

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

AUDITED FINANCIAL STATEMENTS

Year Ended September 30, 2012 and 2011

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

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LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying Statements of Financial Position of Lakes and Pines Community Action Council, Inc. (the "Council") as of September 30, 2012 and 2011, and the related Statement of Activities and Cash Flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakes and Pines Community Action Council, Inc. as of September 30, 2012 and 2011, the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2013, on our consideration of the Council's internal control over financial reporting and our tests of the Council's compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.



Our audits were conducted for the purpose of forming opinions on the financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations*, and is also not a required part of the financial statements. The accompanying supplementary information identified in the Table of Contents, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
January 28, 2013

AUDITED FINANCIAL STATEMENTS

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENTS OF FINANCIAL POSITION

	September 30,	
	2012	2011
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,051,127	\$ 1,163,965
Restricted Cash - Unemployment Trust	175,463	198,832
Due from Other Programs	191,103	337,674
Investments - Certificates of Deposit	-	398,162
Interest Receivable	667	1,541
Accounts Receivable	70,654	53,499
Grants Receivable	221,998	407,146
Prepaid Expenses	22,748	40,798
Weatherization Inventory	85,353	82,467
Total Current Assets	1,819,113	2,684,084
Property and Equipment, Net	280,890	366,065
Other Asset		
Investments - Certificates of Deposit	746,091	339,754
Total Assets	\$ 2,846,094	\$ 3,389,903
LIABILITIES AND NET ASSETS		
Current Liabilities		
Due to Other Programs	\$ 191,103	\$ 337,674
Accounts Payable	136,131	194,611
Accrued Payroll and Related Taxes and Benefits	192,165	304,716
Accrued Vacation	105,538	115,942
Accrued Unemployment Insurance	175,463	198,832
Deferred Revenue - Grants	309,314	437,453
Total Current Liabilities	1,109,714	1,589,228
Net Assets		
Unrestricted:		
Undesignated	1,330,835	1,295,777
Designated	124,655	138,833
Investment in Property and Equipment	280,890	366,065
Total Unrestricted	1,736,380	1,800,675
Total Liabilities and Net Assets	\$ 2,846,094	\$ 3,389,903

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

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENTS OF ACTIVITIES

	Year Ended September 30,	
	2012	2011
REVENUES		
Grant Revenue		
Federal Grants	\$ 4,839,131	\$ 7,078,977
State Grants	1,374,484	1,413,150
Other Grants	360,488	239,765
Program Support	175,224	111,522
Interest Income	10,204	22,699
Total Revenues	6,759,531	8,866,113
 EXPENSES		
Wages and Fringe Benefits	4,404,225	5,565,222
Professional Services	28,489	61,259
Contractual Services	175,985	167,881
Vehicle Expense and Travel	349,089	477,168
Training	71,282	75,119
Supplies and Copy Costs	116,616	156,207
Insurance	37,180	42,937
Equipment Maintenance	18,700	52,252
Office Rent, Utilities and Space Costs	148,382	166,970
Dues, Subscriptions and Memberships	21,454	8,671
Communication (Postage and Telephone)	61,382	73,188
Printed Forms and Advertising	20,787	19,506
Direct Client Support	1,294,287	2,026,811
Miscellaneous	1,181	2,653
Total Expenses	6,749,039	8,895,844
 Change in Net Assets	10,492	(29,731)
 Other Changes in Net Assets		
Weatherization Inventory	2,886	(23,458)
Unemployment Insurance Trust	(77,673)	-
Total Other Changes in Net Assets	(74,787)	(23,458)
 NET ASSETS		
Beginning of Year	1,800,675	1,857,352
 Prior Period Adjustment	-	(3,488)
 Beginning of Year, as Restated	1,800,675	1,853,864
 End of Year	\$ 1,736,380	\$ 1,800,675

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

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENTS OF CASH FLOWS

	Year Ended September 30,	
	2012	2011
CASH FLOWS - OPERATING ACTIVITIES		
Change in Net Assets	\$ 10,492	\$ (29,731)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows - Operating Activities:		
Depreciation	92,506	99,900
Unemployment Insurance Trust	(77,673)	-
Loss on Disposal of Equipment	-	670
Change in Assets and Liabilities:		
Interest Receivable	874	24
Accounts Receivable	(17,155)	(21,480)
Grants Receivable	185,148	94,522
Prepaid Expenses	18,050	7,506
Accounts Payable	(58,480)	(37,753)
Accrued Payroll and Related Taxes and Benefits	(122,955)	(208,490)
Deferred Revenue - Grants	(128,139)	67,720
Total Adjustments	(107,824)	2,619
Net Cash Flows - Operating Activities	(97,332)	(27,112)
 CASH FLOWS - INVESTING ACTIVITIES		
Net Investment Purchases	(8,175)	(15,010)
Equipment Purchases	(7,331)	(4,839)
Net Cash Flows - Investing Activities	(15,506)	(19,849)
 Net Change in Cash and Cash Equivalents	(112,838)	(46,961)
 CASH AND CASH EQUIVALENTS		
Beginning of Year	1,163,965	1,210,926
 End of Year	\$ 1,051,127	\$ 1,163,965

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

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

Basis of Accounting

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

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

Use of Estimates

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

Financial Statement Presentation

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

Unrestricted

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

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

Temporarily Restricted

Accounts for (a) contributions and other inflows of assets whose use by the Council is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Council pursuant to those stipulations, (b) other asset enhancements and diminishments subject to the same kinds of stipulations and (c) reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time or their fulfillment and removal by actions of the Council pursuant to those stipulations. At September 30, 2012 and 2011 the Council did not have temporarily restricted net assets.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation (Continued)

Permanently Restricted

Accounts for all financial resources which include a donor-imposed restriction that stipulates the resources be maintained permanently, but permits the Council to use or expend part or all of the income derived from the donated assets. At September 30, 2012 and 2011 the Council did not have permanently restricted net assets.

Cash and Cash Equivalents

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

Restricted Cash

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

Restricted cash represents the Council's estimated cash balance at September 30, 2012 and 2011 for eligible unemployment insurance claims. If claims exceed payments into the trust the Council could become liable for those claims.

Investments

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

Accounts Receivable

The accounts receivable are the result of the Council extending unsecured credit to the Council's users. Management reviews the current status of the receivables and currently expenses all accounts which are determined to be uncollectible. Accordingly, no allowance for doubtful accounts was deemed necessary at September 30, 2012 and 2011. Accounts receivable are considered delinquent after 30 days and the Council does not accrue interest on delinquent receivables.

Weatherization Inventory

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

Property and Equipment

The Council capitalizes expenses for land, building and equipment with a cost greater than \$ 2,400. Contributed items are recorded at fair market value at the date of the contribution. Capitalized property and equipment are depreciated over their estimated useful lives ranging from 5 to 39 years. Depreciation is calculated using the straight line basis and totaled \$ 92,506 for the year ended September 30, 2012 and \$ 99,900 for the year ended September 30, 2011.

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

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets that management expects to hold and use is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. The Council has determined that no impairment existed at September 30, 2012 and 2011.

Accrued Compensated Absences

Compensated absences are charged to expenses during the period earned based on employee length of service. A liability for accrued compensated absences is shown in the Statements of Financial Position as of September 30, 2012 and 2011.

Grants

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

Program Support

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

In-Kind Contributions

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

A substantial number of nonprofessional and professional volunteers have donated significant amounts of their time in the Council's Early Childhood and Family Development Program, specifically the Head Start Program. As of September 30, 2012 and 2011, donated time totaling \$ 580,574 and \$ 609,512, respectively, were recorded in the Head Start Programs, however, no amounts have been reflected in the statements for donated services.

Due to the nature of the Council's Head Start program, the Council receives the use of private homes while conducting home visits free of charge for the Head Start Program and recognizes an in-kind contribution for the fair market value of rent. For the year ended September 30, 2012 and 2011, the fair market value of the donated space was estimated at \$ 9,383 and \$ 10,820, respectively. No amounts have been reflected in the statements for donated space.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012 and 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In-Kind Contributions (Continued)

In addition, as of September 30, 2012, donated transportation costs and donated supplies costs totaled \$ 8,161 and \$ 22,214 respectively. The Council received the use of private vehicles driven by parents or guardians to transport Head Start children to required socialization visits. Similarly, the Head Start program received donated education supplies in the form of discounts and free-will donations. Both transportation and supplies of the above nature would be purchased by the Head Start program if not provided by donation. These amounts have not been reflected in the statements for donated transportation or donated supplies.

Functional Expense Allocation

The Council allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated based on estimates by management. Functional classification of expenses for the years ended September 30, 2012 and September 30, 2011 consisted of \$ 6,130,674 and \$ 8,277,036 related to program services and \$ 618,365 and \$ 618,808 related to management and general support services, respectively.

Cost Allocation

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

Advertising Costs

The Council's policy is to expense advertising costs as they are incurred. During the year ended September 30, 2012 and 2011, the Council incurred advertising costs totaling \$ 20,787 and \$ 19,506, respectively.

Income Taxes

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

Subsequent Events

The Council has evaluated subsequent events through January 28, 2013, the date which the financial statements were available to be issued.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2012 and 2011

NOTE 2 – GRANTS RECEIVABLE/DEFERRED REVENUE

	September 30,	
	2012	2011
Federal Programs	\$ 179,074	\$ 355,015
State and Local Programs	(266,390)	(385,322)
Net Deferred Revenue - Grants	\$ (87,316)	\$ (30,307)

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

	September 30,	
	2012	2011
Grants Receivable	\$ 221,998	\$ 407,146
Deferred Revenue	(309,314)	(437,453)
Net Deferred Revenue - Grants	\$ (87,316)	\$ (30,307)

NOTE 3 – PROPERTY AND EQUIPMENT

	September 30,	
	2012	2011
Land	\$ 40,900	\$ 40,900
Buildings and Improvements	435,328	435,328
Vehicles and Equipment	802,822	798,740
	1,279,050	1,274,968
Less Accumulated Depreciation	(998,160)	(908,903)
Property and Equipment, Net	\$ 280,890	\$ 366,065

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012 and 2011

NOTE 4 – DESIGNATED NET ASSETS

Board of Directors designated net assets are as follows:

	September 30,	
	2012	2011
Designated for:		
Caring Members (East Central Energy)	\$ -	\$ 2,880
Contracted Services	25,217	24,288
EAP/Furnace	32,966	39,907
Emergency Services	23,322	22,161
Financial Literacy	1,347	-
Head Start	697	745
Head Start Transportation	500	-
Inspection Services	31,751	29,584
MHFA Administration Funds	2,329	12,742
Pine County Financial Education	537	1,000
Princeton Contract Income	676	-
Reading is Fundamental (RIF)	2,141	3,082
Tax Assistance	2,428	1,700
Transportation Assistance	744	744
	<u>\$ 124,655</u>	<u>\$ 138,833</u>
Total Board of Directors Designated Net Assets		

NOTE 5 – RETIREMENT PLAN

The Council sponsors a 403(b) retirement plan. The plan covers substantially all full-time employees. Contributions to the plan amounted to \$ 108,317 for the year ended September 30, 2012 and \$ 100,191 for the year ended September 30, 2011.

NOTE 6 – MATCHING FUNDS

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

NOTE 7 – CONCENTRATIONS AND CONTINGENCIES

Concentrations

During the year ended September 30, 2012 and 2011, 70% and 77%, respectively, of the Council's revenue was from the programs funded through the U.S. Department of Health and Human Services and the U.S. Department of Energy. A total of 92% and 95%, respectively, of the Council's revenue was from state and federal sources.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012 and 2011

NOTE 7 – CONCENTRATIONS AND CONTINGENCIES

Nonexpendable Property

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

Federal and State Program Activities

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

Claims

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

Employee Dental Plan

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

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SUPPLEMENTARY INFORMATION

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - BY FUNCTION

September 30, 2012

	Administration	Community Services	Early Childhood and Family Development
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ 67,830	\$ 64,428
Restricted Cash	-	-	-
Due from Other Funds	-	-	-
Investments - Certificates of Deposit	-	-	-
Interest Receivable	-	-	-
Accounts Receivable	11,281	-	-
Grants Receivable	30,820	17,558	99,240
Prepaid Expenses	7,583	884	11,135
Weatherization Inventory	-	-	-
Total Current Assets	49,684	86,272	174,803
Property and Equipment, Net	-	-	-
Other Asset			
Investments - Certificates of Deposit	-	-	-
Total Assets	\$ 49,684	\$ 86,272	\$ 174,803
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Funds	\$ 34,577	\$ 10,945	\$ 73,267
Accounts Payable	15,107	9,441	45,259
Accrued Payroll and Related Taxes and Benefits	-	-	-
Accrued Vacation	-	-	-
Accrued Unemployment	-	-	-
Deferred Revenue - Grants	-	65,886	56,277
Total Current Liabilities	49,684	86,272	174,803
Net Assets			
Unrestricted	-	-	-
Designated	-	-	-
Investment in Property and Equipment	-	-	-
Total Unrestricted	-	-	-
Total Liabilities and Net Assets	\$ 49,684	\$ 86,272	\$ 174,803

<u>Weatherization</u>	<u>Energy Assistance</u>	<u>Housing Rehabilitation</u>	<u>Other Programs</u>	<u>Total</u>
\$ -	\$ -	\$ 10,904	\$ 907,965	\$ 1,051,127
-	-	-	175,463	175,463
-	-	-	191,103	191,103
-	-	-	-	-
-	-	-	667	667
18,582	-	-	40,791	70,654
44,902	23,242	6,236	-	221,998
2,526	-	411	209	22,748
85,353	-	-	-	85,353
<u>151,363</u>	<u>23,242</u>	<u>17,551</u>	<u>1,316,198</u>	<u>1,819,113</u>
-	-	-	280,890	280,890
-	-	-	746,091	746,091
<u>\$ 151,363</u>	<u>\$ 23,242</u>	<u>\$ 17,551</u>	<u>\$ 2,343,179</u>	<u>\$ 2,846,094</u>
\$ 46,450	\$ 19,777	\$ 6,087	\$ -	\$ 191,103
10,669	3,465	812	51,378	136,131
-	-	-	192,165	192,165
-	-	-	105,538	105,538
-	-	-	175,463	175,463
8,891	-	10,652	167,608	309,314
<u>66,010</u>	<u>23,242</u>	<u>17,551</u>	<u>692,152</u>	<u>1,109,714</u>
85,353	-	-	1,245,482	1,330,835
-	-	-	124,655	124,655
-	-	-	280,890	280,890
<u>85,353</u>	<u>-</u>	<u>-</u>	<u>1,651,027</u>	<u>1,736,380</u>
<u>\$ 151,363</u>	<u>\$ 23,242</u>	<u>\$ 17,551</u>	<u>\$ 2,343,179</u>	<u>\$ 2,846,094</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - BY FUNCTION
Year Ended September 30, 2012

	<u>Administration</u>	<u>Community Services</u>	<u>Early Childhood and Family Development</u>
REVENUES			
Grant Revenue			
Federal Grants	\$ 190,795	\$ 85,100	\$ 2,472,075
State Grants	188,909	388,998	604,265
Other Grants	-	2,211	93,143
Program Support	-	-	1,500
Interest Income	-	164	227
Total Revenues	379,704	476,473	3,171,210
EXPENSES			
Wages and Fringe Benefits	248,395	218,010	2,403,654
Professional Services	2,122	1,998	13,819
Contractual Services	487	-	172,876
Vehicle Expense and Travel	23,729	11,482	261,260
Training	11,777	1,442	30,306
Supplies and Copy Costs	14,795	5,046	75,808
Insurance	1,472	1,111	9,365
Equipment Maintenance	3,379	3,754	5,235
Office Rent, Utilities and Space Costs	12,267	2,663	93,678
Dues, Subscriptions and Memberships	8,554	718	11,765
Communication (Postage and Telephone)	2,178	3,733	29,640
Printed Forms and Advertising	3,961	-	4,822
Other Direct Client Support	46,588	226,516	58,982
Miscellaneous	-	-	-
Total Expenses	379,704	476,473	3,171,210
Change in Net Assets	-	-	-
Other Changes in Net Assets			
Weatherization Inventory	-	-	-
Unemployment Insurance Trust	-	-	-
Total Other Changes in Net Assets	-	-	-
NET ASSETS			
Beginning of Year	-	-	-
End of Year	\$ -	\$ -	\$ -

<u>Weatherization</u>	<u>Energy Assistance</u>	<u>Housing Rehabilitation</u>	<u>Other Programs</u>	<u>Total</u>
\$ 885,003	\$ 1,206,158	\$ -	\$ -	\$ 4,839,131
36,346	-	155,966	-	1,374,484
-	-	-	265,134	360,488
-	1,406	12,113	160,205	175,224
-	10	-	9,803	10,204
<u>921,349</u>	<u>1,207,574</u>	<u>168,079</u>	<u>435,142</u>	<u>6,759,531</u>
724,030	607,708	105,648	96,780	4,404,225
3,926	4,699	530	1,395	28,489
1,224	802	94	502	175,985
42,929	3,500	6,098	91	349,089
22,940	1,518	810	2,489	71,282
2,987	13,522	659	3,799	116,616
22,191	2,494	547	-	37,180
1,512	2,848	1,167	805	18,700
23,192	10,545	903	5,134	148,382
25	314	-	78	21,454
3,309	17,491	2,486	2,545	61,382
68	11,759	177	-	20,787
72,923	530,087	48,385	310,806	1,294,287
93	287	575	226	1,181
<u>921,349</u>	<u>1,207,574</u>	<u>168,079</u>	<u>424,650</u>	<u>6,749,039</u>
-	-	-	10,492	10,492
2,886	-	-	-	2,886
-	-	-	(77,673)	(77,673)
<u>2,886</u>	<u>-</u>	<u>-</u>	<u>(77,673)</u>	<u>(74,787)</u>
<u>82,467</u>	<u>-</u>	<u>-</u>	<u>1,718,208</u>	<u>1,800,675</u>
<u>\$ 85,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,651,027</u>	<u>\$ 1,736,380</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - ADMINISTRATION
September 30, 2012

	<u>#106 MN Community Action Grant</u>	<u>#107 Community Services Block Grant</u>	<u>Total</u>
ASSETS			
Current Assets			
Accounts Receivable	\$ 11,281	\$ -	\$ 11,281
Grants Receivable	27,652	3,168	30,820
Prepaid Expenses	<u>6,927</u>	<u>656</u>	<u>7,583</u>
Total Current Assets	<u>\$ 45,860</u>	<u>\$ 3,824</u>	<u>\$ 49,684</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ 30,753	\$ 3,824	\$ 34,577
Accounts Payable	<u>15,107</u>	<u>-</u>	<u>15,107</u>
Total Current Liabilities	45,860	3,824	49,684
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 45,860</u>	<u>\$ 3,824</u>	<u>\$ 49,684</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - ADMINISTRATION

Year Ended September 30, 2012

	<u>#106 MN Community Action Grant</u>	<u>#107 Community Services Block Grant</u>	<u>#104 Community Services Block Grant</u>	<u>Total</u>
REVENUES				
Grant Revenue				
Federal Grants	\$ -	\$ 79,417	\$ 111,378	\$ 190,795
State Grants	188,909	-	-	188,909
Total Revenues	<u>188,909</u>	<u>79,417</u>	<u>111,378</u>	<u>379,704</u>
EXPENSES				
Wages and Fringe Benefits	131,073	51,842	65,480	248,395
Professional Services	1,081	727	314	2,122
Contractual Services	487	-	-	487
Vehicle Expense and Travel	15,680	3,618	4,431	23,729
Training	2,613	1,620	7,544	11,777
Supplies and Copy Costs	8,185	3,412	3,198	14,795
Insurance	940	35	497	1,472
Equipment Maintenance	1,043	973	1,363	3,379
Office Rent, Utilities and Space Costs	5,925	2,469	3,873	12,267
Dues, Subscriptions and Memberships	2,735	3,692	2,127	8,554
Communication (Postage and Telephone)	372	1,804	2	2,178
Printed Forms and Advertising	2,301	196	1,464	3,961
Administration Direct Client Support	16,474	9,029	21,085	46,588
Total Expenses	<u>188,909</u>	<u>79,417</u>	<u>111,378</u>	<u>379,704</u>
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - COMMUNITY SERVICES
September 30, 2012

	#128 Rural Poverty Fund	#136 Emergency Shelter Program '11/'13	#138 Financial Literacy Initiative	#156 Family Homeless Prevention '11/'12
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,335	\$ -	\$ 7,500	\$ 52,495
Grants Receivable	-	17,558	-	-
Prepaid Expenses	-	-	-	884
Total Current Assets	\$ 1,335	\$ 17,558	\$ 7,500	\$ 53,379
LIABILITIES AND NET ASSETS				
Current Liabilities				
Due to Other Programs	\$ -	\$ 10,945	\$ -	\$ -
Accounts Payable	-	6,613	-	2,828
Deferred Revenue - Grants	1,335	-	7,500	50,551
Total Current Liabilities	1,335	17,558	7,500	53,379
Net Assets				
Unrestricted	-	-	-	-
Total Liabilities and Net Assets	\$ 1,335	\$ 17,558	\$ 7,500	\$ 53,379

#157 SSI/SSDI Outreach Access & Recovery	Total
\$ 6,500	\$ 67,830
-	17,558
-	884
<u>\$ 6,500</u>	<u>\$ 86,272</u>
\$ -	\$ 10,945
-	9,441
6,500	65,886
<u>6,500</u>	<u>86,272</u>
-	-
<u>\$ 6,500</u>	<u>\$ 86,272</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - COMMUNITY SERVICES
Year Ended September 30, 2012

	#129 Tax Assistance	#128 Rural Poverty Fund	#136 Emergency Shelter Program '11/'13	#137 Volunteer Income Tax Assistance
REVENUES				
Grant Revenue				
Federal Grants	\$ -	\$ -	\$ 67,061	\$ 9,100
State Grants	8,250	-	-	-
Other Grants	-	2,211	-	-
Program Support				
Interest Income	-	-	-	-
Total Revenues	8,250	2,211	67,061	9,100
EXPENSES				
Wages and Fringe Benefits	3,539	2,199	28,347	9,100
Professional Services	-	12	-	-
Contractual Services	-	-	-	-
Vehicle Expense and Travel	500	-	168	-
Training	-	-	-	-
Supplies and Copy Costs	-	-	147	-
Insurance	-	-	-	-
Equipment Maintenance	3,754	-	-	-
Office Rent, Utilities and Space Costs	-	-	-	-
Dues, Subscriptions and Memberships	-	-	-	-
Communication (Postage and Telephone)	-	-	-	-
Printed Forms and Advertising	-	-	-	-
Community Services Direct Client Support	457	-	38,399	-
Total Expenses	8,250	2,211	67,061	9,100
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

#156 Family Homeless Prevention '11/'12	#072 Emergency Food and Shelter Program	Total
\$ -	\$ 8,939	\$ 85,100
380,748	-	388,998
-	-	2,211
-	-	-
164	-	164
<u>380,912</u>	<u>8,939</u>	<u>476,473</u>
174,825	-	218,010
1,656	330	1,998
-	-	-
10,814	-	11,482
1,442	-	1,442
4,899	-	5,046
1,111	-	1,111
-	-	3,754
2,663	-	2,663
718	-	718
3,733	-	3,733
-	-	-
179,051	8,609	226,516
<u>380,912</u>	<u>8,939</u>	<u>476,473</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**STATEMENTS OF FINANCIAL POSITION -
EARLY CHILDHOOD & FAMILY DEVELOPMENT
September 30, 2012**

	#234 Head Start 'U'	#11C Child and Adult Care Food Program '12	#12C Child and Adult Care Food Program '13	#229 State '12
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 2,925
Accounts Receivable	-	-	-	-
Grants Receivable	91,825	2,051	5,364	-
Prepaid Expenses	8,812	-	-	-
Total Current Assets	<u>\$ 100,637</u>	<u>\$ 2,051</u>	<u>\$ 5,364</u>	<u>\$ 2,925</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Due to Other Programs	\$ 65,852	\$ 2,051	\$ 5,364	\$ -
Accounts Payable	34,785	-	-	2,925
Deferred Revenue - Grants	-	-	-	-
Total Current Liabilities	<u>100,637</u>	<u>2,051</u>	<u>5,364</u>	<u>2,925</u>
Net Assets				
Unrestricted	-	-	-	-
Total Liabilities and Net Assets	<u>\$ 100,637</u>	<u>\$ 2,051</u>	<u>\$ 5,364</u>	<u>\$ 2,925</u>

#230 State '13	#286 Building Blocks for Success '12	#287 Bright Beginnings '12	Total
\$ 12,775	\$ 37,079	\$ 11,649	\$ 64,428
-	-	-	-
-	-	-	99,240
<u>2,082</u>	<u>111</u>	<u>130</u>	<u>11,135</u>
<u>\$ 14,857</u>	<u>\$ 37,190</u>	<u>\$ 11,779</u>	<u>\$ 174,803</u>
\$ -	\$ -	\$ -	\$ 73,267
4,426	2,827	296	45,259
<u>10,431</u>	<u>34,363</u>	<u>11,483</u>	<u>56,277</u>
<u>14,857</u>	<u>37,190</u>	<u>11,779</u>	<u>174,803</u>
-	-	-	-
<u>\$ 14,857</u>	<u>\$ 37,190</u>	<u>\$ 11,779</u>	<u>\$ 174,803</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - EARLY CHILDHOOD & FAMILY DEVELOPMENT
Year Ended September 30, 2012

	#233 Head Start 'T'	#234 Head Start 'U'	#11C Child and Adult Care Food Program '12	#12C Child and Adult Care Food Program '13
REVENUES				
Grant Revenue				
Federal Grants	\$ 2,094,163	\$ 356,970	\$ 15,578	\$ 5,364
State Grants	-	-	-	-
Other Grants	-	-	-	-
In-Kind Contributions	589,957	-	-	-
Program Support	1,500	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>2,685,620</u>	<u>356,970</u>	<u>15,578</u>	<u>5,364</u>
EXPENSES				
Wages and Fringe Benefits	1,591,764	266,871	-	-
Professional Services	9,909	822	-	-
Contractual Services	139,080	25,650	-	-
Vehicle Expense and Travel	172,071	25,564	-	-
Training	25,277	2,833	-	-
In-Kind Contribution	589,957	-	-	-
Supplies and Copy Costs	25,159	14,194	-	-
Insurance	6,584	-	-	-
Equipment Maintenance	2,871	1,509	-	-
Office Rent, Utilities and Space Costs	68,155	7,889	-	-
Dues, Subscriptions and Memberships	3,864	4,685	-	-
Communication (Postage and Telephone)	20,480	2,946	-	-
Printed Forms and Advertising	2,990	694	-	-
Head Start Direct Client Support	27,459	3,313	15,578	5,364
Total Expenses	<u>2,685,620</u>	<u>356,970</u>	<u>15,578</u>	<u>5,364</u>
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

#229 State '12	#230 State '13	#285 Parent Ed Initiative '12	#286 Building Blocks for Success '12	#287 Bright Beginnings '12	Head Start 'T' Non-Federal Share Elimination	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,472,075
468,525	135,740	-	-	-	-	604,265
-	-	24,817	48,559	19,767	-	93,143
-	-	-	-	-	(589,957)	-
-	-	-	-	-	-	1,500
35	25	8	143	16	-	227
<u>468,560</u>	<u>135,765</u>	<u>24,825</u>	<u>48,702</u>	<u>19,783</u>	<u>(589,957)</u>	<u>3,171,210</u>
367,895	113,753	13,767	34,045	15,559	-	2,403,654
2,269	396	62	237	124	-	13,819
1,065	255	7	6,800	19	-	172,876
43,456	12,820	1,483	4,171	1,695	-	261,260
1,371	73	450	204	98	-	30,306
-	-	-	-	-	(589,957)	-
23,982	1,943	7,979	1,614	937	-	75,808
1,196	911	-	506	168	-	9,365
733	122	-	-	-	-	5,235
13,665	3,239	-	-	730	-	93,678
2,817	114	-	285	-	-	11,765
4,314	904	468	252	276	-	29,640
1,026	96	-	12	4	-	4,822
4,771	1,139	609	576	173	-	58,982
<u>468,560</u>	<u>135,765</u>	<u>24,825</u>	<u>48,702</u>	<u>19,783</u>	<u>(589,957)</u>	<u>3,171,210</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - WEATHERIZATION
September 30, 2012

	#332 DOE Wx '12	#324 DOE Wx ARRA	#369 EAP Wx C/O '12	#390 Propane '13	Total
ASSETS					
Current Assets					
Accounts Receivable	\$ -	\$ 18,582	\$ -	\$ -	\$ 18,582
Grants Receivable	1,727	-	43,030	145	44,902
Prepaid Expenses	967	-	1,556	3	2,526
Weatherization Inventory	-	-	85,353	-	85,353
	<u>\$ 2,694</u>	<u>\$ 18,582</u>	<u>\$ 129,939</u>	<u>\$ 148</u>	<u>\$ 151,363</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Due to Other Programs	\$ 2,694	\$ 8,953	\$ 34,655	\$ 148	\$ 46,450
Accounts Payable	-	738	9,931	-	10,669
Deferred Revenue - Grants	-	8,891	-	-	8,891
Total Current Liabilities	<u>2,694</u>	<u>18,582</u>	<u>44,586</u>	<u>148</u>	<u>66,010</u>
Net Assets					
Unrestricted	<u>-</u>	<u>-</u>	<u>85,353</u>	<u>-</u>	<u>85,353</u>
Total Liabilities and Net Assets	<u>\$ 2,694</u>	<u>\$ 18,582</u>	<u>\$ 129,939</u>	<u>\$ 148</u>	<u>\$ 151,363</u>

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LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - WEATHERIZATION

Year Ended September 30, 2012

	#324 DOE Wx ARRA	#332 DOE Wx '12
REVENUES		
Grant Revenue		
Federal Grants	\$ 48,887	\$ 338,253
State Grants	-	-
Interest Income		
Total Revenues	48,887	338,253
EXPENSES		
Wages and Fringe Benefits	57,125	281,718
Professional Services	680	2,540
Contractual Services	-	97
Vehicle Expense and Travel	(9,598)	23,546
Training	12,472	10,000
Supplies and Copy Costs	-	1,368
Insurance	4,970	7,591
Equipment Maintenance	678	106
Office Rent, Utilities and Space Costs	5,115	2,703
Dues, Subscriptions and Memberships	-	-
Communication (Postage and Telephone)	-	919
Printed Forms and Advertising	-	-
Weatherization Direct Client Support	(22,555)	7,665
Miscellaneous	-	-
Total Expenses	48,887	338,253
Change in Net Assets	-	-
Other Changes in Net Assets		
Change in Weatherization Inventory	-	-
NET ASSETS		
Beginning of Year	-	-
End of Year	\$ -	\$ -

#368 EAP Wx C/O '11	#369 EAP Wx C/O '12	#389 Propane '12	#390 Propane '13	Total
\$ 329,265	\$ 168,598	\$ -	\$ -	\$ 885,003
-	-	18,701	17,645	36,346
-	-	-	-	-
<u>329,265</u>	<u>168,598</u>	<u>18,701</u>	<u>17,645</u>	<u>921,349</u>
233,649	123,425	15,543	12,570	724,030
580	-	65	61	3,926
257	858	12	-	1,224
20,158	8,823	-	-	42,929
272	162	34	-	22,940
554	1,053	4	8	2,987
3,210	6,420	-	-	22,191
208	462	57	1	1,512
8,828	6,178	359	9	23,192
-	25	-	-	25
999	1,375	11	5	3,309
-	68	-	-	68
60,550	19,656	2,616	4,991	72,923
-	93	-	-	93
<u>329,265</u>	<u>168,598</u>	<u>18,701</u>	<u>17,645</u>	<u>921,349</u>
-	-	-	-	-
2,886	-	-	-	2,886
<u>82,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,467</u>
<u>\$ 85,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,353</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - ENERGY ASSISTANCE
September 30, 2012

	<u>#433 Energy Assistance '12</u>	<u>#432 Reach Out for Warmth '11</u>	<u>Total</u>
ASSETS			
Current Assets			
Grants Receivable	\$ 23,242	\$ -	\$ 23,242
Total Current Assets	<u>\$ 23,242</u>	<u>-</u>	<u>\$ 23,242</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ 19,777	\$ -	\$ 19,777
Accounts Payable	<u>3,465</u>	<u>-</u>	<u>3,465</u>
Total Current Liabilities	23,242	-	23,242
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 23,242</u>	<u>-</u>	<u>\$ 23,242</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - ENERGY ASSISTANCE

Year Ended September 30, 2012

	<u>#433 Energy Assistance '12</u>	<u>#434 Reach Out for Warmth '12</u>	<u>Energy Assistance '12 Elimination</u>	<u>Total</u>
REVENUES				
Grant Revenue				
Federal Grants	\$ 5,970,549	\$ 1,406	\$ (4,765,797)	\$ 1,206,158
Program Support	-	1,406	-	1,406
Interest Income	10	-	-	10
Total Revenues	<u>5,970,559</u>	<u>2,812</u>	<u>(4,765,797)</u>	<u>1,207,574</u>
EXPENSES				
Wages and Fringe Benefits	607,708	-	-	607,708
Professional Services	4,699	-	-	4,699
Contractual Services	802	-	-	802
Vehicle Expense and Travel	3,500	-	-	3,500
Training	1,518	-	-	1,518
Supplies and Copy Costs	13,522	-	-	13,522
Insurance	2,494	-	-	2,494
Equipment Maintenance	2,848	-	-	2,848
Office Rent, Utilities and Space Costs	10,545	-	-	10,545
Dues, Subscriptions and Memberships	314	-	-	314
Communication (Postage and Telephone)	17,491	-	-	17,491
Printed Forms and Advertising	11,759	-	-	11,759
Energy Assistance Direct Client Support	5,293,072	2,812	(4,765,797)	530,087
Miscellaneous	287	-	-	287
Total Expenses	<u>5,970,559</u>	<u>2,812</u>	<u>(4,765,797)</u>	<u>1,207,574</u>
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**STATEMENT OF FINANCIAL POSITION - HOUSING REHABILITATION
September 30, 2012**

	<u>#517 MHFA Loan Program</u>	<u>#518 Rental Rehabilitation Loan Program</u>	<u>#575 Pine County</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 10,904	\$ -	\$ -
Grants Receivable	-	495	3,107
Prepaid Expenses	<u>177</u>	<u>-</u>	<u>117</u>
Total Current Assets	<u>\$ 11,081</u>	<u>\$ 495</u>	<u>\$ 3,224</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ -	\$ 490	\$ 3,091
Accounts Payable	429	5	133
Deferred Revenue - Grants	<u>10,652</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>11,081</u>	<u>495</u>	<u>3,224</u>
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 11,081</u>	<u>\$ 495</u>	<u>\$ 3,224</u>

#576 City of Braham	#577 Princeton/ Milaca Collaborative	Total
\$ - 905 -	\$ - 1,729 117	\$ 10,904 6,236 411
<u>\$ 905</u>	<u>\$ 1,846</u>	<u>\$ 17,551</u>
\$ 905 - -	\$ 1,601 245 -	\$ 6,087 812 10,652
<u>905</u>	<u>1,846</u>	<u>17,551</u>
-	-	-
<u>\$ 905</u>	<u>\$ 1,846</u>	<u>\$ 17,551</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - HOUSING REHABILITATION
Year Ended September 30, 2012

	<u>#515 MHFA Loan Program</u>	<u>#517 MHFA Loan Program</u>	<u>#518 Rental Rehabilitation Loan Program</u>	<u>#573 Princeton NSP</u>
REVENUES				
Grant Revenue				
State Grants	\$ 25,991	\$ 48,484	\$ 3,496	\$ (368)
Program Support	10,413	46	-	1,313
Interest Income	-	-	-	-
Total Revenues	36,404	48,530	3,496	945
EXPENSES				
Wages and Fringe Benefits	2,933	34,880	2,920	183
Professional Services	2	236	12	-
Contractual Services	5	19	-	-
Vehicle Expense and Travel	-	2,274	198	-
Training	4	482	-	-
Supplies and Copy Costs	55	87	194	2
Insurance	78	105	-	28
Equipment Maintenance	188	307	-	56
Office Rent, Utilities and Space Costs	141	310	-	-
Communication (Postage and Telephone)	131	1,097	72	-
Printed Forms and Advertising	-	3	-	-
Housing Rehabilitation Direct Client Support	32,792	8,730	100	676
Miscellaneous	75	-	-	-
Total Expenses	36,404	48,530	3,496	945
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

<u>#574 McGregor Rehabilitation</u>	<u>#575 Pine County</u>	<u>#576 City of Braham</u>	<u>#577 Princeton/ Milaca Collaborative</u>	<u>Total</u>
\$ 3,337	\$ 23,938	\$ 552	\$ 50,536	\$ 155,966
341	-	-	-	12,113
-	-	-	-	-
<u>3,678</u>	<u>23,938</u>	<u>552</u>	<u>50,536</u>	<u>168,079</u>
2,716	18,929	489	42,598	105,648
2	93	1	184	530
4	33	-	33	94
586	1,602	-	1,438	6,098
4	231	-	89	810
16	151	-	154	659
27	168	-	141	547
74	271	-	271	1,167
35	208	-	209	903
30	454	10	692	2,486
-	71	52	51	177
184	1,727	-	4,176	48,385
-	-	-	500	575
<u>3,678</u>	<u>23,938</u>	<u>552</u>	<u>50,536</u>	<u>168,079</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - OTHER PROGRAMS

September 30, 2012

	#051 Conservation Improvement	#001 Payroll Fund	#050 Special Programs	Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 138,430	\$ 474,052	\$ 295,483	\$ 907,965
Restricted Cash	-	-	175,463	175,463
Due from Other Programs	-	-	191,103	191,103
Interest Receivable	-	-	667	667
Accounts Receivable	32,656	-	8,135	40,791
Prepaid Expenses	209	-	-	209
Weatherization Inventory	-	-	-	-
Total Current Assets	<u>171,295</u>	<u>474,052</u>	<u>670,851</u>	<u>1,316,198</u>
Property and Equipment, Net	-	-	280,890	280,890
Other Asset				
Investment	-	-	746,091	746,091
Total Assets	<u>\$ 171,295</u>	<u>\$ 474,052</u>	<u>\$ 1,697,832</u>	<u>\$ 2,343,179</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 3,687	\$ 886	\$ 46,805	\$ 51,378
Accrued Payroll and Related Taxes and Benefits	-	192,165	-	192,165
Accrued Vacation	-	105,538	-	105,538
Accrued Unemployment	-	175,463	-	175,463
Deferred Revenue - Grants	167,608	-	-	167,608
Total Current Liabilities	<u>171,295</u>	<u>474,052</u>	<u>46,805</u>	<u>692,152</u>
Net Assets				
Unrestricted	-	-	1,245,482	1,245,482
Designated	-	-	124,655	124,655
Investment in Property and Equipment	-	-	280,890	280,890
	<u>-</u>	<u>-</u>	<u>1,651,027</u>	<u>1,651,027</u>
Total Liabilities and Net Assets	<u>\$ 171,295</u>	<u>\$ 474,052</u>	<u>\$ 1,697,832</u>	<u>\$ 2,343,179</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - OTHER PROGRAMS
Year Ended September 30, 2012

	<u>#051</u> Conservation Improvement	<u>#050</u> Special Programs	<u>Total</u>
REVENUES			
Grant Revenue			
Other Grants	\$ 265,134	\$ -	\$ 265,134
Program Support	-	160,205	160,205
Interest Income	-	9,803	9,803
Total Revenues	<u>265,134</u>	<u>170,008</u>	<u>435,142</u>
EXPENSES			
Wages and Fringe Benefits	96,223	557	96,780
Professional Services	1,275	120	1,395
Contractual Services	502	-	502
Vehicle Expense and Travel	91	-	91
Training	2,489	-	2,489
Supplies and Copy Costs	3,799	-	3,799
Equipment Maintenance	805	-	805
Office Rent, Utilities and Space Costs	5,134	-	5,134
Dues, Subscriptions and Memberships	78	-	78
Communication (Postage and Telephone)	2,545	-	2,545
Other Direct Client Support	151,967	158,839	310,806
Miscellaneous	226	-	226
Total Expenses	<u>265,134</u>	<u>159,516</u>	<u>424,650</u>
Change in Net Assets	-	10,492	10,492
Other Changes in Net Assets			
Unemployment Insurance Trust Used	-	(77,673)	(77,673)
NET ASSETS			
Beginning of Year	<u>-</u>	<u>1,718,208</u>	<u>1,718,208</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,651,027</u></u>	<u><u>\$ 1,651,027</u></u>

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted ADMINISTRATION FOR CHILDREN & FAMILIES	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 05CH4092/48	Page of 1 pages
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3. Recipient Organization (Name and complete address including Zip code)
 LAKES & PINES COMMUNITY ACTION COUNCIL, INC 1700 MAPLE AVENUE EAST MORA MN 55051

4a. DUNS Number 74217639	4b. EIN 1410900982A1	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) A449G	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Final	7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual
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8. Project/Grant Period (Month, Day, Year)
 From: 08/01/2011 To: 07/31/2012

9. Reporting Period End Date (Month, Day, Year)
 07/31/2012

10 Transactions Cumulative

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

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

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

(Use lines d-o for single grant reporting)

Federal Expenditures and Unobligated Balance:

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

Recipient Share:

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

Program Income:

l. Total Federal share of program income earned	1,500
m. Program income expended in accordance with the deduction alternative	0
n. Program income expended in accordance with the addition alternative	1,500
o. Unexpended program income (line l minus line m or line n)	0

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

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

Total Training and Technical Assistance = \$33,156; Total Administrative Costs = \$371,680.83; Percent of Administration = 12%

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

a. Typed or Printed Name and Title of Authorized Certifying Official Robert C. Benes Executive Director	c. Telephone (Area code, number, and extension) 320-679-1800x112
b. Signature of Authorized Certifying Official 	d. Email Address bobb@lakesandpines.org
	e. Date Report Submitted (Month, Day, Year) 10/29/2012

Standard Form 425 - Revised 10/11/2011
 OMB Approval Number: 0348-0061
 Expiration Date: 2/28/2015

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

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2012

Federal Grantors/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Federal Expenditures - Cash			
U.S. Department of Agriculture			
Pass-through from Minnesota Department of Education:			
Child Care Food Program 11/12	10.558	8-332-501-6	\$ 15,578
Child Care Food Program 12/13	10.558	2MN300061	5,364
Total U.S. Department of Agriculture			20,942
U.S. Department of Housing and Urban Development			
Direct:			
Emergency Shelter Grant Program 11/13	14.231	GRK%29708	67,061
U.S. Department of Homeland Security:			
Emergency Food and Shelter	97.024	28-4966-00	1,610
Pass-through from Kanabec County:			
Emergency Food and Shelter	97.024	28-4972-00	4,441
Pass-through from Mille Lacs County:			
Emergency Food and Shelter	97.024	28-5002-00	2,888
Total U.S. Department of Homeland Security			8,939
U.S. Department of Energy:			
Pass-through from Minnesota Department of Commerce:			
Weatherization Assistance for Low Income Persons:			
ARRA DOE 10/12	81.042	B29132	48,887
DOE Weatherization 11/12	81.042	28601	338,253
Total U.S. Department of Energy			387,140
U.S. Department of Health and Human Services:			
Direct:			
Head Start 'T'	93.600	05CH 4092/46	2,094,163
Head Start 'U'	93.600	05CH 4092/47	356,970
Pass-through from Minnesota Department of Commerce:			
Low Income Home Energy Assistance:			
EAP/WX Carryover 2011	93.568	28601	329,265
EAP/WX Carryover 2012	93.568	28601	168,598
EAP ROFW 2012	93.568	30647	1,406
EAP 2012	93.568	30647	1,204,752
Pass-through from Minnesota Department of Health and Human Services:			
CSBG 2010-2012	93.569	1010077-R	111,378
CSBG 2012-2014	93.569	GRK%31954	79,417
Total U.S. Department of Health and Human Services			4,345,949
U.S. Department of Revenue:			
Direct:			
Volunteer Income Tax Assistance Grant	21.009	V13132	9,100
Total Federal Expenditures - Cash			4,839,131
Federal Expenditures - Noncash			
Head Start 'T'	93.600	05CH 4092/46	589,957
Total Federal Awards			\$ 5,429,088

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2012

NOTE 1 – BASIS OF PRESENTATION

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

Noncash expenditures of federal awards include amounts estimated for donated facility space of \$ 9,383, donated transportation of \$ 8,161, donated supplies of \$ 22,214 and volunteer services of \$ 580,574.



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

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

We have audited the financial statements of Lakes and Pines Community Action Council, Inc. as of and for the year ended September 30, 2012, and have issued our report thereon dated January 28, 2013. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompany Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133* to be a material weakness, Audit Finding No. 11-02.



COMPLIANCE AND OTHER MATTERS

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

We noted certain matters that we reported to management of the Council in a separate letter dated January 28, 2013.

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

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

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
January 28, 2013



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

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

COMPLIANCE

We have audited the compliance of Lakes and Pines Community Action Council, Inc., with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in Accordance with OMB *Circular A-133*. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

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

In our opinion, Lakes and Pines Community Action Council, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.



INTERNAL CONTROL OVER COMPLIANCE

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB *Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

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

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
January 28, 2013

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB *CIRCULAR A-133*
September 30, 2012**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? No

Federal Awards

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

Internal control over major programs:

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

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

Identification of Major Programs

CFDA No.: 93.600
Name of Federal Program Head Start

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

Auditee qualified as low risk auditee? No

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB *CIRCULAR A-133*
September 30, 2012**

SECTION II – FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

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

Criteria or Specific Requirement:

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

Condition:

The Council does not have adequate segregation of accounting duties.

Questioned Costs:

None

Context:

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

Effect:

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

Cause:

There are a limited number of office employees.

Recommendation:

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

Management's Response:

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

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings and no questioned costs.