represent reasonable estimates of the liabilities for such compensation, and the types of coverage, extent of coverage, and rates and premiums would have been allowable had insurance been purchased to cover the risks. However, provisions for self-insured liabilities which do not become payable for more than one year after the provision is made must not exceed the present value of the liability. The Council charged Federal and non-Federal programs for unemployment compensation based on estimates from prior years and projected salary expenses. In March 2020, due to the COVID-19 pandemic, the State of Minnesota Department of Employment and Economic Development (the State) suspended quarterly unemployment billings for reimbursing entities. In October 2020, the State provided written communication to the Council detailing three provisions of the CARES Act that may reduce charges to the Council's account. In April 2021, the State provided written notification that adjustments were made to the Council's account. The written notification also indicated the State would analyze the Council's account to determine if additional financial relief would be available under state law, that quarterly billing will remain suspended while making adjustment to the Council's account and when the work is complete, and the Council would be notified a couple months ahead of time before billing resumes.

The Council's unemployment account at the State as of September 30, 2021 reflected a decrease of approximately \$80,000, indicating that the State had adjusted the unemployment claims the Council incurred for the period between 2nd Quarter 2020 and 3rd Quarter 2021. Since no formal final communication had been received as of September 30, 2021, and based upon subsequent transactions to the Council's account, it appeared the State was still in the processes of reviewing all claims and credits, thus leaving open the possibility of adjustments to the amounts owed by the Council for unemployment claims from 2020 and 2021. Once the State had completed their review and provided final written notification in 2022, the unemployment liability account balance was reviewed and adjusted accordingly.

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash Equivalents**

Cash equivalents include highly liquid investments with original maturities of three months or less, that are recorded at cost plus accrued interest, which approximates market.

**Restricted Cash**

Restricted cash represents the Council's estimated cash balance for eligible unemployment insurance claims held with a grantor trust. The Council also maintains restricted cash for the self-insured employee dental plan.

**Certificates of Deposit**

Certificates of deposit have original maturities greater than three months and are recorded at cost plus accrued interest.

**Accounts Receivable**

Accounts receivable are the result of the Council extending unsecured credit to the users of the Council's programs through contracts rather than grant agreements. 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 as of September 30, 2022 and 2021.

Accounts receivable are considered delinquent after 30 days and the Council does not accrue interest on delinquent receivables.

**Grants Receivable**

Grants receivable are amounts outstanding under government reimbursement grant agreements. The Council recognizes revenue from agreements on a cost-reimbursement basis. No allowance is deemed necessary due to the nature of the government grants.

**Concentrations of Credit Risk**

Financial instruments which potentially subject the Council to concentrations of credit risk consist principally of cash, cash equivalents and grants receivable. The Council places its cash and cash equivalents with high credit quality financial institutions. At times, the Council's cash and cash equivalents are in excess of the FDIC insurance limit.

The Council is subject to a degree of vulnerability due to concentrations of revenue from major funding sources. During 2022, 30% of the Council's revenue was from the Head Start Program funded through the U.S. Department of Health and Human Services. During 2022, 23% 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. The Head Start Program represented approximately 32% of grants receivable as of September 30, 2022. The Energy Assistance and Weatherization Programs represented approximately 24% of grants receivable as of September 30, 2022.

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Concentrations of Credit Risk (Continued)**

During 2021, 24% of the Council's revenue was from the Head Start Program funded through the U.S. Department of Health and Human Services. During 2021, 16% 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. The Head Start Program represented approximately 30% of grants receivable as of September 30, 2021. The Energy Assistance and Weatherization Programs represented approximately 24% of grants receivable as of September 30, 2021.

**Weatherization Inventory**

Inventory is valued at the lower of cost based on first-in, first-out (FIFO) method or net realizable value. Inventory consists of materials and supplies used for the weatherization program.

**Property and Equipment**

Property and equipment are carried at cost, or fair value if donated, with depreciation computed under the straight-line method over the economic useful lives of the assets. The Council follows the policy of capitalizing all property and equipment expenditures over \$5,000 and with estimated useful lives in excess of one year.

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.

**Long-Lived Assets**

The Council records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There were no impairment losses for the years ended September 30, 2022 and 2021.

**Net Assets**

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

*Net Assets Without Donor Restrictions*

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for various purposes.

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (Continued)**

*Net Assets With Donor Restrictions*

Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Council reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Revenue Recognition**

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Grant awards without substantial conditions are recognized in the period in which they are approved by the governing bodies. Grants with substantial conditions are not recognized until the conditions on which they depend are met. The federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, as of September 30, 2022 and 2021, conditional contributions of \$7,313,022 and \$10,134,283, respectively, for which no amounts have been received in advance, have not been recognized in the accompanying financial statements.

Program support includes revenue for administration of loans and contract management, housing support supplemental services, and reimbursements for client expenses and contractor payments for housing programs. These services are provided in exchange for fees that have been contractually established. Revenue is recognized overtime as the services are provided as the customer is simultaneously receiving and consuming the benefits of the service. Payments are typically received within 30 days after monthly billing.

**In-Kind Contributions**

In-kind contributions are reflected as contributions valued at fair value on date of donation. A similar amount is included in expenses on the statement of activities. 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 volunteers have donated significant amounts of their time in the Council's Early Childhood and Family Development Program, specifically the Head Start Program. However, no amounts have been reflected in the statements for donated services as they do not meet the criteria for recognition as contributions.

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Advertising Costs**

The Council's policy is to expense advertising costs as they are incurred. During 2022 and 2021, the Council incurred advertising costs totaling \$72,806 and \$107,392, respectively.

**Tax Status**

The Council is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Code.

**Functional Expense and Cost Allocation**

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function.

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.

The Council follows a cost allocation plan to allocate costs not directly attributable to specific programs. This cost allocation plan outlines the type of costs as well as the process for allocating the direct and joint expenses. Significant joint cost allocation methods include the following pools:

- Administration – Based on the actual number of transactions by fund (grants) and based on the actual payroll distribution by fund (employees).
- Common Area and Custodial – Based on the actual payroll distribution by fund and square footage of occupancy.
- Human Resources – Based on the actual payroll distribution by fund.
- Fiscal Services – Based on actual number of transactions by fund.
- Technology Services – Based on the actual number of computers and phones held by fund.

**Recently Issued Accounting Pronouncement**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new guidance will require all leases to be recorded as assets and liabilities on the statement of financial position. This update requires capitalization of "right-of-use assets" and recognition of an obligation for future lease payments for most leases currently classified as operating leases. In June 2020, the FASB issued ASU 2020-05 which defers the effective date one year making it effective for annual reporting periods beginning after December 15, 2021, with early adoption permitted. The provisions of this ASU are to be applied using the modified retrospective approach. The Council is currently evaluating the impact this standard will have on its financial statements.

**Subsequent Events**

The Council has evaluated subsequent events through January 23, 2023, the date which the financial statements were available to be issued.



**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise of the following as of September 30, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 789,465	\$ 938,983
Certificates of deposit	651,634	647,083
Accounts receivable	33,159	92,046
Grants receivable	1,343,107	1,106,900
Total financial assets	2,817,365	2,785,012
Less net assets designated by the Board	105,829	124,625
Less net assets with donor restrictions	268,484	198,740
Total financial assets available for general expenditures	\$ 2,443,052	\$ 2,461,647

The Council does not have a formal policy; however, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, the Council invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments. Although the Council does not intend to spend from the board designated net assets, these amounts could be made available if necessary.

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of September 30, 2022 and 2021:

	2022	2021
Land	\$ 60,818	\$ 60,818
Buildings and improvements	866,273	866,273
Vehicles and equipment	997,782	929,131
	1,924,873	1,856,222
Less accumulated depreciation	1,569,771	1,451,689
Property and equipment, net	\$ 355,102	\$ 404,533

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 4 – NET ASSETS DESIGNATED BY THE BOARD**

Net assets designated by the Board consists of the following as of September 30, 2022 and 2021:

	2022	2021
Designated for		
Pine County financial education project	\$ 245	\$ 245
Contracted services	7,001	7,001
Head Start transportation	126	126
Head Start	15,430	15,219
Caring members (East Central Energy)	22,335	30,712
Emergency services	31,871	28,343
Delivery donation fund	296	296
Transportation assistance	721	721
Reading is fundamental (RIF)	2,941	2,941
EAP refunds/income fund	8,269	15,011
Reach out for warmth	6,527	13,943
Inspection services	10,067	10,067
 Total net assets designated by the Board	 \$ 105,829	 \$ 124,625

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consists of the following as of September 30, 2022 and 2021:

	2022	2021
Subject to expenditure for specified purpose		
Conservation improvement plan (CIP)	\$ 85,839	\$ 152,997
Community services	82,981	36,166
Transformative coaching model	99,664	-
Housing rehabilitation	-	9,577
 Total net assets with donor restrictions	 \$ 268,484	 \$ 198,740

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets released from restrictions are as follows for the years ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions		
Conservation improvement plan (CIP)	\$ 139,380	\$ 58,355
Early child and family development	-	36,958
Community services	61,885	4,132
Transformative coaching model	336	-
Housing rehabilitation	<u>9,577</u>	<u>1,941</u>
 Total net assets released from restrictions	 <u>\$ 211,178</u>	 <u>\$ 101,386</u>

**NOTE 6 – RETIREMENT PLAN**

The Council sponsors a 401(k) retirement plan that covers substantially all full-time employees. Under the Plan, the Council contributes 100% match, up to 5% of each covered employee's wages. Contributions to the plan amounted to \$124,394 and \$123,520 for 2022 and 2021, respectively.

**NOTE 7 – OPERATING LEASES**

The Council leases certain office and warehouse facilities under operating leases, the last of which expires July 2024. Total lease expense for 2022 and 2021 was \$172,280 and \$185,690, respectively.

Minimum future rental payments under noncancelable operating leases in the aggregate are as follows the years ended September 30:

2023	\$ 134,750
2024	<u>27,000</u>
 Total minimum future rental payments	 <u>\$ 161,750</u>

**NOTE 8 – CONTINGENCIES**

**Grants**

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.

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Financial Statements**

**NOTE 8 – CONTINGENCIES (CONTINUED)**

**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 limit of \$1,500 per enrolled employee and each eligible family member.

**State Unemployment**

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 as of September 30, 2022 and 2021, for eligible unemployment insurance claims. If claims exceed payments into the trust the Council could become liable for those claims.

**NOTE 9 – RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year's financial statements, as previously reported, in order to conform them to the current year's presentation.

**SUPPLEMENTARY INFORMATION**

**Lakes and Pines Community Action Council, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2022**

Federal Grantors/Pass-Through Grantor/Program or Cluster Title/Project Name	Federal Assistance Listing Number	Pass - Through Entity Identification Number	Federal Expenditures
<b>U. S. Department of Agriculture</b>			
Pass-through from Minnesota Department of Human Services			
Supplemental Nutrition Assistance Program Employment and Training	10.537	GRK%162932	\$ 123,453
Pass-through from Minnesota Department of Education			
Child and Adult Care Food Program	10.558	2MN300061	33,515
Pass-through from Minnesota Department of Human Services			
SNAP Cluster			
Supplemental Nutrition Assistance Program Outreach	10.561	GRK%133440	17,901
Total SNAP Cluster			17,901
Total U. S. Department of Agriculture			174,869
<b>U. S. Department of Housing and Urban Development</b>			
Pass-through from Minnesota Department of Employment and Economic Development			
Community Development Block Grants			
County of Mille Lacs Small Cities Development Program	14.228	CDAP-19-0054-O-FY20	11,101
City of Hinkley Small Cities Development Program	14.228	CDAP-19-0053-O-FY19	15,542
Pine City Small Cities Development Program	14.228	CDAP-18-0070-O-FY19	32,990
Total Community Development Block Grants			59,633
Direct			
Continuum of Care Program			
HUD RRH COC 12/20-11/21	14.267		12,442
HUD RRH COC 12/21-11/22	14.267		71,875
HUD DV 12/20-11/21	14.267		12,758
HUD DV 12/21-11/22	14.267		69,692
HUD Navigator 08/21-07/22	14.267		48,428
HUD Navigator 08/22-07/23	14.267		10,480
Total Continuum of Care Program			225,675
Total U. S. Department of Housing and Urban Development			285,308
<b>U. S. Department of Treasury</b>			
Direct			
Volunteer Income Tax Assistance	21.009		27,811
Pass-through from Minnesota Housing Finance Agency			
COVID-19 Emergency Rental Assistance Program 4/21-1/22	21.023	N/A	79,982
COVID-19 Emergency Rental Assistance Program 02/22-06/22	21.023	N/A	52,554
COVID-19 Emergency Rental Assistance Program 06/22-06/23	21.023	N/A	9,925
Total Emergency Rental Assistance Program			142,461
Pass-through from Pine County			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	235,922
Total U.S. Department of Treasury			406,194
<b>U. S. Department of Energy</b>			
Pass-through from Minnesota Department of Commerce			
Weatherization Assistance for Low-Income Persons			
DOE Weatherization 20/21	81.042	DE-EE0007928	553,074
DOE Weatherization 21/22	81.042	DE-EE0009910	77,502
Total Weatherization Assistance for Low-Income Persons			630,576
Total U. S. Department of Energy			630,576

**Lakes and Pines Community Action Council, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2022**

Federal Grantors/Pass-Through Grantor/Program or Cluster Title/Project Name	Federal Assistance Listing Number	Pass - Through Entity Identification Number	Federal Expenditures
<b>U. S. Department of Health And Human Services</b>			
Pass-through from Central Minnesota Council & Aging			
National Family Caregiver Support			
Title III E - Adult Respite 2021	93.052	315-21-003E-012	\$ 2,020
Title III E - Adult Respite 2022	93.052	315-21-003E-012	17,535
Total National Family Caregiver Support			<u>19,555</u>
Pass-through from Minnesota Department of Commerce			
Low-Income Home Energy Assistance			
EAP/WX A2113 Carryover	93.568	2102MNLIEA	563,458
COVID-19 ARPA A2114	93.568	2102MNE5C6	42,325
EAP 2022	93.568	1563	971,764
EAP Direct Payments from State	93.568		10,060,967
Total Low-Income Home Energy Assistance			<u>11,638,514</u>
Pass-through from Minnesota Department of Health and Human Services			
Community Services Block Grant			
CSBG 2020-2021	93.569	160081	13,372
CSBG 2021-2022	93.569	197529	275,375
COVID-19 CSBG	93.569	210708	50,000
Total Community Services Block Grant			<u>338,747</u>
Direct			
Head Start Cluster			
Head Start FY22 (Early and Head Start)	93.600		2,171,473
Head Start FY23 (Early and Head Start)	93.600		419,515
Tri County Community Action Partnership FY2022	93.600		19,368
Tri County Community Action Partnership FY2023	93.600		167
COVID - Coronavirus Response & Relief Supplemental Head Start	93.600		302,150
Total Head Start Cluster			<u>2,912,673</u>
Total U. S. Department of Health and Human Services			<u>14,909,489</u>
Total expenditures of federal awards			<u>\$ 16,406,436</u>

**Lakes and Pines Community Action Council, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lakes and Pines Community Action Council, Inc. under programs of the federal government for the year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lakes and Pines Community Action Council, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Lakes and Pines Community Action Council, Inc..

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which conforms to accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – INDIRECT COST RATE**

Lakes and Pines Community Action Council, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4 – ENERGY ASSISTANCE PAYMENTS**

The Council assists the State of Minnesota with eligibility determinations for the LIHEAP program. Client benefits for LIHEAP eligible participants are subsequently paid directly by the State of Minnesota. For the year ended September 30, 2022, client benefits are in the amount of \$10,060,967, were paid by the state. These amounts are considered federal awards to the Council and are included in the schedule of expenditures of federal awards but are not included in the statement of activities.

**NOTE 5 – PASS-THROUGH ENTITY IDENTIFICATION NUMBERS**

Several of the programs, grants and/or awards included in the Schedule are missing the pass-through entity identification numbers. The missing numbers are due to the pass-through entities not providing the pass-through entity identification numbers.



**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lakes and Pines Community Action Council, Inc., which comprise the statement of financial position as of September 30, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated January 23, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lakes and Pines Community Action Council, Inc.'s internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lakes and Pines Community Action Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lakes and Pines Community Action Council, Inc.'s internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lakes and Pines Community Action Council, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BergankDV, Ltd.*

St. Cloud, Minnesota  
January 23, 2023

**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required  
by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Lakes and Pines Community Action Council, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lakes and Pines Community Action Council, Inc.'s major federal programs for the year ended September 30, 2022. Lakes and Pines Community Action Council, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lakes and Pines Community Action Council, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lakes and Pines Community Action Council, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Lakes and Pines Community Action Council, Inc.'s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lakes and Pines Community Action Council, Inc.'s compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lakes and Pines Community Action Council, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lakes and Pines Community Action Council, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lakes and Pines Community Action Council, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lakes and Pines Community Action Council, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

**Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*BergankDV, Ltd.*

St. Cloud, Minnesota  
January 23, 2023

**Lakes and Pines Community Action Council, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2022**

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major federal programs:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

**Identification of Major Federal Programs**

Assistance Listing No.	93.568
Name of Federal Program or Cluster	Low-Income Home Energy Assistance
Dollar threshold used to distinguish between type A and type B programs?	\$750,000
Auditee qualified as low-risk auditee?	Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.