

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

AUDITED FINANCIAL STATEMENTS

Years Ended September 30, 2014 and 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of Lakes and Pines Community Action Council, Inc. (the "Council"), which comprise the Statements of Financial Position as of September 30, 2014 and 2013, and the related Statements of Activities and Cash Flows for the years then ended and related Notes to the Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakes and Pines Community Action Council, Inc., as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 19, 2015, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
January 19, 2015

AUDITED FINANCIAL STATEMENTS

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENTS OF FINANCIAL POSITION

	September 30,	
	2014	2013
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 955,327	\$ 855,927
Restricted Cash - Unemployment Trust	197,395	196,278
Investments - Certificates of Deposit	756,037	-
Interest Receivable	435	649
Accounts Receivable	78,944	120,025
Grants Receivable	606,297	312,931
Transportation Loans Receivable	-	200
Prepaid Expenses	29,450	23,693
Weatherization Inventory	66,068	68,272
Total Current Assets	2,689,953	1,577,975
Property and Equipment, Net	244,140	278,483
Noncurrent Asset		
Investments - Certificates of Deposit	-	751,515
Total Assets	\$ 2,934,093	\$ 2,607,973
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 290,393	\$ 188,299
Accrued Payroll and Related Taxes and Benefits	303,300	240,109
Accrued Vacation	127,513	110,704
Accrued Unemployment Insurance	197,395	196,278
Deferred Revenue - Grants	361,159	265,533
Total Current Liabilities	1,279,760	1,000,923
Net Assets		
Unrestricted:		
Undesignated	1,305,047	1,228,021
Designated	105,146	100,546
Investment in Property and Equipment	244,140	278,483
Total Unrestricted	1,654,333	1,607,050
Total Liabilities and Net Assets	\$ 2,934,093	\$ 2,607,973

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

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENTS OF ACTIVITIES

	Years Ended September 30,	
	2014	2013
REVENUES		
Grant Revenue		
Federal Grants	\$ 5,228,632	\$ 5,179,143
State Grants	2,320,339	3,641,183
Other Grants	447,469	407,569
In-Kind Contributions	25,113	12,731
Program Support	192,003	104,646
Interest Income	5,901	7,283
Loss on Disposal of Fixed Assets	-	(3,329)
Total Revenues	8,219,457	9,349,226
EXPENSES		
Wages and Fringe Benefits	4,745,301	4,556,754
Professional Services	26,746	25,866
Contractual Services	189,551	210,369
Vehicle Expense and Travel	376,509	346,942
Training	53,365	56,269
In-Kind Contribution	25,113	12,731
Supplies and Copy Costs	248,128	126,817
Insurance	46,483	35,910
Equipment Maintenance	43,748	31,282
Office Rent, Utilities and Space Costs	145,830	134,453
Dues, Subscriptions and Memberships	22,589	20,330
Communication (Postage and Telephone)	69,656	59,951
Printed Forms and Advertising	22,221	11,202
Direct Client Support	2,101,390	3,762,854
Depreciation	55,203	86,382
Miscellaneous	341	444
Total Expenses	8,172,174	9,478,556
Change in Net Assets	47,283	(129,330)
NET ASSETS		
Beginning of Year	1,607,050	1,736,380
End of Year	\$ 1,654,333	\$ 1,607,050

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

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENTS OF CASH FLOWS

	Years Ended September 30,	
	2014	2013
CASH FLOWS - OPERATING ACTIVITIES		
Change in Net Assets	\$ 47,283	\$ (129,330)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows - Operating Activities:		
Depreciation	55,203	86,382
Loss on Disposal of Equipment	-	3,329
Change in Assets and Liabilities:		
Interest Receivable	214	18
Accounts Receivable	41,081	(49,371)
Grants Receivable	(293,366)	(90,933)
Transportation Loans Receivable	200	(200)
Prepaid Expenses	(5,757)	(945)
Weatherization Inventory	2,204	17,081
Accounts Payable	102,094	52,168
Accrued Payroll and Related Taxes and Benefits	63,191	47,944
Accrued Vacation	16,809	5,166
Deferred Revenue - Grants	95,626	(43,781)
Total Adjustments	77,499	26,858
Net Cash Flows - Operating Activities	124,782	(102,472)
CASH FLOWS - INVESTING ACTIVITIES		
Net Purchases of Investments	(4,522)	(5,424)
Purchases of Property and Equipment	(20,860)	(87,304)
Net Cash Flows - Investing Activities	(25,382)	(92,728)
Net Change in Cash and Cash Equivalents	99,400	(195,200)
CASH AND CASH EQUIVALENTS		
Beginning of Year	855,927	1,051,127
End of Year	\$ 955,327	\$ 855,927

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2014 and 2013

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 accounting principles generally accepted in the United States of America 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.

Financial Statement Presentation

The assets, liabilities, net assets, revenues and expenses of the Council are reported based upon net asset 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 diminishment 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, 2014 and 2013 the Council did not have temporarily restricted net assets.

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, 2014 and 2013 the Council did not have permanently restricted net assets.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

Cash and Cash Equivalents

The Council considers cash in financial institutions and all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents. Restricted cash is limited in use for the Council's unemployment savings program. There were no payments made for interest or income taxes.

Accounts Receivable

The accounts receivable of the Council are the result of the Council extending unsecured credit to the users of the Council's programs. 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, 2014 and 2013. 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 25 years. Depreciation is calculated using the straight line basis and totaled \$ 55,203 and \$ 86,382 for the years ended September 30, 2014 and 2013, respectively.

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

Long-Lived Assets

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, 2014 and 2013.

Investments

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

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2014 and 2013.

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.

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. For the years ended September 30, 2014 and 2013, donated time totaling \$ 562,523 and \$ 605,644, respectively, were recorded in the Head Start Program, however, no amounts have been reflected in the Statements for donated services.

Due to the nature of the Council's Head Start program, the Council receives the use of private homes while conducting home visits free of charge for the Head Start Program and recognizes an in-kind contribution for the fair market value of rent. For the years ended September 30, 2014 and 2013, the fair market value of the donated space was estimated at \$ 6,555 and \$ 8,105, respectively.

In addition, for the years ended September 30, 2014 and 2013, donated transportation costs totaled \$ 4,617 and \$ 6,364, respectively, and donated supplies costs totaled \$ 18,557 and \$ 4,626, 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. No amounts have been reflected in the Statements for donated transportation services.

Program Support

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

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, 2014 and 2013, consisted of \$ 7,355,614 and \$ 8,715,959 related to program services and \$ 816,560 and \$ 762,597 related to management and general support services, respectively.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cost Allocation

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

Advertising Costs

The Council's policy is to expense advertising costs as they are incurred. During the years ended September 30, 2014 and 2013, the Council incurred advertising costs totaling \$ 22,223 and \$ 11,202, respectively.

Tax Status

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Council is also exempt from Minnesota Franchise or income tax.

The Council is required to assess whether an uncertain tax position exists and if there should be recognition of a related benefit or liability in the financial statements. The Council has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Generally, the Council is no longer subject to examination by tax authorities for years before year ended September 30, 2011.

Subsequent Events

The Council has evaluated subsequent events through January 19, 2015, the date which the financial statements were available to be issued.

NOTE 2 – GRANTS RECEIVABLE/DEFERRED REVENUE

	September 30,	
	<u>2014</u>	<u>2013</u>
Federal Programs	\$ 439,902	\$ 203,096
State and Local Programs	<u>(194,764)</u>	<u>(155,698)</u>
Net Grants Receivable	<u>\$ 245,138</u>	<u>\$ 47,398</u>

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

	September 30,	
	<u>2014</u>	<u>2013</u>
Grants Receivable	\$ 606,297	\$ 312,931
Deferred Revenue	<u>(361,159)</u>	<u>(265,533)</u>
Net Deferred Revenue - Grants	<u>\$ 245,138</u>	<u>\$ 47,398</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2014 and 2013

NOTE 3 – PROPERTY AND EQUIPMENT

	September 30,	
	2014	2013
Land	\$ 40,900	\$ 40,900
Buildings and Improvements	522,632	522,632
Vehicles and Equipment	807,759	786,899
	1,371,291	1,350,431
Less Accumulated Depreciation	(1,127,151)	(1,071,948)
Property and Equipment, Net	\$ 244,140	\$ 278,483

NOTE 4 – DESIGNATED NET ASSETS

	September 30,	
	2014	2013
Designated for:		
Caring Members (East Central Energy)	\$ 35	\$ -
Contracted Services	6,324	11,122
EAP/Furnace	29,667	29,954
Emergency Services	26,005	24,156
Head Start	887	642
Head Start Transportation	126	215
Inspection Services	29,315	31,096
Princeton Contract Income	676	676
Reach Out for Warmth	2,594	-
Reading is Fundamental (RIF)	2,941	1,941
Sustainable Communities	5,832	-
Transportation Assistance	744	744
	744	744
Total Board of Director Designated Net Assets	\$ 105,146	\$ 100,546

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2014 and 2013

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 \$ 111,242 and \$ 109,357 for the years ended September 30, 2014 and 2013, respectively.

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 – Revenue

During the year ended September 30, 2014, 29% of the Council's revenue was from the Head Start Program funded through the U.S. Department of Health and Human Services. During the year ended September 30, 2014, 11% of the Council's revenue was from the Energy Assistance and Weatherization Programs funded through the U.S. Department of Health and Human Services and the U.S. Department of Energy. Federal and state grant revenue accounted for a total of 92% of the Council's revenue for the year ended September 30, 2014.

During the year ended September 30, 2013, 23% of the Council's revenue was from the Head Start Program funded through the U.S. Department of Health and Human Services. During the year ended September 30, 2013, 27% of the Council's revenue was from the Energy Assistance and Weatherization Programs funded through the U.S. Department of Health and Human Services and the U.S. Department of Energy. Federal and state grant revenue accounted for a total of 95% of the Council's revenue for the year ended September 30, 2013.

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 limit of \$ 1,000 per enrolled employee and each eligible family member.

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2014 and 2013

NOTE 7 – CONCENTRATIONS AND CONTINGENCIES

State Unemployment

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

Restricted cash represents the Council's estimated cash balance at September 30, 2014 and 2013 for eligible unemployment insurance claims. If claims exceed payments into the trust the Council could become liable for those claims.

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SUPPLEMENTARY INFORMATION

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - BY FUNCTION
September 30, 2014

	Administration	Community Services	Early Childhood and Family Development
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ 40,603	\$ 48,518
Restricted Cash - Unemployment Trust	-	-	-
Investments - Certificates of Deposit	-	-	-
Due from Other Funds	-	-	-
Interest Receivable	-	-	-
Accounts Receivable	11,628	249	2,303
Grants Receivable	33,104	101,009	159,697
Prepaid Expenses	8,041	1,643	13,856
Weatherization Inventory	-	-	-
Total Current Assets	52,773	143,504	224,374
Property and Equipment	-	-	-
Total Assets	\$ 52,773	\$ 143,504	\$ 224,374
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Funds	\$ 40,288	\$ 84,814	\$ 131,009
Accounts Payable	12,485	22,519	52,848
Accrued Payroll and Related Taxes and Benefits	-	-	-
Accrued Vacation	-	-	-
Accrued Unemployment	-	-	-
Deferred Revenue - Grants	-	36,171	40,517
Total Current Liabilities	52,773	143,504	224,374
Net Assets			
Unrestricted	-	-	-
Designated	-	-	-
Investment in Property and Equipment	-	-	-
Total Unrestricted	-	-	-
Total Liabilities and Net Assets	\$ 52,773	\$ 143,504	\$ 224,374

<u>Weatherization</u>	<u>Energy Assistance</u>	<u>Housing Rehabilitation</u>	<u>Other Programs</u>	<u>GAAP Elimination</u>	<u>Total</u>
\$ 5,117	\$ -	\$ 215,338	\$ 645,751	\$ -	\$ 955,327
-	-	-	197,395	-	197,395
-	-	-	756,037	-	756,037
-	-	-	447,516	(447,516)	-
-	-	-	435	-	435
-	-	2,000	62,764	-	78,944
172,431	132,004	8,052	-	-	606,297
2,866	1,894	201	949	-	29,450
66,068	-	-	-	-	66,068
<u>246,482</u>	<u>133,898</u>	<u>225,591</u>	<u>2,110,847</u>	<u>(447,516)</u>	<u>2,689,953</u>
-	-	-	244,140	-	244,140
<u>\$ 246,482</u>	<u>\$ 133,898</u>	<u>\$ 225,591</u>	<u>\$ 2,354,987</u>	<u>\$ (447,516)</u>	<u>\$ 2,934,093</u>
\$ 96,385	\$ 85,381	\$ 9,639	\$ -	\$ (447,516)	\$ -
84,029	48,517	1,401	68,594	-	290,393
-	-	-	303,300	-	303,300
-	-	-	127,513	-	127,513
-	-	-	197,395	-	197,395
-	-	214,551	69,920	-	361,159
<u>180,414</u>	<u>133,898</u>	<u>225,591</u>	<u>766,722</u>	<u>(447,516)</u>	<u>1,279,760</u>
66,068	-	-	1,238,979	-	1,305,047
-	-	-	105,146	-	105,146
-	-	-	244,140	-	244,140
<u>66,068</u>	<u>-</u>	<u>-</u>	<u>1,588,265</u>	<u>-</u>	<u>1,654,333</u>
<u>\$ 246,482</u>	<u>\$ 133,898</u>	<u>\$ 225,591</u>	<u>\$ 2,354,987</u>	<u>\$ (447,516)</u>	<u>\$ 2,934,093</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - BY FUNCTION
Year Ended September 30, 2014

	Administration	Community Services	Early Childhood and Family Development
REVENUES			
Grant Revenue			
Federal Grants	\$ 211,943	\$ 223,840	\$ 2,416,993
State Grants	184,844	645,912	544,980
Other Grants	-	102,829	183,870
In-Kind Contributions	-	-	25,113
Program Support	1,370	5,109	26,154
Interest Income	-	159	50
Total Revenues	398,157	977,849	3,197,160
EXPENSES			
Wages and Fringe Benefits	150,495	448,217	2,130,832
Professional Services	4,046	5,439	8,493
Contractual Services	-	67	166,704
Vehicle Expense and Travel	28,768	35,247	247,927
Training	15,474	3,820	21,119
In-Kind Contribution	-	-	25,113
Supplies and Copy Costs	48,268	13,465	89,682
Insurance	4,828	1,667	17,912
Equipment Maintenance	-	350	75
Office Rent, Utilities, Space Costs and Support	123,867	66,858	414,145
Dues, Subscriptions and Memberships	12,799	1,447	6,115
Communication (Postage and Telephone)	4,960	5,082	18,797
Printed Forms and Advertising	3,840	8,845	5,688
Direct Client Support	812	387,345	44,558
Depreciation	-	-	-
Miscellaneous	-	-	-
Total Expenses	398,157	977,849	3,197,160
Change in Net Assets	-	-	-
Other Change in Net Assets			
Weatherization Inventory Used	-	-	-
NET ASSETS			
Beginning of Year	-	-	-
End of Year	\$ -	\$ -	\$ -

<u>Weatherization</u>	<u>Energy Assistance</u>	<u>Housing Rehabilitation</u>	<u>Other Programs</u>	<u>GAAP Adjustment</u>	<u>Total</u>
\$ 913,647	\$ 1,462,209	\$ -	\$ -	\$ -	\$ 5,228,632
176,791	83,630	684,182	-	-	2,320,339
-	-	-	160,770	-	447,469
-	-	-	-	-	25,113
1,206	-	35,396	122,768	-	192,003
-	-	255	5,437	-	5,901
<u>1,091,644</u>	<u>1,545,839</u>	<u>719,833</u>	<u>288,975</u>	<u>-</u>	<u>8,219,457</u>
627,554	600,240	72,391	715,572	-	4,745,301
2,641	1,963	2,352	1,812	-	26,746
-	1,778	382	20,620	-	189,551
48,103	3,606	5,242	7,616	-	376,509
6,962	1,152	55	4,783	-	53,365
-	-	-	-	-	25,113
600	70,046	24	23,839	2,204	248,128
15,941	5,442	396	297	-	46,483
-	15,240	-	28,083	-	43,748
109,132	148,922	32,449	(749,543)	-	145,830
1,078	139	231	780	-	22,589
2,336	10,774	1,602	26,105	-	69,656
155	3,604	18	71	-	22,221
277,118	682,616	604,691	104,250	-	2,101,390
-	-	-	55,203	-	55,203
24	317	-	-	-	341
<u>1,091,644</u>	<u>1,545,839</u>	<u>719,833</u>	<u>239,488</u>	<u>2,204</u>	<u>8,172,174</u>
-	-	-	49,487	(2,204)	47,283
(2,204)	-	-	-	2,204	-
<u>68,272</u>	<u>-</u>	<u>-</u>	<u>1,538,778</u>	<u>-</u>	<u>1,607,050</u>
<u>\$ 66,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,588,265</u>	<u>\$ -</u>	<u>\$ 1,654,333</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - ADMINISTRATION
September 30, 2014

	<u>#182 Community Services Block Grant</u>	<u>#172 Discretionary Community Services Block Grant</u>	<u>#181 MN Community Action Grant</u>	<u>Total</u>
ASSETS				
Current Assets				
Accounts Receivable	\$ 3,920	\$ -	\$ 7,708	\$ 11,628
Grants Receivable	331	1,450	31,323	33,104
Prepaid Expenses	12	29	8,000	8,041
	<u>4,263</u>	<u>1,479</u>	<u>47,031</u>	<u>52,773</u>
Total Current Assets	<u>\$ 4,263</u>	<u>\$ 1,479</u>	<u>\$ 47,031</u>	<u>\$ 52,773</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Due to Other Programs	\$ 4,064	\$ 1,316	\$ 34,908	\$ 40,288
Accounts Payable	199	163	12,123	12,485
Total Current Liabilities	<u>4,263</u>	<u>1,479</u>	<u>47,031</u>	<u>52,773</u>
Net Assets				
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 4,263</u>	<u>\$ 1,479</u>	<u>\$ 47,031</u>	<u>\$ 52,773</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - ADMINISTRATION
Year Ended September 30, 2014

	#107 Community Services Block Grant	#182 Community Services Block Grant	#172 Discretionary Community Services Block Grant	#181 MN Community Action Grant	Total
REVENUES					
Grant Revenue					
Federal Grants	\$ 175,808	\$ 17,855	\$ 18,280	\$ -	\$ 211,943
State Grants	-	-	-	184,844	184,844
Program Support	-	1,370	-	-	1,370
Total Revenues	<u>175,808</u>	<u>19,225</u>	<u>18,280</u>	<u>184,844</u>	<u>398,157</u>
EXPENSES					
Wages and Fringe Benefits	51,917	-	12,033	86,545	150,495
Professional Services	2,025	97	271	1,653	4,046
Vehicle Expense and Travel	10,261	8,544	689	9,274	28,768
Training	4,834	2,564	150	7,926	15,474
Supplies and Copy Costs	30,114	6,764	1,030	10,360	48,268
Insurance	1,532	-	76	3,220	4,828
Office Rent, Utilities, Space Costs and Support	60,940	1,157	4,031	57,739	123,867
Dues, Subscriptions and Memberships	9,077	99	-	3,623	12,799
Communication (Postage and Telephone)	2,052	-	-	2,908	4,960
Printed Forms and Advertising	2,244	-	-	1,596	3,840
Administration Direct Client Support	812	-	-	-	812
Total Expenses	<u>175,808</u>	<u>19,225</u>	<u>18,280</u>	<u>184,844</u>	<u>398,157</u>
Change in Net Assets	-	-	-	-	-
NET ASSETS					
Beginning of Year	-	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - COMMUNITY SERVICES
September 30, 2014

	<u>#138 Financial Literacy Initiative</u>	<u>#171 Homeless Youth Program</u>	<u>#157 SSI/SSDI Outreach Access and Recovery</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,204	\$ -	\$ -
Accounts Receivable	-	-	-
Grants Receivable	-	13,253	4,569
Transportation Loans Receivable	-	-	-
Prepaid Expenses	-	183	28
	<u>1,204</u>	<u>13,436</u>	<u>4,597</u>
Total Current Assets	<u>\$ 1,204</u>	<u>\$ 13,436</u>	<u>\$ 4,597</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ -	\$ 10,760	\$ 4,552
Accounts Payable	-	2,676	45
Deferred Revenue - Grants	1,204	-	-
Total Current Liabilities	<u>1,204</u>	<u>13,436</u>	<u>4,597</u>
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 1,204</u>	<u>\$ 13,436</u>	<u>\$ 4,597</u>

<u>#168 SNAP Outreach</u>	<u>#159 Transitional Housing Program</u>	<u>#169 Tax Assistance</u>	<u>#161 Vehicle Donation Program</u>	<u>#162 BCBS Access to Coverage</u>
\$ -	\$ -	\$ 1,199	\$ -	\$ -
125	-	-	-	62
11,352	9,659	-	-	5,649
-	-	-	-	-
-	130	-	9	30
<u>\$ 11,477</u>	<u>\$ 9,789</u>	<u>\$ 1,199</u>	<u>\$ 9</u>	<u>\$ 5,741</u>
\$ 8,847	\$ 8,539	\$ -	\$ 9	\$ 5,618
2,630	1,250	-	-	123
-	-	1,199	-	-
<u>11,477</u>	<u>9,789</u>	<u>1,199</u>	<u>9</u>	<u>5,741</u>
-	-	-	-	-
<u>\$ 11,477</u>	<u>\$ 9,789</u>	<u>\$ 1,199</u>	<u>\$ 9</u>	<u>\$ 5,741</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - COMMUNITY SERVICES
September 30, 2014

	<u>#163 Emergency Solutions Grant Rehousing</u>	<u>#164 Transitional Housing</u>	<u>#165 Emergency Services Program</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-
Grants Receivable	7,832	3,733	27,922
Transportation Loans Receivable	-	-	-
Prepaid Expenses	299	118	116
	<u>8,131</u>	<u>3,851</u>	<u>28,038</u>
Total Current Assets	<u>\$ 8,131</u>	<u>\$ 3,851</u>	<u>\$ 28,038</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ 7,739	\$ 3,674	\$ 19,884
Accounts Payable	392	177	8,154
Deferred Revenue - Grants	-	-	-
Total Current Liabilities	<u>8,131</u>	<u>3,851</u>	<u>28,038</u>
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 8,131</u>	<u>\$ 3,851</u>	<u>\$ 28,038</u>

#166 Hunger Free Planning Fund	#167 Transportation Loan Program	#183 MNSure '14	#184 MNSure '15	#170 Family Homeless Prevention '13/'15	Total
\$ 374	\$ 14,319	\$ -	\$ -	\$ 23,507	\$ 40,603
-	-	62	-	-	249
-	-	17,005	35	-	101,009
-	-	-	-	-	-
18	-	-	-	712	1,643
<u>\$ 392</u>	<u>\$ 14,319</u>	<u>\$ 17,067</u>	<u>\$ 35</u>	<u>\$ 24,219</u>	<u>\$ 143,504</u>
\$ -	\$ -	\$ 15,157	\$ 35	\$ -	\$ 84,814
-	-	1,910	-	5,162	22,519
392	14,319	-	-	19,057	36,171
<u>392</u>	<u>14,319</u>	<u>17,067</u>	<u>35</u>	<u>24,219</u>	<u>143,504</u>
-	-	-	-	-	-
<u>\$ 392</u>	<u>\$ 14,319</u>	<u>\$ 17,067</u>	<u>\$ 35</u>	<u>\$ 24,219</u>	<u>\$ 143,504</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - COMMUNITY SERVICES
Year Ended September 30, 2014

	#169 Tax Assistance	#167 Transportation Program	#171 Homeless Youth Program
REVENUES			
Grant Revenue			
Federal Grants	\$ 12,105	\$ -	\$ -
State Grants	11,600	-	86,495
Other Grants	-	-	-
Program Support	1,777	632	-
Interest Income	-	-	-
Total Revenues	<u>25,482</u>	<u>632</u>	<u>86,495</u>
EXPENSES			
Wages and Fringe Benefits	22,105	-	59,668
Professional Services	-	-	615
Contractual Services	-	-	-
Vehicle Expense and Travel	871	-	2,856
Training	-	-	657
Supplies and Copy Costs	853	-	106
Insurance	-	-	-
Equipment Maintenance	350	-	-
Office Rent, Utilities, Space Costs and Support	-	-	6,746
Dues, Subscriptions and Memberships	-	-	-
Communication (Postage and Telephone)	642	-	1,101
Printed Forms and Advertising	-	-	201
Community Services Direct Client Support	661	632	14,545
Total Expenses	<u>25,482</u>	<u>632</u>	<u>86,495</u>
Change in Net Assets	-	-	-
NET ASSETS			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

#139 Emergency Solutions Re-housing Program	#159 Transitional Housing Program	#138 Financial Literacy Initiative	#157 SSI/SSDI Outreach Access & Recovery	#168 SNAP Outreach	#161 Vehicle Donation Program
\$ 32,239	\$ 147,218	\$ -	\$ -	\$ -	\$ -
-	-	-	5,557	50,078	-
-	-	-	-	25,000	30,101
-	-	1,262	-	-	1,438
-	-	-	-	-	-
<u>32,239</u>	<u>147,218</u>	<u>1,262</u>	<u>5,557</u>	<u>75,078</u>	<u>31,539</u>
19,226	23,178	-	3,814	54,841	17,658
161	782	-	-	461	134
-	-	-	-	-	-
235	2,833	519	1,441	2,631	4,554
810	-	-	90	250	-
-	10	742	31	4,533	561
-	141	-	-	-	503
-	-	-	-	-	-
103	746	-	-	8,745	4,475
-	-	-	-	-	-
-	28	1	26	169	18
-	-	-	155	3,448	3,448
<u>11,704</u>	<u>119,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188</u>
<u>32,239</u>	<u>147,218</u>	<u>1,262</u>	<u>5,557</u>	<u>75,078</u>	<u>31,539</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.
STATEMENT OF ACTIVITIES - COMMUNITY SERVICES
Year Ended September 30, 2014

	#183 MNSure '14	#162 BCBS Access to Coverage	#163 Emergency Solutions Grant Rehousing
REVENUES			
Grant Revenue			
Federal Grants	\$ -	\$ -	\$ 32,278
State Grants	46,080	-	-
Other Grants	-	34,390	-
Program Support	-	-	-
Interest Income	-	-	-
Total Revenues	<u>46,080</u>	<u>34,390</u>	<u>32,278</u>
EXPENSES			
Wages and Fringe Benefits	36,387	24,702	10,187
Professional Services	431	493	518
Contractual Services	-	-	-
Vehicle Expense and Travel	1,873	2,964	601
Training	30	-	-
Supplies and Copy Costs	1,788	509	-
Insurance	-	-	-
Equipment Maintenance	-	-	-
Office Rent, Utilities, Space Costs and Support	4,609	4,870	48
Dues, Subscriptions and Memberships	-	-	501
Communication (Postage and Telephone)	504	35	-
Printed Forms and Advertising	458	817	-
Community Services Direct Client Support	-	-	20,423
Total Expenses	<u>46,080</u>	<u>34,390</u>	<u>32,278</u>
Change in Net Assets	-	-	-
NET ASSETS			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

#164 Transitional Housing	#165 Emergency Services Program	#166 Hunger Free Planning Fund	#170 Family Homeless Prevention '13/'15	#184 MNSure '15	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,840
39,962	85,179	-	320,926	35	645,912
-	-	13,338	-	-	102,829
-	-	-	-	-	5,109
-	-	-	159	-	159
<u>39,962</u>	<u>85,179</u>	<u>13,338</u>	<u>321,085</u>	<u>35</u>	<u>977,849</u>
19,729	20,452	11,351	124,919	-	448,217
584	-	196	1,064	-	5,439
-	-	-	67	-	67
367	246	-	13,256	-	35,247
-	-	-	1,983	-	3,820
42	82	8	4,165	35	13,465
-	-	-	1,023	-	1,667
-	-	-	-	-	350
-	-	1,687	34,829	-	66,858
-	-	-	946	-	1,447
100	-	-	2,458	-	5,082
-	-	96	222	-	8,845
<u>19,140</u>	<u>64,399</u>	<u>-</u>	<u>136,153</u>	<u>-</u>	<u>387,345</u>
<u>39,962</u>	<u>85,179</u>	<u>13,338</u>	<u>321,085</u>	<u>35</u>	<u>977,849</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**STATEMENT OF FINANCIAL POSITION -
EARLY CHILDHOOD AND FAMILY DEVELOPMENT
September 30, 2014**

	<u>#235 Head Start 'V'</u>	<u>#236 Head Start 'W'</u>	<u>#14C Child and Adult Care Food Program '15</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,927	\$ -	\$ -
Accounts Receivable	-	2,303	-
Grants Receivable	6,214	115,318	3,508
Prepaid Expenses	-	11,434	-
	<u> </u>	<u> </u>	<u> </u>
Total Current Assets	<u>\$ 10,141</u>	<u>\$ 129,055</u>	<u>\$ 3,508</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ -	\$ 95,217	\$ 3,508
Accounts Payable	10,141	33,838	-
Deferred Revenue - Grants	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Current Liabilities	<u>10,141</u>	<u>129,055</u>	<u>3,508</u>
Net Assets			
Unrestricted	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 10,141</u>	<u>\$ 129,055</u>	<u>\$ 3,508</u>

#262 State '15	#286 Building Blocks for Success '14	#287 Bright Beginnings '14	Total
\$ -	\$ 17,611	\$ 26,980	\$ 48,518
-	-	-	2,303
34,657	-	-	159,697
2,027	183	212	13,856
<u>\$ 36,684</u>	<u>\$ 17,794</u>	<u>\$ 27,192</u>	<u>\$ 224,374</u>
\$ 32,284	\$ -	\$ -	\$ 131,009
4,400	2,680	1,789	52,848
-	15,114	25,403	40,517
<u>36,684</u>	<u>17,794</u>	<u>27,192</u>	<u>224,374</u>
-	-	-	-
<u>\$ 36,684</u>	<u>\$ 17,794</u>	<u>\$ 27,192</u>	<u>\$ 224,374</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**STATEMENT OF ACTIVITIES - EARLY CHILDHOOD AND FAMILY DEVELOPMENT
Year Ended September 30, 2014**

	#235 Head Start 'V'	#236 Head Start 'W'	#13C Child and Adult Care Food Program '14	#14C Child and Adult Care Food Program '15
REVENUES				
Grant Revenue				
Federal Grants	\$ 2,031,718	\$ 366,132	\$ 15,635	\$ 3,508
State Grants	-	-	-	-
Other Grants	-	-	-	-
In-Kind Contributions	592,252	-	-	-
Program Support	23,851	2,303	-	-
Interest Income	-	-	-	-
Total Revenues	2,647,821	368,435	15,635	3,508
EXPENSES				
Wages and Fringe Benefits	1,375,042	260,726	-	-
Professional Services	4,455	273	-	-
Contractual Services	116,436	22,589	-	-
Vehicle Expense and Travel	161,864	26,352	-	-
Training	16,955	2,644	-	-
In-Kind Contribution	592,252	-	-	-
Supplies and Copy Costs	76,316	2,468	-	-
Insurance	11,895	2,203	-	-
Equipment Maintenance	75	-	-	-
Office Rent, Utilities, Space Costs and Support	253,300	43,672	-	-
Dues, Subscriptions and Memberships	3,305	790	-	-
Communication (Postage and Telephone)	12,572	2,174	-	-
Printed Forms and Advertising	3,920	1,287	-	-
Head Start Direct Client Support	19,434	3,257	15,635	3,508
Total Expenses	2,647,821	368,435	15,635	3,508
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

#261 State '14	#262 State '15	#286 Building Blocks for Success '14	#287 Bright Beginnings '14	Head Start 'V' Non-Federal Share Elimination	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,416,993
456,835	88,145	-	-	-	544,980
-	-	111,225	72,645	-	183,870
-	-	-	-	(567,139)	25,113
-	-	-	-	-	26,154
-	6	20	24	-	50
<u>456,835</u>	<u>88,151</u>	<u>111,245</u>	<u>72,669</u>	<u>(567,139)</u>	<u>3,197,160</u>
336,899	60,592	52,981	44,592	-	2,130,832
1,738	360	774	893	-	8,493
581	62	27,002	34	-	166,704
40,031	6,312	8,420	4,948	-	247,927
490	-	263	767	-	21,119
-	-	-	-	(567,139)	25,113
2,198	1,159	5,000	2,541	-	89,682
2,480	582	401	351	-	17,912
-	-	-	-	-	75
66,071	17,479	15,879	17,744	-	414,145
1,167	458	143	252	-	6,115
2,773	697	341	240	-	18,797
267	146	41	27	-	5,688
2,140	304	-	280	-	44,558
<u>456,835</u>	<u>88,151</u>	<u>111,245</u>	<u>72,669</u>	<u>(567,139)</u>	<u>3,197,160</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, 2014

	<u>#332</u> DOE Wx '13	<u>#334</u> DOE Wx '15	<u>#371</u> EAP Wx C/O '14
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,000	\$ -	\$ 2,117
Grants Receivable	-	159,073	716
Prepaid Expenses	-	1,136	1,725
Weatherization Inventory	-	66,068	-
Total Current Assets	<u>\$ 3,000</u>	<u>\$ 226,277</u>	<u>\$ 4,558</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ -	\$ 93,622	\$ -
Accounts Payable	3,000	66,587	4,558
Deferred Revenue - Grants	-	-	-
Total Current Liabilities	<u>3,000</u>	<u>160,209</u>	<u>4,558</u>
Net Assets			
Unrestricted	<u>-</u>	<u>66,068</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 3,000</u>	<u>\$ 226,277</u>	<u>\$ 4,558</u>

#372 EAP Wx C/O '15	#392 Propane '15	Total
\$ -	\$ -	\$ 5,117
3,798	8,844	172,431
-	5	2,866
-	-	66,068
<u>\$ 3,798</u>	<u>\$ 8,849</u>	<u>\$ 246,482</u>

\$ 86	\$ 2,677	\$ 96,385
3,712	6,172	84,029
-	-	-
<u>3,798</u>	<u>8,849</u>	<u>180,414</u>
-	-	66,068
<u>\$ 3,798</u>	<u>\$ 8,849</u>	<u>\$ 246,482</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - WEATHERIZATION
Year Ended September 30, 2014

	#310 State Wx '14	#332 DOE Wx C/O '14	#333 DOE Wx '14
REVENUES			
Grant Revenue			
Federal Grants	\$ -	\$ 53,468	\$ 166,894
State Grants	83,208	-	-
Program Support			
Total Revenues	83,208	53,468	166,894
EXPENSES			
Wages and Fringe Benefits	49,771	60,434	107,478
Professional Services	244	358	368
Vehicle Expense and Travel	3,839	6,411	10,026
Training	-	6,532	330
Supplies and Copy Costs	-	-	197
Insurance	3,075	404	1,318
Equipment Maintenance	-	-	-
Office Rent, Utilities, Space Costs and Support	13,237	6,406	20,929
Dues, Subscriptions and Memberships	40	690	38
Communication (Postage and Telephone)	354	98	245
Printed Forms and Advertising	-	-	-
Weatherization Direct Client Support	12,648	(27,865)	25,965
Miscellaneous	-	-	-
Total Expenses	83,208	53,468	166,894
Change in Net Assets	-	-	-
Other Changes in Net Assets			
Change in Weatherization Inventory	-	-	-
NET ASSETS			
Beginning of Year	-	-	-
End of Year	\$ -	\$ -	\$ -

#334 DOE Wx '15	#370 EAP Wx C/O '13	#371 EAP Wx C/O '14	#372 EAP Wx C/O '15	#391 Propane '14	#392 Propane '15	Total
\$ 197,872	\$ 401,814	\$ 89,801	\$ 3,798	\$ -	\$ -	\$ 913,647
-	-	-	-	84,216	9,367	176,791
686	-	520	-	-	-	1,206
<u>198,558</u>	<u>401,814</u>	<u>90,321</u>	<u>3,798</u>	<u>84,216</u>	<u>9,367</u>	<u>1,091,644</u>
102,529	191,164	58,337	-	57,841	-	627,554
405	865	272	7	57	65	2,641
8,616	14,265	4,946	-	-	-	48,103
100	-	-	-	-	-	6,962
245	55	103	-	-	-	600
1,834	6,865	2,445	-	-	-	15,941
-	-	-	-	-	-	-
16,186	33,616	11,840	86	6,038	794	109,132
210	100	-	-	-	-	1,078
372	1,109	158	-	-	-	2,336
155	-	-	-	-	-	155
67,906	153,751	12,220	3,705	20,280	8,508	277,118
-	24	-	-	-	-	24
<u>198,558</u>	<u>401,814</u>	<u>90,321</u>	<u>3,798</u>	<u>84,216</u>	<u>9,367</u>	<u>1,091,644</u>
-	-	-	-	-	-	-
(2,204)	-	-	-	-	-	(2,204)
<u>68,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,272</u>
<u>\$ 66,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,068</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - ENERGY ASSISTANCE
September 30, 2014

	<u>#436 Energy Assistance '14</u>
ASSETS	
Current Assets	
Grants Receivable	\$ 132,004
Prepaid Expenses	<u>1,894</u>
Total Current Assets	<u><u>\$ 133,898</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Due to Other Programs	\$ 85,381
Accounts Payable	<u>48,517</u>
Total Current Liabilities	133,898
Net Assets	
Unrestricted	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 133,898</u></u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**STATEMENT OF ACTIVITIES - ENERGY ASSISTANCE
Year Ended September 30, 2014**

	#436 Energy Assistance '14	Energy Assistance '14 Elimination	#437 Energy Assistance '14	Total
REVENUES				
Grant Revenue				
Federal Grants	\$ 9,447,151	\$ (7,984,942)	\$ -	\$ 1,462,209
State Grants	-	-	83,630	83,630
Interest Income				
Total Revenues	9,447,151	(7,984,942)	83,630	1,545,839
EXPENSES				
Wages and Fringe Benefits	547,203	-	53,037	600,240
Professional Services	1,813	-	150	1,963
Contractual Services	1,778	-	-	1,778
Vehicle Expense and Travel	3,392	-	214	3,606
Training	1,152	-	-	1,152
Supplies and Copy Costs	57,231	-	12,815	70,046
Insurance	4,844	-	598	5,442
Equipment Maintenance	15,240	-	-	15,240
Office Rent, Utilities, Space Costs and Support	132,106	-	16,816	148,922
Dues, Subscriptions and Memberships	139	-	-	139
Communication (Postage and Telephone)	10,774	-	-	10,774
Printed Forms and Advertising	3,604	-	-	3,604
Energy Assistance Direct Client Support	8,667,558	(7,984,942)	-	682,616
Miscellaneous	317	-	-	317
Total Expenses	9,447,151	(7,984,942)	83,630	1,545,839
Change in Net Assets	-	-	-	-
NET ASSETS				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - HOUSING REHABILITATION
September 30, 2014

	<u>#517 MHFA Loan Program</u>	<u>#518 Rental Rehabilitation Loan Program</u>	<u>#519 MHFA Fix-Up Loan Program</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 213,767	\$ -	\$ -
Accounts Receivable	-	2,000	-
Grants Receivable	-	116	4,437
Prepaid Expenses	103	34	17
	<u> </u>	<u> </u>	<u> </u>
Total Current Assets	<u>\$ 213,870</u>	<u>\$ 2,150</u>	<u>\$ 4,454</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Other Programs	\$ -	\$ 2,043	\$ 4,396
Accounts Payable	839	107	58
Deferred Revenue - Grants	213,031	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Current Liabilities	213,870	2,150	4,454
Net Assets			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 213,870</u>	<u>\$ 2,150</u>	<u>\$ 4,454</u>

#575 Pine County	#580 Braham/ Grasston Collaborative	#581 City of Princeton	#582 Kathio Township	Total
\$ 1,085	\$ -	\$ -	\$ 486	\$ 215,338
-	-	-	-	2,000
-	3,347	152	-	8,052
-	38	1	8	201
<u>\$ 1,085</u>	<u>\$ 3,385</u>	<u>\$ 153</u>	<u>\$ 494</u>	<u>\$ 225,591</u>
\$ -	\$ 3,081	\$ 119	\$ -	\$ 9,639
13	304	34	46	1,401
1,072	-	-	448	214,551
<u>1,085</u>	<u>3,385</u>	<u>153</u>	<u>494</u>	<u>225,591</u>
-	-	-	-	-
<u>\$ 1,085</u>	<u>\$ 3,385</u>	<u>\$ 153</u>	<u>\$ 494</u>	<u>\$ 225,591</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - HOUSING REHABILITATION
Year Ended September 30, 2014

	<u>#517 MHFA Loan Program</u>	<u>#518 Rental Rehabilitation Loan Program</u>	<u>#519 MHFA Fix-Up Loan Program</u>
REVENUES			
Grant Revenue			
State Grants	\$ 638,194	\$ 115	\$ 4,437
Program Support			
	-	8,648	11,770
Interest Income			
	255	-	-
Total Revenues	638,449	8,763	16,207
EXPENSES			
Wages and Fringe Benefits	49,337	3,874	1,961
Professional Services	940	415	216
Contractual Services	-	-	382
Vehicle Expense and Travel	3,616	98	170
Training	15	15	-
Supplies and Copy Costs	4	1	4
Insurance	283	21	12
Equipment Maintenance	-	-	-
Office Rent, Utilities, Space Costs and Support	17,484	4,228	2,260
Dues, Subscriptions and Memberships	231	-	-
Communication (Postage and Telephone)	1,291	26	-
Printed Forms and Advertising	-	-	-
Housing Rehabilitation Direct Client Support	565,248	85	11,202
Total Expenses	638,449	8,763	16,207
Change in Net Assets	-	-	-
NET ASSETS			
Beginning of Year	-	-	-
End of Year	\$ -	\$ -	\$ -

<u>#575 Pine County</u>	<u>#576 City of Braham</u>	<u>#577 Princeton/ Milaca Collaborative</u>	<u>#580 Braham/ Grasston Collaborative</u>
\$ 12,551	\$ 9,937	\$ 1,278	\$ 17,518
-	-	-	-
-	-	-	-
<u>12,551</u>	<u>9,937</u>	<u>1,278</u>	<u>17,518</u>
-	8,097	436	8,686
-	112	115	496
-	-	-	-
-	-	141	1,164
-	25	-	-
1	3	5	6
-	28	1	51
-	-	-	-
-	1,655	83	6,158
-	-	-	-
4	17	9	233
-	-	-	18
<u>12,546</u>	<u>-</u>	<u>488</u>	<u>706</u>
<u>12,551</u>	<u>9,937</u>	<u>1,278</u>	<u>17,518</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**STATEMENT OF ACTIVITIES - HOUSING REHABILITATION
Year Ended September 30, 2014**

	#581 City of Princeton	#582 Kathio Township	Total
REVENUES			
Grant Revenue			
State Grants	\$ 152	\$ -	\$ 684,182
Program Support	-	14,978	35,396
Interest Income	-	-	255
Total Revenues	<u>152</u>	<u>14,978</u>	<u>719,833</u>
EXPENSES			
Wages and Fringe Benefits	-	-	72,391
Professional Services	12	46	2,352
Contractual Services	-	-	382
Vehicle Expense and Travel	-	53	5,242
Training	-	-	55
Supplies and Copy Costs	-	-	24
Insurance	-	-	396
Equipment Maintenance	-	-	-
Office Rent, Utilities, Space Costs and Support	118	463	32,449
Dues, Subscriptions and Memberships	-	-	231
Communication (Postage and Telephone)	22	-	1,602
Printed Forms and Advertising	-	-	18
Housing Rehabilitation Direct Client Support	-	14,416	604,691
Total Expenses	<u>152</u>	<u>14,978</u>	<u>719,833</u>
Change in Net Assets	-	-	-
NET ASSETS			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF FINANCIAL POSITION - OTHER PROGRAMS
September 30, 2014

	#051 Conservation Improvement	#001 Payroll Fund	#050 Special Programs	#910-960 Cost Allocation	Total
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 46,463	\$ 628,230	\$ (32,830)	\$ 3,888	\$ 645,751
Restricted Cash	-	-	197,395	-	197,395
Investments - Certificates of Deposit	-	-	756,037	-	756,037
Due from Other Programs	-	-	447,516	-	447,516
Interest Receivable	-	-	435	-	435
Accounts Receivable	36,142	-	26,622	-	62,764
Prepaid Expenses	56	-	893	-	949
Total Current Assets	82,661	628,230	1,396,068	3,888	2,110,847
Property and Equipment, Net	-	-	244,140	-	244,140
Total Assets	<u>\$ 82,661</u>	<u>\$ 628,230</u>	<u>\$ 1,640,208</u>	<u>\$ 3,888</u>	<u>\$ 2,354,987</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts Payable	\$ 12,741	\$ 22	\$ 51,943	\$ 3,888	\$ 68,594
Accrued Payroll and Related Taxes and Benefits	-	303,300	-	-	303,300
Accrued Vacation	-	127,513	-	-	127,513
Accrued Unemployment	-	197,395	-	-	197,395
Deferred Revenue - Grants	69,920	-	-	-	69,920
Total Current Liabilities	82,661	628,230	51,943	3,888	766,722
Net Assets					
Unrestricted	-	-	1,238,979	-	1,238,979
Designated	-	-	105,146	-	105,146
Investment in Property and Equipment	-	-	244,140	-	244,140
	-	-	1,588,265	-	1,588,265
Total Liabilities and Net Assets	<u>\$ 82,661</u>	<u>\$ 628,230</u>	<u>\$ 1,640,208</u>	<u>\$ 3,888</u>	<u>\$ 2,354,987</u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

STATEMENT OF ACTIVITIES - OTHER PROGRAMS

Year Ended September 30, 2014

	#051 Conservation Improvement	#050 Special Programs	#910-960 Cost Allocation	Cost Allocation Elimination	Total
REVENUES					
Grant Revenue					
Other Grants	\$ 160,770	\$ -	\$ -	\$ -	\$ 160,770
Program Support	-	122,768	816,560	(816,560)	122,768
Interest Income	144	5,293	-	-	5,437
Total Revenues	160,914	128,061	816,560	(816,560)	288,975
EXPENSES					
Wages and Fringe Benefits	48,985	8,480	658,107	-	715,572
Professional Services	608	544	660	-	1,812
Contractual Services	-	-	20,620	-	20,620
Vehicle Expense and Travel	3	1,933	5,680	-	7,616
Training	-	195	4,588	-	4,783
Supplies and Copy Costs	299	-	23,540	-	23,839
Insurance	264	33	-	-	297
Equipment Maintenance	-	-	28,083	-	28,083
Office Rent, Utilities, Space Costs and Support	10,270	8,166	48,581	(816,560)	(749,543)
Dues, Subscriptions and Memberships	25	-	755	-	780
Communication (Postage and Telephone)	158	72	25,875	-	26,105
Printed Forms and Advertising	-	-	71	-	71
Other Direct Client Support	100,302	3,948	-	-	104,250
Depreciation	-	55,203	-	-	55,203
Miscellaneous	-	-	-	-	-
Total Expenses	160,914	78,574	816,560	(816,560)	239,488
Change in Net Assets	-	49,487	-	-	49,487
NET ASSETS					
Beginning of Year	-	1,538,778	-	-	1,538,778
End of Year	\$ -	\$ 1,588,265	\$ -	\$ -	\$ 1,588,265

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
--	--	-----------------------

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) A449P	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Final	7. Basis of Accounting <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual
-----------------------------	-------------------------	--	--	--

8. Project/Grant Period (Month, Day, Year) From: 08/01/2013 To: 07/31/2014	9. Reporting Period End Date (Month, Day, Year) 07/31/2014
---	---

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	2,369,008
e. Federal share of expenditures	2,369,008
f. Federal share of unliquidated obligations	0
g. Total Federal share (sum of lines e and f)	2,369,008
h. Unobligated balance of Federal funds (line d minus g)	0

Recipient Share:

i. Total recipient share required	592,252
Recipient share of expenditures	592,252
Remaining recipient share to be provided (line i minus j)	0

Program Income:

l. Total Federal share of program income earned	24,952
m. Program income expended in accordance with the deduction alternative	0
n. Program income expended in accordance with the addition alternative	24,952
o. Unexpended program income (line l minus line m or line n)	0

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

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:
 Administration =13% Total \$373,116.86 Development = \$33,156.00 USDA Reimbursement=\$19,280.62

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
	d. Email Address bobb@lakesandpines.org
	e. Date Report Submitted (Month, Day, Year) 10/23/14

b. Signature of Authorized Certifying Official

14. Agency use only

COPY

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, 2014**

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 13/14	10.558	2MN300061	\$ 15,635
Child Care Food Program 14/15	10.558	2MN300061	3,508
Total U.S. Department of Agriculture			<u>19,143</u>
U.S. Department of Housing and Urban Development			
Direct:			
Emergency Solutions Grant	14.231	GRK%50453	32,239
Emergency Solutions Grant - Rehousing	14.231	GRK%63507	32,278
Transitional Housing Grant	14.235	MN0252L5K051201	147,218
Total U.S. Department of Housing and Urban Development			<u>211,735</u>
U.S. Department of Revenue:			
Direct:			
Volunteer Income Tax Assistance Grant	21.008	14VITA0219	12,105
U.S. Department of Energy:			
Pass-through from Minnesota Department of Commerce:			
Weatherization Assistance for Low Income Persons:			
DOE Weatherization 13/14	81.042	28601	53,468
DOE Weatherization 14/15	81.042	76537	166,894
DOE Weatherization 14/15	81.042	79587	197,872
Total U.S. Department of Energy			<u>418,234</u>
U.S. Department of Health and Human Services:			
Pass-through from Minnesota Department of Commerce:			
Low Income Home Energy Assistance:			
EAP/WX Carryover 2013	93.568	28601	401,814
EAP/WX Carryover II 2013	93.568	79587	89,801
EAP/WX Carryover 2015	93.568	79587	3,798
EAP 2014	93.568	67011	1,462,209
Pass-through from Minnesota Department of Health and Human Services:			
CSBG Discretionary Grant	93.569	GRK%74145	18,280
CSBG 2013-2016	93.569	GRK%64979	17,855
CSBG 2012-2014	93.569	GRK%31954	175,808
Direct:			
Head Start 'V'	93.600	05CH 4092/48	2,031,718
Head Start 'W'	93.600	05CH 4092/49	366,132
Total U.S. Department of Health and Human Services			<u>4,567,415</u>
Total Federal Expenditures - Cash			5,228,632
Federal Expenditures - Noncash			
Head Start 'V'	93.600	05CH 4092/48	<u>592,252</u>
Total Federal Awards			<u><u>\$ 5,820,884</u></u>

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2014

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 \$ 6,555, donated transportation of \$ 4,617, donated supplies of \$ 18,557 and volunteer services of \$ 562,523.

NOTE 2 – SUB GRANTEES

Of the federal expenditures presented in the schedule, the Council provided federal awards to sub grantees as follows:

<u>Program Title/Sub Grantees</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub Grantees</u>
Emergency Shelter Program:		
A Place For You Inc	14.231	\$ 50,757
Emergency Solutions Re-Housing Program:		
New Pathways Inc	14.231	5,664
A Place For You Inc	14.231	9,055



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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**

INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lakes and Pines Community Action Council, Inc., as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Council's financial statements, and have issued our report thereon dated January 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.

St. Cloud, Minnesota

January 19, 2015



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
AND ON INTERNAL CONTROL OVER COMPLIANCE; REQUIRED BY
OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Lakes and Pines Community Action Council, Inc.'s compliance 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 the Council's major federal programs for the year ended September 30, 2014. The Council's major federal programs are identified in the summary of the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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 on compliance for each major federal program. However, our audit does not provide legal determination of the Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of 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, 2014.



Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB *Circular A-133*. Accordingly, this report is not suitable for any other purpose.

Kern, DeWenter, Viere, Ltd.
KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
January 19, 2015

LAKES AND PINES COMMUNITY ACTION COUNCIL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
IN ACCORDANCE WITH OMB *CIRCULAR A-133*
September 30, 2014**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Major weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB <i>Circular A-133</i> ?	No

Identification of Major Programs

CFDA No.:	81.042
Name of Federal Program	Weatherization Assistance for Low Income Persons
CFDA No.:	93.568
Name of Federal Program	Low Income Home Energy Assistance
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, 2014**

SECTION II – FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Current Year and Prior Year

There were no financial statement findings.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Current Year and Prior Year

There were no federal award findings and no questioned costs.