

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

Financial Statements

September 30, 2016 and 2015



Lakes and Pines Community Action Council, Inc.
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Independent Auditor's Report

To the 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, 2016 and 2015, and the related statements of activities and cash flows for the years then ended and related notes to 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 in the first paragraph present fairly, in all material respects, the financial position of Lakes and Pines Community Action Council, Inc., as of September 30, 2016 and 2015, 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, as identified in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis, and are 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 23, 2017, 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.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 23, 2017

FINANCIAL STATEMENTS

Lakes and Pines Community Action Council, Inc.
Statements of Financial Position
As of September 30, 2016 and 2015

	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ 953,283	\$ 865,878
Restricted cash - unemployment trust	161,050	178,712
Investments - certificates of deposit	763,597	413,771
Interest receivable	502	438
Accounts receivable	28,485	30,723
Grants receivable	598,236	510,493
Prepaid expenses	44,857	49,355
Weatherization inventory	56,425	76,099
Total current assets	2,606,435	2,125,469
Property and equipment, net	391,932	206,837
Noncurrent assets		
Investments - certificates of deposit	-	345,739
Total assets	\$ 2,998,367	\$ 2,678,045
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 260,875	\$ 259,484
Note payable	152,989	-
Due to other agencies	1,273	29,340
Accrued payroll and related taxes and benefits	314,286	254,800
Accrued vacation	127,700	134,444
Accrued unemployment insurance	161,050	178,712
Deferred revenue - grants	195,448	95,478
Total current liabilities	1,213,621	952,258
Net assets		
Unrestricted		
Undesignated	1,466,957	1,412,776
Designated	78,846	106,174
Investment in property and equipment	238,943	206,837
Total net assets	1,784,746	1,725,787
Total liabilities and net assets	\$ 2,998,367	\$ 2,678,045

See notes to financial statements.

Lakes and Pines Community Action Council, Inc.
Statements of Activities
Years Ended September 30, 2016 and 2015

	2016	2015
Revenues		
Grant revenue		
Federal grants	\$ 5,367,044	\$ 5,508,177
State grants	2,183,311	2,103,398
Other grants	269,962	227,103
In-kind contributions	10,997	27,931
Program support	330,407	291,196
Interest income	4,985	4,926
Total revenues	8,166,706	8,162,731
Expenses		
Wages and fringe benefits	4,973,518	4,777,631
Professional services	27,046	61,072
Contractual services	170,494	182,300
Vehicle expense and travel	347,709	367,123
Training	74,363	54,545
In-kind contribution	10,997	27,931
Supplies and copy costs	298,018	199,510
Insurance	52,973	51,717
Equipment maintenance	18,662	31,791
Office rent, utilities, and space costs	272,452	210,285
Dues, subscriptions and memberships	35,226	31,248
Communication (postage and telephone)	75,260	65,569
Printed forms and advertising	26,392	19,032
Direct client support	1,695,267	1,974,220
Depreciation	29,370	37,303
Total expenses	8,107,747	8,091,277
Change in net assets	58,959	71,454
Net Assets		
Beginning of year	1,725,787	1,654,333
End of year	\$ 1,784,746	\$ 1,725,787

See notes to financial statements.

Lakes and Pines Community Action Council, Inc.
Statements of Cash Flows
Years Ended September 30, 2016 and 2015

	2016	2015
Cash Flows - Operating Activities		
Change in net assets	\$ 58,959	\$ 71,454
Adjustments to reconcile change in net assets to net cash flows - operating activities		
Depreciation	29,370	37,303
Gain on sale of equipment	-	(2,000)
Change in operating assets and liabilities		
Interest receivable	(64)	(3)
Accounts receivable	2,238	48,221
Grants receivable	(87,743)	95,804
Prepaid expenses	4,498	(19,905)
Weatherization inventory	19,674	(10,031)
Accounts payable	1,391	(30,909)
Due to other agencies	(28,067)	29,340
Accrued payroll and related taxes and benefits	59,486	(48,500)
Accrued vacation	(6,744)	6,931
Deferred revenue - grants	99,970	(265,681)
Total adjustments	94,009	(159,430)
Net cash flows - operating activities	152,968	(87,976)
 Cash Flows - Investing Activities		
Net purchases of investments	(4,087)	(3,473)
Proceeds from sales of equipment	-	2,000
Purchases of property and equipment	(214,465)	-
Net cash flows - investing activities	(218,552)	(1,473)
 Cash Flows - Financing Activities		
Proceeds from note payable	152,989	-
Net change in cash and cash equivalents	87,405	(89,449)
 Cash and cash equivalents		
Beginning of year	865,878	955,327
End of year	\$ 953,283	\$ 865,878

See notes to financial statements.

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

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Lakes and Pines Community Action Council, Inc. (the "Council") is a nonprofit community action agency incorporated under the provisions of the Minnesota Nonprofit Corporations Act, *Minnesota Statutes*. The mission of the Council is to build prosperous communities by serving local families and individuals in their pursuit of self-reliance. The Council is a private, non-profit corporation that offers a variety of programs to assist low-income families and individuals of seven county areas. Using income guidelines along with other criteria, the Council provides assistance to eligible residents of Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties of Minnesota. The Board of Directors consists of representatives of the public sector, 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 net assets and revenues 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 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, 2016 and 2015, 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, 2016 and 2015, the Council did not have permanently restricted net assets.

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

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and 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.

Investments

Investments consist of certificates of deposit that have original maturities greater than three months and are recorded at cost. Certificates of deposit that mature within one year are shown as current assets.

Accounts Receivable

The accounts receivable 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, 2016 and 2015. 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 value greater than \$5,000. Property and equipment purchased are stated at cost. Contributed items are recorded at fair 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 \$29,370 and \$37,303 for 2016 and 2015, 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.

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

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2016 and 2015.

Accrued Vacation

Compensated absences are charged to expenses during the period earned based on employees' length of service. As a result, a liability for accrued vacation is shown in the statements of financial position as of September 30, 2016 and 2015.

Grants

Grants are recorded as contributions or exchange transactions based on grantor performance criteria. Grants that qualify as contributions follow contribution recognition policies. Grants that are exchange transactions are recognized as revenue in the accounting period when the related allowable expenses are incurred. Grant funds drawn in excess of the related grant expenses are treated as deferred revenue. Grant expenses in excess of the related grant funds drawn are treated as grants receivable.

In-Kind Contributions

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

A substantial number of nonprofessional 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 2016 and 2015, donated time totaling \$616,469 and \$599,709, respectively, was recorded in the Head Start Program. In addition, for 2016 and 2015, donated transportation costs totaled \$5,287 and \$5,113, respectively. The Council received the use of private vehicles driven by parents or guardians to transport Head Start children to required socialization visits. However, no amounts have been reflected in the statements for donated services or transportation costs.

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 value of rent. For 2016 and 2015, the fair value of the donated space was estimated at \$8,312 and \$7,613, respectively.

In addition, for 2016 and 2015, donated supplies costs totaled \$2,685 and \$20,318, respectively. The Head Start program received donated education supplies in the form of discounts and free-will donations. Supplies of the above nature would be purchased by the Head Start program if not provided by donation.

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

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

	2016	2015
Program		
Community services	\$ 1,176,924	\$ 1,139,738
Early childhood and family development	3,409,209	3,310,635
Energy assistance	1,619,615	1,427,145
Other program services	1,014,002	1,356,731
Total program expenses	7,219,750	7,234,249
Management and general	887,997	857,028
Total expenses	\$ 8,107,747	\$ 8,091,277

Cost Allocation

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

- Administration – based on the actual number of transactions by fund (grants) and based on the actual payroll distribution by fund (employees).
- Common area and custodial pools – based on the actual payroll distribution by fund and square footage of occupancy.
- Human resources – based on the actual payroll distribution by fund.
- Fiscal services – based on actual number of transactions by fund.
- Technology services – based on the actual number of computers and phones held by fund.

Advertising Costs

The Council's policy is to expense advertising costs as they are incurred. During 2016 and 2015, the Council incurred advertising costs totaling \$26,392 and \$19,030, respectively.

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

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and income tax.

The Council is required to assess whether any uncertain tax positions exist 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.

Subsequent Events

The Council has evaluated subsequent events through January 23, 2017, the date which the financial statements were available to be issued.

NOTE 2 – GRANTS RECEIVABLE/DEFERRED REVENUE

Grants receivable and deferred revenue are included on statements of financial position as follows:

	2016	2015
Federal programs	\$ 326,092	\$ 329,005
State and local programs	76,696	86,010
Net grants receivable	\$ 402,788	\$ 415,015
	2016	2015
Grants receivable	\$ 598,236	\$ 510,493
Deferred revenue	(195,448)	(95,478)
Net grants receivable	\$ 402,788	\$ 415,015

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

NOTE 3 – PROPERTY AND EQUIPMENT

	<u>2016</u>	<u>2015</u>
Land	\$ 60,818	\$ 40,900
Buildings and improvements	670,656	522,632
Vehicles and equipment	<u>796,241</u>	<u>755,719</u>
	1,527,715	1,319,251
Less accumulated depreciation	<u>(1,135,783)</u>	<u>(1,112,414)</u>
Property and equipment, net	<u>\$ 391,932</u>	<u>\$ 206,837</u>

NOTE 4 – DESIGNATED NET ASSETS

	<u>2016</u>	<u>2015</u>
Designated for		
Caring Members (East Central Energy)	\$ 20	\$ 6,559
Contracted services	7,167	4,948
EAP/furnace	27,803	28,628
Emergency services	24,602	27,112
Head Start	100	2,996
Head Start transportation	126	126
Inspection services	9,955	29,315
Princeton contract income	676	676
Reach Out for Warmth	4,712	2,129
Reading is Fundamental (RIF)	2,941	2,941
Transportation assistance	<u>744</u>	<u>744</u>
Total board of director designated net assets	<u>\$ 78,846</u>	<u>\$ 106,174</u>

NOTE 5 – NOTE PAYABLE

	<u>2016</u>	<u>2015</u>
Bank		
Loan, due January 2017, including interest at 1.2%, secured by certificate of deposit	<u>\$ 152,989</u>	<u>\$ -</u>

NOTE 6 – RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform to the presentation used in the current year financial statements.

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

NOTE 7 – RETIREMENT PLAN

The Council sponsors a 403(b) retirement plan. The plan covers substantially all full-time employees. Contributions to the plan amounted to \$99,125 and \$105,044 for 2016 and 2015, respectively.

NOTE 8 – OPERATING LEASES

The Council leases certain office and warehouse facilities under leases classified as operating leases, the last of which expires July 31, 2020. Total lease expense for 2016 and 2015 was \$122,279 and \$82,684, respectively.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of September 30 for each of the next five years and in the aggregate are:

2017	\$ 114,589
2018	40,009
2019	39,444
2020	<u>32,870</u>
Total minimum future rental payments	<u><u>\$ 226,912</u></u>

NOTE 9 – MATCHING FUNDS

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

NOTE 10 – CONCENTRATIONS AND CONTINGENCIES

Concentrations – Revenue

During 2016, 31% of the Council's revenue was from the Head Start Program funded through the U.S. Department of Health and Human Services. During 2016, 28% 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 2016.

During 2015, 31% of the Council's revenue was from the Head Start Program funded through the U.S. Department of Health and Human Services. During 2015, 30% 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 93% of the Council's revenue for 2015.

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

NOTE 10 – CONCENTRATIONS AND CONTINGENCIES (CONTINUED)

Grants

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 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.

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, 2016 and 2015, for eligible unemployment insurance claims. If claims exceed payments into the trust the Council could become liable for those claims.

NOTE 11 – FISCAL AGENT AGREEMENTS

Northern Technology Initiative

The Council acts as a fiscal agent for Northern Technology Initiative (d.b.a. GPS 45:30). During 2016, the Council collected \$0, disbursed \$22,222, and returned \$6,795 on behalf of GPS 45:30. At September 30, 2016, there was \$0 of remaining unexpended funds. During 2015, the Council collected \$34,300 and disbursed \$6,233 on behalf of GPS 45:30. At September 30, 2015, there was \$28,067 of remaining unexpended funds.

Lakes Media Foundation

The Council also acts as a fiscal agent for Lakes Media Foundation. During 2016 the Council collected \$0 and disbursed \$0 on behalf of the Lakes Media Foundation. At September 30, 2016, there was \$1,273 of remaining unexpended funds. During 2015, the Council collected \$4,000 and disbursed \$2,727 on behalf of the Lakes Media Foundation. At September 30, 2015, there was \$1,273 of remaining unexpended funds.

SUPPLEMENTARY INFORMATION

Lakes and Pines Community Action Council, Inc.
Statement of Financial Position - By Function
As of September 30, 2016

	<u>Administration</u>	<u>Community Services</u>	<u>Early Childhood and Family Development</u>
Assets			
Current assets			
Cash and cash equivalents	\$ -	\$ 105,672	\$ 16,611
Restricted cash - unemployment trust	-	-	-
Investments - certificates of deposit	-	-	-
Due from other funds	-	-	-
Interest receivable	-	-	-
Accounts receivable	-	-	4,847
Grants receivable	68,930	165,912	177,412
Prepaid expenses	10,614	2,428	23,405
Weatherization inventory	-	-	-
Total current assets	<u>79,544</u>	<u>274,012</u>	<u>222,275</u>
Property and equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 79,544</u>	<u>\$ 274,012</u>	<u>\$ 222,275</u>
Liabilities and Net Assets			
Current liabilities			
Due to other funds	\$ 74,061	\$ 115,625	\$ 157,528
Accounts payable	5,483	55,336	48,138
Notes payable	-	-	-
Due to other agencies	-	-	-
Accrued payroll and related taxes and benefits	-	-	-
Accrued vacation	-	-	-
Accrued unemployment insurance	-	-	-
Deferred revenue - grants	-	103,051	16,609
Total current liabilities	<u>79,544</u>	<u>274,012</u>	<u>222,275</u>
Net assets			
Unrestricted	-	-	-
Designated	-	-	-
Investment in property and equipment	-	-	-
Total unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 79,544</u>	<u>\$ 274,012</u>	<u>\$ 222,275</u>

<u>Weatherization</u>	<u>Energy Assistance</u>	<u>Housing Rehabilitation</u>	<u>Other Programs</u>	<u>GAAP Elimination</u>	<u>Total</u>
\$ 1,835	\$ -	\$ 77,609	\$ 751,556	\$ -	\$ 953,283
-	-	-	161,050	-	161,050
-	-	-	763,597	-	763,597
-	-	-	499,515	(499,515)	-
-	-	-	502	-	502
426	-	-	23,212	-	28,485
68,165	71,861	45,956	-	-	598,236
4,000	2,595	295	1,520	-	44,857
56,425	-	-	-	-	56,425
<u>130,851</u>	<u>74,456</u>	<u>123,860</u>	<u>2,200,952</u>	<u>(499,515)</u>	<u>2,606,435</u>
-	-	-	391,932	-	391,932
<u>\$ 130,851</u>	<u>\$ 74,456</u>	<u>\$ 123,860</u>	<u>\$ 2,592,884</u>	<u>\$ (499,515)</u>	<u>\$ 2,998,367</u>
\$ 61,630	\$ 44,883	\$ 45,788	\$ -	\$ (499,515)	\$ -
12,796	29,573	26,654	82,895	-	260,875
-	-	-	152,989	-	152,989
-	-	-	1,273	-	1,273
-	-	-	314,286	-	314,286
-	-	-	127,700	-	127,700
-	-	-	161,050	-	161,050
-	-	51,418	24,370	-	195,448
<u>74,426</u>	<u>74,456</u>	<u>123,860</u>	<u>864,563</u>	<u>(499,515)</u>	<u>1,213,621</u>
56,425	-	-	1,410,532	-	1,466,957
-	-	-	78,846	-	78,846
-	-	-	238,943	-	238,943
<u>56,425</u>	<u>-</u>	<u>-</u>	<u>1,728,321</u>	<u>-</u>	<u>1,784,746</u>
<u>\$ 130,851</u>	<u>\$ 74,456</u>	<u>\$ 123,860</u>	<u>\$ 2,592,884</u>	<u>\$ (499,515)</u>	<u>\$ 2,998,367</u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - By Function
Year Ended September 30, 2016

	<u>Administration</u>	<u>Community Services</u>	<u>Early Childhood and Family Development</u>
Revenues			
Grant revenue			
Federal grants	\$ 283,483	\$ 191,326	\$ 2,576,262
State grants	249,367	838,818	765,419
Other grants	-	80,945	62,113
In-kind contributions	-	-	10,997
Program support	50	65,819	5,415
Interest income	-	16	-
Total revenues	<u>532,900</u>	<u>1,176,924</u>	<u>3,420,206</u>
Expenses			
Wages and fringe benefits	159,368	386,883	2,121,067
Professional services	3,656	5,956	6,838
Contractual services	390	5,266	140,397
Vehicle expense and travel	21,703	27,577	239,546
Training	20,384	996	27,379
In-kind contribution	-	-	10,997
Supplies and copy costs	10,141	26,945	191,841
Insurance	5,122	1,493	22,950
Equipment maintenance	-	634	35
Office rent, utilities, space costs and support	290,102	277,296	574,863
Dues, subscriptions and memberships	15,981	2,304	15,253
Communication (postage and telephone)	3,720	6,356	19,326
Printed forms and advertising	2,333	2,747	17,224
Direct client support	-	432,471	32,490
Depreciation	-	-	-
Total expenses	<u>532,900</u>	<u>1,176,924</u>	<u>3,420,206</u>
Change in net assets	-	-	-
Other change in net assets			
Weatherization inventory used	-	-	-
Net Assets			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Weatherization</u>	<u>Energy Assistance</u>	<u>Housing Rehabilitation</u>	<u>Other Programs</u>	<u>GAAP Adjustment</u>	<u>Total</u>
\$ 721,333	\$ 1,594,640	\$ -	\$ -	\$ -	\$ 5,367,044
76,686	-	253,021	-	-	2,183,311
-	-	126,404	500	-	269,962
-	-	-	-	-	10,997
36,127	24,975	20,381	177,640	-	330,407
-	-	43	4,926	-	4,985
<u>834,146</u>	<u>1,619,615</u>	<u>399,849</u>	<u>183,066</u>	<u>-</u>	<u>8,166,706</u>
551,192	603,762	71,851	1,079,395	-	4,973,518
2,441	1,885	2,557	3,713	-	27,046
-	1,668	-	22,773	-	170,494
22,542	3,307	7,885	25,149	-	347,709
8,829	1,488	-	15,287	-	74,363
-	-	-	-	-	10,997
629	10,453	13	38,322	19,674	298,018
17,404	5,420	550	34	-	52,973
-	-	-	17,993	-	18,662
61,494	209,142	36,940	(1,177,385)	-	272,452
400	100	102	1,086	-	35,226
1,577	7,977	1,490	34,814	-	75,260
20	246	400	3,422	-	26,392
167,618	774,167	278,061	10,460	-	1,695,267
-	-	-	29,370	-	29,370
<u>834,146</u>	<u>1,619,615</u>	<u>399,849</u>	<u>104,433</u>	<u>19,674</u>	<u>8,107,747</u>
-	-	-	78,633	(19,674)	58,959
(19,674)	-	-	-	19,674	-
76,099	-	-	1,649,688	-	1,725,787
<u>\$ 56,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,728,321</u>	<u>\$ -</u>	<u>\$ 1,784,746</u>

Lakes and Pines Community Action Council, Inc.
Statement of Financial Position - Administration
As of September 30, 2016

	#172 Discretionary Community Services Block Grant	#196 MN Community Action Grant	#197 Community Services Block Grant	Total
Assets				
Current assets				
Grants receivable	\$ 3,142	\$ 62,623	\$ 3,165	\$ 68,930
Prepaid expenses	26	7,215	3,373	10,614
	<u>3,168</u>	<u>69,838</u>	<u>6,538</u>	<u>79,544</u>
Total current assets	<u>\$ 3,168</u>	<u>\$ 69,838</u>	<u>\$ 6,538</u>	<u>\$ 79,544</u>
Liabilities and Net Assets				
Current liabilities				
Due to other funds	\$ 3,168	\$ 64,355	\$ 6,538	\$ 74,061
Accounts payable	-	5,483	-	5,483
Total current liabilities	<u>3,168</u>	<u>69,838</u>	<u>6,538</u>	<u>79,544</u>
Net assets				
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 3,168</u>	<u>\$ 69,838</u>	<u>\$ 6,538</u>	<u>\$ 79,544</u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - Administration
Year Ended September 30, 2016

	#196 MN Community Action Grant	#182 Community Services Block Grant	#172 Discretionary Community Services Block Grant	#197 Community Services Block Grant	Total
Revenues					
Grant revenue					
Federal grants	\$ -	\$ 215,681	\$ 24,859	\$ 42,943	\$ 283,483
State grants	249,367	-	-	-	249,367
Program support	50	-	-	-	50
Total revenues	<u>249,417</u>	<u>215,681</u>	<u>24,859</u>	<u>42,943</u>	<u>532,900</u>
Expenses					
Wages and fringe benefits	100,753	47,055	11,560	-	159,368
Professional services	2,260	919	424	53	3,656
Contractual services	390	-	-	-	390
Vehicle expense and travel	12,671	6,738	2,294	-	21,703
Training	6,414	11,532	2,438	-	20,384
Supplies and copy costs	4,946	3,515	1,486	194	10,141
Insurance	3,882	1,159	81	-	5,122
Office rent, utilities, space costs, and support	111,356	133,297	6,576	38,873	290,102
Dues, subscriptions, and memberships	750	11,408	-	3,823	15,981
Communication (postage and telephone)	4,640	(920)	-	-	3,720
Printed forms and advertising	1,355	978	-	-	2,333
Total expenses	<u>249,417</u>	<u>215,681</u>	<u>24,859</u>	<u>42,943</u>	<u>532,900</u>
Change in net assets	-	-	-	-	-
Net Assets					
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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
As of September 30, 2016

	#074 Flood Assistance	#138 Financial Literacy Initiative	#157 SSI/SSDI Outreach Access & Recovery	#167 Transportation Program
Assets				
Current assets				
Cash and cash equivalents	\$ 131	\$ 741	\$ -	\$ 8,343
Grants receivable	-	-	3,876	-
Prepaid expenses	-	-	17	-
Total current assets	\$ 131	\$ 741	\$ 3,893	\$ 8,343
Liabilities and Net Assets				
Current liabilities				
Due to other funds	\$ -	\$ -	\$ 3,893	\$ -
Accounts payable	-	-	-	1,309
Deferred revenue - grants	131	741	-	7,034
Total current liabilities	131	741	3,893	8,343
Net assets				
Unrestricted	-	-	-	-
Total liabilities and net assets	\$ 131	\$ 741	\$ 3,893	\$ 8,343

#176 Transitional Housing Continuum of Care	#186 MNSure '17	#190 Family Homeless Prevention '15/'17	#191 Homeless Youth Act	#192 Emergency Solutions Grant Rehousing	#193 Transitional Housing
\$ -	\$ 21,960	\$ -	\$ -	\$ -	\$ -
17,487	-	25,184	17,658	17,905	7,333
131	78	638	406	154	220
<u>\$ 17,618</u>	<u>\$ 22,038</u>	<u>\$ 25,822</u>	<u>\$ 18,064</u>	<u>\$ 18,059</u>	<u>\$ 7,553</u>
\$ 13,614	\$ -	\$ 9,249	\$ 13,588	\$ 14,842	\$ 7,174
4,004	35	16,573	4,476	3,217	379
-	22,003	-	-	-	-
17,618	22,038	25,822	18,064	18,059	7,553
-	-	-	-	-	-
<u>\$ 17,618</u>	<u>\$ 22,038</u>	<u>\$ 25,822</u>	<u>\$ 18,064</u>	<u>\$ 18,059</u>	<u>\$ 7,553</u>

Lakes and Pines Community Action Council, Inc.
Statement of Financial Position - Community Services
As of September 30, 2016

	#194 Emergency Services Program	#198 Live Well At Home	#201 Tax Assistance	#202 Supplemental Nutrition Assistance Program
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ 775	\$ -
Grants receivable	29,775	18,667	-	18,436
Prepaid expenses	64	226	1	103
Total current assets	\$ 29,839	\$ 18,893	\$ 776	\$ 18,539
Liabilities and Net Assets				
Current liabilities				
Due to other programs	\$ 20,334	\$ 18,310	\$ -	\$ 5,332
Accounts payable	9,505	583	137	13,207
Deferred revenue - grants	-	-	639	-
Total current liabilities	29,839	18,893	776	18,539
Net assets				
Unrestricted	-	-	-	-
Total liabilities and net assets	\$ 29,839	\$ 18,893	\$ 776	\$ 18,539

#203 Commonbond Communities	#204 BCBS Access to Coverage	#205 MABC Insurance	#206 Central Long-term Housing	#207 BCBS Tax Integration	#208 Live Well at Home Delivery Service	Total
\$ -	\$ -	\$ 3,924	\$ 5,741	\$ 64,057	\$ -	\$ 105,672
4,356	2,058	-	-	-	3,177	165,912
42	78	10	110	118	32	2,428
<u>\$ 4,398</u>	<u>\$ 2,136</u>	<u>\$ 3,934</u>	<u>\$ 5,851</u>	<u>\$ 64,175</u>	<u>\$ 3,209</u>	<u>\$ 274,012</u>
\$ 4,398	\$ 2,077	\$ -	\$ -	\$ -	\$ 2,814	\$ 115,625
-	59	-	1,457	-	395	55,336
-	-	3,934	4,394	64,175	-	103,051
4,398	2,136	3,934	5,851	64,175	3,209	274,012
-	-	-	-	-	-	-
<u>\$ 4,398</u>	<u>\$ 2,136</u>	<u>\$ 3,934</u>	<u>\$ 5,851</u>	<u>\$ 64,175</u>	<u>\$ 3,209</u>	<u>\$ 274,012</u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - Community Services
Year Ended September 30, 2016

	#074 Flood Assistance	#138 Financial Literacy Initiative	#157 SSI/SSDI Outreach Access & Recovery
Revenues			
Grant revenue			
Federal grants	\$ -	\$ -	\$ -
State grants	-	-	4,377
Other grants	-	-	-
Program support	68	11	2,250
Interest income	-	-	-
Total revenues	<u>68</u>	<u>11</u>	<u>6,627</u>
Expenses			
Wages and fringe benefits	-	-	5,929
Professional services	3	-	-
Contractual services	-	-	-
Vehicle expense and travel	-	-	681
Training	-	-	-
Supplies and copy costs	-	11	-
Insurance	-	-	-
Equipment maintenance	-	-	-
Office rent, utilities, space costs, and support	65	-	-
Dues, subscriptions, and memberships	-	-	-
Communication (postage and telephone)	-	-	17
Printed forms and advertising	-	-	-
Community services direct client support	-	-	-
Total expenses	<u>68</u>	<u>11</u>	<u>6,627</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>

#162 BCBS Access to Coverage	#167 Transportation Program	#175 Transitional Housing Program	#176 Transitional Housing Continuum of Care	#185 MNSure '16	#186 MNSure '17
\$ -	\$ -	\$ 12,696	\$ 95,723	\$ -	\$ -
-	-	-	-	-	-
6,608	-	-	-	-	-
-	4,460	-	-	40,623	17,091
-	-	-	-	-	-
<u>6,608</u>	<u>4,460</u>	<u>12,696</u>	<u>95,723</u>	<u>40,623</u>	<u>17,091</u>
1,385	-	1,722	8,076	8,017	6,222
41	-	96	636	343	154
-	-	-	-	-	-
123	-	9	594	902	150
-	-	-	-	-	-
-	-	-	-	2,327	90
-	-	12	91	-	-
-	-	-	-	-	-
5,059	-	1,293	7,096	29,034	10,475
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,460	9,564	79,230	-	-
<u>6,608</u>	<u>4,460</u>	<u>12,696</u>	<u>95,723</u>	<u>40,623</u>	<u>17,091</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, 2016

	#190 Family Homeless Prevention '15/'17	#191 Homeless Youth Act	#192 Emergency Solutions Grant Rehousing
Revenues			
Grant revenue			
Federal grants	\$ -	\$ -	\$ 82,907
State grants	355,416	73,236	-
Other grants	-	-	-
Program support	-	-	-
Interest income	16	-	-
Total revenues	<u>355,432</u>	<u>73,236</u>	<u>82,907</u>
Expenses			
Wages and fringe benefits	113,848	25,475	20,830
Professional services	913	667	620
Contractual services	-	-	-
Vehicle expense and travel	10,173	2,890	823
Training	235	60	-
Supplies and copy costs	831	1,106	-
Insurance	1,089	-	-
Equipment maintenance	-	-	-
Office rent, utilities, space costs, and support	85,751	12,000	7,063
Dues, subscriptions, and memberships	250	250	250
Communication (postage and telephone)	3,001	999	-
Printed forms and advertising	430	100	-
Community services direct client support	138,911	29,689	53,321
Total expenses	<u>355,432</u>	<u>73,236</u>	<u>82,907</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>#193 OEO Transitional Housing</u>	<u>#194 Emergency Services Program</u>	<u>#195 Alcohol, Tobacco and Other Drug Prevention</u>	<u>#198 Live Well At Home</u>	<u>#199 Commonbond Communities</u>	<u>#200 Economic Gardening</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44,146	136,026	24,705	99,932	-	-
-	-	-	-	6,529	6,156
-	-	-	307	-	-
-	-	-	-	-	-
<u>44,146</u>	<u>136,026</u>	<u>24,705</u>	<u>100,239</u>	<u>6,529</u>	<u>6,156</u>
14,487	17,214	15,302	78,368	5,554	263
630	645	191	577	-	-
-	-	-	-	-	5,186
755	1,200	4,587	2,072	725	-
-	-	(242)	330	-	-
1,541	1,710	-	3,255	-	-
-	-	88	163	-	-
-	-	-	-	-	-
14,602	16,202	4,062	11,349	-	689
250	-	500	-	250	-
548	512	217	997	-	18
-	-	-	1,647	-	-
11,333	98,543	-	1,481	-	-
<u>44,146</u>	<u>136,026</u>	<u>24,705</u>	<u>100,239</u>	<u>6,529</u>	<u>6,156</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, 2016

	#201 Tax Assistance	#202 Supplemental Nutrition Assistance Program	#203 Commonbond Communities
Revenues			
Grant revenue			
Federal grants	\$ -	\$ -	\$ -
State grants	20,419	77,385	-
Other grants	-	-	8,705
Program support	1,009	-	-
Interest income	-	-	-
Total revenues	<u>21,428</u>	<u>77,385</u>	<u>8,705</u>
Expenses			
Wages and fringe benefits	18,700	10,796	8,705
Professional services	-	-	-
Contractual services	80	-	-
Vehicle expense and travel	619	455	-
Training	-	-	-
Supplies and copy costs	535	14,048	-
Insurance	-	-	-
Equipment maintenance	634	-	-
Office rent, utilities, space costs, and support	-	52,061	-
Dues, subscriptions, and memberships	-	-	-
Communication (postage and telephone)	22	25	-
Printed forms and advertising	570	-	-
Community services direct client support	268	-	-
Total expenses	<u>21,428</u>	<u>77,385</u>	<u>8,705</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>

#204 BCBS Access to Coverage	#205 MABC Insurance	#206 Central Long-term Housing	#207 BCBS Tax Integration	#208 Live Well at Home Delivery Service	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,326
-	-	-	-	3,176	838,818
6,689	1,066	31,547	13,645	-	80,945
-	-	-	-	-	65,819
-	-	-	-	-	16
<u>6,689</u>	<u>1,066</u>	<u>31,547</u>	<u>13,645</u>	<u>3,176</u>	<u>1,176,924</u>
2,623	260	12,139	9,237	1,731	386,883
163	-	167	93	17	5,956
-	-	-	-	-	5,266
187	313	319	-	-	27,577
-	493	120	-	-	996
-	-	-	1,096	395	26,945
-	-	-	50	-	1,493
-	-	-	-	-	634
3,716	-	13,131	3,169	479	277,296
-	-	-	-	554	2,304
-	-	-	-	-	6,356
-	-	-	-	-	2,747
-	-	5,671	-	-	432,471
<u>6,689</u>	<u>1,066</u>	<u>31,547</u>	<u>13,645</u>	<u>3,176</u>	<u>1,176,924</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
As of September 30, 2016

	#237 Head Start 'X'	#238 Head Start 'Y'	#16C Child and Adult Care Food Program '17	#15E Early Head Start "X"
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	1,872	-	-
Grants receivable	8,361	110,203	1,013	8,160
Prepaid expenses	4	12,839	-	224
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current assets	<u>\$ 8,365</u>	<u>\$ 124,914</u>	<u>\$ 1,013</u>	<u>\$ 8,384</u>
Liabilities and Net Assets				
Current liabilities				
Due to other funds	\$ 6,244	\$ 95,053	\$ 1,013	\$ 2,609
Accounts payable	2,121	29,861	-	5,775
Deferred revenue - grants	-	-	-	-
Total current liabilities	<u>8,365</u>	<u>124,914</u>	<u>1,013</u>	<u>8,384</u>
Net assets				
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 8,365</u>	<u>\$ 124,914</u>	<u>\$ 1,013</u>	<u>\$ 8,384</u>

#16E Early Head Start "Y"	#244 Pathway II Mora	#245 Pathway II Cloquet	#248 Aitkin County HHS	#255 Medica Foundation	#264 State '17	Total
\$ -	\$ -	\$ -	\$ -	\$ 16,611	\$ -	\$ 16,611
2,975	-	-	-	-	-	4,847
17,808	25	25	13,647	-	18,170	177,412
4,010	-	-	430	2	5,896	23,405
<u>\$ 24,793</u>	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 14,077</u>	<u>\$ 16,613</u>	<u>\$ 24,066</u>	<u>\$ 222,275</u>
\$ 21,543	\$ 25	\$ 25	\$ 13,211	\$ -	\$ 17,805	\$ 157,528
3,250	-	-	866	4	6,261	48,138
-	-	-	-	16,609	-	16,609
<u>24,793</u>	<u>25</u>	<u>25</u>	<u>14,077</u>	<u>16,613</u>	<u>24,066</u>	<u>222,275</u>
-	-	-	-	-	-	-
<u>\$ 24,793</u>	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 14,077</u>	<u>\$ 16,613</u>	<u>\$ 24,066</u>	<u>\$ 222,275</u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - Early Childhood and Family Development
Year Ended September 30, 2016

	#237 Head Start 'X'	#238 Head Start 'Y'	#244 Pathway II Mora
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Grant revenue			
Federal grants	\$ 1,798,322	\$ 281,413	\$ -
State grants	-	-	25
Other grants	-	-	-
In-kind contributions	643,750	-	-
Program support	-	1,872	-
Total revenues	<u>2,442,072</u>	<u>283,285</u>	<u>25</u>
Expenses			
Wages and fringe benefits	1,197,041	172,952	-
Professional services	2,131	289	-
Contractual services	114,200	21,706	-
Vehicle expense and travel	131,881	16,902	-
Training	15,275	661	-
In-kind contribution	643,750	-	-
Supplies and copy costs	19,199	8,083	-
Insurance	12,786	1,898	-
Equipment maintenance	-	35	-
Office rent, utilities, space costs, and support	269,682	50,476	25
Dues, subscriptions, and memberships	8,442	3,204	-
Communication (postage and telephone)	9,111	1,242	-
Printed forms and advertising	2,874	4,262	-
Head Start direct client support	15,700	1,575	-
Total expenses	<u>2,442,072</u>	<u>283,285</u>	<u>25</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>#245 Pathway II Cloquet</u>	<u>#248 Aitkin County HHS</u>	<u>#250 Early Head Childcare Partnership</u>	<u>#255 Medica Foundation</u>	<u>#15E Early Head Start "X"</u>
\$ -	\$ -	\$ 41,261	\$ -	\$ 373,291
25	-	-	-	-
-	58,722	-	3,391	-
-	-	-	-	-
-	200	-	-	-
<u>25</u>	<u>58,922</u>	<u>41,261</u>	<u>3,391</u>	<u>373,291</u>
-	36,616	23,757	-	216,560
-	456	493	70	1,474
-	-	17	2,400	1,340
-	6,862	4,020	186	24,656
-	78	-	-	5,805
-	-	-	-	-
-	262	271	-	43,122
-	393	188	-	2,250
-	-	-	-	-
25	13,269	12,216	703	66,146
-	-	-	-	858
-	986	299	32	2,503
-	-	-	-	7,252
-	-	-	-	1,325
<u>25</u>	<u>58,922</u>	<u>41,261</u>	<u>3,391</u>	<u>373,291</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - Early Childhood and Family Development
Year Ended September 30, 2016

	#16E Early Head Start "Y"	#15C Child and Adult Care Food Program '16	#16C Child and Adult Care Food Program '17
Revenues			
Grant revenue			
Federal grants	\$ 70,565	\$ 10,397	\$ 1,013
State grants	-	-	-
Other grants	-	-	-
In-kind contributions	-	-	-
Program support	2,975	-	-
Total revenues	<u>73,540</u>	<u>10,397</u>	<u>1,013</u>
Expenses			
Wages and fringe benefits	47,776	-	-
Professional services	225	-	-
Contractual services	70	-	-
Vehicle expense and travel	5,370	-	-
Training	212	-	-
In-kind contribution	-	-	-
Supplies and copy costs	3,898	-	-
Insurance	624	-	-
Equipment maintenance	-	-	-
Office rent, utilities, space costs, and support	14,575	-	-
Dues, subscriptions, and memberships	(57)	-	-
Communication (postage and telephone)	468	-	-
Printed forms and advertising	210	-	-
Head Start direct client support	169	10,397	1,013
Total expenses	<u>73,540</u>	<u>10,397</u>	<u>1,013</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>

#263 State '16	#264 State '17	Head Start 'X' Non-Federal Share Elimination	Total
\$ -	\$ -	\$ -	\$ 2,576,262
619,216	146,153	-	765,419
-	-	-	62,113
-	-	(632,753)	10,997
368	-	-	5,415
<u>619,584</u>	<u>146,153</u>	<u>(632,753)</u>	<u>3,420,206</u>
338,130	88,235	-	2,121,067
1,224	476	-	6,838
664	-	-	140,397
39,639	10,030	-	239,546
5,038	310	-	27,379
-	-	(632,753)	10,997
108,683	8,323	-	191,841
3,271	1,540	-	22,950
-	-	-	35
113,204	34,542	-	574,863
2,526	280	-	15,253
3,577	1,108	-	19,326
1,600	1,026	-	17,224
2,028	283	-	32,490
<u>619,584</u>	<u>146,153</u>	<u>(632,753)</u>	<u>3,420,206</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Lakes and Pines Community Action Council, Inc.
Statement of Financial Position - Weatherization
As of September 30, 2016

	#319 EAP Wx C/O	#336 DOE Wx	#374 EAP Wx C/O II	#394 Propane/Oil '17	Total
Assets					
Current assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,835	\$ 1,835
Accounts receivable	426	-	-	-	426
Grants receivable	38,776	18,041	10,168	1,180	68,165
Prepaid expenses	3,476	522	1	1	4,000
Weatherization inventory	-	56,425	-	-	56,425
	<u>-</u>	<u>56,425</u>	<u>-</u>	<u>-</u>	<u>56,425</u>
Total current assets	<u>\$ 42,678</u>	<u>\$ 74,988</u>	<u>\$ 10,169</u>	<u>\$ 3,016</u>	<u>\$ 130,851</u>
Liabilities and Net Assets					
Current liabilities					
Due to other funds	\$ 36,445	\$ 15,016	\$ 10,169	\$ -	\$ 61,630
Accounts payable	6,233	3,547	-	3,016	12,796
Total current liabilities	<u>42,678</u>	<u>18,563</u>	<u>10,169</u>	<u>3,016</u>	<u>74,426</u>
Net assets					
Unrestricted	<u>-</u>	<u>56,425</u>	<u>-</u>	<u>-</u>	<u>56,425</u>
Total liabilities and net assets	<u>\$ 42,678</u>	<u>\$ 74,988</u>	<u>\$ 10,169</u>	<u>\$ 3,016</u>	<u>\$ 130,851</u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - Weatherization
Year Ended September 30, 2016

	#319 EAP WX C/O	#335 DOE WX C/O	#336 DOE WX
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Grant revenue			
Federal grants	\$ 340,570	\$ 257,793	\$ 75,370
State grants	-	-	-
Program support	<u>2,841</u>	<u>32,580</u>	<u>-</u>
Total revenues	<u>343,411</u>	<u>290,373</u>	<u>75,370</u>
Expenses			
Wages and fringe benefits	244,067	231,316	48,432
Professional services	524	936	253
Vehicle expense and travel	3,953	11,153	7,264
Training	-	8,145	684
Supplies and copy costs	423	78	-
Insurance	7,291	4,736	1,624
Office rent, utilities, space costs, and support	44,207	1,124	11,443
Dues, subscriptions, and memberships	250	-	150
Communication (postage and telephone)	485	-	-
Printed forms and advertising	-	20	-
Weatherization direct client support	<u>42,211</u>	<u>32,865</u>	<u>5,520</u>
Total expenses	<u>343,411</u>	<u>290,373</u>	<u>75,370</u>
Change in net assets	-	-	-
Other changes in net assets			
Change in weatherization inventory	-	-	(19,674)
Net Assets			
Beginning of year	<u>-</u>	<u>-</u>	<u>76,099</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,425</u>

#374 EAP WX C/O II	#393 Propane/Oil '16	#394 Propane/Oil '17	Total
\$ 47,600	\$ -	\$ -	\$ 721,333
-	75,416	1,270	76,686
706	-	-	36,127
<u>48,306</u>	<u>75,416</u>	<u>1,270</u>	<u>834,146</u>
17,017	10,360	-	551,192
426	276	26	2,441
172	-	-	22,542
-	-	-	8,829
128	-	-	629
3,753	-	-	17,404
121	4,420	179	61,494
-	-	-	400
1,092	-	-	1,577
-	-	-	20
25,597	60,360	1,065	167,618
<u>48,306</u>	<u>75,416</u>	<u>1,270</u>	<u>834,146</u>
-	-	-	-
-	-	-	(19,674)
-	-	-	76,099
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,425</u>

Lakes and Pines Community Action Council, Inc.
Statement of Financial Position - Energy Assistance
As of September 30, 2016

	#439 Energy Assistance '16
Assets	
Current assets	
Cash and cash equivalents	
Grants receivable	\$ 71,861
Prepaid expenses	<u>2,595</u>
Total current assets	<u><u>\$ 74,456</u></u>
Liabilities and Net Assets	
Current liabilities	
Due to other funds	\$ 44,883
Accounts payable	<u>29,573</u>
Total current liabilities	74,456
Net assets	
Unrestricted	<u>-</u>
Total liabilities and net assets	<u><u>\$ 74,456</u></u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - Energy Assistance
Year Ended September 30, 2016

	<u>#439 Energy Assistance '16</u>	<u>Energy Assistance '16 Elimination</u>	<u>Total</u>
Revenues			
Grant revenue			
Federal grants	\$ 7,233,235	\$ (5,638,595)	\$ 1,594,640
Program support	24,975	-	24,975
Total revenues	<u>7,258,210</u>	<u>(5,638,595)</u>	<u>1,619,615</u>
Expenses			
Wages and fringe benefits	603,762	-	603,762
Professional services	1,885	-	1,885
Contractual services	1,668	-	1,668
Vehicle expense and travel	3,307	-	3,307
Training	1,488	-	1,488
Supplies and copy costs	10,453	-	10,453
Insurance	5,420	-	5,420
Office rent, utilities, space costs, and support	209,142	-	209,142
Dues, subscriptions, and memberships	100	-	100
Communication (postage and telephone)	7,977	-	7,977
Printed forms and advertising	246	-	246
Energy assistance direct client support	6,412,762	(5,638,595)	774,167
Total expenses	<u>7,258,210</u>	<u>(5,638,595)</u>	<u>1,619,615</u>
Change in net assets	-	-	-
Net Assets			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Lakes and Pines Community Action Council, Inc.
Statement of Financial Position - Housing Rehabilitation
As of September 30, 2016

	<u>#504 Greater MN Housing Fund</u>	<u>#519 MHFA Fix-Up Loan Program</u>	<u>#520 MHFA Loan Program</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 671	\$ -	\$ 76,938
Grants receivable	-	131	-
Prepaid expenses	-	-	90
	<hr/>	<hr/>	<hr/>
Total current assets	<u>\$ 671</u>	<u>\$ 131</u>	<u>\$ 77,028</u>
Liabilities and Net Assets			
Current liabilities			
Due to other funds	\$ -	\$ 131	\$ -
Accounts payable	-	-	26,281
Deferred revenue - grants	671	-	50,747
Total current liabilities	<hr/> 671	<hr/> 131	<hr/> 77,028
Net assets			
Unrestricted	<hr/> -	<hr/> -	<hr/> -
	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 671</u>	<u>\$ 131</u>	<u>\$ 77,028</u>

<u>#581 City of Princeton</u>	<u>#583 City of Cloquet</u>	<u>#584 City of Mora</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 77,609
17,451	15,191	13,183	45,956
45	73	87	295
<u>\$ 17,496</u>	<u>\$ 15,264</u>	<u>\$ 13,270</u>	<u>\$ 123,860</u>
\$ 17,413	\$ 15,065	\$ 13,179	\$ 45,788
83	199	91	26,654
-	-	-	51,418
<u>17,496</u>	<u>15,264</u>	<u>13,270</u>	<u>123,860</u>
-	-	-	-
<u>\$ 17,496</u>	<u>\$ 15,264</u>	<u>\$ 13,270</u>	<u>\$ 123,860</u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - Housing Rehabilitation
Year Ended September 30, 2016

	#504 Greater MN Housing Fund	#517 MHFA Loan Program	#518 Rental Rehabilitation Loan Program
Revenues			
Grant revenue			
State grants	\$ -	\$ 29,581	\$ -
Other grants	-	-	-
Program support	79	-	30
Interest income	-	-	-
Total revenues	<u>79</u>	<u>29,581</u>	<u>30</u>
Expenses			
Wages and fringe benefits	-	3,621	-
Professional services	18	319	6
Vehicle expense and travel	-	668	-
Supplies and copy costs	-	13	-
Insurance	-	14	-
Office rent, utilities, space costs, and support	61	4,362	24
Dues, subscriptions, and memberships	-	102	-
Communication (postage and telephone)	-	283	-
Printed forms and advertising	-	-	-
Housing rehabilitation direct client support	-	20,199	-
Total expenses	<u>79</u>	<u>29,581</u>	<u>30</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>

#519 MHFA Fix-Up Loan Program	#520 MHFA Loan Program	#575 Pine County	#580 Braham/ Grasston Collaborative	#581 City of Princeton	#583 City of Cloquet
\$ -	\$ 223,440	\$ -	\$ -	\$ -	\$ -
-	-	34,244	1,247	21,179	38,662
15,413	-	859	4,000	-	-
-	43	-	-	-	-
<u>15,413</u>	<u>223,483</u>	<u>35,103</u>	<u>5,247</u>	<u>21,179</u>	<u>38,662</u>
-	10,548	-	5,783	10,537	22,718
39	364	61	188	497	563
-	1,241	-	493	1,105	4,241
-	-	-	-	-	-
-	102	-	40	80	164
449	6,291	647	(1,407)	7,711	10,076
-	-	-	-	-	-
-	336	-	28	203	342
-	400	-	-	-	-
14,925	204,201	34,395	122	1,046	558
<u>15,413</u>	<u>223,483</u>	<u>35,103</u>	<u>5,247</u>	<u>21,179</u>	<u>38,662</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</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, 2016

	<u>#584</u> <u>City of</u> <u>Mora</u>	<u>Total</u>
Revenues		
Grant revenue		
State grants	\$ -	\$ 253,021
Other grants	31,072	126,404
Program support	-	20,381
Interest income	-	43
Total revenues	<u>31,072</u>	<u>399,849</u>
Expenses		
Wages and fringe benefits	18,644	71,851
Professional services	502	2,557
Vehicle expense and travel	137	7,885
Supplies and copy costs	-	13
Insurance	150	550
Office rent, utilities, space costs, and support	8,726	36,940
Dues, subscriptions, and memberships	-	102
Communication (postage and telephone)	298	1,490
Printed forms and advertising	-	400
Housing rehabilitation direct client support	2,615	278,061
Total expenses	<u>31,072</u>	<u>399,849</u>
Change in net assets	-	-
Net Assets		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>

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Lakes and Pines Community Action Council, Inc.
Statement of Financial Position - Other Programs
As of September 30, 2016

	#051 Conservation Improvement	#001 Payroll Fund	#050 Special Programs
Assets			
Current Assets			
Cash and cash equivalents	\$ 16,388	\$ 603,036	\$ 122,247
Restricted cash	-	-	161,050
Investments - certificates of deposit	-	-	763,597
Due from other funds	-	-	499,515
Interest receivable	-	-	502
Accounts receivable	21,712	-	1,500
Prepaid expenses	6	-	1,514
Total current assets	38,106	603,036	1,549,925
Property and Equipment, Net	-	-	391,932
Total assets	\$ 38,106	\$ 603,036	\$ 1,941,857
Liabilities and Net Assets			
Current liabilities			
Accounts payable	\$ 13,736	\$ -	\$ 60,547
Note payable	-	-	152,989
Due to other agencies	-	-	-
Accrued payroll and related taxes and benefits	-	314,286	-
Accrued vacation	-	127,700	-
Accrued unemployment insurance	-	161,050	-
Deferred revenue - grants	24,370	-	-
Total current liabilities	38,106	603,036	213,536
Net assets			
Unrestricted	-	-	1,410,532
Designated	-	-	78,846
Investment in property and equipment	-	-	238,943
	-	-	1,728,321
Total liabilities and net assets	\$ 38,106	\$ 603,036	\$ 1,941,857

<u>#700-701</u> <u>Fiscal - Agent</u> <u>Activity</u>	<u>#995</u> <u>Agency-wide</u> <u>Advocacy</u>	<u>#910-960</u> <u>Cost</u> <u>Allocation</u>	<u>Total</u>
\$ 1,273	\$ 2,170	\$ 6,442	\$ 751,556
-	-	-	161,050
-	-	-	763,597
-	-	-	499,515
-	-	-	502
-	-	-	23,212
-	-	-	1,520
<u>1,273</u>	<u>2,170</u>	<u>6,442</u>	<u>2,200,952</u>
-	-	-	391,932
<u>\$ 1,273</u>	<u>\$ 2,170</u>	<u>\$ 6,442</u>	<u>\$ 2,592,884</u>
\$ -	\$ 2,170	\$ 6,442	\$ 82,895
-	-	-	152,989
1,273	-	-	1,273
-	-	-	314,286
-	-	-	127,700
-	-	-	161,050
-	-	-	24,370
<u>1,273</u>	<u>2,170</u>	<u>6,442</u>	<u>864,563</u>
-	-	-	1,410,532
-	-	-	78,846
-	-	-	238,943
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,728,321</u>
<u>\$ 1,273</u>	<u>\$ 2,170</u>	<u>\$ 6,442</u>	<u>\$ 2,592,884</u>

Lakes and Pines Community Action Council, Inc.
Statement of Activities - Other Programs
Year Ended September 30, 2016

	#051 Conservation Improvement	#050 Special Programs	#995 Agency-wide Advocacy
Revenues			
Grant revenue			
State grants	\$ -	\$ 500	\$ -
Program support	99,768	77,872	393,835
Interest income	42	4,884	-
Total revenues	<u>99,810</u>	<u>83,256</u>	<u>393,835</u>
Expenses			
Wages and fringe benefits	20,176	4,089	326,116
Professional services	264	2,873	-
Contractual services	-	716	-
Vehicle expense and travel	-	169	18,731
Training	-	40	425
Supplies and copy costs	-	-	12,241
Insurance	4	30	-
Equipment maintenance	-	4,650	95
Office rent, utilities, space costs, and support	3,298	28,294	29,324
Dues, subscriptions, and memberships	-	-	-
Communication (postage and telephone)	-	-	5,851
Printed forms and advertising	-	-	1,052
Other direct client support	76,068	(65,608)	-
Depreciation	-	29,370	-
Total expenses	<u>99,810</u>	<u>4,623</u>	<u>393,835</u>
Change in net assets	-	78,633	-
Net Assets			
Beginning of year	<u>-</u>	<u>1,649,688</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 1,728,321</u>	<u>\$ -</u>

<u>Agency-wide Advocacy Elimination</u>	<u>#910-960 Cost Allocation</u>	<u>Cost Allocation Elimination</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 500
(393,835)	887,997	(887,997)	177,640
-	-	-	4,926
<u>(393,835)</u>	<u>887,997</u>	<u>(887,997)</u>	<u>183,066</u>
-	729,014	-	1,079,395
-	576	-	3,713
-	22,057	-	22,773
-	6,249	-	25,149
-	14,822	-	15,287
-	26,081	-	38,322
-	-	-	34
-	13,248	-	17,993
(393,835)	43,531	(887,997)	(1,177,385)
-	1,086	-	1,086
-	28,963	-	34,814
-	2,370	-	3,422
-	-	-	10,460
-	-	-	29,370
<u>(393,835)</u>	<u>887,997</u>	<u>(887,997)</u>	<u>104,433</u>
-	-	-	78,633
-	-	-	1,649,688
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,728,321</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) 05CH010176-01-01	Page 1	of 1
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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 074217639	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 From: (Month, Day, Year) 08/01/2015	To: (Month, Day, Year) 07/31/2016	9. Reporting Period End Date (Month, Day, Year) 07/31/2016
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10. Transactions Cumulative

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

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

a. Cash Receipts	2,531,011
b. Cash Disbursements	2,531,011
c. Cash on Hand (line a minus b)	0

(Use lines d-o for single grant reporting)

Federal Expenditures and Unobligated Balance:

d. Total Federal funds authorized	2,531,011
e. Federal share of expenditures	2,531,011
f. Federal share of unliquidated obligations	0
g. Total Federal share (sum of lines e and f)	2,531,011
h. Unobligated balance of Federal funds (line d minus g)	0

Recipient Share:

i. Total recipient share required	632,753
j. Recipient share of expenditures	632,753
k. Remaining recipient share to be provided (line i minus j)	0

Program Income:

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

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

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

ADMINISTRATION=12.1% TOTAL \$383,921.73 DEVELOPMENT = \$33,156.00 USDA REIMBURSEMENT = \$13,537.18

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

a. Typed or Printed Name and Title of Authorized Certifying Official Robert C. Benes, Executive Director	c. Telephone (Area code, number and extension) 320-679-1800 ext.112
b. Signature of Authorized Certifying Official 	d. Email address bob.benes@lakesandpines.org
	e. Date Report Submitted (Month, Day, Year) 10/25/2016 10-26-16
14. Agency use only:	

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

Paperwork Burden Statement

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

Lakes & Pines Community Action Council, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2016

<u>Federal Grantors/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass - Through Entity Identification Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U. S. Department of Agriculture				
Pass-through from Minnesota Department of Education				
Child Care Food Program 15/16	10.558	2MN300061	-	10,397
Child Care Food Program 16/17	10.558	2MN300061	-	1,013
Total U. S. Department of Agriculture			<u>-</u>	<u>11,410</u>
U. S. Department of Housing and Urban Development				
Direct				
Emergency Solutions Grant - Rehousing	14.231		-	82,907
Transitional Housing Grant	14.235		-	12,696
Transitional Housing Grant	14.235		-	95,723
Total U. S. Department of Housing and Urban Development			<u>-</u>	<u>191,326</u>
U. S. Department of Energy				
Pass-Through from Minnesota Department of Commerce				
Weatherization Assistance for Low Income Persons				
DOE Weatherization 15/16	81.042	95378/6861	-	257,793
DOE Weatherization 16/17	81.042	110587/8142	-	75,370
Total U. S. Department of Energy			<u>-</u>	<u>333,163</u>
U. S. Department of Health And Human Services				
Pass-Through from Minnesota Department of Commerce				
Low Income Home Energy Assistance:				
EAP/WX Carryover	93.568	95378	-	340,570
EAP/WX Carryover II	93.568	95378	-	47,600
EAP 2016	93.568	100523	-	1,594,640
Pass-Through from Minnesota Department of Health and Human Services				
CSBG Discretionary Grant	93.569	GRK%74145	-	24,859
CSBG 2013-2016	93.569	GRK%64979	-	215,681
CSBG 2015-2017	93.569	GRK%94772	-	42,943
Pass-Through from Tri-County Community Action				
Early Head Start - Childcare Partnership	93.600	05HP0017/01	-	41,261
Direct				
Early Head Start 'X'	93.600		-	373,291
Head Start 'X'	93.600		-	1,798,322
Early Head Start 'Y'	93.600		-	70,565
Head Start 'Y'	93.600		-	281,413
Total U. S. Department of Health and Human Services			<u>-</u>	<u>4,831,145</u>
Total expenditures of federal awards			<u>\$ -</u>	<u>\$ 5,367,044</u>

Lakes and Pines Community Action Council, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (the "schedule") includes the Federal Award activity of the Council under programs of the federal government for the year ended September 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the basis of accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The Council has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

**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

To the 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, 2016, and the related notes to financial statements, which collectively comprise the Council's financial statements, and have issued our report thereon dated January 23, 2017.

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 opinion 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 results 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.

BergankDV, Ltd.

St. Cloud, Minnesota
January 23, 2017

**Report on Compliance for Each Major Federal Program;
and on Internal Control Over Compliance; Required by
*Uniform Guidance***

Independent Auditor's Report

To the 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 *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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on the previous page that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

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 on the previous page. 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 the Uniform Guidance, 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.



Purpose of Report

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

BerganKDV, Ltd.

St. Cloud, Minnesota
January 23, 2017

Lakes and Pines Community Action Council, Inc.
Schedule of Findings and Questioned Costs

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?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
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 2 CFR 200.516(a)	No

Identification of Major Federal Programs

CFDA No.:	93.600
Name of Federal Program or Cluster	Head Start
Dollar threshold used to distinguish between type A and type B programs?	\$750,000
Auditee qualified as low-risk auditee?	Yes

Lakes and Pines Community Action Council, Inc.
Schedule of Findings and Questioned Costs

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no federal award findings and no questioned costs.