

**MOUNTAIN PLAINS YOUTH SERVICES COALITION
BISMARCK, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Cash Flows	5
Notes to the Financial Statements	6
SUPPLEMENTAL INFORMATION	
Schedules of Program Activities	13
Schedule of Expenditures of Federal Awards	19
Notes to the Schedule of Expenditures of Federal Awards	20
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>	21
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	23
Schedule of Federal Findings and Questioned Costs	25
Schedule of Prior Year Findings	26



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mountain Plains Youth Services Coalition
Bismarck, North Dakota

Report on the Financial Statements

We have audited the accompanying combined financial statements of Mountain Plains Youth Services Coalition, which comprise the combined statements of financial position as of December 31, 2012 and 2011, and the related combined statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Opinion

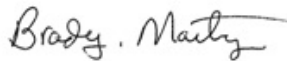
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Mountain Plains Youth Services Coalition, as of December 31, 2012 and 2011, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2013 on our consideration of Mountain Plains Youth Services Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mountain Plains Youth Services Coalition's internal control over financial reporting and compliance.



BRADY, MARTZ & ASSOCIATES, P.C.

Bismarck, North Dakota

April 16, 2013

MOUNTAIN PLAINS YOUTH SERVICES COALITION
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 40,798	\$ 63,670
Grants receivable	149,449	135,201
Total current assets	190,247	198,871
Property and equipment		
Land	221,823	221,823
Buildings	689,895	689,895
Furniture and equipment	73,838	71,905
Less accumulated depreciation	(207,650)	(188,312)
Net property and equipment	777,906	795,311
Total assets	\$ 968,153	\$ 994,182
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 82	\$ 8,079
Accrued salaries and wages	37,852	38,389
Accrued expenses	10,222	2,799
Accrued leave payable	41,450	40,228
Refundable advances	5,281	32,000
Note payable - current portion	28,180	26,425
Special assessment payable - current portion	2,284	2,280
Total current liabilities	125,351	150,200
Long-term liabilities:		
Note payable - long term portion	477,910	507,526
Special assessments payable - long term portion	8,484	10,767
Total long term liabilities	486,394	518,293
Total liabilities	611,745	668,493
Unrestricted net assets	356,408	325,689
Total liabilities and net assets	\$ 968,153	\$ 994,182

See Notes to the Financial Statements

MOUNTAIN PLAINS YOUTH SERVICES COALITION
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Federal revenues	\$ 1,268,580	\$ 1,121,712
Other revenues	<u>1,309,848</u>	<u>1,378,747</u>
Total revenues	<u>2,578,428</u>	<u>2,500,459</u>
Expenses:		
Personnel	1,639,047	1,587,716
Fringe benefits	321,993	288,819
Travel	91,410	72,812
Office supplies	17,942	20,993
Postage	1,400	2,118
Professional fees	14,976	14,499
Training & registration	3,347	7,382
Contract labor	60,905	56,078
Lease expense	14,700	16,138
Insurance	32,828	32,592
Maintenance & repairs	64,716	64,840
Rent	16,211	20,678
Advertising	8,402	3,345
Telephone & utilities	43,334	41,237
License & membership	6,904	6,872
Miscellaneous	8,911	3,844
Depreciation	21,184	22,452
Program services	145,083	194,457
Interest	<u>34,416</u>	<u>36,061</u>
Total expenses	<u>2,547,709</u>	<u>2,492,933</u>
Net change in unrestricted net assets	30,719	7,526
Unrestricted net assets - beginning of year	<u>325,689</u>	<u>318,163</u>
Unrestricted net assets - end of year	<u>\$ 356,408</u>	<u>\$ 325,689</u>

See Notes to the Financial Statements

MOUNTAIN PLAINS YOUTH SERVICES COALITION
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Cash flows from operating activities:		
Change in unrestricted net assets	\$ 30,719	\$ 7,526
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	21,184	22,452
Loss on disposal of assets	921	2,250
Effects on operating cash flows due to changes in:		
Grants receivable	(14,248)	(13,610)
Accounts payable	(7,997)	8,079
Accrued salaries and wages	(537)	38,389
Accrued expenses	7,423	203
Accrued leave payable	1,222	2,871
Refundable advances	(26,719)	2,500
	11,968	70,660
Cash flows used by investing activities:		
Purchase of equipment	(4,700)	-
Cash flows used by financing activities:		
Payments on notes payable	(27,861)	(26,447)
Payments on special assessments	(2,279)	(2,277)
	(30,140)	(28,724)
Net change in cash and cash equivalents	(22,872)	41,936
Cash and cash equivalents - beginning of year	63,670	21,734
Cash and cash equivalents - end of year	\$ 40,798	\$ 63,670
Supplemental Disclosures:		
Cash paid during the year for:		
Interest	\$ 34,416	\$ 36,061

See Notes to the Financial Statements

MOUNTAIN PLAINS YOUTH SERVICES COALITION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Mountain Plains Youth Services Coalition (Coalition) was incorporated on December 19, 1977, as a not-for-profit organization under the provisions of the North Dakota Nonprofit Corporation Act. The primary purpose of the Coalition is to provide services to runaway and troubled juveniles, including emergency shelter, counseling, support groups, transition to independent living, education for parents and teenagers, and family counseling. The Coalition received approximately 45% of its total revenue from grants and contracts with federal and state government agencies for the years ended December 31, 2012 and 2011. Approximately 27% and 21% of total revenue for the years ended December 31, 2012 and 2011 was received directly from the U.S. Department of Health and Human Services.

Basis of Accounting

The financial statements of the Coalition have been prepared on the accrual basis and accordingly, reflect all significant receivables, fixed assets, payables, and other liabilities.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, ("GAAP"), as codified by the Financial Accounting Standards Board.

Financial statement presentation follows the recommendations of the Accounting Standards Codification Topic 958, Accounting for Not-for-Profit Entities. The codification requires the Coalition to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The Coalition currently has no temporarily restricted net assets or permanently restricted net assets.

These financial statements also include the financial activity of Youthworks, which was incorporated on June 13, 1995. The Coalition's management and staff perform all administrative and program duties of Youthworks. Also, the Board of Directors of the Coalition serves as the Board of Youthworks. Because of the controlling financial interest and because the accounting records of the two entities are combined, these financial statements include the activity of both entities.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits held in checking accounts.

MOUNTAIN PLAINS YOUTH SERVICES COALITION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2012 AND 2011

Grants Receivable

Grants receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Grants receivable are written off when deemed uncollectible. Recoveries of grants receivables previously written off are recorded when received. There is no allowance for doubtful accounts recorded as of December 31, 2012 and 2011, as management considers all receivables collectible.

Income Taxes

The Coalition has received a ruling from the Internal Revenue Service to be recognized as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation under Code Section 509(a)(1). Therefore, the Coalition is not subject to income tax.

The Coalition's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence.

Property and Equipment

The property and equipment are carried at cost. The Coalition capitalizes property and equipment with a cost greater than \$1,500 and a useful life greater than one year. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

The Coalition depreciates its buildings over 39 years and equipment and furnishings over 5 to 7 years.

Expenditures for major additions and improvements that extend the useful lives of property and equipment are capitalized. Routine expenditures for repairs and maintenance are charged to expense as incurred.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Coalition reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. The Coalition reclassifies temporarily restricted net assets to unrestricted at that time.

MOUNTAIN PLAINS YOUTH SERVICES COALITION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2012 AND 2011

Compensated Leaves

Vacation credit accrues from the first month's employment. All employees working at least half-time or more receive annual leave. Full-time employees receive 5.5 hours for each pay period of employment, with part-time employees receiving a proportional share in relation to hours worked. Maximum accrued leave cannot exceed 105 hours. Full-time eligible employees accrue sick leave at the rate of 4 hours for each pay period. Sick leave rights accumulate from date of employment. No payment for sick leave is granted upon termination.

Grant Revenue Recognition

The governmental grants received by the Coalition are recognized as revenue at the time eligible expenditures are incurred. The grants are accounted for as exchange transactions due to the government's solicitation of proposals, approval of allowable expenditures and eligibility requirements. Grant funds received prior to expenditure are recorded as refundable advances on the statement of financial position. These funds are to be repaid to the grantor if they are not used on eligible expenditures.

Use of Estimates

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

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

MOUNTAIN PLAINS YOUTH SERVICES COALITION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2012 AND 2011

NOTE 2 PENSION PLAN

The Coalition adopted a Simplified Employee Pension (SEP) Individual Retirement Contribution Plan. This plan includes all employees who are at least 18 years of age and have worked at least three calendar months as a full-time (average 35 hours/week per calendar year) salaried individual. As a participant of the plan, employees receive a monthly contribution to an IRA of their choice. The amount of the contribution will be based on five percent of monthly gross salary starting from day one of the fourth month of service for the first six years of service. Upon achieving six years of service, six percent of monthly gross salary will be contributed. All contributions are made by the employer with no required match for the employee. The Coalition's cost for the year ended December 31, 2011 was \$43,689 to this plan.

Effective January 1, 2012, the Coalition adopted a 401(k) Profit Sharing Plan. This plan includes all employees who are at least 21 years of age and have completed one year of service. As a participant of the plan, employees receive a monthly contribution to the State Bank and Trust administered plan. The amount of the contribution will be based on seven percent of monthly gross salary starting from day one of the thirteenth month of service. All contributions are made by the employer with no required match by the employee. The Coalition's cost for the year ended December 31, 2012 was \$61,519 to this plan.

NOTE 3 LEASE COMMITMENTS

Operating Leases

The Coalition leases various office equipment, two cars, additional office space used for program activities and apartments used for program activities. The leases expire between 2013 and 2015. Total rent expense for the years ended December 31, 2012 and 2011 was \$16,211 and \$20,678, respectively. Minimum annual rental payments for the remainder of these leases are as follows:

2013	\$	43,088
2014		4,643
2015		4,423

MOUNTAIN PLAINS YOUTH SERVICES COALITION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2012 AND 2011

NOTE 4 NOTES PAYABLE

The notes payable are scheduled as follows:

<u>Payee</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>2012</u>	<u>2011</u>	<u>Payments due</u>
Bremer Bank Fargo, ND	2/10/10	6.25%	\$ 177,800	\$ 189,553	Monthly payments of \$1,784, including interest; balance of approximately \$160,054 due February 10, 2015.
American Bank Center Bismarck, ND	7/20/10	6.56%	328,290	344,398	Monthly payments of \$3,226, including interest; balance of approximately \$283,886 due July 15, 2015.
			<u>506,090</u>	<u>533,951</u>	
			<u>28,180</u>	<u>26,425</u>	
Less current notes payable			<u>\$ 477,910</u>	<u>\$ 507,526</u>	

Substantially all assets and the assignment of rents are pledged as collateral for aforementioned borrowings.

The future note payments are as follows:

Year ending December 31:	
2013	\$ 28,180
2014	30,050
2015	447,860

MOUNTAIN PLAINS YOUTH SERVICES COALITION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2012 AND 2011

NOTE 5 SPECIAL ASSESSMENTS PAYABLE

The special assessments are scheduled as follows:

Payee	Date of Loan	Interest Rate	2012	2011	Payments due
Special Assessments: City of Fargo Fargo, North Dakota	Various	5.20%-5.97%	\$4,955	\$ 5,459	\$509 annually, plus interest, until January 31, 2019, \$71 annually, plus interest, from January 31, 2020 - 2029
City of Bismarck Bismarck, North Dakota	Various	5.08%-5.75%	5,813	7,588	\$1,775 annually, plus interest, until January 31, 2015, \$70 annually, plus interest, from January 31, 2016 - 2022
			<u>10,768</u>	<u>13,047</u>	
Less current special assessments payable			<u>2,284</u>	<u>2,280</u>	
			<u>\$8,484</u>	<u>\$10,767</u>	

The principle maturities on special assessments payable for the next five years are as follows:

Year ending December 31:	
2013	\$ 2,284
2014	2,284
2015	2,284
2016	579
2017	579

NOTE 6 DEPRECIATION EXPENSE

Depreciation expense was \$21,184 and \$22,452 for the years ended December 31, 2012 and 2011, respectively.

MOUNTAIN PLAINS YOUTH SERVICES COALITION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2012 AND 2011

NOTE 7 EXPENSES BY FUNCTION

The expenses by function for the years ended December 31, 2012 and 2011 were as follows:

	2012	2011
Expenses		
Program services		
Runaway	\$ 719,055	\$ 708,453
Diversion	1,481,909	1,450,148
Supporting services		
Management and general	346,745	334,332
Total expenses	\$ 2,547,709	\$ 2,492,933

NOTE 8 INCOME TAXES

It is the opinion of management that the Coalition has no significant uncertain tax positions that would be subject to change upon examination. The federal income tax returns of the Coalition are subject to examination by the Internal Revenue Service, generally for three years after the returns were filed.

NOTE 9 GRANTS

The Coalition participates in federal programs, which are governed by various rules and regulations of the grantor agency. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that the Coalition has not complied with rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Coalition, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 10 SUBSEQUENT EVENTS

No significant events occurred subsequent to the Coalition's year end. Subsequent events have been evaluated through April 16, 2013, which is the date these financial statement were available to be issued.

SCHEDULES OF PROGRAM ACTIVITIES

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF PROGRAM ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Runaway	Maternity Group Home	Transitional Living	Outreach & Activity Center	Turnabout & Anger Management	Shelter Care
Revenues:						
Federal revenues	\$ 254,409	\$ 186,007	\$ 258,887	\$ -	\$ 33,559	\$ 147,665
Other revenues	56,405	9,056	23,475	46,857	22,724	81,390
Total revenues	310,814	195,063	282,362	46,857	56,283	229,055
Expenses:						
Personnel	198,514	107,906	141,910	17,761	28,926	169,192
Fringe benefits	46,934	33,577	37,681	4,564	5,833	26,542
Travel	3,009	1,858	3,433	1,294	318	417
Office supplies	1,968	1,394	2,079	702	783	1,056
Postage	371	442	386	-	84	23
Professional fees	1,799	816	2,615	49	816	865
Training & registration	130	278	288	105	16	171
Contract labor	5,542	3,566	8,820	1,446	1,999	2,690
Lease expense	1,382	776	1,309	516	68	448
Insurance	3,225	2,023	4,497	243	719	1,272
Maintenance & repairs	5,892	4,441	7,440	1,160	587	3,239
Rent	6,199	-	2,724	1,464	6,304	11,628
Advertising	458	-	212	-	-	-
Telephone & utilities	8,055	3,096	3,699	896	1,890	4,258
License & membership	431	1,270	1,783	772	89	576
Miscellaneous	-	-	236	327	108	6
Depreciation	8,000	6,266	5,595	531	-	-
Program services	18,183	28,986	56,370	15,027	6,813	6,741
Interest	-	-	-	-	-	-
Total expenses	310,092	196,695	281,077	46,857	55,353	229,124
Net change in unrestricted net assets before transfers	722	(1,632)	1,285	-	930	(69)
Transfers in (out)	-	-	5,274	-	(1,617)	(1,817)
Net change in unrestricted net assets	722	(1,632)	6,559	-	(687)	(1,886)
Unrestricted net assets (deficit) - beginning of year	(22,772)	(169)	(20,068)	(1,565)	(18,725)	(14,401)
Unrestricted net assets (deficit) - end of year	\$ (22,050)	\$ (1,801)	\$ (13,509)	\$ (1,565)	\$ (19,412)	\$ (16,287)

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF PROGRAM ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

	Native American Project	Diversion	AmeriCorps	Family Counseling Coop Bismarck	Family Counseling Coop Fargo	Day Report & School Suspension
Revenues:						
Federal revenues	\$ -	\$ -	\$ 89,083	\$ -	\$ -	\$ 90,306
Other revenues	100,000	110,490	31,850	14,515	47,219	252,453
Total revenues	<u>100,000</u>	<u>110,490</u>	<u>120,933</u>	<u>14,515</u>	<u>47,219</u>	<u>342,759</u>
Expenses:						
Personnel	50,926	60,056	118,781	12,972	26,728	194,687
Fringe benefits	12,666	15,006	14,318	2,071	5,277	52,320
Travel	318	4,219	-	318	339	2,429
Office supplies	748	826	-	45	369	3,869
Postage	38	-	-	-	-	-
Professional fees	816	1,799	-	-	983	2,619
Training & registration	250	284	-	-	124	332
Contract labor	4,119	11,302	-	-	3,304	7,356
Lease expense	367	547	-	31	784	2,253
Insurance	1,272	2,759	-	468	1,953	3,939
Maintenance & repairs	896	551	-	306	1,631	7,549
Rent	3,599	913	-	1,285	4,096	28,775
Advertising	-	-	-	-	-	211
Telephone & utilities	1,906	1,717	-	256	1,563	9,723
License & membership	372	157	49	22	25	491
Miscellaneous	255	275	452	-	35	5
Depreciation	-	248	-	-	-	-
Program services	18,860	51	-	5	8	44,553
Interest	-	-	-	-	-	-
Total expenses	<u>97,408</u>	<u>100,710</u>	<u>133,600</u>	<u>17,779</u>	<u>47,219</u>	<u>361,111</u>
Net change in unrestricted net assets before transfers	2,592	9,780	(12,667)	(3,264)	-	(18,352)
Transfers in (out)	-	-	-	-	-	(182)
Net change in unrestricted net assets	2,592	9,780	(12,667)	(3,264)	-	(18,534)
Unrestricted net assets (deficit) - beginning of year	(12,808)	(43,054)	(9,118)	(53,046)	(53,117)	734
Unrestricted net assets (deficit) - end of year	<u>\$ (10,216)</u>	<u>\$ (33,274)</u>	<u>\$ (21,785)</u>	<u>\$ (56,310)</u>	<u>\$ (53,117)</u>	<u>\$ (17,800)</u>

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF PROGRAM ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

	Homeless Prevention & Rapid Recovery	Guardian Ad Litem	Second Chance	Coalition	Eliminating Entries	Total
Revenues:						
Federal revenues	\$ -	\$ 99,246	\$ 86,538	\$ 22,880	\$ -	\$ 1,268,580
Other revenues	-	513,999	149	128,817	(129,551)	1,309,848
Total revenues	<u>-</u>	<u>613,245</u>	<u>86,687</u>	<u>151,697</u>	<u>(129,551)</u>	<u>2,578,428</u>
Expenses:						
Personnel	-	446,868	63,820	-	-	1,639,047
Fringe benefits	-	52,871	12,333	-	-	321,993
Travel	-	85,717	318	6,715	(19,292)	91,410
Office supplies	-	3,302	801	-	-	17,942
Postage	-	56	-	-	-	1,400
Professional fees	-	983	816	-	-	14,976
Training & registration	-	603	-	766	-	3,347
Contract labor	-	8,762	1,999	-	-	60,905
Lease expense	-	1,009	192	5,018	-	14,700
Insurance	-	5,050	1,272	4,136	-	32,828
Maintenance & repairs	-	2,451	394	28,179	-	64,716
Rent	-	3,377	1,416	-	(55,569)	16,211
Advertising	-	-	-	7,521	-	8,402
Telephone & utilities	-	4,691	1,584	-	-	43,334
License & membership	-	173	182	512	-	6,904
Miscellaneous	-	-	-	7,212	-	8,911
Depreciation	-	-	-	544	-	21,184
Program services	-	-	4,176	-	(54,690)	145,083
Interest	-	-	-	34,416	-	34,416
Total expenses	<u>-</u>	<u>615,913</u>	<u>89,303</u>	<u>95,019</u>	<u>(129,551)</u>	<u>2,547,709</u>
Net change in unrestricted net assets before transfers	-	(2,668)	(2,616)	56,678	-	30,719
Transfers in (out)	<u>(5,274)</u>	<u>-</u>	<u>-</u>	<u>3,616</u>	<u>-</u>	<u>-</u>
Net change in unrestricted net assets	(5,274)	(2,668)	(2,616)	60,294	-	30,719
Unrestricted net assets (deficit) - beginning of year	<u>(941)</u>	<u>(2,250)</u>	<u>(231)</u>	<u>577,220</u>	<u>-</u>	<u>325,689</u>
Unrestricted net assets (deficit) - end of year	<u>\$ (6,215)</u>	<u>\$ (4,918)</u>	<u>\$ (2,847)</u>	<u>\$ 637,514</u>	<u>\$ -</u>	<u>\$ 356,408</u>

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF PROGRAM ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Runaway	Maternity Group Home	Transitional Living	Outreach & Activity Center	Turnabout & Anger Management	Shelter Care
Revenues:						
Federal revenues	\$ 206,638	\$ 174,929	\$ 214,817	\$ -	\$ 53,046	\$ 53,244
Other revenues	76,443	19,055	40,387	40,173	32,565	115,033
Total revenues	<u>283,081</u>	<u>193,984</u>	<u>255,204</u>	<u>40,173</u>	<u>85,611</u>	<u>168,277</u>
Expenses:						
Personnel	190,829	105,423	132,656	15,922	46,145	134,865
Fringe benefits	34,676	31,156	35,927	3,447	7,006	23,877
Travel	1,479	1,346	1,762	368	250	170
Office supplies	2,173	2,142	2,500	605	1,574	842
Postage	792	609	527	-	181	-
Professional fees	1,701	731	2,432	-	731	731
Training & registration	614	391	482	81	60	260
Contract labor	6,302	2,064	8,097	-	2,064	2,064
Lease expense	1,590	721	1,669	506	44	337
Insurance	3,606	2,136	5,042	-	796	1,436
Maintenance & repairs	6,950	3,663	7,665	2,181	2,120	5,821
Rent	12,520	1,763	3,482	2,532	6,930	8,280
Advertising	-	-	-	-	-	-
Telephone & utilities	7,375	3,347	4,696	1,058	2,391	4,203
License & membership	778	407	1,914	45	389	644
Miscellaneous	-	111	400	-	21	-
Depreciation	6,941	4,697	5,353	1,040	-	2,778
Program services	4,229	33,383	45,387	12,388	18,894	5,726
Interest	-	-	-	-	-	-
Total expenses	<u>282,555</u>	<u>194,090</u>	<u>259,991</u>	<u>40,173</u>	<u>89,596</u>	<u>192,034</u>
Net change in unrestricted net assets	526	(106)	(4,787)	-	(3,985)	(23,757)
Unrestricted net assets (deficit) - beginning of year	<u>(23,298)</u>	<u>(63)</u>	<u>(15,281)</u>	<u>(1,565)</u>	<u>(14,740)</u>	<u>9,356</u>
Unrestricted net assets (deficit) - end of year	<u>\$ (22,772)</u>	<u>\$ (169)</u>	<u>\$ (20,068)</u>	<u>\$ (1,565)</u>	<u>\$ (18,725)</u>	<u>\$ (14,401)</u>

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF PROGRAM ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2011

	Native American Project	Diversion	AmeriCorps	Family Counseling Coop Bismarck	Family Counseling Coop Fargo	Day Report & School Suspension
Revenues:						
Federal revenues	\$ -	\$ -	\$ 73,376	\$ -	\$ -	\$ 71,953
Other revenues	100,000	100,138	39,216	23,158	48,708	251,319
Total revenues	<u>100,000</u>	<u>100,138</u>	<u>112,592</u>	<u>23,158</u>	<u>48,708</u>	<u>323,272</u>
Expenses:						
Personnel	61,712	75,273	99,527	17,615	30,000	178,862
Fringe benefits	12,576	14,336	10,996	2,333	5,677	37,366
Travel	244	5,396	-	485	-	1,459
Office supplies	757	1,164	639	-	329	4,423
Postage	-	-	-	-	-	-
Professional fees	731	1,701	-	-	970	2,430
Training & registration	294	81	-	-	36	439
Contract labor	4,772	6,500	-	-	3,968	8,368
Lease expense	290	269	-	18	343	913
Insurance	1,436	3,020	-	589	2,171	4,400
Maintenance & repairs	4,332	185	-	621	1,396	19,009
Rent	3,198	258	-	1,245	2,053	21,747
Advertising	-	-	-	-	-	-
Telephone & utilities	1,672	1,207	-	292	1,393	7,491
License & membership	295	351	43	35	56	1,305
Miscellaneous	-	31	405	-	-	33
Depreciation	-	-	-	-	-	-
Program services	16,744	490	-	5	-	27,579
Interest	-	-	-	-	-	-
Total expenses	<u>109,053</u>	<u>110,262</u>	<u>111,610</u>	<u>23,238</u>	<u>48,392</u>	<u>315,824</u>
Net change in unrestricted net assets	(9,053)	(10,124)	982	(80)	316	7,448
Unrestricted net assets (deficit) - beginning of year	<u>(3,755)</u>	<u>(32,930)</u>	<u>(10,100)</u>	<u>(52,966)</u>	<u>(53,433)</u>	<u>(6,714)</u>
Unrestricted net assets (deficit) - end of year	<u>\$ (12,808)</u>	<u>\$ (43,054)</u>	<u>\$ (9,118)</u>	<u>\$ (53,046)</u>	<u>\$ (53,117)</u>	<u>\$ 734</u>

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF PROGRAM ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2011

	Homeless Prevention & Rapid Recovery	Guardian Ad Litem	Second Chance	Coalition	Eliminating Entries	Total
Revenues:						
Federal revenues	\$ 30,981	\$ 137,649	\$ 105,079	\$ -	\$ -	\$ 1,121,712
Other revenues	1,001	440,220	1,651	120,368	(70,688)	1,378,747
Total revenues	31,982	577,869	106,730	120,368	(70,688)	2,500,459
Expenses:						
Personnel	4,616	428,252	66,019	-	-	1,587,716
Fringe benefits	1,436	50,811	17,199	-	-	288,819
Travel	-	69,568	1,798	7,009	(18,522)	72,812
Office supplies	-	2,961	884	-	-	20,993
Postage	-	9	-	-	-	2,118
Professional fees	640	970	731	-	-	14,499
Training & registration	-	2,775	22	1,847	-	7,382
Contract labor	772	7,243	3,864	-	-	56,078
Lease expense	6	1,439	163	7,830	-	16,138
Insurance	13	2,171	1,436	4,340	-	32,592
Maintenance & repairs	33	3,855	2,963	4,046	-	64,840
Rent	477	5,242	3,117	-	(52,166)	20,678
Advertising	-	-	-	3,345	-	3,345
Telephone & utilities	108	4,391	1,613	-	-	41,237
License & membership	20	329	203	58	-	6,872
Miscellaneous	-	-	788	2,055	-	3,844
Depreciation	-	-	-	1,643	-	22,452
Program services	23,473	-	6,159	-	-	194,457
Interest	-	-	-	36,061	-	36,061
Total expenses	31,594	580,016	106,959	68,234	(70,688)	2,492,933
Net change in unrestricted net assets	388	(2,147)	(229)	52,134	-	7,526
Unrestricted net assets (deficit) - beginning of year	(1,329)	(103)	(2)	525,086	-	318,163
Unrestricted net assets (deficit) - end of year	<u>\$ (941)</u>	<u>\$ (2,250)</u>	<u>\$ (231)</u>	<u>\$ 577,220</u>	<u>\$ -</u>	<u>\$ 325,689</u>

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Basic Center Grant	93.623		\$ 219,561
Pass-Through of North Dakota Supreme Court: State Court Improvement Program	93.586	See Note 3	99,246
Temporary Assistance for Needy Families	93.558		99,785
Transitional Living for Homeless Youth	93.550		200,894
Maternity Group Homes	93.550		<u>186,007</u>
Total CFDA #93.550			<u>386,901</u>
Total U.S. Department of Health and Human Services			<u>805,493</u>
U.S. DEPARTMENT OF EDUCATION:			
Pass-Through of North Dakota Department of Public Instruction: Education of Homeless Children and Youth	84.196	PII022-12/13	5,800
Pass-Through of Bismarck Public Schools: Twenty-First Century Community Learning Centers	84.287	#1006	<u>123,865</u>
Total U.S. Department of Education			<u>129,665</u>
U.S. DEPARTMENT OF JUSTICE:			
Pass-Through of North Dakota Department of Corrections: Juvenile Accountability Block Grant	16.523	JABG(S)-12-144	9,543
Second Chance Art Adult and Juvenile Offender Reentry Initiative	16.812	2012-CZ-BX-0026	86,537
Juvenile Justice and Delinquency Prevention	16.540	(1) t5-2010-104	34,848
Pass-Through of North Dakota Association of Counties: Juvenile Justice and Delinquency Prevention	16.540	(1) See Note 3	<u>47,880</u>
Total U.S. Department of Justice			<u>178,808</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Pass-Through of North Dakota Department of Commerce: Emergency Shelter	14.231	3410-ESGO11 3357-ESGP12	42,650
Pass-Through the City of Bismarck: Community Development Block Grant (See Note 2)	14.218	See Note 3	<u>22,880</u>
Total U.S. Department of Housing and Urban Development			<u>65,530</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:			
Pass-Through of North Dakota Department of Commerce AmeriCorps	94.006	12AFHND001	<u>89,083</u>
Total expenditures			<u>\$ 1,268,579</u>

(1) Total CFDA #16.540 is \$82,728

MOUNTAIN PLAINS YOUTH SERVICES COALITION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Mountain Plains Youth Services Coalition, and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with requirements of U.S. Office Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule differ from amounts presented in, or used in the presentation of, the basic financial statements.

NOTE 2 NONMONETARY TRANSACTIONS

The Coalition received \$22,880 of repairs and maintenance expenditures paid on their behalf by the City of Bismarck with federal funds for the year ended December 31, 2012. The Coalition has recognized corresponding revenue and expenditures for this amount.

NOTE 3 AGENCY OR PASS-THROUGH NUMBER

Mountain Plains Youth Services Coalition received money passed through from multiple grantor agencies. There were no pass-through numbers identified with the grants identified above.



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**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**

To the Board of Directors
Mountain Plains Youth Services Coalition
Bismarck, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Mountain Plains Youth Services Coalition, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Mountain Plains Youth Services Coalition's combined financial statements, and have issued our report thereon dated April 16, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Mountain Plains Youth Services Coalition's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mountain Plains Youth Services Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of Mountain Plains Youth Services Coalition's internal control.

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

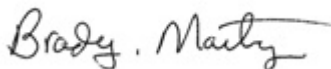
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mountain Plains Youth Services Coalition's combined 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 combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



BRADY, MARTZ & ASSOCIATES, P.C.

Bismarck, North Dakota

April 16, 2013



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

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

To the Board of Directors
Mountain Plains Youth Services Coalition
Bismarck, North Dakota

Report on Compliance for Each Major Federal Program

We have audited Mountain Plains Youth Services Coalition's compliance 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 its major federal programs for the year ended December 31, 2012. Mountain Plains Youth Services Coalition's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mountain Plains Youth Services Coalition's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mountain Plains Youth Services Coalition's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mountain Plains Youth Services Coalition's compliance.

Opinion on Each Major Federal Program

In our opinion, Mountain Plains Youth Services Coalition complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

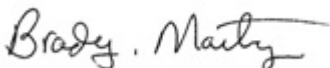
Report on Internal Control Over Compliance

Management of Mountain Plains Youth Services Coalition is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mountain Plains Youth Services Coalition's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mountain Plains Youth Services Coalition's internal control over compliance.

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

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

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



BRADY, MARTZ & ASSOCIATES, P.C.

Bismarck, North Dakota

April 16, 2013

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2012

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	<u> x </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> x </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u> x </u> no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	<u> x </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> x </u> none reported	
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are Required to be reported in accordance with Circular A-133, Section .510(a)?	_____ yes	<u> x </u> no	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.550	Transitional Living for Homeless Youth & Maternity Group Home

Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$300,000 </u>
Auditee qualified as a low-risk auditee?	<u> x </u> yes _____ no

Section II-Financial Statement Findings

There are no findings which are required to be reported under this section.

Section III – Federal Award Findings and Questioned Costs

There are no findings which are required to be reported under this section.

MOUNTAIN PLAINS YOUTH SERVICES COALITION
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2012

None.