

LYNCHBURG COMMUNITY ACTION GROUP, INC

Financial Statements and Supplementary Data

DECEMBER 31, 2011

(WITH INDEPENDENT AUDITORS' REPORT)

LYNCHBURG COMMUNITY ACTION GROUP, INC

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Member: American Institute of CPA's

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Lynchburg Community Action Group, Inc.

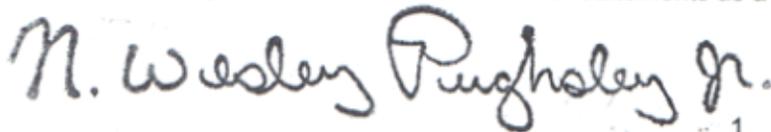
I have audited the accompanying statement of financial position of Lynchburg Community Action Group, Inc. (a nonprofit organization) as of December 31, 2011 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on our audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lynchburg Community Action Group, Inc. December 31, 2011, and the changes in its net assets¹ and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 30, 2012, on my consideration of Lynchburg Community Action Group, Inc.'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 my 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* and should be considered in assessing the results of our audit.

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



April 30, 2012

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**LYNCHBURG COMMUNITY ACTION GROUP, INC
COMBINED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011**

ASSETS

CURRENT ASSETS

Cash in bank	\$ 178,127
Grants receivable	566,978
Inventory	24,825
Prepaid expenses and other assets	<u>25,641</u>

Total Current Assets 795,571

PROPERTY AND EQUIPMENT

Land	159,200
Building	710,800
Building improvements	93,908
Less: Accumulated Depreciation	<u>(187,271)</u>

Net Property and Equipment 776,637

TOTAL ASSETS 1,572,208

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	117,558
Accrued annual leave	96,721
Advances	38,596
Accrued salaries	50,689
Deferred revenue	215,494
Line of credit	85,000
Current portion of debt	<u>19,874</u>

Total Current Liabilities 623,932

LONG-TERM LIABILITIES

Notes payable	<u>605,035</u>
---------------	----------------

Total Long-Term Liabilities 605,035

Total Liabilities 1,228,967

NET ASSETS

Unrestricted	339,830
Temporarily restricted	<u>3,411</u>

Total Net assets 343,241

TOTAL LIABILITIES AND NET ASSETS \$ 1,572,208

See accompanying notes to financial statements

LYNCHBURG COMMUNITY ACTION GROUP, INC

**COMBINED STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS**

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL AGENCY</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ -	5,329,249	5,329,249
Interest income	101	7	108
Rental income	71,230	-	71,230
Contributions	674	645	1,319
Program income	251,405	76,552	327,957
In-kind revenue	-	777,144	777,144
Net assets released from restrictions	<u>6,365,279</u>	<u>(6,365,279)</u>	<u>-</u>
Total support and revenue	<u>6,688,689</u>	<u>(181,682)</u>	<u>6,507,007</u>
<u>EXPENDITURES</u>			
Personnel	2,428,163	-	2,428,163
Fringe benefits	770,571	-	770,571
Contractual	732,301	-	732,301
Travel	37,376	-	37,376
Space	410,841	-	410,841
Telephone	47,774	-	47,774
Vehicle maintenance	118,590	-	118,590
Insurance	58,578	-	58,578
Consumable supplies	92,439	-	92,439
Cost of materials	73,213	-	73,213
Food cost	223,121	-	223,121
Rental, lease, or purchase of equipment	39,228	-	39,228
Other direct cost	331,430	-	331,430
Interest expense	53,191	-	53,191
Indirect costs	294,301	-	294,301
Depreciation expense	27,752	-	27,752
In-kind expense	<u>777,145</u>	<u>-</u>	<u>777,145</u>
Total expenditures	<u>6,516,014</u>	<u>-</u>	<u>6,516,014</u>
Changes in net assets	172,675	(181,682)	(9,007)
Net assets, beginning	279,666	34,022	313,688
Prior Period Adjustment	38,560	-	38,560
Transfers	<u>(151,071)</u>	<u>151,071</u>	<u>-</u>
Net asset, ending	<u>\$ 339,830</u>	<u>3,411</u>	<u>343,241</u>

See accompanying notes to financial statements

LYNCHBURG COMMUNITY ACTION GROUP, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ <u>9,007</u>
Adjustments to reconcile Net Income (Loss) to net cash provided by operating activities	
Decrease (Increase) in Assets:	
Depreciation	27,752
Grants receivable	314,957
Accounts receivable	187
Inventory	(9,514)
Prepaid expenses	(5,335)
Increase (Decrease) in Liabilities:	
Accounts Payable	35,930
Advances	(20,126)
Deferred Revenue	(231,245)
Accrued liabilities	<u>(1,911)</u>
Total Adjustments	<u>110,695</u>
Net Cash Provided By (Used In) Operating Activities	119,702

CASH FLOWS FROM FINANCING ACTIVITIES

Principle payments on debt	<u>(32,966)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(32,966)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	86,736
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>109,405</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>\$ 196,141</u></u>

Supplemental Cash Flow Information

Cash paid for interest during the year ended December 31, 2011 was \$54,739.

For purposes of the Statement of Cash Flows, LYN-CAG considers all cash on hand, checking, savings and certificate of deposit accounts to be cash or cash equivalents.

Noncash Activities

For the year ended December 31, 2011, LYN-CAG had depreciation expense in the amount of \$27,418.

See accompanying notes to financial statements

LYNCHBURG COMMUNITY ACTION GROUP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

1. Summary of Significant Policies

- (a) Organization** - Lynchburg Community Action Group, Inc. (LYN-CAG) is a non-profit corporation organized to carry out community action programs which are generally funded by revenue from agency programs and grants from local, state and federal agencies. Such grants usually requires compliance with prescribed grant conditions and other special requirements, including the furnishing of certain amounts of cash or noncash contributions.
- (b) Income Tax** - LYN-CAG is a non-profit corporation exempt from federal income tax under the provisions of section 501 (c) 3 of the Internal Revenue Code; it had no unrelated business income subject to federal income tax under Section 511 of the Internal Revenue Code.
- (c) Basis of Accounting** - LYN-CAG follows the modified accrual basis of accounting during the year and the accrual basis of accounting for financial statement presentation.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). Under FASB, LYN-CAG is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily and permanently restricted net assets.

*The Current Unrestricted Fund is used to account for all resources over which the Board of Directors has discretionary control, except those unrestricted assets invested in land, building and equipment.

*Temporarily Restricted Funds are used to account for amounts restricted by donors for operating purposes and include income from endowments restricted by donors for such purposes.

- (d) Transfers Between Funds** - Transfers are made between the Indirect Cost Plan and various grants administered by LYN-CAG for payroll and administrative expenses.
- (e) Inventory** - Inventory is valued at the lower of cost (first in, first out basis) or market.
- (f) Recording of Grant Revenue** - LYN-CAG recognizes support from its cost reimbursement grants as costs are incurred
- (g) In-kind Contributions and Expenditures** - Donated services are valued at rates consistent with those regular rates paid for similar work within the agency. Donated contractual services are valued at the contractors' normal rates. Donated materials are valued at their estimated fair market value at the date of receipt. Donated space is valued at the fair rental value of comparable space in the area.
- (h) Depreciation Allowance** - As per OMB Circular A-122, Attachment B, Paragraphs 9(e)

(Continued)

LYNCHBURG COMMUNITY ACTION GROUP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

and 42(c), LYN-CAG may not charge rent to federal programs in excess of depreciation expense. Depreciation is based on the cost of the building purchased by 926 Commerce St. For space use allowance purposes, the estimated useful life of the building is ten (10) years. LYN-CAG was in compliance with the above paragraphs of the circular at December 31, 2011.

- (i) **Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (j) **Net assets released from restrictions** - Net assets released from restrictions is the mechanism used to decrease temporarily restricted net assets, when restrictions are met, and increase unrestricted net assets. For report purposes, all grant revenue received with restrictions are shown as temporarily restricted regardless if the restrictions are met. If the restrictions are met during the audit period, net assets released from restrictions is decreased for temporarily restricted net assets and unrestricted net assets is increased. This is a truer picture as to the flow of temporarily restricted net assets from restricted to unrestricted.

2. Protection of Deposits - At year-end, all of the agency's bank deposits were with banks with federal depository insurance. None of the individual bank balances were over the coverage limits.

3. Line of Credit - LYN-CAG has a \$100,000 line of credit with SunTrust Bank. At December 31, 2011 the balance on the line of credit was \$85,000. LYN-CAG has no credit available for use.

4. Long Term Debt - 6.59% note payable to SunTrust Bank, dated August 14, 2009. Monthly payments of \$5,031 of principal and interest are due through July 14, 2014. A final payment equal to unpaid principal and interest and any other amounts is due on August 14, 2014. Secured by deed of trust on office buildings located in Lynchburg, Virginia.

	\$ 624,909
Less current portion	(19,874)
Long-term debt	\$ 605,035

The aggregate principal payments follows:

<u>YEAR</u>	<u>PRINCIPAL PAYMENT</u>
2012	\$ 19,874
2013	21,228
2014	14,988
Later years	568,819
Total	\$ 624,909

(Continued)

LYNCHBURG COMMUNITY ACTION GROUP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

5. Grants Receivable - Grants receivable consists of the following:

Head Start	2,306
Project Discovery	6,020
USDA	106,461
CHDO	29,816
United Way	28,681
VACARES	24,797
Neighborhood Stabilization Grant	71,744
Section 8 Program	5,625
CSBG	48,365
HOPWA	7,586
Foreclosure Mitigation	22,030
DOE Stimulus	213,036
Other	<u>511</u>
 Total	 <u><u>\$ 566,978</u></u>

6. Fixed Assets - Fixed assets purchased with grant funds are recorded as expense at the time of purchase as required for reporting to the funding agencies. Fixed assets purchased with agency funds are depreciated over their estimated useful lives.

7. Pension Plan - LYN-CAG has a 401(K) plan for employees over age eighteen who have at least one year of service and 1,000 hours of service with the corporation. LYN-CAG contributes 6% of gross salaries to the plan for its employees. The trustee of the plan is the American Funds located in Norfolk, Virginia. LYN-CAG's contribution on behalf of its employees amounted to \$146,365 for the year ended December 31, 2011.

8. Deferred Revenue - Deferred revenue consists of the following:

Head Start	177,406
Homeless Prevention Grant	6,351
Tax Preparation Grant	8,145
FEMA	7,400
Wells Fargo Foreclosure Mitigation	10,000
Housing Counseling Grant	3,919
Other	<u>2,273</u>
 Total	 <u><u>\$ 215,494</u></u>

9. Lease Agreements - LYN-CAG entered into a lease agreement with the City of Lynchburg to use the White Rock School Property for the Head Start Program. The lease is a year to year lease which requires LYN-CAG to pay one dollar each year for use of the facility.

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LYNCHBURG COMMUNITY ACTION GROUP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

10. Other Costs - Other costs consist of the following:

Advertising, Printing, Publications and Subscriptions	\$	9,186
Licenses and Permits		5,667
Parent Activities & Field Trips		2,738
Client Assistance - All Programs		210,480
Dues		9,580
Memberships		2,783
Child Care		1,672
Head Start Component Expenses (ie Education, Social, Nutrition etc.)		52,498
Recording Cost		2,682
Meeting Expense		2,424
Fiscal Management		26,974
Technical Assistance		3,093
Student Activities		1,503
Property Acquisitions		150
Total	\$	331,430

11. Cost Allocation - The following is a summary of significant cost allocation policies and results used in the preparation of the audited financial statements. Cost allocation operates in accordance with an Indirect Cost Proposal developed annually and approved by the Department of Health and Human Services (DHHS). The Proposal identifies shared costs and the financial bases for cost-sharing. The concepts in the Proposal were used by the accounting system and produced the following actual results for the fiscal year.

a. Indirect Cost - Indirect costs consist of salaries and fringe benefits of the central organization personnel who perform management and administrative functions necessary and beneficial to all activities. Also included are joint or common costs supporting all programs, or the central administrative portions of these costs. The classification of costs conforms to the organization's Indirect Cost Proposal for the year in which a 11.9% (.119) Provisional Indirect Cost Rate was negotiated for budget purposes.

<u>ACCOUNT DESCRIPTION</u>	<u>INDIRECT COSTS</u>
Management and Administrative Salaries	\$ 195,979
Fringe Benefits	71,638
Contractual	23,052
Printing and advertising	33
Equipment rental	932
Office supplies	671
Postage	298
Rent and space cost	27,238

(Continued)

LYNCHBURG COMMUNITY ACTION GROUP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

11. Cost Allocation - (Continued)

Vehicle expense	589	
Software	1,154	
Travel	2,786	
Other costs	<u>2,217</u>	
Total Indirect Costs	<u>326,587</u>	
Less-Indirect costs above amount allowed	<u>(32,286)</u>	
Total Allocated to Programs	<u><u>\$ 294,301</u></u>	

ALLOCATION BASE:

\$ 2,473,117 Direct Salary Base

Indirect Costs were accumulated in an organization pool and distributed to activities/programs based on year-to-date direct salaries in conformance with the organization's Indirect Cost Proposal. Actual Indirect Costs and the final rate for the year ended December 31, 2011 are as follows:

Indirect Cost Rate (Final):

Indirect Cost	\$ <u>294,301</u>	
Base	\$ 2,473,117	0.119

12. Contingent Liabilities - Grant funds are subject to audit by the funding agencies to determine compliance with various grant requirements. Should any expenditures be disallowed, they must be refunded the granting agency.

13. Concentration of Grants - Approximately 59% of the Agency's funding is provided by grants from the Department of Health and Human Services's Head Start Program. The Agency's ability to continue operating in its current state in the absence of the Head Start Program has not been determined.

14. Subsequent Events - In preparing the financial statements, the Agency has evaluated all subsequent events, for potential recognition or disclosure, through June 1, 2012, the date the financial statements were available to be issued.

15. Prior Period Adjustment - Prior period adjustments relates to the proper recording of building improvements to Galleria Building in the prior year.

Had the above transactions been recorded properly in the prior year, net assets would have increased by \$38,560

(Continued)

SUPPLEMENTARY DATA

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 1

SCHEDULE OF AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2011

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
<u>MAJOR PROGRAMS</u>		
DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)		
Head Start	93.600	\$ 3,048,804
Passed Through the Virginia Department of Social Services		
Community Services Block Grant	93.667	359,713
Temporary Assistance for Needy Families (TANF)	93.558	23,885
Passed Through the Virginia Department of Housing & Community Development		
Weatherization Assistance for Low-Income Persons	81.042	557,745
Low Income Home Energy Assistance Program (LIHEAP)	93.568	16,271
<u>OTHER FEDERAL ASSISTANCE</u>		
Passed Through the City of Lynchburg		
Community Development Block Grant	14.218	49,491
Home Investment Partnership Program (HOME)	14.239	38,916
DEPARTMENT OF AGRICULTURE		
USDA Reimbursement (Child Care Food Program)	10.558	333,184
Passed Through the Virginia Department of Housing & Community Development		
Indoor Plumbing Rehabilitation Loan Program	14.218	3,880
Housing Opportunities for Persons with Aids (HOPWA)	14.241	39,347
Homeless Prevention and Rapid Rehousing Program	14.257	13,536
FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)		
	97.024	14,929
Passed Through the Virginia Housing Development Authority		
Section 8 Program	14.195	57,493
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Neighborhood Stabilization Program	14.256	113,757
Supportive Housing Grant (Family Living Center)	14.235	<u>69,120</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 4,740,071</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 1

SCHEDULE OF AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE A -- BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of LYN-CAG 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".

The accompanying notes are an integral part of these financial statements.

LYNCHBURG COMMUNITY ACTION GROUP, INC
FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEAD START

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

FOR THE ELEVEN MONTHS ENDED
NOVEMBER 30, 2011

	PART DAY/ <u>DISABLED</u>	<u>TRAINING</u>	ELEVEN MONTHS <u>TOTAL</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 2,715,333	40,073	2,755,406
Program income	1,000	-	1,000
Interest income	6	-	6
In-kind revenue	<u>777,144</u>	<u>-</u>	<u>777,144</u>
Total support and revenue	<u>3,493,483</u>	<u>40,073</u>	<u>3,533,556</u>
<u>EXPENDITURES</u>			
Personnel	1,491,960	1,332	1,493,292
Fringe benefits	455,512	471	455,983
Contractual	101,993	-	101,993
Travel	8,337	175	8,512
Space	220,540	-	220,540
Telephone	27,313	-	27,313
Vehicle maintenance	90,526	-	90,526
Insurance	30,052	-	30,052
Consumable supplies	48,870	-	48,870
Food cost	26,510	-	26,510
Rental, lease, or purchase of equipment	8,148	-	8,148
Other direct cost	29,035	37,938	66,973
Indirect costs	177,543	157	177,700
In-kind expense	<u>777,144</u>	<u>-</u>	<u>777,144</u>
Total expenditures	<u>3,493,483</u>	<u>40,073</u>	<u>3,533,556</u>
Changes in net assets	-	-	-
Net assets, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

SCHEDULE 2

FOR THE ONE MONTH ENDED
DECEMBER 31, 2011

<u>PART DAY/ DISABLED</u>	<u>TRAINING</u>	<u>ONE MONTH TOTAL</u>	<u>TOTAL (MEMO ONLY)</u>
290,086	2,306	292,392	3,047,798
-	-	-	1,000
-	-	-	6
-	-	-	<u>777,144</u>
<u>290,086</u>	<u>2,306</u>	<u>292,392</u>	<u>3,825,948</u>
176,942	-	176,942	1,670,234
56,416	-	56,416	512,399
806	-	806	102,799
867	-	867	9,379
16,393	-	16,393	236,933
760	-	760	28,073
10,207	-	10,207	100,733
3,548	-	3,548	33,600
1,912	-	1,912	50,782
542	-	542	27,052
-	-	-	8,148
636	2,306	2,942	69,915
21,057	-	21,057	198,757
-	-	-	<u>777,144</u>
<u>290,086</u>	<u>2,306</u>	<u>292,392</u>	<u>3,825,948</u>
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 3

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

CHILD CARE FOOD PROGRAM (USDA)

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>SEPTEMBER 30,</u>	<u>SEPTEMBER 30,</u>	<u>(MEMO</u>
	<u>2011</u>	<u>2012</u>	<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 226,723	106,461	333,184
Total support and revenue	<u>226,723</u>	<u>106,461</u>	<u>333,184</u>
<u>EXPENDITURES</u>			
Personnel	61,747	20,910	82,657
Fringe benefits	20,680	7,177	27,857
Space	1,402	1,445	2,847
Consumable supplies	3,821	10,098	13,919
Food costs	131,725	64,343	196,068
Indirect cost	<u>7,348</u>	<u>2,488</u>	<u>9,836</u>
Total expenditures	<u>226,723</u>	<u>106,461</u>	<u>333,184</u>
Changes in net assets	-	-	-
Net assets, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 4

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE VIRGINIA DEPARTMENT OF SOCIAL SERVICES

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>CSBG</u>		
	<u>GRANT YEAR ENDING</u>		
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>TOTAL</u>
	<u>2011</u>	<u>2012</u>	<u>(MEMO</u>
			<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 188,404	171,309	359,713
Total support and revenue	<u>188,404</u>	<u>171,309</u>	<u>359,713</u>
<u>EXPENDITURES</u>			
Personnel	124,072	68,715	192,787
Fringe benefits	43,587	24,894	68,481
Contractual	57,655	3,571	61,226
Travel	2,392	-	2,392
Space	33,513	23,141	56,654
Telephone	6,159	4,374	10,533
Vehicle maintenance	508	39	547
Insurance	7,541	11,089	18,630
Consumable supplies	4,557	1,326	5,883
Cost of materials	128	-	128
Rental, lease or purchase of equipment	4,198	4,781	8,979
Other direct cost	-	12,739	12,739
Indirect cost	<u>14,765</u>	<u>8,186</u>	<u>22,951</u>
Total expenditures	<u>299,075</u>	<u>162,855</u>	<u>461,930</u>
Changes in net assets	(110,671)	8,454	(102,217)
Net assets, beginning	-	-	-
Transfers	<u>110,671</u>	<u>(8,454)</u>	<u>(102,217)</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 5

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE VIRGINIA DEPARTMENT OF SOCIAL SERVICES
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>TOTAL TANF</u>
	<u>JUNE 30, 2011</u>	<u>JUNE 30, 2012</u>	
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ -	21,448	21,448
Total support and revenue	<u>-</u>	<u>21,448</u>	<u>21,448</u>
<u>EXPENDITURES</u>			
Personnel	-	11,297	11,297
Fringe benefits	-	4,023	4,023
Telephone	34	-	34
Rental, lease or purchase			
Other direct cost	2,403	4,784	7,187
Indirect cost	-	1,344	1,344
Total expenditures	<u>2,437</u>	<u>21,448</u>	<u>23,885</u>
Changes in net assets	(2,437)	-	(2,437)
Net assets, beginning	-	-	-
Transfers	<u>2,437</u>	<u>-</u>	<u>2,437</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
CITY OF LYNCHBURG
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 6

	<u>HOUSING</u> <u>2011-2012</u>
<u>SUPPORT AND REVENUE</u>	
Grant funds	\$ <u>49,491</u>
Total support and revenue	<u>49,491</u>
<u>EXPENDITURES</u>	
Contractual	<u>49,491</u>
Total expenditures	<u>49,491</u>
Changes in net assets	-
Net assets, beginning	<u>-</u>
Net asset, ending	<u><u>\$ -</u></u>

LYNCHBURG COMMUNITY ACTION GROUP, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
CITY OF LYNCHBURG
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 7

	HOME GRANT <u>2011</u>
<u>SUPPORT AND REVENUE</u>	
Grant funds	<u>38,916</u>
Total support and revenue	<u>38,916</u>
<u>EXPENDITURES</u>	
Contractual	<u>38,916</u>
Total expenditures	<u>38,916</u>
Changes in net assets	-
Net assets, beginning	4,710
Transfers	<u>(4,710)</u>
Net asset, ending	<u><u>-</u></u>

LYNCHBURG COMMUNITY ACTION GROUP, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
CITY OF LYNCHBURG
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 8

	CHDO <u>2010</u>
<u>SUPPORT AND REVENUE</u>	
Grant funds	\$ <u>162,188</u>
Total support and revenue	<u>162,188</u>
<u>EXPENDITURES</u>	
Contractual	161,592
Other direct cost	<u>596</u>
Total expenditures	<u>162,188</u>
Changes in net assets	-
Net assets, beginning	<u>-</u>
Net asset, ending	<u><u>\$ -</u></u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 9

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

CHDO ROLLOVER PROJECTS

FOR THE YEAR ENDED DECEMBER 31, 2011

SUPPORT AND REVENUE

Grant funds \$ 6,200

Total support and revenue 6,200

EXPENDITURES

Contractual 6,200

Total expenditures 6,200

Changes in net assets -

Net assets, beginning -

Net asset, ending \$ -

LYNCHBURG COMMUNITY ACTION GROUP, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
STATE SHELTER GRANT
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 10

	<u>ENDING</u> <u>JUNE 30,</u> <u>2012</u>
<u>SUPPORT AND REVENUE</u>	
Grant funds	\$ <u>28,180</u>
Total support and revenue	<u>28,180</u>
<u>EXPENDITURES</u>	
Personnel	19,509
Fringe benefits	6,290
Space	59
Indirect cost	<u>2,322</u>
Total expenditures	<u>28,180</u>
Changes in net assets	-
Net assets, beginning	4,879
Transfers	<u>(4,879)</u>
Net asset, ending	<u>\$ -</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 11

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FAMILY LIVING CENTER

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2011</u>	<u>2012</u>	<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 20,992	44,665	65,657
Total support and revenue	<u>20,992</u>	<u>44,665</u>	<u>65,657</u>
<u>EXPENDITURES</u>			
Personnel	6,864	20,563	27,427
Fringe benefits	769	2,308	3,077
Contractual	863	4,695	5,558
Space	8,171	13,088	21,259
Telephone	468	1,690	2,158
Vehicle maintenance	102	245	347
Insurance	1,609	-	1,609
Consumable supplies	1,038	1,811	2,849
Cost of materials	-	75	75
Other direct cost	748	33	781
Rental, lease or purchase of equipment	40	676	716
Indirect cost	<u>817</u>	<u>2,447</u>	<u>3,264</u>
Total expenditures	<u>21,489</u>	<u>47,631</u>	<u>69,120</u>
Changes in net assets	(497)	(2,966)	(3,463)
Net assets, beginning	-	-	-
Transfer	<u>497</u>	<u>2,966</u>	<u>(3,463)</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 12

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE VIRGINIA DEPARTMENT OF HOUSING
WEATHERIZATION PROGRAMS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>LIHEAP</u>	<u>WEATHER- IZATION</u>	<u>DOE STIMULUS GRANT</u>	<u>TOTAL WEATHER- IZATION</u>
<u>SUPPORT AND REVENUE</u>				
Grant funds	\$ 16,271	1,022	539,303	556,596
Program income	-	1,100	16,320	17,420
Total support and revenue	<u>16,271</u>	<u>2,122</u>	<u>555,623</u>	<u>574,016</u>
<u>EXPENDITURES</u>				
Personnel	6,886	-	204,335	211,221
Fringe benefits	2,581	-	75,917	78,498
Contractual	666	-	116,818	117,484
Travel	149	485	13,375	14,009
Space	60	(936)	24,668	23,792
Telephone	-	499	868	1,367
Vehicle maintenance	913	(654)	11,219	11,478
Consumable supplies	166	-	4,794	4,960
Cost of materials	3,970	1,591	66,869	72,430
Rental, lease or purchase of equipment	36	1,137	12,016	13,189
Other direct cost	25	-	428	453
Indirect cost	819	-	24,316	25,135
Total expenditures	<u>16,271</u>	<u>2,122</u>	<u>555,623</u>	<u>574,016</u>
Changes in net assets	-	-	-	-
Net assets, beginning	-	(10)	-	(10)
Transfers	-	10	-	10
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 13

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
HUD HOUSING COUNSELING GRANT

FOR THE YEAR ENDED DECEMBER 31, 2011

	NATIONAL FORECLOSURE COUNSELING <u>2011</u>	NATIONAL FORECLOSURE COUNSELING <u>2012</u>	HOUSING COUNSELING GRANT <u>2011</u>	HOUSING COUNSELING GRANT <u>2012</u>	TOTAL (MEMO ONLY) <u></u>
<u>SUPPORT AND REVENUE</u>					
Grant funds	\$ 2,281	18,720	39,916	2,331	63,248
Total support and revenue	<u>2,281</u>	<u>18,720</u>	<u>39,916</u>	<u>2,331</u>	<u>63,248</u>
<u>EXPENDITURES</u>					
Personnel	1,587	13,175	22,797	627	38,186
Fringe benefits	505	4,687	7,294	226	12,712
Contractual	-	1,008	345	-	1,353
Travel	-	-	2,299	881	3,180
Space	-	5,411	1,535	-	6,946
Telephone	-	16	1,458	282	1,756
Vehicle maintenance	-	-	256	-	256
Consumable supplies	-	563	794	215	1,572
Cost of materials	-	10	-	-	10
Rental, lease or purchase of equipment	-	736	257	-	993
Other direct cost	-	-	166	25	191
Indirect cost	189	1,568	2,715	75	4,547
Total expenditures	<u>2,281</u>	<u>27,174</u>	<u>39,916</u>	<u>2,331</u>	<u>71,702</u>
Changes in net assets	-	(8,454)	-	-	(8,454)
Net assets, beginning	(42)	-	-	-	(42)
Transfer	<u>42</u>	<u>8,454</u>	<u>-</u>	<u>-</u>	<u>8,496</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 14

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

PROJECT DISCOVERY

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2011</u>	<u>2012</u>	<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 10,377	18,969	29,346
Total support and revenue	<u>10,377</u>	<u>18,969</u>	<u>29,346</u>
<u>EXPENDITURES</u>			
Personnel	6,798	12,337	19,135
Fringe benefits	2,455	4,428	6,883
Contractual	89	-	89
Travel	-	340	340
Space	30	45	75
Vehicle maintenance	7	193	200
Consumable supplies	189	43	232
Rental. lease or purchase			
Other direct cost	-	115	115
Indirect cost	809	1,468	2,277
Total expenditures	<u>10,377</u>	<u>18,969</u>	<u>29,346</u>
Changes in net assets	-	-	-
Net assets, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 15

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

SHARE HOMELESS INTERVENTION

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>FOR THE GRANT YEAR ENDING</u>		<u>HOMELESS</u>	<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>PREVENTION</u>	<u>(MEMO</u>
	<u>2011</u>	<u>2012</u>		<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>				
Grant funds	\$ 47,409	70,390	13,536	131,335
Total support and revenue	<u>47,409</u>	<u>70,390</u>	<u>13,536</u>	<u>131,335</u>
<u>EXPENDITURES</u>				
Personnel	6,020	16,206	25,170	47,396
Fringe benefits	2,138	5,829	5,768	13,735
Contractual	1,576	1,135	1,241	3,952
Travel	541	-	-	541
Space	5,880	6,667	5,998	18,545
Telephone	303	162	307	772
Vehicle maintenance	254	50	353	657
Consumable supplies	478	651	259	1,388
Cost of materials	-	10	-	10
Rental, lease, or purchase of equipment	1,268	708	1,142	3,118
Other direct cost	28,235	37,043	-	65,278
Indirect cost	716	1,929	2,984	5,629
Total expenditures	<u>47,409</u>	<u>70,390</u>	<u>43,222</u>	<u>161,021</u>
Changes in net assets	-	-	(29,686)	(29,686)
Net assets, beginning	-	-	-	-
Transfers	-	-	29,686	29,686
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 16

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

UNITED WAY GRANT

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2011</u>	<u>2012</u>	<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 19,915	66,880	86,795
Total support and revenue	<u>19,915</u>	<u>66,880</u>	<u>86,795</u>
<u>EXPENDITURES</u>			
Personnel	-	1,492	1,492
Fringe benefits	81	568	649
Contractual	1,778	812	2,590
Travel	-	1,853	1,853
Space	8,557	5,159	13,716
Telephone	15	12	27
Vehicle maintenance	20	112	132
Insurance	527	-	527
Consumable supplies	1,774	1,279	3,053
Cost of materials	-	30	30
Food costs	1	-	1
Rental, lease or purchase of equipment	-	558	558
Other direct cost	4,659	46,591	51,250
Interest expense	2,503	2,337	4,840
Indirect cost	-	178	178
Total expenditures	<u>19,915</u>	<u>60,981</u>	<u>80,896</u>
Changes in net assets	-	5,899	5,899
Net assets, beginning	968	-	968
Transfers	<u>(968)</u>	<u>(5,899)</u>	<u>(6,867)</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 17

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT GRANTS
(INDOOR PLUMBING REHABILITATION LOAN PROGRAM)

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>PROGRAM</u> <u>INCOME</u>	<u>TOTAL</u> <u>(MEMO</u> <u>ONLY)</u>
	<u>JUNE 30,</u> <u>2009</u>	<u>JUNE 30,</u> <u>2011</u>		
<u>SUPPORT AND REVENUE</u>				
Grant funds	\$ 380	3,500	-	3,880
Program income	<u>13,517</u>	<u>7,000</u>	<u>11,321</u>	<u>31,838</u>
Total support and revenue	<u>13,897</u>	<u>10,500</u>	<u>11,321</u>	<u>35,718</u>
<u>EXPENDITURES</u>				
Contractual	9,614	10,500	11,321	31,435
Travel	2,413	-	-	2,413
Space	845	-	-	845
Rental, lease or purchase				
Other direct cost	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>1,025</u>
Total expenditures	<u>13,897</u>	<u>10,500</u>	<u>11,321</u>	<u>35,718</u>
Changes in net assets	-	-	-	-
Net assets, beginning	5,511	-	-	5,511
Transfers	<u>(5,511)</u>	<u>-</u>	<u>-</u>	<u>(5,511)</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
EMERGENCY HOME REPAIR GRANT
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 18

SUPPORT AND REVENUE

Grant funds	\$ 8,680
	<u>8,680</u>
Total support and revenue	<u>8,680</u>

EXPENDITURES

Contractual	8,348
Space	<u>332</u>
Total expenditures	<u>8,680</u>
Changes in net assets	-
Net assets, beginning	<u>-</u>
Net asset, ending	<u>\$ -</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 19

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 VIRGINIA HOUSING DEVELOPMENT AUTHORITY
 SECTION 8 PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		
	<u>JUNE 30,</u> <u>2011</u>	<u>JUNE 30,</u> <u>2012</u>	<u>TOTAL</u> <u>SECTION 8</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 6,205	47,480	53,685
Total support and revenue	<u>6,205</u>	<u>47,480</u>	<u>53,685</u>
<u>EXPENDITURES</u>			
Personnel	4,013	25,486	29,499
Fringe benefits	1,253	9,221	10,474
Contractual	-	50	50
Travel	-	99	99
Space	1,214	2,680	3,894
Telephone	-	1,507	1,507
Vehicle maintenance	-	2,687	2,687
Insurance	1,099	1,006	2,105
Consumable supplies	845	1,310	2,155
Rental, lease or purchase of equipment	936	224	1,160
Other direct cost	175	177	352
Indirect cost	478	3,033	3,511
Total expenditures	<u>10,013</u>	<u>47,480</u>	<u>57,493</u>
Changes in net assets	(3,808)	-	(3,808)
Net assets, beginning	-	-	-
Transfers	<u>3,808</u>	<u>-</u>	<u>3,808</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 20

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 VIRGINIA HOUSING DEVELOPMENT AUTHORITY
 EMERGENCY FOOD AND SHELTER

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2011</u>	<u>2012</u>	<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 7,738	7,191	14,929
Total support and revenue	<u>7,738</u>	<u>7,191</u>	<u>14,929</u>
<u>EXPENDITURES</u>			
Other direct cost	<u>7,738</u>	<u>7,191</u>	<u>14,929</u>
Total expenditures	<u>7,738</u>	<u>7,191</u>	<u>14,929</u>
Changes in net assets	-	-	-
Net assets, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 21

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

HOPWA GRANT

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2011</u>	<u>2012</u>	<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 8,982	30,365	39,347
Total support and revenue	<u>8,982</u>	<u>30,365</u>	<u>39,347</u>
<u>EXPENDITURES</u>			
Personnel	10,602	6,021	16,623
Fringe benefits	3,772	2,206	5,978
Contractual	1	-	1
Consumable supplies	146	344	490
Rental, lease or purchase of equipment	36	-	36
Other direct cost	-	21,077	21,077
Indirect cost	1,261	717	1,978
Total expenditures	<u>15,818</u>	<u>30,365</u>	<u>46,183</u>
Changes in net assets	(6,836)	-	(6,836)
Net assets, beginning	-	-	-
Transfers	<u>6,836</u>	<u>-</u>	<u>6,836</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 22

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

VIRGINIA CARES GRANT

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2011</u>	<u>2012</u>	<u>ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 21,002	47,755	68,757
Contributions	75	-	75
Program income	<u>2,560</u>	<u>-</u>	<u>2,560</u>
Total support and revenue	<u>23,637</u>	<u>47,755</u>	<u>71,392</u>
<u>EXPENDITURES</u>			
Personnel	20,716	23,185	43,901
Fringe benefits	7,387	8,402	15,789
Contractual	-	1,081	1,081
Travel	33	-	33
Space	6,077	6,772	12,849
Telephone	513	87	600
Vehicle maintenance	1,121	366	1,487
Insurance	527	1,580	2,107
Consumable supplies	1,403	594	1,997
Cost of materials	-	58	58
Rental, lease or purchase of equipment	1,490	843	2,333
Other direct cost	-	2,033	2,033
Indirect cost	<u>2,471</u>	<u>2,754</u>	<u>5,225</u>
Total expenditures	<u>41,738</u>	<u>47,755</u>	<u>89,493</u>
Changes in net assets	(18,101)	-	(18,101)
Net assets, beginning	-	-	-
Transfers	<u>18,101</u>	<u>-</u>	<u>18,101</u>
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 23

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

ENERGY SHARE GRANT

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>ENERGY SHARE</u>	<u>FUEL ASSISTANCE</u>	<u>TOTAL (MEMO ONLY)</u>
<u>SUPPORT AND REVENUE</u>			
Grant funds	\$ 40,002	-	40,002
Contributions	-	500	500
	<hr/>	<hr/>	<hr/>
Total support and revenue	40,002	500	40,502
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
Space	1,929	-	1,929
Other direct cost	38,073	500	38,573
	<hr/>	<hr/>	<hr/>
Total expenditures	40,002	500	40,502
	<hr/>	<hr/>	<hr/>
Changes in net assets	-	-	-
Net assets, beginning	-	-	-
Transfer	-	-	-
	<hr/>	<hr/>	<hr/>
Net asset, ending	\$ -	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LYNCHBURG COMMUNITY ACTION GROUP, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
OTHER PROGRAMS

FOR THE YEAR ENDED DECEMBER 31, 2011

	NEIGHBORHOOD STABILIZATION PROGRAM	HOUSING SERVICES TRAINING GRANT	GENERAL FUND	CENTRAL VIRGINIA WORKS	TAX PREPARATION GRANT
<u>SUPPORT AND REVENUE</u>					
Grant funds	\$ 113,757	1,102	-	-	-
Interest income	-	-	101	-	-
Rental income	-	-	71,230	-	-
Contributions	-	-	674	-	-
Program income	-	-	<u>251,405</u>	-	<u>5,405</u>
Total support and revenue	<u>113,757</u>	<u>1,102</u>	<u>323,410</u>	<u>-</u>	<u>5,405</u>
<u>EXPENDITURES</u>					
Personnel	-	-	6,635	-	2,518
Fringe benefits	-	-	2,416	-	452
Contractual	108,356	-	29,500	-	1,473
Travel	-	1,023	1,496	-	335
Space	2,869	-	7,157	-	145
Telephone	-	-	946	-	-
Vehicle maintenance	-	-	68	-	-
Consumable supplies	-	-	264	-	762
Cost of materials	-	29	440	-	-
Other direct cost	2,532	50	32,969	-	(580)
Interest expense	-	-	48,351	-	-
Depreciation expense	-	-	27,752	-	-
Indirect costs	-	-	<u>6,139</u>	-	<u>300</u>
Total expenditures	<u>113,757</u>	<u>1,102</u>	<u>164,133</u>	<u>-</u>	<u>5,405</u>
Changes in net assets	-	-	159,277	-	-
Net assets, beginning	-	-	279,666	8,154	-
Prior Period Adjustment	-	-	38,560	-	-
Transfer	-	-	<u>(137,672)</u>	<u>(8,154)</u>	-
Net asset, ending	<u>\$ -</u>	<u>-</u>	<u>339,831</u>	<u>-</u>	<u>-</u>

SCHEDULE 24

<u>AFFORDABLE HOUSING</u>	<u>CNA STIMULUS GRANT</u>	<u>LYNC-IDA</u>	<u>SCHOLARSHIP FUND</u>	<u>LYNCHBURG EMPLOYMENT SERVICES PROGRAM</u>	<u>RESPONSIBLE RIDES</u>	<u>GLCT MEDICAL TECHNICIAN TRAINING</u>	<u>TOTAL (MEMO ONLY)</u>
-	-	-	15	-	-	5,000	119,874
-	-	-	-	-	-	-	101
-	-	-	-	-	-	-	71,230
-	-	-	70	-	-	-	744
-	6,662	-	2,059	9,114	495	-	275,140
-	6,662	-	2,144	9,114	495	5,000	467,089
-	3,653	-	-	3,993	-	-	16,799
-	409	-	-	449	-	-	3,726
-	129	-	-	679	-	-	140,137
-	-	-	-	-	285	-	3,139
-	-	-	-	-	-	-	10,171
-	-	-	-	-	-	-	946
-	-	-	-	1	-	-	69
-	159	-	-	1,963	8	-	3,156
-	-	-	-	-	-	-	469
-	1,878	-	1,332	1,554	202	5,000	44,937
-	-	-	-	-	-	-	48,351
-	-	-	-	-	-	-	27,752
-	434	-	-	475	-	-	7,348
-	6,662	-	1,332	9,114	495	5,000	307,000
-	-	-	812	-	-	-	160,089
6,779	-	482	2,591	-	-	-	297,672
-	-	-	-	-	-	-	38,560
(6,779)	-	(482)	-	-	-	-	(153,087)
-	-	-	3,403	-	-	-	343,234

INDEPENDENT AUDIT REPORTS

**Comments on Internal Control
and
Reports on Compliance**

**REPORT ON COMPLIANCE AND 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**

TO: Board of Directors
Lynchburg Community Action Group, Inc.
Lynchburg, Virginia

I have audited the financial statements of Lynchburg Community Action Group, Inc. as of and for the year ended December 31, 2011, and have issued my report thereon, dated April 30, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Lynchburg Community Action Group, Inc.'s financial statements are free of material misstatement, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

I noted certain matters that I reported to management of Lynchburg Community Action Group, Inc. in a separate letter dated April 30, 2012.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered Lynchburg Community Action Group, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lynchburg Community Action Group, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Lynchburg Community Action Group, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

I noted certain matters that I reported to management of Lynchburg Community Action Group, Inc. in a separate letter dated April 30, 2012.

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



N. Wesley Pughsley, Jr., CPA

N. Wesley Pughsley, Jr., CPA

Member: American Institute of CPA's

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

TO: The Board of Directors
LYNCHBURG COMMUNITY ACTION GROUP, INC
Lynchburg, Virginia

COMPLIANCE

I have audited the compliance of the Lynchburg Community Action Group, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lynchburg Community Action Group, Inc.'s major federal programs for the year ended December 31, 2011. Lynchburg Community Action Group, Inc. major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility Lynchburg Community Action Group, Inc. of management. My responsibility is to express an opinion on Lynchburg Community Action Group, Inc. compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Those standards and OMB Circular A-133 require that I 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 Lynchburg Community Action Group, Inc. compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Lynchburg Community Action Group, Inc.'s compliance with those requirements.

In my opinion, Lynchburg Community Action Group, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

INTERNAL CONTROL OVER COMPLIANCE

The management of Lynchburg Community Action Group, Inc. 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 my audit, I considered Lynchburg Community Action Group, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lynchburg Community Action Group, Inc. 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 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.

My 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 deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies 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 the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



N. Wesley Pughsley, Jr., CPA

**LYNCHBURG COMMUNITY ACTION GROUP, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting? __yes Xno

Material weakness(es) identified? __yes Xno

Reportable condition(s) identified not considered to be material to weakness(es)? __yes Xno

Noncompliance material to financial statements noted? __yes Xno

Federal Awards

Internal control over major programs? __yes Xno

Material weakness(es) identified? __yes Xno

Reportable condition(s) identified? __yes Xno

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? __yes Xno

Identification of major programs:

CFDA Number(s)	Name of Program or Cluster
93.600	Head Start (DHHS)
93.667	Community Services Block Grant
81.042	Weatherization Assistance for Low-Income Persons
93.568	Low Income Home Energy Assistance Program
93.558	Temporary Assistance for Low-Income Persons

Dollar threshold used to distinguish between Type A and B programs: \$300,000

Auditor qualified as low-risk auditee? __yes Xno

Section II - Financial Statement Findings

There are no Findings

PRIOR YEAR FOLLOW-UP

Findings noted in the prior year were cleared in the current year.

N. Wesley Pughsley, Jr., CPA

Member: American Institute of CPA's

To the Audit Committee:

I have audited the financial statements of for the year ended December 31, 2011 , and have issued my report thereon dated April 30, 2012 . Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated March 19, 2012. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lynchburg Community Action Group, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. I noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

Management's estimate of Accounts Receivable, Accounts Payable, Deferred Revenue, Inkind Revenue and Expenses is based on actual balances in each grant as well approved rates (for Inkind) by the various funding sources. I evaluated the key factors and assumptions used to develop the in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The disclosure of Notes Payable in Note 4 to the financial statements. The note is significant because a balloon payment is due on August 14, 2014. The Agency needs to prepare now to either pay or refinance the note.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Audit Committee

Page 2

April 30, 2012

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated April 30, 2012.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of and management of and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



N. Wesley Pughsley, Jr.