

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.
MORA, MINNESOTA
Federal ID #41-0900982

FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

As of September 30, 2009

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

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LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.
MORA, MINNESOTA

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

ORGANIZATION
September 30, 2009

OFFICERS

| | |
|----------------|----------------|
| Mary Schwartz | Chairperson |
| Harold Hagfors | 1st Vice Chair |
| Kim Smith | 2nd Vice Chair |
| Lilly Turner | Secretary |
| Doyle Casavant | Treasurer |

EXECUTIVE COMMITTEE MEMBERSHIP

| | |
|-----------------|-------------------|
| Mary Schwartz | Chairperson |
| Lilly Turner | Secretary |
| Doyle Casavant | Treasurer |
| Harold Hagfors | Low Income Sector |
| Liane Heupel | Low Income Sector |
| Wayne Boettcher | Private Sector |
| Paul Bailey | Public Sector |

PLANNING & EVALUATION COMMITTEE MEMBERSHIP

| | |
|----------------------|-------------------|
| Mary Schwartz | Ex-officio Member |
| Duane Droge | Low Income Sector |
| Harold Hagfors | Low Income Sector |
| Doyle Casavant | Private Sector |
| Kathy Krenik-Minkler | Private Sector |
| Mike Robinson | Public Sector |
| Kim Smith | Public Sector |

AGENCY EXECUTIVE DIRECTOR

Robert Benes

DEPARTMENT DIRECTORS

| | | |
|----------------|----------------|---------------|
| Rebecca Hanson | Leona Dressel | Richard Fuchs |
| Peter Peterson | Scott McKinney | |

Hugh Heinecke, CPA
Certified Public Accountants

INDEPENDENT AUDITORS' 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. (a nonprofit organization) as of September 30, 2009, and the related statements 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 above present fairly, in all material respects, the financial position of Lakes and Pines Community Action Council, Inc. as of September 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Lakes and Pines Community Action Council, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards and list of programs, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the accompanying supplementary information, as listed in the foregoing Table of Contents, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, based on our audit, the information in these schedules is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

December 22, 2009

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

STATEMENT OF FINANCIAL POSITION

As of September 30, 2009

ASSETS

Current Assets

| | |
|------------------------------------|---------------|
| Cash and certificates of deposit | \$ 1,723,614 |
| Accounts receivable | 27,161 |
| Due from MN Department of Commerce | 113,611 |
| Grants receivable | 7,369,183 |
| Prepaid insurance | <u>25,576</u> |

Total Current Assets 9,259,145

Property and Equipment, net of depreciation 449,449

Total Assets **\$ 9,708,594**

LIABILITIES AND NET ASSETS

Current Liabilities

| | |
|--------------------------------------|------------------|
| Accounts payable | \$ 374,643 |
| Accrued payroll and related expenses | 175,496 |
| Unapplied grant funds | <u>7,246,060</u> |

Total Current Liabilities 7,796,199

Net Assets

| | |
|--------------------------------------|------------------|
| Investment in Property and Equipment | 449,449 |
| Unrestricted | <u>1,462,946</u> |

Total Net Assets 1,912,395

Total Liabilities and Net Assets **\$ 9,708,594**

See accompanying notes to financial statements.

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

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2009

| | <u>Unrestricted</u> |
|---------------------------------|----------------------------|
| Revenues | |
| Grant revenue | \$ 13,677,935 |
| Interest income | 34,679 |
| Program revenue | 277,065 |
| Other revenue | <u> -</u> |
| Total Revenues | <u>13,989,679</u> |
| Program Activities | |
| Early childhood | 3,110,012 |
| Energy assistance | 7,436,996 |
| Weatherization | 1,392,792 |
| Housing rehab | 735,512 |
| Community services | 504,311 |
| Other program activities | <u>402,355</u> |
| Total Program Expenses | <u>13,581,978</u> |
| Support Services | |
| Corporate management activities | <u>386,561</u> |
| Total Expenses | <u>13,968,539</u> |
| Change in Net Assets | 21,140 |
| Net Assets - Beginning | <u>1,891,255</u> |
| Net Assets - Ending | <u><u>\$ 1,912,395</u></u> |

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2009

Net Cash Flows From Operating Activities:

| | |
|---|------------------|
| Change in net assets | \$ 21,140 |
| Adjustment to reconcile net income to net cash from operations: | |
| Depreciation | 83,394 |
| Decrease/(increase) in: | |
| Grants receivable | (5,275,981) |
| Other receivables | (131,218) |
| Prepaid expenses | (1,679) |
| Increase/(decrease) in: | |
| Accounts payable | 272,147 |
| Accrued payroll | (107,391) |
| Unapplied grant funds | <u>5,034,766</u> |

Net Cash Used by Operations (104,822)

Cash Flows From Investing Activities:

| | |
|--------------------------|------------------|
| Purchase of fixed assets | <u>(211,493)</u> |
|--------------------------|------------------|

Net Decrease in Cash (316,315)

Cash - Beginning of Year 2,039,929

Cash - End of Year **\$ 1,723,614**

Supplemental Information:

| | |
|-----------------|-----------------------|
| Interest paid | \$ <u> -</u> |
| Income tax paid | \$ <u> -</u> |

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

As of September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Organizational Structure and Scope** - Lakes and Pines Community Action Council, Inc. was incorporated in 1965. The mission of the Council is to seek and use whatever expertise and resources are available to facilitate the upward educational and economic movement of those families and individuals experiencing poverty in Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties of Minnesota. The resources provided are primarily through grants from the Minnesota Department of Human Services, Minnesota Department of Education, Minnesota Department of Commerce, Minnesota Department of Employment and Economic Development, U.S. Department of Health and Human Services, Minnesota Housing Finance Agency, and Small Cities Development Block Grant funding.
- B. Basis of Presentation** – The basic financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.
- C. Classification of Net Assets** – Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Council and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Council and/or passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Currently, the Council does not have any temporarily restricted assets.

Permanently Restricted Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Council. Generally, the donors of these assets permit the Council to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Council does not have any permanently restricted assets.

- D. Use of Estimates** - The preparation of the 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.
- E. Revenue Recognition** – Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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

NOTES TO FINANCIAL STATEMENTS

As of September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenue Recognition (Continued)

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

1. **Grant Awards that are Contributions** – Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.
2. **Grant Awards that are Exchange Transactions** – Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

F. Property and Equipment – Property and equipment are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The Council capitalizes property and equipment with a value greater than or equal to \$2,400 and a useful life of greater than one year.

Property and equipment purchased with grant funds are owned by the Council while used in the program for which it was purchased or in future authorized programs. However, the various funding sources have a revisionary interest in the property and equipment purchased with the grant funds. It's disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The property and equipment purchased with grant funds are normally restricted for use in the specific programs operated by the Council. The net book value of grant funded property and equipment included on the statement of financial position is \$47,282 at September 30, 2009.

G. In-Kind Contributions – Financial Accounting Standards No. 116 (FAS 116), *Accounting for Contributions Received and Contributions Made*, requires that only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of FAS 116 are different than the in-kind requirements of the Council's grant awards. The Council received contributions of nonprofessional volunteers during the year with a value of \$591,010 for its Head Start program which are not recorded in the statement of activities.

F. Income Taxes - Lakes and Pines Community Action Council, Inc. is a private non-profit organization and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Minnesota franchise or income tax. The Council is not considered to be a private foundation as classified by the Internal Revenue Service.

E. Cost Allocation - Cost allocation methods are reviewed and amended on an annual basis. Purchases that benefit more than one program are allocated to the respective programs by the most equitable method. Basis of allocation methods includes number of employees, space allocation, history of employee hours and other select criteria. Costs that are attributable to a specific program are charged directly to the program.

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

NOTES TO FINANCIAL STATEMENTS

As of September 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- F. Principles of Consolidation** - The combined financial statements include the accounts of the Federal Catalogue of Domestic Assistance #10.558, #14.231, #14.257, #81.042, #93.568, #93.569, #93.600, #93.708, #93.710, #97.024, #97.114 and State of Minnesota MN CAG and Head Start. All significant interprogram accounts and transactions have been eliminated for financial statement purposes.
- G. Unapplied Grant Funds** – Unapplied grant funds consists of grant funds that have been awarded to the Council, but not expended. This includes funds that have been awarded to the Council but not yet received by the Council.

2. CONCENTRATIONS OF CREDIT RISK

The Council maintains cash balances at several financial institutions. The Federal Deposit Insurance Corporation (FDIC) and National Credit Union Share Insurance Fund (NCUSIF) insure accounts up to \$250,000 at each institution. As of September 30, 2009, there was \$1,184,094 of uninsured deposits; however, the Council secures these amounts in excess of the FDCI/NCUSIF limits through pooled securities. These securities are mainly invested in state municipal bonds and Federal National Mortgage Association notes. As of September 30, 2009, the securities were in excess of 110% of the excess deposits.

3. GRANTS RECEIVABLE

The grants receivable balance represents amounts due from various funding sources as follows:

| | |
|--------------------------|--------------------|
| Federal programs | \$6,034,745 |
| State and local programs | <u>1,334,438</u> |
| Total | <u>\$7,369,183</u> |

4. FEDERAL EMERGENCY MANAGEMENT AGENCY

The Council received funds from FEMA, through various local agencies, plus direct funding from the national board. The funds were used for emergency food and shelter payments in accordance with the applicable contract.

5. ENERGY ASSISTANCE PROGRAM

The Council has not subgranted any Energy Assistance Program funds.

6. FIXED ASSETS

A summary of property and equipment is as follows:

| | |
|-----------------------------|-------------------|
| Building and improvements | \$ 430,456 |
| Vehicles and equipment | <u>777,865</u> |
| | 1,208,321 |
| Accumulated depreciation | <u>(758,872)</u> |
| Property and equipment, net | <u>\$ 449,449</u> |

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

NOTES TO FINANCIAL STATEMENTS

As of September 30, 2009

7. COMMITMENTS AND CONTINGENCIES

The Council participates in a number of federally assisted and state grant programs. These programs are subject to program compliance audits by the grantors and their representatives. Any disallowed costs may constitute a liability of the Council. The Council is also required to match 20% of the grant funds from the Head Start program with local resources. The Council believes that it is in substantial compliance with all the grant requirements, including those related to matching and disallowed costs, if any, would not be significant.

8. DEFERRED CONTRIBUTION RETIREMENT PLAN

The Council has a deferred contribution/employer contribution retirement plan.

All employees become eligible to participate on the first day of employment. Eligibility for Council contributions occurs after the April 15 or October 15 entry date immediately following completion of one year of service. One year of service is defined as a 12-month period in which an employee has worked at least 1,000 hours. The plan provides for 100% vesting of all contributions at all times.

Deferral contributions may not exceed the lesser of 80% of compensation or a specific dollar amount determined by the Internal Revenue Service as of each January 1. Compensation is defined as the employees' total amount of earnings reportable as W-2 earnings for Federal income tax withholding purposes. For each plan year, the Council will contribute for each participant a matching contribution equal to the discretionary amount of the participants' deferral contributions, to a maximum of 5%.

In addition to the required matching contributions, provisions of the plan allow the Council to contribute an additional amount of matching contributions determined by the Council at its discretion, with each participant's share being equal to his/her share of the total deferral contributions made by all participants. The Council is also permitted to make additional discretionary contributions, with the allocation based on the participants' proportionate share of the total compensation paid during the plan year to all participants in the Plan.

Distribution of benefits is permitted only upon: (1) separation from service, or (2) death.

Council contributions for the fiscal year ended September 30, 2009 totaled \$114,702.

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF FEDERAL/STATE GRANT INFORMATION

For the Year Ended September 30, 2009

| <u>FUNDING SOURCE</u> | <u>ADMINISTERING AGENCY</u> | <u>FEDERAL CFDA NUMBER</u> |
|-----------------------|-----------------------------|------------------------------------|
| U.S. Dept. of HHS | U.S. Dept. of HHS | 93.600 |
| U.S. Dept. of HHS | U.S. Dept. of HHS | 93.600 |
| U.S. Dept. of HHS | U.S. Dept. of HHS | 93.708 |
| U.S. Dept. of Agric | MN Dept. of Education | 10.558 |
| State of Minnesota | MN Dept. of Education | N/A |
| State of Minnesota | MN Dept. of Education | N/A |
| Local | | N/A |
| U.S. Dept. of HHS | MN Dept. of Commerce | 93.568 |
| U.S. Dept. of HHS | MN Dept. of Commerce | 93.568 |
| U.S. Dept. of HHS | MN Dept. of Human Services | 93.569 |
| U.S. Dept. of HHS | MN Dept. of Human Services | 93.710 |
| State of Minnesota | MN Dept. of Human Services | N/A |
| State of Minnesota | MN Dept. of Human Services | N/A |
| U.S. Dept. of Energy | MN Dept. of Commerce | 81.042 |
| U.S. Dept. of Energy | MN Dept. of Commerce | 81.042 |
| U.S. Dept. of Energy | MN Dept. of Commerce | 81.042 |
| U.S. Dept. of Energy | MN Dept. of Commerce | 81.042 |
| State of Minnesota | MN Dept. of Commerce | N/A |
| State of Minnesota | MN Dept. of Commerce | N/A |
| U.S. Dept. of HHS | MN Dept. of Commerce | 93.568 |
| U.S. Dept. of HHS | MN Dept. of Commerce | 93.568 |
| State of Minnesota | MN Housing Finance Agency | N/A |
| Local | | N/A |
| U.S. Dept. of HUD | MN Dept. of Human Services | 14.231 |
| U.S. Dept. of HUD | MN Dept. of Human Services | 14.231 |
| U.S. Dept. of HUD | MN Dept. of Human Services | 14.257 |
| Local | | N/A |
| Local | | N/A |
| Local | | N/A |
| State of Minnesota | MN Housing Finance Agency | N/A |
| State of Minnesota | MN Housing Finance Agency | N/A |
| F.E.M.A | Emergency Food & Shelter | 97.024 |
| F.E.M.A | Emergency Food & Shelter | 97.024 |
| F.E.M.A | Emergency Food & Shelter | 97.114 |
| Local | | N/A |

| <u>GRANT NAME</u> | <u>GRANT</u> | <u>GRANT PERIOD</u> | |
|---------------------------------------|------------------|---------------------|-----------|
| | <u>AGREEMENT</u> | <u>FROM</u> | <u>TO</u> |
| | <u>NUMBER</u> | | |
| Head Start 'Q' | 05CH 4092/43 | 08-01-08 | 07-31-09 |
| Head Start 'R' | 05CH 4092/44 | 08-01-09 | 07-31-10 |
| Head Start - ARRA | 05SE 4092/01 | 07-01-09 | 09-30-10 |
| CACFP | 8-332-501-6 | 10-01-08 | 09-30-09 |
| Head Start - State 2009 | 2008-00177 | 07-01-08 | 06-30-09 |
| Head Start - State 2010 | 2009-00143 | 07-01-09 | 06-30-10 |
| Parent Education Initiative | N/A | 01-01-09 | 12-31-09 |
| EAP '09 | B16295 | 10-01-08 | 09-30-09 |
| EAP '09 - ROFW | B16295 | 10-01-08 | 09-30-09 |
| EOG '08/'09 (CSBG '08/'09) | 0810077 | 07-01-07 | 06-30-10 |
| EOG - ARRA (CSBG - ARRA) | 1010077 | 07-01-09 | 09-30-10 |
| MN Community Action Grant '08/'09 | 0811077 | 07-01-07 | 06-30-09 |
| MN Community Action Grant '10/'11 | 1011077 | 07-01-09 | 06-30-11 |
| DOE '09 | B14604 | 07-01-08 | 06-30-09 |
| DOE '09 - ARRA | B14604 | 05-08-09 | 06-30-09 |
| DOE '10 | B29057 | 07-01-09 | 06-30-11 |
| DOE '10 - ARRA | B29132 | 07-01-09 | 03-31-12 |
| Propane '09 | B14604 | 07-01-08 | 06-30-09 |
| Propane '10 | B29057 | 07-01-09 | 06-30-10 |
| EAP WX '09 | B14604 | 11-06-08 | 06-30-09 |
| EAP WX '08 Carryover | B14604 | 07-01-08 | 06-30-09 |
| Deferred Loan Program XIV | N/A | 09-01-07 | 10-31-09 |
| City of Barnum Housing Rehab Project | N/A | 04-01-07 | 12-31-09 |
| Carlton County Housing Rehab Project | N/A | 04-01-08 | 09-30-10 |
| City of Cambridge Housing Rehab | N/A | 04-01-08 | 09-30-10 |
| Cloquet Revolving Loan Program II | N/A | 03-01-09 | 02-28-10 |
| Garrison Twp Housing Rehab Project | N/A | 04-01-07 | 09-30-10 |
| City of Henriette Housing Rehab | N/A | 04-01-08 | 09-30-10 |
| City of McGregor Housing Rehab | N/A | 06-01-09 | 12-31-11 |
| City of Princeton Neighborhood Stabil | N/A | 04-01-09 | 09-30-10 |
| City of Sturgeon Lake Housing Rehab | N/A | 04-01-06 | 06-30-09 |
| Integrated Services '08 | 20782 | 01-01-08 | 12-31-09 |
| ESGP '08/'09 | 0831077 | 07-01-07 | 06-30-09 |
| ESGP '10/'11 | 1031077 | 07-01-09 | 06-30-11 |
| Rapid Rehousing Program | 1039077 | 09-30-09 | 09-30-11 |
| Tax Assistance Program | N/A | 10-29-08 | 09-24-09 |
| Otto Bremer Planning Grant | N/A | 06-01-08 | 10-31-09 |
| Family to Family | N/A | 08-01-08 | 07-31-09 |
| FHPAP '08/'09 | N/A | 07-01-07 | 06-30-09 |
| FHPAP '10/'11 | N/A | 07-01-09 | 06-30-11 |
| EFSNB '08 | N/A | 10-01-07 | 12-31-08 |
| EFSNB '09 | N/A | 01-01-09 | 12-31-09 |
| EFSNB - ARRA | N/A | 04-01-09 | 12-31-09 |
| Region 7E Adult Mental Health | N/A | 01-01-08 | 12-31-09 |

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

COMBINED STATEMENT OF FINANCIAL POSITION

As of September 30, 2009

| | <u>Early Childhood</u> | <u>Energy Assistance</u> | <u>Admini- strative</u> |
|---|----------------------------|------------------------------|-----------------------------|
| <u>ASSETS</u> | | | |
| Current Assets: | | | |
| Cash and certificates of deposit | \$ 28,510 | \$ (26,124) | \$ (35,576) |
| Accounts receivable | - | - | 12,986 |
| Due from Minnesota Department of Employment and Economic Development | - | - | - |
| Due from Minnesota Department of Commerce | - | 34,297 | - |
| Grants receivable | 2,795,522 | 47,295 | 585,254 |
| Prepaid insurance | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Current Assets | 2,824,032 | 55,468 | 562,664 |
| Property and Equipment, net of depreciation | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>\$2,824,032</u> | <u>\$ 55,468</u> | <u>\$ 562,664</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 124,916 | \$ 55,468 | \$ 21,476 |
| Unapplied grant fund | <u>2,699,116</u> | <u>-</u> | <u>541,188</u> |
| Total Current Liabilities | <u>2,824,032</u> | <u>55,468</u> | <u>562,664</u> |
| Net Assets: | | | |
| Unrestricted: | | | |
| Operations | - | - | - |
| Facility | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Unrestricted Net Assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Net Assets | <u>\$2,824,032</u> | <u>\$ 55,468</u> | <u>\$ 562,664</u> |

See accompanying notes

| <u>Weather- ization</u> | <u>Housing Rehab</u> | <u>Community Service</u> | <u>Other</u> | <u>GAAP Adjustments</u> | <u>Total</u> |
|-----------------------------|--------------------------|------------------------------|---------------------------|-----------------------------|---------------------------|
| \$ (86,598) | \$ 60,187 | \$ 90,511 | \$1,692,704 | \$ - | \$1,723,614 |
| - | - | - | 14,175 | - | 27,161 |
| - | - | - | - | - | - |
| 79,314 | - | - | - | - | 113,611 |
| 2,838,457 | 196,284 | 903,983 | 2,388 | - | 7,369,183 |
| - | - | - | - | 25,576 | 25,576 |
| 2,831,173 | 256,471 | 994,494 | 1,709,267 | 25,576 | 9,259,145 |
| - | - | - | 170,348 | 279,101 | 449,449 |
| <u>\$2,831,173</u> | <u>\$ 256,471</u> | <u>\$ 994,494</u> | <u>\$1,879,615</u> | <u>\$ 304,677</u> | <u>\$9,708,594</u> |
| \$ 93,205 | \$ 5,586 | \$ 11,310 | \$ 238,178 | \$ - | \$ 550,139 |
| <u>2,737,968</u> | <u>250,885</u> | <u>983,184</u> | <u>33,719</u> | - | <u>7,246,060</u> |
| <u>2,831,173</u> | <u>256,471</u> | <u>994,494</u> | <u>271,897</u> | - | <u>7,796,199</u> |
| - | - | - | 1,437,370 | 25,576 | 1,462,946 |
| - | - | - | 170,348 | 279,101 | 449,449 |
| - | - | - | 1,607,718 | 304,677 | 1,912,395 |
| <u>\$2,831,173</u> | <u>\$ 256,471</u> | <u>\$ 994,494</u> | <u>\$1,879,615</u> | <u>\$ 304,677</u> | <u>\$9,708,594</u> |

to financial statements.

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

COMBINED STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009

| UNRESTRICTED NET ASSETS | <u>Early</u> | <u>Energy</u> | <u>Admini-</u> | <u>Weather-</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| SUPPORT AND REVENUE | <u>Childhood</u> | <u>Assistance</u> | <u>strative</u> | <u>ization</u> |
| Support: | | | | |
| Grants | \$3,115,226 | \$7,436,922 | \$ 385,874 | \$1,397,759 |
| In-kind contributions | <u>591,010</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total Support | <u>3,706,236</u> | <u>7,436,922</u> | <u>385,874</u> | <u>1,397,759</u> |
| Revenue: | | | | |
| Interest income | 146 | - | - | - |
| Program revenue | - | 26,822 | - | - |
| Other revenue | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total Revenue | <u>146</u> | <u>26,822</u> | <u> -</u> | <u> -</u> |
| Total Support and Revenue | <u>3,706,382</u> | <u>7,463,744</u> | <u>385,874</u> | <u>1,397,759</u> |
| <u>PROGRAM EXPENSES</u> | | | | |
| Salaries and wages | 1,594,650 | - | 119,126 | - |
| Fringe benefits | 612,610 | - | 49,363 | - |
| Consultants and professional fees | 1,841 | - | 1,879 | - |
| Travel | 31,704 | - | 23,784 | - |
| Contractual services | 273,954 | - | - | - |
| Space cost and rental | 26,463 | - | 17,343 | - |
| Supplies | 62,543 | - | 11,680 | - |
| Lease/purchase of equipment | - | - | - | - |
| Other direct costs | 511,607 | - | 162,699 | - |
| In-kind expenditures | 591,010 | - | - | - |
| Administration | - | 468,784 | - | 253,859 |
| Program services | - | 343,482 | - | - |
| Primary heating | - | 4,596,676 | - | - |
| Crisis - non-repair | - | 1,465,870 | - | - |
| Conservation repair | - | 588,932 | - | - |
| Weatherization materials | - | - | - | 460,756 |
| Liability insurance | - | - | - | 3,025 |
| Program support | - | - | - | 48,374 |
| Labor | - | - | - | 631,745 |
| Loan funds available | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total Program Expenses | <u>3,706,382</u> | <u>7,463,744</u> | <u>385,874</u> | <u>1,397,759</u> |
| Change in unrestricted net assets | - | - | - | - |
| Net Assets - beginning | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Net Assets - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying notes

| <u>Housing Rehab</u> | <u>Community Service</u> | <u>Other</u> | <u>GAAP Adjustments</u> | <u>Elimination</u> | <u>Total</u> |
|--------------------------|------------------------------|--------------------|-----------------------------|--------------------|---------------------|
| \$ 736,264 | \$ 505,235 | \$ 100,655 | \$ - | \$ - | \$13,677,935 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(591,010)</u> | <u>-</u> | <u>-</u> |
| <u>736,264</u> | <u>505,235</u> | <u>100,655</u> | <u>(591,010)</u> | <u>-</u> | <u>13,677,935</u> |
| 1,145 | - | 33,388 | - | - | 34,679 |
| - | 377 | 249,866 | - | - | 277,065 |
| <u>-</u> | <u>-</u> | <u>36,024</u> | <u>-</u> | <u>(36,024)</u> | <u>-</u> |
| <u>1,145</u> | <u>377</u> | <u>319,278</u> | <u>-</u> | <u>(36,024)</u> | <u>311,744</u> |
| <u>737,409</u> | <u>505,612</u> | <u>419,933</u> | <u>(591,010)</u> | <u>(36,024)</u> | <u>13,989,679</u> |
| 88,284 | 160,150 | 1,585 | - | - | 1,963,795 |
| 31,738 | 58,343 | 121 | 133 | - | 752,308 |
| 2,424 | 1,824 | 1,853 | - | - | 9,821 |
| 16,794 | 9,015 | - | - | - | 81,297 |
| - | - | - | - | - | 273,954 |
| - | 7,806 | 18,330 | - | (18,090) | 51,852 |
| - | 2,285 | 490 | - | - | 76,998 |
| - | - | - | - | - | - |
| 115,108 | 266,189 | 524,282 | (140,737) | (17,934) | 1,421,214 |
| - | - | - | (591,010) | - | - |
| - | - | - | (7,264) | - | 715,379 |
| - | - | - | - | - | 343,482 |
| - | - | - | - | - | 4,596,676 |
| - | - | - | - | - | 1,465,870 |
| - | - | - | - | - | 588,932 |
| - | - | - | - | - | 460,756 |
| - | - | - | - | - | 3,025 |
| - | - | - | - | - | 48,374 |
| - | - | - | - | - | 631,745 |
| <u>483,061</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>483,061</u> |
| <u>737,409</u> | <u>505,612</u> | <u>546,661</u> | <u>(738,878)</u> | <u>(36,024)</u> | <u>13,968,539</u> |
| - | - | (126,728) | 147,868 | - | 21,140 |
| - | - | 1,734,446 | 156,809 | - | 1,891,255 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$1,607,718</u> | <u>\$ 304,677</u> | <u>\$ -</u> | <u>\$ 1,912,395</u> |

to financial statements.

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

COMBINING STATEMENT OF FINANCIAL POSITION - EARLY CHILDHOOD

As of September 30, 2009

| | <u>Head Start '0'</u> | <u>Head Start 'R'</u> | <u>State '09</u> | <u>State '10</u> |
|---|---------------------------|---------------------------|----------------------|-------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash | \$ - | \$ 2,320 | \$ - | \$ 20,066 |
| Accounts receivable | - | - | - | - |
| Due from Minnesota Dept. of Education | - | - | - | - |
| Grants receivable | <u>-</u> | <u>2,151,483</u> | <u>-</u> | <u>506,857</u> |
| Total Assets | <u>\$ -</u> | <u>\$2,153,803</u> | <u>\$ -</u> | <u>\$526,923</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$ - | \$ 102,727 | \$ - | \$ 19,183 |
| Unapplied grant funds | <u>-</u> | <u>2,051,076</u> | <u>-</u> | <u>507,740</u> |
| Total Liabilities | <u>-</u> | <u>2,153,803</u> | <u>-</u> | <u>526,923</u> |
| Net Assets: | | | | |
| Unrestricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Net Assets | <u>\$ -</u> | <u>\$2,153,803</u> | <u>\$ -</u> | <u>\$526,923</u> |

| <u>Head Start - ARRA</u> | <u>Parent Education Initiative</u> | <u>Total</u> |
|----------------------------------|--|---------------------------|
| \$ (1,979) | \$ 8,103 | \$ 28,510 |
| - | - | - |
| - | - | - |
| <u>118,432</u> | <u>18,750</u> | <u>2,795,522</u> |
| <u>\$ 116,453</u> | <u>\$ 26,853</u> | <u>\$2,824,032</u> |

| | | |
|--------------------------|-------------------------|---------------------------|
| \$ 60 | \$ 2,946 | \$ 124,916 |
| <u>116,393</u> | <u>23,907</u> | <u>2,699,116</u> |
| <u>116,453</u> | <u>26,853</u> | <u>2,824,032</u> |
| - | - | - |
| <u>\$ 116,453</u> | <u>\$ 26,853</u> | <u>\$2,824,032</u> |

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

COMBINING STATEMENT OF FINANCIAL POSITION - ENERGY ASSISTANCE

As of September 30, 2009

| | EAP '09 | EAP '09 ROFW | Total |
|--|------------------|-------------------------|------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash | \$ (34,297) | \$ 8,173 | \$ (26,124) |
| Accounts receivable | - | - | - |
| Due from Minnesota Department of Commerce | 34,297 | - | 34,297 |
| Grants receivable | 47,295 | - | 47,295 |
| Total Assets | \$ 47,295 | \$ 8,173 | \$ 55,468 |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 47,295 | \$ 8,173 | \$ 55,468 |
| Unapplied grant funds | - | - | - |
| Total Liabilities | 47,295 | 8,173 | 55,468 |
| Net Assets: | | | |
| Unrestricted | - | - | - |
| Total Liabilities and Net Assets | \$ 47,295 | \$ 8,173 | \$ 55,468 |

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

COMBINING STATEMENT OF FINANCIAL POSITION - ADMINISTRATIVE

As of September 30, 2009

| | EOG-CSBG '08/'09 | EOG-CSBG ARRA | MN CAG '08/'09 | MN CAG '10/'11 | Total |
|---|-----------------------------|--------------------------|---------------------------|---------------------------|--------------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash | \$(35,165) | \$ (411) | \$ - | \$ - | \$ (35,576) |
| Accounts receivable | 12,986 | - | - | - | 12,986 |
| Due from Minnesota Dept of Human Services | - | - | - | - | - |
| Grants receivable | <u>93,695</u> | <u>420,772</u> | <u>-</u> | <u>70,787</u> | <u>585,254</u> |
| Total Assets | <u>\$ 71,516</u> | <u>\$420,361</u> | <u>\$ -</u> | <u>\$ 70,787</u> | <u>\$ 562,664</u> |
| LIABILITIES AND NET ASSETS | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | \$ 19,326 | \$ 2,150 | \$ - | \$ - | \$ 21,476 |
| Unapplied grant funds | <u>52,190</u> | <u>418,211</u> | <u>-</u> | <u>70,787</u> | <u>541,188</u> |
| Total Liabilities | <u>71,516</u> | <u>420,361</u> | <u>-</u> | <u>70,787</u> | <u>562,664</u> |
| Net Assets: | | | | | |
| Unrestricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ 71,516</u> | <u>\$420,361</u> | <u>\$ -</u> | <u>\$ 70,787</u> | <u>\$ 562,664</u> |

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

COMBINING STATEMENT OF FINANCIAL POSITION - WEATHERIZATION

As of September 30, 2009

| | <u>DOE '09</u> | <u>DOE '10</u> | <u>EAP WX CO '08</u> | <u>EAP WX '09</u> |
|--|----------------|-------------------|--------------------------|-----------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash | \$ - | \$ (62,115) | \$ - | \$ - |
| Accounts receivable | - | - | - | - |
| Due from Minnesota Department of Commerce | - | 62,232 | - | - |
| Grants receivable | - | <u>394,908</u> | - | - |
| Total Assets | \$ - | \$ 395,025 | \$ - | \$ - |
| LIABILITIES AND NET ASSETS | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$ - | \$ 53,390 | \$ - | \$ - |
| Unapplied grant funds | - | <u>341,635</u> | - | - |
| Total Liabilities | - | <u>395,025</u> | - | - |
| Net Assets: | | | | |
| Unrestricted | - | - | - | - |
| Total Liabilities and Net Assets | \$ - | \$ 395,025 | \$ - | \$ - |

| <u>DOE WX</u> <u>'09-ARRA</u> | <u>DOE WX</u> <u>'10-ARRA</u> | <u>Propane</u> <u>'09</u> | <u>Propane</u> <u>'10</u> | <u>Total</u> |
|----------------------------------|----------------------------------|------------------------------|------------------------------|--------------------|
| \$ - | \$ (24,367) | \$ - | \$ (116) | \$ (86,598) |
| - | - | - | - | - |
| - | 17,082 | - | - | 79,314 |
| <u>-</u> | <u>2,442,690</u> | <u>-</u> | <u>859</u> | <u>2,838,457</u> |
| <u>\$ -</u> | <u>\$2,435,405</u> | <u>\$ -</u> | <u>\$ 743</u> | <u>\$2,831,173</u> |

| | | | | |
|-------------|--------------------|-------------|---------------|--------------------|
| \$ - | \$ 39,481 | \$ - | \$ 334 | \$ 93,205 |
| <u>-</u> | <u>2,395,924</u> | <u>-</u> | <u>409</u> | <u>2,737,968</u> |
| <u>-</u> | <u>2,435,405</u> | <u>-</u> | <u>743</u> | <u>2,831,173</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$2,435,405</u> | <u>\$ -</u> | <u>\$ 743</u> | <u>\$2,831,173</u> |

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

COMBINING STATEMENT OF FINANCIAL POSITION - HOUSING REHAB

As of September 30, 2009

| | <u>Deferred Loan Prog XIV</u> | <u>City of Princeton NSP</u> | <u>Garrison Twp Rehab</u> | <u>City of McGregor Rehab</u> | <u>Carlton County Rehab</u> |
|---|---------------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash | \$100,571 | \$ (9,921) | \$ (696) | \$ (8,496) | \$ (6,781) |
| Accounts receivable | - | - | - | - | - |
| Grants receivable | <u>700</u> | <u>43,088</u> | <u>8,608</u> | <u>82,335</u> | <u>18,997</u> |
| Total Assets | <u>\$101,271</u> | <u>\$ 33,167</u> | <u>\$ 7,912</u> | <u>\$ 73,839</u> | <u>\$ 12,216</u> |
| LIABILITIES AND NET ASSETS | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | \$ 1,555 | \$ 1,556 | \$ 167 | \$ 716 | \$ 716 |
| Unapplied grant funds | <u>99,716</u> | <u>31,611</u> | <u>7,745</u> | <u>73,123</u> | <u>11,500</u> |
| Total Liabilities | <u>101,271</u> | <u>33,167</u> | <u>7,912</u> | <u>73,839</u> | <u>12,216</u> |
| Net Assets: | | | | | |
| Unrestricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Net Assets | <u>\$101,271</u> | <u>\$ 33,167</u> | <u>\$ 7,912</u> | <u>\$ 73,839</u> | <u>\$ 12,216</u> |

| <u>Cloquet Revolve Loan</u> | <u>City of Barnum Rehab</u> | <u>City of Henriette Rehab</u> | <u>City of Cambridge Rehab</u> | <u>Sturgeon Lake Rehab</u> | <u>Total</u> |
|-------------------------------------|-------------------------------------|--|--|------------------------------------|--------------------------|
| \$ (873) | \$ (2,888) | \$ (1,561) | \$ (9,168) | \$ - | \$ 60,187 |
| <u>4,981</u> | <u>2,888</u> | <u>3,848</u> | <u>30,839</u> | <u>-</u> | <u>196,284</u> |
| <u>\$ 4,108</u> | <u>\$ -</u> | <u>\$ 2,287</u> | <u>\$ 21,671</u> | <u>\$ -</u> | <u>\$ 256,471</u> |
| | | | | | |
| \$ 345 | \$ - | \$ 79 | \$ 452 | \$ - | \$ 5,586 |
| <u>3,763</u> | <u>-</u> | <u>2,208</u> | <u>21,219</u> | <u>-</u> | <u>250,885</u> |
| <u>4,108</u> | <u>-</u> | <u>2,287</u> | <u>21,671</u> | <u>-</u> | <u>256,471</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 4,108</u> | <u>\$ -</u> | <u>\$ 2,287</u> | <u>\$ 21,671</u> | <u>\$ -</u> | <u>\$ 256,471</u> |

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

COMBINING STATEMENT OF FINANCIAL POSITION - COMMUNITY SERVICE

As of September 30, 2009

| | <u>ESGP 08/09</u> | <u>ESGP 10/11</u> | <u>Integrated Srvcs '08</u> | <u>Tax Assist</u> |
|---|-----------------------|-------------------------|---------------------------------|-----------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash | \$ - | \$ (2,922) | \$ (4,014) | \$ - |
| Accounts receivable | - | - | - | - |
| Due from MN Department Of Human Services | - | - | - | - |
| Grants receivable | <u>-</u> | <u>15,470</u> | <u>13,513</u> | <u>-</u> |
| Total Assets | <u>\$ -</u> | <u>\$ 12,548</u> | <u>\$ 9,499</u> | <u>\$ -</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$ - | \$ 2,258 | \$ 1,728 | \$ - |
| Unapplied grant funds | <u>-</u> | <u>10,290</u> | <u>7,771</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>12,548</u> | <u>9,499</u> | <u>-</u> |
| Net Assets: | | | | |
| Unrestricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Net Assets | <u>\$ -</u> | <u>\$ 12,548</u> | <u>\$ 9,499</u> | <u>\$ -</u> |

| <u>Otto Bremer Planning Grant</u> | <u>Family Homeless Prev 08/09</u> | <u>Family Homeless Prev 10/11</u> | <u>Family to Family</u> | <u>Homeless Prev Rapid Rehouse ARRA</u> | <u>Total</u> |
|---|---|---|---------------------------------|---|-------------------|
| \$ 1,344 | \$ - | \$ 96,103 | \$ - | \$ - | \$ 90,511 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 525,000 | - | 350,000 | 903,983 |
| <u>\$ 1,344</u> | <u>\$ -</u> | <u>\$ 621,103</u> | <u>\$ -</u> | <u>\$ 350,000</u> | <u>\$ 994,494</u> |
| \$ 23 | \$ - | \$ 7,301 | \$ - | \$ - | \$ 11,310 |
| 1,321 | - | 613,802 | - | 350,000 | 983,184 |
| 1,344 | - | 621,103 | - | 350,000 | 994,494 |
| - | - | - | - | - | - |
| <u>\$ 1,344</u> | <u>\$ -</u> | <u>\$ 621,103</u> | <u>\$ =</u> | <u>\$ 350,000</u> | <u>\$ 994,494</u> |

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

COMBINING STATEMENT OF FINANCIAL POSITION - OTHER

As of September 30, 2009

| | <u>Special Programs</u> | <u>Payroll Services</u> | <u>Region 7E Adult MH</u> | <u>Total</u> |
|---|-----------------------------|-----------------------------|-----------------------------------|---------------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash | \$1,483,402 | \$196,696 | \$12,606 | \$1,692,704 |
| Accounts receivable | 14,175 | - | - | 14,175 |
| Due from MN Department Of Human Services | - | - | - | - |
| Grants receivable | <u>2,388</u> | <u>-</u> | <u>-</u> | <u>2,388</u> |
| Total Current Assets | 1,499,965 | 196,696 | 12,606 | 1,709,267 |
| Facility, net of depreciation | <u>170,348</u> | <u>-</u> | <u>-</u> | <u>170,348</u> |
| Total Assets | <u>\$1,670,313</u> | <u>\$196,696</u> | <u>\$12,606</u> | <u>\$1,879,615</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$ 41,482 | \$196,696 | \$ - | \$ 238,178 |
| Unapplied grant funds | <u>21,113</u> | <u>-</u> | <u>12,606</u> | <u>33,719</u> |
| Total Liabilities | <u>62,595</u> | <u>196,696</u> | <u>12,606</u> | <u>271,897</u> |
| Net Assets: | | | | |
| Unrestricted: | | | | |
| Operations | 1,437,370 | - | - | 1,437,370 |
| Facility | <u>170,348</u> | <u>-</u> | <u>-</u> | <u>170,348</u> |
| Total Unrestricted Net Assets | <u>1,607,718</u> | <u>-</u> | <u>-</u> | <u>1,607,718</u> |
| Total Liabilities and Net Assets | <u>\$1,670,313</u> | <u>\$196,696</u> | <u>\$12,606</u> | <u>\$1,879,615</u> |

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

COMBINING STATEMENT OF ACTIVITIES - EARLY CHILDHOOD

For the Year Ended September 30, 2009

| | <u>Head Start '0'</u> | <u>Head Start 'R'</u> | <u>State '09</u> | <u>State '10</u> |
|--------------------------------------|---------------------------|---------------------------|----------------------|----------------------|
| SUPPORT AND REVENUE | | | | |
| Support: | | | | |
| Grants | \$2,013,001 | \$ 383,756 | \$497,815 | \$108,849 |
| In-kind contributions | <u>591,010</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total Support | <u>2,604,011</u> | <u>383,756</u> | <u>497,815</u> | <u>108,849</u> |
| Revenue: | | | | |
| Interest income | - | - | 99 | 47 |
| Program revenue | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total Revenue | <u> -</u> | <u> -</u> | <u>99</u> | <u>47</u> |
| Total Support and Revenue | <u>2,604,011</u> | <u>383,756</u> | <u>497,914</u> | <u>108,896</u> |
| PROGRAM EXPENSES | | | | |
| Salaries and wages | 1,038,418 | 174,594 | 270,840 | 53,335 |
| Fringe benefits | 381,367 | 87,239 | 99,740 | 22,899 |
| Consultants and professional fees | - | - | 1,141 | 405 |
| Travel | 25,978 | 3,008 | 2,293 | 425 |
| Contractual services | 211,540 | 43,402 | 17,320 | 1,632 |
| Space cost and rental | - | - | 19,802 | 5,856 |
| Supplies | 19,083 | 11,855 | 4,277 | 4,821 |
| Lease and purchase of equipment | - | - | - | - |
| Other direct costs | 336,615 | 63,658 | 82,501 | 19,523 |
| In-kind Expenses | <u>591,010</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Total Program Expenses | <u>2,604,011</u> | <u>383,756</u> | <u>497,914</u> | <u>108,896</u> |
| Change in net assets | - | - | - | - |
| Net Assets - October 1 | <u> -</u> | <u> -</u> | <u> -</u> | <u> -</u> |
| Net Assets - September 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| <u>Head Start - ARRA</u> | <u>Parent Education Initiative</u> | <u>Total</u> |
|----------------------------------|--|------------------|
| \$ 60,712 | \$ 51,093 | \$3,115,226 |
| - | - | 591,010 |
| <u>60,712</u> | <u>51,093</u> | <u>3,706,236</u> |
| - | - | 146 |
| - | - | - |
| - | - | 146 |
| <u>60,712</u> | <u>51,093</u> | <u>3,706,382</u> |
| 28,410 | 29,053 | 1,594,650 |
| 9,677 | 11,688 | 612,610 |
| - | 295 | 1,841 |
| - | - | 31,704 |
| 60 | - | 273,954 |
| - | 805 | 26,463 |
| 20,800 | 1,707 | 62,543 |
| - | - | - |
| 1,765 | 7,545 | 511,607 |
| - | - | 591,010 |
| <u>60,712</u> | <u>51,093</u> | <u>3,706,382</u> |
| - | - | - |
| - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

COMBINING STATEMENT OF ACTIVITIES - ENERGY ASSISTANCE

For the Year Ended September 30, 2009

| | EAP '09 | EAP '09 ROFW | Total |
|----------------------------------|---------------------|-------------------------|---------------------|
| SUPPORT AND REVENUE | | | |
| Support: | | | |
| Grants | \$ <u>7,364,116</u> | \$ <u>72,806</u> | \$ <u>7,436,922</u> |
| Revenue: | | | |
| Interest income | - | - | - |
| Program income | <u>-</u> | <u>26,822</u> | <u>26,822</u> |
| Total Revenue | <u>-</u> | <u>26,822</u> | <u>26,822</u> |
| Total Support and Revenue | <u>7,364,116</u> | <u>99,628</u> | <u>7,463,744</u> |
| PROGRAM EXPENSES | | | |
| Administration | 468,784 | - | 468,784 |
| Program services | 343,482 | - | 343,482 |
| Primary heating | 4,497,048 | 99,628 | 4,596,676 |
| Crisis - non-repair | 1,465,870 | - | 1,465,870 |
| Conservation repair | <u>588,932</u> | <u>-</u> | <u>588,932</u> |
| Total Program Expenses | <u>7,364,116</u> | <u>99,628</u> | <u>7,463,744</u> |
| Change in net assets | - | - | - |
| Net Assets - October 1 | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Assets - September 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

COMBINING STATEMENT OF ACTIVITIES - ADMINISTRATIVE

For the Year Ended September 30, 2009

| | <u>EOG-CSBG</u> <u>'08/'09</u> | <u>EOG-CSBG</u> <u>ARRA</u> | <u>MN CAG</u> <u>'08/'09</u> | <u>MN CAG</u> <u>'10/'11</u> | <u>Total</u> |
|--------------------------------------|-----------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------|
| SUPPORT AND REVENUE | | | | | |
| Support: | | | | | |
| Grants | \$235,984 | \$ 4,140 | \$145,750 | \$ - | \$ 385,874 |
| Revenue: | | | | | |
| Interest income | - | - | - | - | - |
| Total Support and Revenue | <u>235,984</u> | <u>4,140</u> | <u>145,750</u> | <u>-</u> | <u>385,874</u> |
| PROGRAM EXPENSES | | | | | |
| Salaries and wages | 67,988 | 3,063 | 48,075 | - | 119,126 |
| Fringe benefits | 21,304 | 890 | 27,169 | - | 49,363 |
| Consultants and professional fees | 1,191 | 175 | 513 | - | 1,879 |
| Travel | 18,145 | - | 5,639 | - | 23,784 |
| Space cost and rental | 13,722 | - | 3,621 | - | 17,343 |
| Supplies | 8,929 | - | 2,751 | - | 11,680 |
| Lease and purchase of equipment | - | - | - | - | - |
| Other direct costs | <u>104,705</u> | <u>12</u> | <u>57,982</u> | <u>-</u> | <u>162,699</u> |
| Total Program Expenses | <u>235,984</u> | <u>4,140</u> | <u>145,750</u> | <u>-</u> | <u>385,874</u> |
| Change in net assets | - | - | - | - | - |
| Net Assets - October 1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Assets - September 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

COMBINING STATEMENT OF ACTIVITIES - WEATHERIZATION

For the Year Ended September 30, 2009

| | <u>DOE '09</u> | <u>DOE '10</u> | <u>EAP WX CO '08</u> | <u>EAP WX '09</u> |
|----------------------------------|-------------------|-------------------|--------------------------|-----------------------|
| SUPPORT AND REVENUE | | | | |
| Support: | | | | |
| Grants | \$ <u>352,439</u> | \$ <u>336,999</u> | \$ <u>75,509</u> | \$ <u>340,346</u> |
| Revenue: | | | | |
| Interest income | - | - | - | - |
| Program revenue | - | - | - | - |
| Total Revenue | - | - | - | - |
| Total Support and Revenue | <u>352,439</u> | <u>336,999</u> | <u>75,509</u> | <u>340,346</u> |
| PROGRAM EXPENSES | | | | |
| Administration | 138,130 | 7,843 | 6,522 | 25,526 |
| Weatherization materials | 74,427 | 58,783 | 34,678 | 131,711 |
| Liability insurance | 3,025 | - | - | - |
| Program support: | | | | |
| Tools and equipment | - | 431 | - | 6,584 |
| Conservation repair/return | - | - | - | - |
| Vehicles | - | - | - | - |
| Client education | - | - | - | - |
| Transportation | 9,400 | 22,622 | - | - |
| Paid labor: | | | | |
| Contracted labor | - | - | - | - |
| On-site supervisor salary | 38,253 | 66,289 | 7,085 | 69,728 |
| Work crew salary | <u>89,204</u> | <u>181,031</u> | <u>27,224</u> | <u>106,797</u> |
| Total Program Expenses | <u>352,439</u> | <u>336,999</u> | <u>75,509</u> | <u>340,346</u> |
| Change in net assets | - | - | - | - |
| Net Assets - October 1 | - | - | - | - |
| Net Assets - September 30 | \$ - | \$ - | \$ - | \$ - |

The following items are combined on the Combined Statement of Activities:

- | | |
|---------------------|------------|
| (1) Program support | \$ 48,374 |
| (2) Labor | \$ 631,745 |

| <u>DOE WX</u> <u>'09-ARRA</u> | <u>DOE WX</u> <u>'10-ARRA</u> | <u>Propane</u> <u>'09</u> | <u>Propane</u> <u>'10</u> | <u>Total</u> |
|----------------------------------|----------------------------------|------------------------------|------------------------------|------------------|
| \$ 66,567 | \$ 186,494 | \$21,113 | \$18,292 | \$1,397,759 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>66,567</u> | <u>186,494</u> | <u>21,113</u> | <u>18,292</u> | <u>1,397,759</u> |
| 37,828 | 35,613 | 1,403 | 994 | 253,859 |
| 16,690 | 133,409 | 6,675 | 4,383 | 460,756 |
| - | - | - | - | 3,025 |
| 1,488 | 1,787 | - | - | 10,290 (1) |
| - | - | - | - | - (1) |
| - | - | - | - | - (1) |
| - | - | - | - | - (1) |
| 881 | 5,181 | - | - | 38,084 (1) |
| - | - | - | - | - (2) |
| 9,680 | 10,504 | 13,035 | 12,915 | 227,489 (2) |
| - | - | - | - | 404,256 (2) |
| <u>66,567</u> | <u>186,494</u> | <u>21,113</u> | <u>18,292</u> | <u>1,397,759</u> |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

COMBINING STATEMENT OF ACTIVITIES - HOUSING REHAB

For the Year Ended September 30, 2009

| | <u>Deferred Loan Prog XIV</u> | <u>City of Princeton NSP</u> | <u>Garrison Twp Rehab</u> | <u>City of McGregor Rehab</u> | <u>Carlton County Rehab</u> |
|--------------------------------------|---------------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|
| SUPPORT AND REVENUES | | | | | |
| Support: | | | | | |
| Grants | \$532,046 | \$ 20,339 | \$ 23,677 | \$ 9,212 | \$ 74,382 |
| Revenue: | | | | | |
| Interest income | 1,145 | - | - | - | - |
| Administrative revenue | - | - | - | - | - |
| Total Revenue | <u>1,145</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Support and Revenue | <u>533,191</u> | <u>20,339</u> | <u>23,677</u> | <u>9,212</u> | <u>74,382</u> |
| PROGRAM EXPENSES | | | | | |
| Salaries and wages | 13,235 | 10,430 | 10,372 | 3,621 | 28,130 |
| Fringe benefits | 5,985 | 3,776 | 3,603 | 1,149 | 9,780 |
| Consultants and professional fees | 1,166 | 11 | 261 | 7 | 291 |
| Travel | 9,031 | 617 | 381 | 216 | 3,881 |
| Other direct costs | 20,713 | 5,505 | 9,060 | 4,219 | 32,300 |
| Loan funds available | <u>483,061</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Program Expenses | <u>533,191</u> | <u>20,339</u> | <u>23,677</u> | <u>9,212</u> | <u>74,382</u> |
| Change in net assets | - | - | - | - | - |
| Net Assets - October 1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Assets - Sept 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| <u>Cloquet Revolve Loan</u> | <u>City of Barnum Rehab</u> | <u>City of Henriette Rehab</u> | <u>City of Cambridge Rehab</u> | <u>Sturgeon Lake Rehab</u> | <u>Total</u> |
|-------------------------------------|-------------------------------------|--|--|------------------------------------|-------------------|
| \$ <u>2,987</u> | \$ <u>24,901</u> | \$ <u>10,894</u> | \$ <u>28,605</u> | \$ <u>9,221</u> | \$ <u>736,264</u> |
| - | - | - | - | - | 1,145 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,145</u> |
| <u>2,987</u> | <u>24,901</u> | <u>10,894</u> | <u>28,605</u> | <u>9,221</u> | <u>737,409</u> |
| 1,341 | 4,218 | 3,258 | 8,724 | 4,955 | 88,284 |
| 443 | 1,344 | 1,173 | 3,015 | 1,470 | 31,738 |
| 6 | 222 | 205 | 243 | 12 | 2,424 |
| - | 1,018 | 115 | 1,055 | 480 | 16,794 |
| 1,197 | 18,099 | 6,143 | 15,568 | 2,304 | 115,108 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>483,061</u> |
| <u>2,987</u> | <u>24,901</u> | <u>10,894</u> | <u>28,605</u> | <u>9,221</u> | <u>737,409</u> |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

COMBINING STATEMENT OF ACTIVITIES - COMMUNITY SERVICE

For the Year Ended September 30, 2009

| SUPPORT AND REVENUE | <u>ESGP 08/09</u> | <u>ESGP 10/11</u> | <u>Integrated Svcvs '08</u> | <u>Tax Assist</u> |
|--------------------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Support: | | | | |
| Grants | \$ 34,512 | \$ 6,860 | \$ 21,600 | \$11,351 |
| Revenue: | | | | |
| Program revenue | — | — | — | — |
| Total Support and Revenue | <u>34,512</u> | <u>6,860</u> | <u>21,600</u> | <u>11,351</u> |
| PROGRAM EXPENSES | | | | |
| Salaries and wages | 7,210 | 1,749 | 11,038 | 7,620 |
| Fringe benefits | 2,432 | 564 | 4,676 | 1,970 |
| Travel | — | — | 1,808 | 320 |
| Supplies | — | — | 159 | 773 |
| Lease/purchase equipment | — | — | — | — |
| Rent and utilities | 644 | — | 704 | — |
| Other | 24,226 | 4,547 | 2,976 | 668 |
| Audit | — | — | 239 | — |
| Total Program Expenses | <u>34,512</u> | <u>6,860</u> | <u>21,600</u> | <u>11,351</u> |
| Change in net assets | — | — | — | — |
| Net Assets—October 1 | — | — | — | — |
| Net Assets—September 30 | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |

| <u>Otto Bremer Planning Grant</u> | <u>Family Homeless Prev 08/09</u> | <u>Family Homeless Prev 10/11</u> | <u>Family to Family</u> | <u>Homeless Prev Rapid Rehouse ARRA</u> | <u>Total</u> |
|---|---|---|---------------------------------|---|----------------|
| \$ 20,154 | \$ 277,358 | \$ 86,198 | \$47,202 | \$ - | \$ 505,235 |
| <u>-</u> | <u>306</u> | <u>71</u> | <u>-</u> | <u>-</u> | <u>377</u> |
| <u>20,154</u> | <u>277,664</u> | <u>86,269</u> | <u>47,202</u> | <u>-</u> | <u>505,612</u> |
| 12,208 | 66,800 | 27,872 | 25,653 | - | 160,150 |
| 3,405 | 24,860 | 9,915 | 10,521 | - | 58,343 |
| 177 | 2,767 | 500 | 3,443 | - | 9,015 |
| 161 | 155 | 946 | 91 | - | 2,285 |
| - | - | - | - | - | - |
| 763 | 3,627 | 1,155 | 913 | - | 7,806 |
| 3,220 | 178,746 | 45,506 | 6,300 | - | 266,189 |
| <u>220</u> | <u>709</u> | <u>375</u> | <u>281</u> | <u>-</u> | <u>1,824</u> |
| <u>20,154</u> | <u>277,664</u> | <u>86,269</u> | <u>47,202</u> | <u>-</u> | <u>505,612</u> |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

COMBINING STATEMENT OF ACTIVITIES - OTHER

For the Year Ended September 30, 2009

| SUPPORT AND REVENUE | Special Programs | Payroll Services | Region 7E Adult MH | Total |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------------|--------------------|
| Support: | | | | |
| Grants | \$ <u>85,089</u> | \$ <u>—</u> | \$ <u>15,566</u> | \$ <u>100,655</u> |
| Revenue: | | | | |
| Interest income | 33,388 | — | — | 33,388 |
| Program revenue | 249,866 | — | — | 249,866 |
| Copier/mimeo reimburse | 17,934 | — | — | 17,934 a |
| Other | <u>18,090</u> | <u>—</u> | <u>—</u> | <u>18,090 a</u> |
| Total Revenue | <u>319,278</u> | <u>—</u> | <u>—</u> | <u>319,278</u> |
| Total Support and Revenue | <u>404,367</u> | <u>—</u> | <u>15,566</u> | <u>419,933</u> |
| PROGRAM EXPENSES | | | | |
| Salaries and wages | 1,585 | — | — | 1,585 |
| Fringe benefits | 121 | — | — | 121 |
| Travel | — | — | — | — |
| Supplies | 366 | — | 124 | 490 |
| Emergency services | 78,286 | — | — | 78,286 c |
| Energy related assist | 374,754 | — | — | 374,754 c |
| Depreciation | 18,090 | — | — | 18,090 b |
| Lease/purchase equipment | — | — | — | — |
| Copy costs | 29,356 | — | — | 29,356 c |
| Rent and utilities | — | — | 240 | 240 b |
| Other | 25,222 | 1,665 | 14,999 | 41,886 c |
| Audit | <u>1,650</u> | <u>—</u> | <u>203</u> | <u>1,853</u> |
| Total Program Expenses | <u>529,430</u> | <u>1,665</u> | <u>15,566</u> | <u>546,661</u> |
| Change in net assets | (125,063) | (1,665) | — | (126,728) |
| Net Assets—October 1 | <u>1,732,781</u> | <u>1,665</u> | <u>—</u> | <u>1,734,446</u> |
| Net Assets—September 30 | <u>\$1,607,718</u> | <u>\$—</u> | <u>\$—</u> | <u>\$1,607,718</u> |

The following items are combined on the Combined Statement of Activities:

| | |
|-------------------------|------------|
| a Other revenue | \$ 36,024 |
| b Space cost and rental | \$ 18,330 |
| c Other direct costs | \$ 524,282 |

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

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
HEAD START GRANTS - FEDERAL**

For the Year Ended September 30, 2009

| | <u>Grant # 05CH-4092/43</u> | | | <u>Grant #</u> | <u>Single</u> |
|---|-----------------------------|--------------------|---------------------|---------------------|-------------------|
| | <u>Total</u> | <u>8-1-08 to</u> | <u>10-1-08 to</u> | <u>05CH-4092/44</u> | <u>Audit</u> |
| | <u>8-1-08 to</u> | <u>9-30-08</u> | <u>7-31-09</u> | <u>For Period</u> | <u>Total</u> |
| | <u>7-31-09</u> | <u>(Previously</u> | <u>(Included in</u> | <u>8-1-09 to</u> | <u>10-1-08 to</u> |
| | | <u>Reported)</u> | <u>This Audit)</u> | <u>9-30-09</u> | <u>9-30-09</u> |
| SUPPORT AND REVENUE | | | | | |
| Federal funds awarded | \$2,364,041 | \$ 351,040 | \$2,013,001 | \$ 383,756 | \$2,396,757 |
| Grantee's in-kind contributions | 591,010 | - | 591,010 | - | 591,010 |
| Interest | - | - | - | - | - |
| Total Support and Revenue | <u>2,955,051</u> | <u>351,040</u> | <u>2,604,011</u> | <u>383,756</u> | <u>2,987,767</u> |
| EXPENSES | | | | | |
| Federal Share (direct costs) Head Start Full Year Part Day (PA22) | | | | | |
| Salaries and wages | 1,205,329 | 166,911 | 1,038,418 | 174,594 | 1,213,012 |
| Fringe benefits | 459,202 | 77,835 | 381,367 | 87,239 | 468,606 |
| Travel | 10,780 | 1,814 | 8,966 | 1,480 | 10,446 |
| Contractual services | 239,527 | 27,987 | 211,540 | 43,402 | 254,942 |
| Supplies | 26,338 | 7,255 | 19,083 | 11,855 | 30,938 |
| Lease and purchase of equipment | - | - | - | - | - |
| Other direct costs | <u>393,264</u> | <u>66,048</u> | <u>327,216</u> | <u>63,408</u> | <u>390,624</u> |
| Total FYPD Direct Costs | 2,334,440 | 347,850 | 1,986,590 | 381,978 | 2,368,568 |
| Training and Technical Assistance (PA20) | <u>29,601</u> | <u>3,190</u> | <u>26,411</u> | <u>1,778</u> | <u>28,189</u> |
| Total Federal Expenses | 2,364,041 | 351,040 | 2,013,001 | 383,756 | 2,396,757 |
| Grantee's Share: In-kind expenses | <u>591,010</u> | <u>-</u> | <u>591,010</u> | <u>-</u> | <u>591,010</u> |
| Total Expenses | <u>2,955,051</u> | <u>351,040</u> | <u>2,604,011</u> | <u>383,756</u> | <u>2,987,767</u> |
| Change in net assets | - | - | - | - | - |
| Net Assets - October 1 | - | - | - | - | - |
| Net Assets - September 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Note: Totals for Grant Number 05CH-4092/43 agree with the final SF-269, Financial Status Report, filed by the grantee on October 12, 2009.

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

**ACYF/OHDS, Region V
Federal Grant # 05CH-4092/43
Grant Period 8-1-08 to 7-31-09**

Agreement # 8-332-501-6 effective 10-1-08
With
MN Department of Education
Child Care Food Program CFDA #10.558
(Regulations TCFR, Part 226)

Federal Funds (U.S. Department of Agriculture)

The following funds were received by Lakes and Pines for the above program during their program year ended July 31, 2009:

| | |
|-----------------------|---------------------------|
| 11-14-08 receipt | \$ 2,172.02 |
| 11-14-08 " | 3,198.21 |
| 11-28-08 " | 36.11 |
| 1-15-09 " | 1,009.10 |
| 1-30-09 " | 2,695.85 |
| 2-27-09 " | 2,672.06 |
| 4-15-09 " | 3,034.23 |
| 4-30-09 " | 3,325.07 |
| 5-29-09 " | 3,344.25 |
| 6-30-09 " | 3,720.74 |
| 7-15-09 " | 3,417.82 |
| 8-28-09 " | 2,579.66 |
| 9-30-09 " | <u>2,552.44</u> |
| Total receipts | <u>\$33,757.56</u> |

The funds were deposited with Peoples National Bank of Mora, MN and credited to Account #7610, Beneficiary Food, Children.

Expenses were tested for proper distribution, internal accounting and administrative control, grant internal control and compliance with laws and regulations.

Funds were included in the Head Start budget.

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

**HEAD START PROGRAM GRANT NUMBER 05CH-4092/43
BACKGROUND INFORMATION**

For the Year Ended July 31, 2009

The Head Start Program operated by Lakes and Pines Community Action Council, Inc. of Mora, Minnesota services an area consisting of seven counties: Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs and Pine.

General administrative headquarters are located at Mora, Minnesota with actual socialization/Family Child Care (FCC)/Child Care Partnership operations being conducted at twenty-four (24) Head Start sites in the following cities: Aitkin, Barnum (2), Braham, Cambridge, Chisago City, Cloquet (2), Hill City (2), Hinckley, McGregor, Milaca, Moose Lake (2), Mora, North Branch, Palisade, Pine City (2), Princeton (3), Rush City, and Sandstone.

During the 2008-2009 year, 551 children and their families were enrolled in the program. Nearly 45% of the children were four years of age or older and entered kindergarten in the fall of 2009. Of those enrolled in the Program, 76% of the children were up-to-date on a schedule of preventative and primary health care, and over 70% received a dental examination along with the necessary follow-up care.

FEDERAL FINANCIAL INFORMATION

Hugh Heinecke, CPA
Certified Public Accountants

**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***

**The Board of Directors
Lakes and Pines Community Action Council, Inc.
Mora, Minnesota 55051**

We have audited the financial statements of Lakes and Pines Community Action Council, Inc., (a nonprofit organization) as of and for the year ended September 30, 2009 and have issued our report thereon dated December 22, 2009. We conducted our audit 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.

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.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 or other matters that are required to be reported under *Government Auditing Standards*.

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

December 22, 2009

Hugh Heinecke, CPA
Certified Public Accountants

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**The Board of Directors
Lakes and Pines Community Action Council, Inc.
Mora, Minnesota 55051**

Compliance

We have audited the compliance of Lakes and Pines Community Action Council, Inc. (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended September 30, 2009. 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. Compliance with the requirements of laws, regulations, contracts and grants 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 auditing standards generally accepted in the United State of America; 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 Non-Profit 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, the Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended September 30, 2009.

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 requirements that could have a direct and material effect on a major Federal or major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal will not be prevented or detected by the entity's internal control.

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 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, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 22, 2009

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2009

| Federal Funding Source/ Pass-through Entity Grant Name | Federal CFDA Number | Grant Agreement Number | Federal Expenditures |
|--|---------------------------|------------------------------|-------------------------|
| U.S. Department of Agriculture: | | | |
| Pass-through from Department of Education: | | | |
| Child Care Food Program | 10.558 | 8-332-501-6 | \$ <u>33,758</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Emergency Shelter Grant Program '08/'09 | | | |
| Emergency Shelter Grant Program '10/'11 | 14.231 | 0831077 | 34,512 |
| Emergency Shelter Grant Program '10/'11 | 14.231 | 1031077 | <u>6,860</u> |
| Total Department of Housing and Urban Development: | | | <u>41,372</u> |
| U.S. Department of Energy: | | | |
| Pass-through from Department of Commerce: | | | |
| DOE '09 Weatherization | 81.042 | B14604 | 352,439* |
| ARRA -DOE '09 Weatherization | 81.042 | B14604 | 66,567* |
| DOE '10 Weatherization | 81.042 | B29057 | 336,999* |
| ARRA - DOE '10 Weatherization | 81.042 | B29057 | <u>186,494*</u> |
| Total Department of Energy: | | | <u>942,499</u> |
| U.S. Department of Health and Human Services: | | | |
| Head Start 'Q' | 93.600 | 05CH 4092/43 | 2,013,001 |
| Head Start 'R' | 93.600 | 05CH 4092/44 | 383,756 |
| ARRA - Head Start | 93.708 | 05SE 4092/01 | 60,712 |
| Pass-through from Department of Commerce: | | | |
| EAP ROFW '09 | 93.568 | B16295 | 72,806* |
| EAP '09 Low-Income Home Energy Assistance | 93.568 | B16295 | 7,364,116* |
| EAP '09 Weatherization | 93.568 | B14604 | 340,346* |
| EAP '08 WX Carryover | 93.568 | B14604 | 75,509* |

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the Year Ended September 30, 2009

| <u>Federal Funding Source/ Pass-through Entity Grant Name</u> | <u>Federal CFDA Number</u> | <u>Grant Agreement Number</u> | <u>Federal Expenditures</u> |
|---|------------------------------------|---------------------------------------|---------------------------------|
| U.S. Department of Health and Human Services (Continued): | | | |
| Pass-through from Department of Human Services: | | | |
| EOG '08/09 (CSBG '08/09) | 93.569 | 0810077 | 235,984 |
| ARRA - EOG (CSBG) | 93.710 | 1010077 | <u>4,140</u> |
| Total Department of Health and Human Services | | | <u>10,550,370</u> |
| TOTAL FEDERAL ASSISTANCE | | | <u>\$11,567,999</u> |

* Denotes Major Program

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2009

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lakes and Pines Community Action Council, Mora, Minnesota and is presented on the cash 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 Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Council.
2. No significant deficiencies in internal control were disclosed during the audit of the financial statements.
3. The audit disclosed no instances of noncompliance which were material to Council's financial statements.
4. No significant deficiencies in internal control over the major programs were disclosed during the audit.
5. The auditors' report on compliance for the major federal award program for the Council expresses an unqualified opinion.
6. There were no audit findings relative to major federal award programs for the Council.
7. The programs tested as major programs were: Weatherization (CFDA #81.042), ARRA-Weatherization (CFDA #81.042), Low-Income Home Energy Assistance Program (CFDA #93.568), EAP Reach-out-for-Warmth (CFDA #93.568), and EAP Weatherization (CFDA #93.568).
8. The threshold for distinguishing Types A and B programs was \$347,040.
9. The Council was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no significant deficiencies in internal control disclosed during the financial statements audit for the Council.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings nor questioned costs disclosed during the major federal award program audit of the Council.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
RELATIVE TO FEDERAL AWARDS**

For the Year Ended September 30, 2009

Cognizant or Oversight Agency: U.S. Department of Health and Human
Services

The Council respectfully submits the following summary schedule of prior
audit findings for the year ended September 30, 2009.

Independent Public Accounting Firm: Hugh Heinecke, CPA
Certified Public Accountants
38 Minnesota Avenue South
Aitkin, Minnesota 56431

The Council had no audit findings in the prior year. Therefore, no
schedule of prior audit findings is required.

If the U.S. Department of Health and Human Services has questions regarding
this schedule, please contact Robert Benes at (320) 679-1800.

Sincerely,

Robert Benes
Executive Director