

Community Action Partnership of Suburban Hennepin

Hopkins, Minnesota

Financial Statements and Additional Information
Years Ended December 31, 2008 and 2007

Community Action Partnership of Suburban Hennepin

Financial Statements and Additional Information
Years Ended December 31, 2008 and 2007

Table of Contents

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities.....	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Additional Information	
Schedule of Expenditures of Federal and Other Awards	13
Schedule of Functional Expenses.....	16
Schedule of Fiscal Agent Activities	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	19
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	21
Schedule of Findings and Questioned Costs	23



Independent Auditor's Report

Board of Directors
Community Action Partnership of Suburban Hennepin
Hopkins, Minnesota

We have audited the accompanying statements of financial position of Community Action Partnership of Suburban Hennepin (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Community Action Partnership of Suburban Hennepin's management. 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Partnership of Suburban Hennepin as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2009, on our consideration of Community Action Partnership of Suburban Hennepin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Community Action Partnership of Suburban Hennepin taken as a whole. The accompanying schedule of expenditures of federal and other awards, Schedule A-1 and A-3, which includes the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of functional expenses, Schedule B-1 and B-2, and the schedule of fiscal agent activities, Schedule C, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wipfli LLP
Wipfli LLP

March 6, 2009
Madison, Wisconsin

Community Action Partnership of Suburban Hennepin

Statements of Financial Position

December 31, 2008 and 2007

<i>Assets</i>	2008	2007
Current assets:		
Cash and cash equivalents	\$ 403,518	\$ 785,516
Investments	53,403	71,247
Grants receivable	258,317	153,198
Accounts receivable	2,999	21,281
Prepaid expenses	76,404	67,016
Total current assets	794,641	1,098,258
Property and equipment:		
Furniture and fixtures	84,254	84,254
Accumulated depreciation	(49,684)	(26,074)
Total property and equipment, net	34,570	58,180
TOTAL ASSETS	\$ 829,211	\$ 1,156,438
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 4,627	\$ 26,487
Due to fiscal agents	3,367	0
Accrued expenses	64,911	98,101
Grant funds received in advance	164,232	443,081
Total current liabilities	237,137	567,669
Net assets:		
Unrestricted:		
Undesignated	538,671	517,522
Board designated for future initiatives	53,403	71,247
Total unrestricted net assets	592,074	588,769
TOTAL LIABILITIES AND NET ASSETS	\$ 829,211	\$ 1,156,438

See accompanying notes to financial statements.

Community Action Partnership of Suburban Hennepin

Statements of Activities

Years Ended December 31, 2008 and 2007

	2008	2007
Unrestricted public support and revenue:		
Public support:		
Government grants	\$ 2,846,878	\$ 2,191,925
Contributions	24,050	13,595
Total public support	2,870,928	2,205,520
Revenue:		
Investment income (loss)	(1,448)	20,395
Other revenue	17,376	19,672
Total revenue	15,928	40,067
Total unrestricted public support and revenue	2,886,856	2,245,587
Expenses:		
Program services:		
Community development	175,885	183,534
Housing services	963,667	515,733
Energy assistance	1,036,076	713,414
Other	132,964	170,578
Total program services	2,308,592	1,583,259
Supporting services:		
Management and general	554,787	609,985
Fund-raising	20,172	34,245
Total expenses	2,883,551	2,227,489
Changes in unrestricted net assets	3,305	18,098
Unrestricted net assets - Beginning of year	588,769	570,671
Unrestricted net assets - End of year	\$ 592,074	\$ 588,769

See accompanying notes to financial statements.

Community Action Partnership of Suburban Hennepin

Statements of Cash Flows

Years Ended December 31, 2008 and 2007

	2008	2007
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 3,305	\$ 18,098
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	23,610	18,902
Realized and unrealized (gain) loss on investments	20,920	(3,170)
Changes in operating assets and liabilities:		
Grants receivable	(105,119)	106,619
Accounts receivable	18,282	(15,400)
Prepaid expenses	(9,388)	(14,157)
Accounts payable	(21,860)	(24,985)
Accrued expenses	(33,190)	21,173
Grant funds received in advance	(278,849)	434,375
Funds held for others	3,367	(42,707)
Net cash provided by (used in) operating activities	(378,922)	498,748
Cash flows from investing activities:		
Proceeds from sale of investments	10,197	68,562
Purchase of property and equipment	0	(7,515)
Purchase of investments	(13,273)	(68,303)
Net cash used in investing activities	(3,076)	(7,256)
Change in cash and cash equivalents	(381,998)	491,492
Cash and cash equivalents - Beginning of year	785,516	294,024
Cash and cash equivalents - End of year	\$ 403,518	\$ 785,516

Community Action Partnership of Suburban Hennepin

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies**

Nature of Operations

The Organization

Community Action Partnership of Suburban Hennepin (the “Organization”) is incorporated under the Minnesota Nonprofit Corporation Act and is also tax exempt under the federal tax laws.

Description of Programs

The Organization provides services to low-income people, based on the Organization’s mission statement, which states that the Organization’s goal is “to improve the quality of life in suburban Hennepin by creating and supporting links between individuals and communities through service, education, and collaboration.” The Organization works to increase residents’ chances at achieving self-sufficiency and to improve the communities in which low-income people in suburban Hennepin County reside (e.g., increase safe, affordable housing, decrease numbers of foreclosures, increase number of grass roots organizations aiding people to improve their lives, etc.). In keeping with its mission statement, the Organization provides services in the following areas:

Direct Services - Direct services were provided to approximately 45,000 individuals in the Organization’s service area during 2008; the service area encompasses the 45 communities within suburban Hennepin County. Information about the following direct services is available in multiple languages:

Energy Assistance: The Organization provides financial assistance to low-income households to assist with energy costs (gas, heat, oil) and repairs. The Organization provides direct, one-time payments to energy vendors through funding received by the state and federal governments; additionally, emergency funds are made available to households through funds provided primarily through state and private resources. Marketing and outreach efforts are utilized to inform customers of fuel efficiency strategies. Approximately 16,000 households during the year 2008 were assisted through the program (number of units of service), which translates into assistance being provided to approximately 31,500 people.

Housing and Related Services: The Organization provides full-cycle homeownership services, as well as rental services for clients. These services are offered to assist low-income people obtain and retain safe, affordable housing; services related to meeting basic needs are also provided (e.g., financial or other assistance with health care, child care, employment, financial counseling, education, etc.). Housing services include:

- Foreclosure prevention counseling and loan assistance - approximately 3,300 people received 2nd level assistance.
- First time homebuyer workshops, counseling, and assistance with obtaining loans available for first-time homebuyers and low-income homebuyers - 908 people served.

Community Action Partnership of Suburban Hennepin

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Description of Programs (Continued)

- Housing rehabilitation services, counseling, and workshops - 1,059 people assisted through repairs, grants, and loans.
- Reverse mortgage counseling and other senior services - 117 people served.
- Homeless and transitional housing case management services and financial assistance - 268 people served.
- Renters' training workshops - offered to approximately 120 people.

The following services are also offered through the Organization:

- Emergency family services, which is shorter-term assistance than Transitional Housing program – 287 households, or 758 individuals, benefited from this service.
- Food Assistance services, provided to assist people to apply for Food Support, served 158 people during the Organization's first year in operating this program.
- Employment counseling, in collaboration with HIREd - 208 people were provided service (decrease due to change in service delivery, lack of available jobs).
- Budget and financial counseling, offered in collaboration with Lutheran Social Services – 5,248 people served.
- Free tax preparation assistance benefited 1,334 people (460 households).
- Asset-building programs - 60 families enrolled, which is service to 158 people.
- Transportation and car repair services, provided in part in collaboration with a partner of the Organization - 216 people served.

Education, Information, and Referral: The Organization provides many opportunities to inform and educate its customers and the community at large. Strategies include: conducting workshops related to renters' duties and rights; offering voter education and registration services; providing information and resources to people to help them understand the nature of poverty and methods to reduce or mitigate its effects; providing oral and written information and referral services to people who contact the Organization; participating in community events throughout the service area several times per year; and offering or collaborating on programs designed to engage people in the political, social, and educational processes that affect them. Aside from workshops and informational sessions, information is made available through the Organization's newsletter, published four times a year, and website, which is updated on a regular and timely basis and which gets approximately 3,000 unduplicated, time-relevant hits per month. The website is published in five languages (English, Spanish, Somali, Russian, and Hmong).

Approximately 6,000 people received information and referral services during 2008. In addition, approximately 51,000 people received information through outreach services, and an estimated 120,000 people received information through advocacy information and education services (including through media).

Community Action Partnership of Suburban Hennepin

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Description of Programs (Continued)

Community Development: The Organization engages in community development, which assists other organizations to develop to their fullest capacities, in order for them to better serve the low-income and historically underrepresented populations they serve. There is a particular focus on working with groups and organizations that are started at a grass-roots level and are designed to offer services at a local, community level. Strategies for community development include provision of the following services to organizations and groups just starting up as well as more mature agencies: corporate formation and organization, Board training, staff training, obtaining tax-exempt status, resource development, fund-raising strategies, marketing assistance, evaluation services, and reporting strategies. The Organization also serves as the fiscal agent for several organizations that do not have the capacity to handle financial operations and who do not have tax-exempt status themselves. During 2008, the Organization worked with 15 groups, working to increase their capacities and abilities to serve low-income people. In addition, and in keeping with its commitment to work and strengthen communities through active partnering and collaboration, the Organization partnered or collaborated with over 100 groups, organizations, and agencies within its service area during the year 2008.

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

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

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

Community Action Partnership of Suburban Hennepin

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as released from restrictions. If the restriction is met on a contribution in the year the contribution is received, the contribution is reported as unrestricted revenue.

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

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of demand deposits and U.S. Government money market funds. Excluded from cash and cash equivalent are deposits and money market funds maintained for investment purposes.

Investments

Investments are recorded at fair value as determined in an active market. Realized and unrealized gains and losses are recorded as investment income in the statements of activities.

Grants and Accounts Receivable

Grants and accounts receivable consist of amounts the Organization is to be reimbursed from governmental grant and contract awards. The Organization recognizes revenue from governmental agreements on a cost-reimbursement basis. Based upon its prior experience and continual assessments of future collections, the Organization estimates its allowance for uncollectible grants and accounts receivable to be \$0 at December 31, 2008 and 2007.

Community Action Partnership of Suburban Hennepin

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Property and Equipment

Property and equipment are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful life of the asset. The Organization considers items with a cost greater than \$1,000 and a useful life greater than one year to be property and equipment.

Functional Allocation of Expenses

The costs of providing programs and services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between program and the supporting services benefited.

The Organization utilizes cost allocation methods to distribute certain direct and indirect costs to its various programs. Costs, which are common to more than one program, have been identified and classified into cost pools. These cost pools have been allocated to the program based on formulas developed by the Organization for each pool.

Note 2 **Concentration of Credit Risk**

The Organization maintains cash balances at several banks. The accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2008, there was no balance in excess of the FDIC coverage.

In addition, the Organization has funds held at the Minnesota Association of Governments Investing for Counties (MAGIC). The balance in this fund at December 31, 2008 and 2007, was \$408,150 and \$770,753, respectively. This fund is not insured by the FDIC.

Note 3 **Investments**

Investments, at fair value, consist of the following at December 31:

	2008	2007
Mutual funds	\$ 32,325	\$ 46,539
Certificates of deposit	10,012	0
Equities	8,686	12,578
Money market	2,380	12,130
Totals	\$ 53,403	\$ 71,247

Community Action Partnership of Suburban Hennepin

Notes to Financial Statements

Note 3 Investments (Continued)

Investment income consisted of the following for the years ending December 31:

	<u>2008</u>	<u>2007</u>
Realized and unrealized gain (loss)	(\$ 20,920)	\$ 3,170
Interest	19,472	17,225
<u>Total investment income</u>	<u>(\$ 1,448)</u>	<u>\$ 20,395</u>

Note 4 Grants Receivable

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

	<u>2008</u>	<u>2007</u>
State programs	\$ 225,369	\$ 96,289
Other programs	32,948	56,909
<u>Totals</u>	<u>\$ 258,317</u>	<u>\$ 153,198</u>

Note 5 Operating Leases

The Organization leases various facilities and equipment for operation of its programs. The operating lease payments for the years ended December 31, 2008 and 2007 were \$138,837 and \$104,677, respectively. Future minimum lease payments on leases having noncancelable terms beyond one year are as follows:

2009	\$ 71,684
2010	28,033
2011	5,655
2012	2,265
<u>Total</u>	<u>\$ 107,637</u>

Note 6 Benefit Plans

The Organization has a tax-qualified Section 125 cafeteria plan. The plan offers a variety of tax-advantaged benefits to employees and is funded through amounts deferred from salaries. All employees are eligible to participate in CAPSH's tax-sheltered annuity by authorizing deductions from their paychecks. The minimum contribution allowed is \$201 per year. Maximum contributions are regulated by 403 (b) regulations issued by the IRS annually.

Community Action Partnership of Suburban Hennepin

Notes to Financial Statements

Note 6 **Benefit Plans (Continued)**

The Organization has a defined contribution retirement plan authorized under Section 403(b) of the Internal Revenue Code. The plan is open to all employees who have been employed by the Organization for three months. Employees are allowed to defer amounts from their salary. In addition, the Organization contributes to the plan. Those employer contributions are determined at the discretion of the Board of Directors. Participants become fully vested at the time of employer contribution. Employer contributions in the amount of \$37,283 and \$32,118 were made to the retirement plan during the years ended December 31, 2008 and 2007, respectively.

Note 7 **Grant Awards**

At December 31, 2008, the Organization had commitments under various grants of approximately \$2,200,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Note 8 **Program Operations**

The Organization has a grant with the State of Minnesota, Department of Commerce for outreach, intake, eligibility, and certification of Low-Income Home Energy Assistance Program (LIHEAP)-eligible participants. Client benefits for LIHEAP-eligible participants are subsequently paid directly by the State of Minnesota. Client benefits in the amount of \$4,728,801 and \$3,859,891 were paid by the state as of December 31, 2008 and 2007, respectively, are not included in the statements of activities as they were not part of the grant award.

Additional Information

Community Action Partnership of Suburban Hennepin

Schedule A-1

Schedule of Expenditures of Federal and Other Awards

Year Ended December 31, 2008

Federal Grantor/ Program Title/Grant Number	Federal CFDA Number	Funding Source	Program Period	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Child and Adult Care Food Program	10.558	State of Minnesota, Dept. of Human Services	10/01/07-09/30/08	\$ 30,110
		State of Minnesota, Dept. of Human Services	10/01/08-09/30/09	805
Total Federal Expenditures CFDA #10.580				30,915
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Housing Counseling Assistance	14.169	U.S. Dept. of Housing and Urban Development	10/01/06-09/30/07	5
Housing Counseling Assistance		U.S. Dept. of Housing and Urban Development	10/01/07-09/30/08	34,462
Total Federal Expenditures CFDA #14.169				34,467
Community Development Block Grant	14.218	Hennepin County Multi-City CDBG	07/01/07-12/31/08	25,914
		Hennepin County Multi-City CDBG	07/01/07-12/31/08	4,664
		City of Plymouth CDBG	09/06/07-09/30/08	15,000
		City of Eden Prairie CDBG	07/01/07-06/30/08	9,099
		City of Eden Prairie CDBG	07/01/07-06/30/08	9,713
		City of St. Louis Park CDBG	07/01/07-12/31/08	3,782
		City of St. Louis Park CDBG	07/01/08-12/31/09	46,882
		City of St. Louis Park CDBG	07/01/08-12/31/09	7,364
		City of Minnetonka CDBG	10/01/06-09/30/07	1,766
		City of Minnetonka CDBG	07/01/06-12/31/07	37,154
		City of Minnetonka CDBG	07/01/07-12/31/08	4,130
		City of Minnetonka CDBG	07/01/07-12/31/08	15,514
		City of Minnetonka CDBG	07/01/08-06/30/09	25,590
Total Federal Expenditures CFDA #14.218				206,572
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Low-Income Home Energy Assistance - CMS B02164	93.568	State of Minnesota, Dept. of Commerce	10/01/07-09/30/08	915,861
Low-Income Home Energy Assistance - CMS B16288		State of Minnesota, Dept. of Commerce	10/01/08-09/30/09	330,168
Low-Income Home Energy Assistance		State of Minnesota, Dept. of Commerce	01/01/07-12/31/08	4,728,801
Total Federal Expenditures CFDA #93.568				5,974,830

Community Action Partnership of Suburban Hennepin

Schedule A-2

Schedule of Expenditures of Federal and Other Awards

Year Ended December 31, 2008

Federal Grantor/ Program Title/Grant Number	Federal CFDA Number	Funding Source	Program Period	Federal State and Local Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)				
Community Services Block Grant	93.569	State of Minnesota, Dept. of Human Services	10/01/05-12/30/07	238
		State of Minnesota, Dept. of Human Services	07/01/07-06/30/08	63,397
		State of Minnesota, Dept. of Human Services	10/01/08-12/31/09	123,325
Total Federal Expenditures CFDA #93.569				186,960
Family Assets for Independence in Minnesota	93.602	West Central Community Action Agency	01/25/05-10/01/08	8,042
		West Central Community Action Agency	07/01/06-12/31/10	38,708
Total Federal Expenditures CFDA #93.602				46,750
TOTAL FEDERAL EXPENDITURES				\$ 6,480,494
STATE AND LOCAL PROGRAMS				
Local and Other				
Supportive Housing		Hennepin County	01/01/07-12/31/08	207,367
FPAP		Hennepin County	01/01/07-09/30/08	64,000
Emergency Services		HSSC Rapid Exit	01/01/07-12/31/07	3,190
EAP donations		Various	01/01/08-12/31/08	8,713
MCAG		State of Minnesota, Dept. of Human Services	07/01/07-06/30/09	583,545
HECAT		State of Minnesota, Dept. of Housing Finance Administration	10/01/07-09/30/08	28,421
HECAT		State of Minnesota, Dept. of Housing Finance Administration	10/01/08-09/30/09	1,654
FPAP		State of Minnesota, Dept. of Housing Finance Administration	10/01/07-09/30/08	51,457
FPAP		State of Minnesota, Dept. of Housing Finance Administration	10/01/07-09/30/08	10,066
Tax Assistance		State of Minnesota, Dept. of Revenue	Various	913
DISCRETIONARY				
Support of Operations		Pohlad Family Foundation Grant	12/21/06-12/31/08	6
NFMC PL110-161:95X1350		MHOC- National foreclosure	04/01/08-06/30/09	136,596
Support of Operations		Otto Bremer Foundation	03/28/06-09/30/08	3,429
Corporate		Various	Continuous	21,198
Corporate		Revolving Loan and HOME Funds	Continuous	7,447
Corporate		Investment Fund	Continuous	722
Corporate		FAIM-Ameriprise Community Relations	Continuous	3,134

Community Action Partnership of Suburban Hennepin

Schedule A-3

Schedule of Expenditures of Federal and Other Awards

Year Ended December 31, 2008

<u>Federal Grantor/ Program Title/Grant Number</u>	<u>Funding Source</u>	<u>Program Period</u>	<u>State and Local Expenditures</u>
DISCRETIONARY			
Support of Operations	Pohlad Family Foundation Grant	12/21/06-12/31/08	6
NFMC	MHOC- National foreclosure	04/01/08-06/30/09	136,596
Support of Operations	Otto Bremer Foundation	03/28/06-09/30/08	3,429
Corporate	Various	Continuous	21,198
Corporate	Revolving Loan and HOME Funds	Continuous	7,447
Corporate	Investment Fund	Continuous	722
Corporate	FAIM-Ameriprise Community Relations	Continuous	3,134

Notes to Schedule of Expenditures of Federal and Other Awards

NOTE 1 - This schedule includes the federal grant activity of Community Action Partnership of Suburban Hennepin 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 Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - Included in CFDA #93.568 are client benefits paid by the State of Minnesota of \$4,728,801. These expenditures are not included in the statements of activities.

Community Action Partnership of Suburban Hennepin

Schedule B-1

Schedule of Functional Expenses

Year Ended December 31, 2008

	Program Services					Supporting Services				Total
	Community Development	Housing Services	Energy Assistance	Other	Total Program Services	Management and General	Fund-Raising	Total Supporting Services		
Salaries	\$ 113,134	\$ 457,265	\$ 366,144	\$ 43,471	\$ 980,014	\$ 346,359	\$ 16,688	\$ 363,047	\$ 1,343,061	
Taxes and benefits	30,978	144,546	80,737	14,098	270,359	94,692	3,484	98,176	368,535	
Staff travel and expenses	3,956	8,095	2,944	1,383	16,378	4,635	0	4,635	21,013	
Total salaries and related	148,068	609,906	449,825	58,952	1,266,751	445,686	20,172	465,858	1,732,609	
Consultants	255	8,473	2,061	824	11,613	2,683	0	2,683	14,296	
Professional fees	170	4,056	8,432	11,759	24,417	6,798	0	6,798	31,215	
Supplies	1,560	6,943	4,819	2,179	15,501	4,338	0	4,338	19,839	
Telephone	125	1,646	937	852	3,560	735	0	735	4,295	
Postage and shipping	2,477	5,625	8,009	1,705	17,816	2,182	0	2,182	19,998	
Occupancy	13,663	21,826	45,081	25,642	106,212	35,531	0	35,531	141,743	
Equipment expense	988	9,686	5,812	2,278	18,764	3,811	0	3,811	22,575	
Printing and publications	6,462	18,495	60,654	908	86,519	4,453	0	4,453	90,972	
Insurance	567	2,944	3,428	1,125	8,064	2,908	0	2,908	10,972	
Conferences and meetings	144	1,452	2,408	1,012	5,016	9,771	0	9,771	14,787	
Dues and licenses	0	1,409	50	0	1,459	15,629	0	15,629	17,088	
Training	528	4,480	249	190	5,447	1,613	0	1,613	7,060	
Direct services	0	259,830	435,029	23,968	718,827	0	0	0	718,827	
Miscellaneous	36	346	1,361	125	1,868	11,797	0	11,797	13,665	
Total before depreciation	175,043	957,117	1,028,155	131,519	2,291,834	547,935	20,172	568,107	2,859,941	
Depreciation	842	6,550	7,921	1,445	16,758	6,852	0	6,852	23,610	
Totals	\$ 175,885	\$ 963,667	\$ 1,036,076	\$ 132,964	\$ 2,308,592	\$ 554,787	\$ 20,172	\$ 574,959	\$ 2,883,551	

Community Action Partnership of Suburban Hennepin

Schedule B-2

Schedule of Functional Expenses

Year Ended December 31, 2007

	Program Services					Supporting Services					Total
	Community Development	Housing Services	Energy Assistance	Other	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Total		
Salaries	\$ 73,544	\$ 251,573	\$ 298,289	\$ 49,721	\$ 673,127	\$ 392,806	\$ 28,168	\$ 420,974	\$ 1,094,101		
Taxes and benefits	19,326	81,540	66,152	22,417	189,435	105,659	5,749	111,408	300,843		
Staff travel and expenses	2,845	5,353	1,990	1,932	12,120	3,823	0	3,823	15,943		
Total salaries and related	95,715	338,466	366,431	74,070	874,682	502,288	33,917	536,205	1,410,887		
Consultants	0	1,811	1,576	294	3,681	2,941	0	2,941	6,622		
Professional fees	20,000	401	9,563	23,353	53,317	5,362	0	5,362	58,679		
Supplies	4,555	3,804	2,805	1,093	12,257	5,583	0	5,583	17,840		
Telephone	7	1,621	781	1,038	3,447	1,505	0	1,505	4,952		
Postage and shipping	440	1,928	7,735	2,238	12,341	1,626	49	1,675	14,016		
Occupancy	9,710	8,243	39,589	21,197	78,739	27,315	0	27,315	106,054		
Equipment expense	5,323	7,590	11,963	2,031	26,907	6,269	0	6,269	33,176		
Printing and publications	5,664	3,576	51,614	1,210	62,064	5,336	0	5,336	67,400		
Insurance	(159)	1,736	384	366	2,327	3,397	0	3,397	5,724		
Conferences and meetings	0	1,348	1,351	530	3,229	5,631	279	5,910	9,139		
Dues and licenses	0	799	302	61	1,162	28,205	0	28,205	29,367		
Training	618	4,312	783	150	5,863	1,269	0	1,269	7,132		
Direct services	25,000	135,391	37	41,109	201,537	88	0	88	201,625		
Emergency related repair	0	0	164,982	0	164,982	0	0	0	164,982		
Fuel fund	0	0	44,041	0	44,041	0	0	0	44,041		
Subgrants	16,510	0	0	0	16,510	0	0	0	16,510		
Miscellaneous	125	403	1,233	448	2,209	8,232	0	8,232	10,441		
Total before depreciation	183,508	511,429	705,170	169,188	1,569,295	605,047	34,245	639,292	2,208,587		
Depreciation	26	4,304	8,244	1,390	13,964	4,938	0	4,938	18,902		
Totals	\$ 183,534	\$ 515,733	\$ 713,414	\$ 170,578	\$ 1,583,259	\$ 609,985	\$ 34,245	\$ 644,230	\$ 2,227,489		

See Independent Auditor's Report.

Community Action Partnership of Suburban Hennipen

Schedule C
 Schedule of Fiscal Agent Activities
 Year Ended December 31, 2008

	Gifts for Seniors	Real Co-op	Total
Receipts			
Grants	\$ 11,929	0	\$ 11,929
Other income	(224)	0	(224)
Total receipts	11,705	0	11,705
Disbursements			
Professional fees	6	0	6
Occupancy cost	1,200	0	1,200
Client services	4,500	0	4,500
Contracted services	781	0	781
Communcations	596	0	596
Equipment	348	0	348
Printing and publication	250	0	250
Supplies	443	0	443
Miscellaneous	1,597	75	1,672
Total disbursements	9,721	75	9,796
Excess revenue (expenses)	1,984	(75)	1,909

The above revenue and expense information is not included in the statement of activities as it represents fiscal agent activity.



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

Board of Directors
Community Action Partnership of Suburban Hennepin
Hopkins, Minnesota

We have audited the financial statements of Community Action Partnership of Suburban Hennepin (a nonprofit organization) as of and for the year ended December 31, 2008, and have issued our report thereon dated March 6, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Action Partnership of Suburban Hennepin's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Partnership of Suburban Hennepin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Suburban Hennepin's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Partnership of Suburban Hennepin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 123108-01.

Community Action Partnership of Suburban Hennepin's response to the finding identified in the audit is described in the accompanying schedule of findings and questioned costs. We did not audit Community Action Partnership of Suburban Hennepin's response, and accordingly, we express no opinion on it.

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


Wipfli LLP

March 6, 2009
Madison, Wisconsin



Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Directors
Community Action Partnership of Suburban Hennepin
Hopkins, Minnesota

Compliance

We have audited the compliance of Community Action Partnership of Suburban Hennepin (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2008. Community Action Partnership of Suburban Hennepin's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable of its major federal program is the responsibility of Community Action Partnership of Suburban Hennepin's management. Our responsibility is to express an opinion on Community Action Partnership of Suburban Hennepin's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 Community Action Partnership of Suburban Hennepin's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Community Action Partnership of Suburban Hennepin's compliance with those requirements.

In our opinion, Community Action Partnership of Suburban Hennepin complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The management of Community Action Partnership of Suburban Hennepin is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Community Action Partnership of Suburban Hennepin's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Community Action Partnership of Suburban Hennepin's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of federal and state programs on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the ability to administer federal programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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


Wipfli LLP

March 6, 2009
Madison, Wisconsin

Community Action Partnership of Suburban Hennepin

Schedule of Findings and Questioned Costs

A. Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Community Action Partnership of Suburban Hennepin.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. One instance of noncompliance material to the financial statements of Community Action Partnership of Suburban Hennepin was disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award program as reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for Community Action Partnership of Suburban Hennepin expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award program for Community Action Partnership of Suburban Hennepin.
7. The program tested as a major program was the Department of Health and Human Services (DHHS), LIHEAP Program, CFDA #93.568.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Community Action Partnership of Suburban Hennepin was determined to be a low-risk auditee.

Community Action Partnership of Suburban Hennepin

Schedule of Findings and Questioned Costs

B. Findings - Financial Statements Audit

Finding:

CASH MANAGEMENT (123108-01)

Condition

During the audit, Wipfli LLP noted that Community Action Partnership of Suburban Hennepin requested and received funds from the Minnesota Department of Human Services for the Transitional Housing program in excess of costs incurred. The Transitional Housing program is a cost reimbursement program whereby funds are to be requested based on actual expenditures incurred. At December 31, 2008, Community Action Partnership of Suburban Hennepin had \$6,339 of excess cash on hand related to this grant.

Criteria

The grant award stipulates that the grantee have a system that ensures the timing and amount of cash received is as close as administratively feasible to the actual disbursement of program costs.

Effect

In this instance, by requesting and receiving funds in excess of costs incurred, Community Action Partnership of Suburban Hennepin is not in compliance with the cash management requirements of the Transitional Housing program.

Recommendation

We recommend Community Action Partnership of Suburban Hennepin abide by the systems it has in place to ensure funds are not drawn in excess of immediate needs unless approved by the funding source.

Auditee Response to Current Year Finding

We have had, and continue to have, very strong financial systems in place to ensure that funds are never mishandled. In the case that is cited with the drawdown of Transitional Housing funds, our processes ensured that we remained fully in compliance with our duty to ensure that the amount of cash received was as close as administratively feasible to the actual disbursements that would be required by program costs. Moreover, our processes properly ensured that multi-level oversight ensued and that funds were never put at risk of loss or improper use.

Community Action Partnership of Suburban Hennepin

Schedule of Findings and Questioned Costs

C. Findings and Questioned Costs - Major Federal Award Programs Audit

Questioned Costs: None

Finding: None

D. Prior Year Findings - Financial Statements Audit

Finding:

CASH MANAGEMENT (123107-01)

Condition

During the audit, Wipfli LLP noted that Community Action Partnership of Suburban Hennepin requested and received funds from the Minnesota Department of Human Services for the Minnesota Community Action Grant program in excess of costs incurred. The Minnesota Community Action Grant program is a cost reimbursement program whereby funds are to be requested based on actual expenditures incurred. At December 31, 2007, Community Action Partnership of Suburban Hennepin had \$296,304 of excess cash on hand related to this grant.

Criteria

The grant award stipulates that the grantee have a system that ensures the timing and amount of cash received is as close as administratively feasible to the actual disbursement of program costs.

Effect

In this instance, by requesting and receiving funds in excess of costs incurred, Community Action Partnership of Suburban Hennepin is not in compliance with the cash management requirements of the Minnesota Community Action Grant program.

Recommendation

We recommend Community Action Partnership of Suburban Hennepin abide by the systems it has in place to ensure funds are not drawn in excess of immediate needs unless approved by the funding source.

Community Action Partnership of Suburban Hennepin

Schedule of Findings and Questioned Costs

D. Prior Year Findings - Financial Statements Audit (Continued)

Auditee Response to Prior Year Finding

We have had, and continue to have, very strong financial systems in place to ensure that funds are never mishandled. In the case that is cited with the drawdown of Minnesota Community Action Grant funds, our processes ensured that we remained fully in compliance with our duty to ensure that the amount of cash received was as close as administratively feasible to the actual disbursements that would be required by program costs. Moreover, our processes properly ensured that multi-level oversight ensued and that funds were never put at risk of loss or improper use.

Current year status

Community Action Partnership of Suburban Hennepin drew down funds in the current year in excess of expenses. The 123107-01 finding was not resolved.