

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
FINANCIAL STATEMENTS
For The Year Ended December 31, 2006**



Mary Taylor, CPA
Auditor of State

Board of Directors
Miami County Community Action Council
1695 Troy Sidney Road
Troy, Ohio 45373

We have reviewed the *Independent Auditors' Report* of the Miami County Community Action Council, Miami County, prepared by Jones, Cochenour & Co., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Miami County Community Action Council is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 1, 2007

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MIAMI COUNTY COMMUNITY ACTION COUNCIL
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Miami County Community Action Council
Troy, Ohio

We have audited the accompanying basic financial statements of Miami County Community Action Council, as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Miami County Community Action Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our 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 we 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miami County Community Action Council, as of December 31, 2006, and the results of its changes in net assets and the 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*, we have also issued our report dated August 31, 2007 on our consideration of Miami County Community Action Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 2-4 and the supplemental schedules on pages 13-17 are not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the basic financial statements of the Council taken as a whole. The supplementary information described in the preceding paragraph is presented for purposes of additional analysis and is not a required part of the financial statements of the Miami County Community Action Council. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Jones, Cochenour & Co.
August 31, 2007

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**MIAMI COUNTY COMMUNITY ACTION
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
December 31, 2006
(Unaudited)**

PURPOSE

The purpose of the Management Discussion and Analysis (MD&A) is to provide an overview of the Miami County Community Action Council's (CAC) significant financial activities, changes in activity and identify funding issues and concerns. It is designed to be read in connection with the CAC's financial statement.

- Net Assets decreased during FYE 2006 by \$40,708. or 19.9%.
- Revenues increased during FYE 2006 by \$78,845. or 10.6%.
- Expenses increased during FYE 2006 by \$77,268. or 9.9%.

The focus of the report is on the agency as a whole, while the supplemental sections address major program activities. The reports are based on "accrual" accounting. Revenue/Expenses are reported when they are incurred, not necessarily when the cash is received or paid.

The Statement of Net Assets is similar to a Balance Sheet. It reflects capital resources. The format is presented as assets minus liabilities equals "Net Assets" or equity. The order of assets/liabilities is presented in order of liquidity, which are classified as "current" (convertible into cash within one year) and "non-current" on everything else.

Net Assets are divided into three categories:

- "Net Assets", invested in capital, net of debt—i.e. capital assets reduced by claims against the assets;
- "Unrestricted Net Assets" account for all resources over which Board officials have discretionary control for use in carrying out the operations;
- "Temporarily restricted assets" are assets that are restricted by law or the donor. The restriction is satisfied by either the passage of time or by actions of the council or grantor
- "Permanently restricted net assets" have permanent restrictions by law or regulation or grantor.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (activities) is similar to an Income Statement for the agency as a whole. It is an Income and Expense Statement, agency wide. "Changes in Net Assets" is similar to "Net gain or loss."

The Financial Statements are similar to Income/Expense Statements by program, as well as agency wide. These are statements of grant monies received and grant monies expensed, as well as balances left in our General Fund. Major finds consist of:

- Community Services Block Grant (CSBG), which supports various information/referral, and intake work for various programs to clients for 2210 households.
- Home Energy Assistance Program (HEAP), which provides utility assistance for income eligible persons, including Percent of Income Program (PIPP) and Summer Crisis Program (SCP) for 659 families.
- Home Weatherization Assistance Program (HWAP), which provides energy savings through home weatherization and education for 54 houses.

**MIAMI COUNTY COMMUNITY ACTION
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
December 31, 2006
(Unaudited)**

AUTHORITY WIDE STATEMENT

A. Statement of Net Assets (condensed for emphasis):

	2006	Restated 2005
Cash and cash equivalents	\$ 191,530	\$ 242,952
Other current assets/capital assets	13,503	17,718
Total Assets	205,033	260,670
Current liabilities	29,435	55,829
Long-term liabilities	11,465	-
Total Liabilities	40,900	55,829
Net Assets		
Temporarily restricted	135,464	96,899
Unrestricted	28,669	107,942
Total Net Assets	\$ 164,133	\$ 204,841

- Net Assets decreased during 2006 by \$40,708 or 19.9% due to grant funding adjustments.
- The Unrestricted net assets decreased by \$79,273 or 73.4% to cover expenses not covered by federal grants.

B. Statement of Revenues, Expenses and Changes in Net Assets or statement of activities (condensed for emphasis):

	2006	2005
REVENUE:		
Management services	\$ 52,214	\$ 130,643
Federal Grants	767,186	609,912
Total Revenues	819,400	740,555
EXPENSES:		
HWAP	285,254	228,681
HEAP	306,605	234,137
GSBG	136,762	136,762
General	131,487	183,260
Total Expenses	860,108	782,840
Net (Loss)	\$ (40,708)	\$ (42,285)

- Revenues increased during 2006 by \$78,845 mostly due to an increase in federal grants.
- Expenses increased during 2006 by \$77,268 mostly for the same reason and for the use of the General Fund to cover shortfalls in federal grants.
- Net Loss decreased during 2006 by \$1,577, which is less than last year due to the increase in federal grants.

**MIAMI COUNTY COMMUNITY ACTION
MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
December 31, 2006
(Unaudited)**

C. Capital Assets and Debt

Category	<u>2006</u>	<u>2005</u>
Equipment	\$ 91,146	\$ 118,574
Accumulated Depreciation	<u>(78,322)</u>	<u>(105,090)</u>
Total Net Capital Assets	<u>\$ 12,824</u>	<u>\$ 13,484</u>

The decrease in capital assets is due primarily to equipment purchases of \$3,280 and depreciation expense of \$4,893.

There are no long-term debts as of 12/31/06.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The CAC is primarily dependent on federal and state grants and congressional appropriations for future funding of operations. This consists of three grants (CSBG, HEAP, and HWAP). While costs rise each year, appropriations/grants tend to be decreasing or remaining the same, which in fact is a decrease. This could cause future problems, i.e. inadequate funds to operate grants.

CONTACT

This summary is designed to present an overview of significant aspects of the audit report. If you have questions about the MD&A or the audit report, contact:

**Miami Metropolitan Housing Authority
Jack A. Baird, Executive Director
1695 Troy-Sidney Road
Troy, Ohio 45373**

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
STATEMENT OF FINANCIAL POSITION
December 31, 2006**

ASSETS		
Cash	\$	19,998
Accounts receivable		171,360
Prepaid expenses		172
TOTAL CURRENT ASSETS		191,530
CAPITAL ASSETS		
Furniture and fixtures		48,016
Automobiles		43,130
Accumulated depreciation		(78,322)
NET CAPITAL ASSETS		12,824
OTHER ASSETS		
Workers compensation deposit		679
TOTAL ASSETS		205,033
LIABILITIES		
Accounts payable		621
Accrued payroll and payroll expenses		7,524
Accrued compensated absences		21,290
TOTAL CURRENT LIABILITIES		29,435
LONG-TERM LIABILITIES		
Compensated absences		11,465
TOTAL LIABILITIES		40,900
NET ASSETS		
Unrestricted net assets		28,669
Temporarily restricted net assets		135,464
NET ASSETS	\$	164,133

See notes to financial statements

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
STATEMENT OF ACTIVITIES
Year Ended December 31, 2006**

CHANGES IN UNRESTRICTED NET ASSETS:

Unrestricted Support and Revenue:

Management Services	\$	52,214
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Net Assets Released from Restrictions

Satisfaction of Program Restrictions:

Federal Grants		767,186
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TOTAL SUPPORT AND REVENUE		819,400
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EXPENSES

Program Expenses:

HWAP		285,254
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HEAP		306,605
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CSBG		136,762
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TOTAL PROGRAM EXPENSES		728,621
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Management, general and administrative expenses		131,487
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TOTAL EXPENSES		860,108
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(DECREASE) IN UNRESTRICTED ASSETS		(40,708)
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Changes in Temporarily Restricted Net Assets:

Federal grants		767,186
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Grant revenue released from restrictions		(767,186)
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(DECREASE) IN NET ASSETS		(40,708)
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Net assets at beginning of year, restated		204,841
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NET ASSETS AT END OF YEAR	\$	164,133
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See notes to financial statements

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
STATEMENT OF CASH FLOWS
Year Ended December 31, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from governmental grants	\$ 734,941
Cash received from management services	55,074
Cash payments for administration and program expenses	<u>(839,110)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	(49,095)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	<u>(3,250)</u>
(DECREASE) IN CASH AND CASH EQUIVALENTS	(52,345)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>72,343</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 19,998</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
Change in net assets	\$ (40,708)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Depreciation	4,893
Unfound difference	766
(Increase) decrease in accounts receivable	(29,385)
(Increase) decrease in prepaid assets	27,783
Increase (decrease) in accounts payable	(10,145)
Increase (decrease) in payroll and payroll taxes	7,524
Increase (decrease) in accrued expenses	<u>(9,823)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ (49,095)</u>

See notes to financial statements

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2006**

1. DESCRIPTION OF THE ENTITY

The Miami County Community Action Council (“MCCAC” or “Council”) is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Its mission is to develop, coordinate, and operate programs designed to combat the causes and effects of poverty in efforts to enable individuals and families to be self sufficient.

Oversight of the Miami County Community Action Council is provided by a fifteen member board called the Board of Trustees. Five appointees from the Public Sector, five appointees from the Client Sector, and five appointees from the Private Sector compose the Board.

The Miami County Community Action Council received federal funds to administer the following programs:

1. Home Weatherization Assistance Programs (HWAP) – This program is also referred to as “Weather Assistance for Low – Income Persons Grant”. Under this program individuals and families who meet certain eligibility requirements receive assistance for weatherization to their homes.
2. Home Energy Assistance Program (HEAP) – This program also known as “Low-Income Home Energy Assistance Grant Program” provides energy assistance to individuals and families who meet certain eligibility requirements. Under this program, payments for a portion of the energy bills received are made to the supplier on behalf of applicants.
3. Community Services Block Grant (CSBG) – This program funded through the Department of Health and Human Services assists individuals and families with information referral and case management services for those meeting certain eligibility requirements. The Program can consist of many services depending upon the work program as defined by Miami County Community Action Council.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Further, accounting requires that the financial statements reflect limitations and restrictions placed on the uses of available resources. In accordance with Financial Accounting Standards No. 117, resources and transactions are to be classified in accordance with specific activities or objectives as follows:

Unrestricted Net Assets

The Unrestricted Net Assets account for all resources over which Board officials have discretionary control for use in carrying out the operations of the Miami County Community Action Council. These unrestricted amounts are expensed in accordance with the limitations of its constitution and By Laws.

Temporarily Restricted Net Assets

A grantor imposed restriction that permits Miami County Community Action Council to use or expense the grant as specified and is satisfied by either the passage of time or by actions of the council or grantor.

Permanently Restricted Net Assets

A grantor imposed restriction that stipulated that resources be maintained permanently but permits that organization to use up or expense part of all of the income derived from the assets. As of December 31, 2006, the MCCAC had no permanently restricted assets.

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2006**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Other significant accounting policies under which the financial statements have been prepared are as follows:

- a. Cash and cash equivalents are demand deposits in financial institutions and petty cash. Cash equivalents are carried at the lower cost of market.
- b. Furniture, equipment and vehicles are recorded on the basis of historical cost. The Council capitalized all equipment with a purchase price over \$1,000. Fixed assets are depreciated using the straight-line method over the estimated useful life of the asset. The building and land in use by the Council are owned and reported by Miami County.
- c. Compensated Absences – The liability for Compensated Absences balances are accounted for by the Miami County Community Action Council.
 1. Sick Leave – Regular employees accrue sick leave at the rate of one and one-fourth days per month. Accrual is unlimited and not a claim against the Agency; except an employee may be granted severance pay after one year of service based in accumulated sick leave with a four week maximum liability.
 2. Annual Leave – Regular employees accrue annual leave at the rate of one through five years of service equals ten days of earned vacation a year; six through ten years of service equals fifteen days of earned vacation a year; eleven years of service and over equals twenty-one days of earned vacation a year. Annual leave may be carried over for up to one year.
- d. Interprogram Receivables/Payables – During the course of operations, numerous short-term interprogram loans are made primarily to cover payroll and interprogram cost allocations. These transactions are not eliminated in the combined statement of financial position as of December 31, 2006.
- e. Revenue and expenditures recognition – Revenue from restricted grants from governmental agencies is recognized when the Miami County Community Action Council has incurred expenditures in compliance with the specific restriction. Grant revenues in excess of grant expenditures incurred are reported as deferred revenue. All contributions are considered to be available for unrestricted use unless specifically restricted by the grantor.

If applicable, unspent funds in closed programs are to be returned to the grantor and are shown as a liability “due to grantor” in the Statement of Financial Position and therefore, are not included as support in the Statement of Activities.

Expenditures are recognized when incurred in accordance with accounting principles generally accepted in the United States of America. Prepaid expense arise when disbursements are made in advance of the period to be charged with the expense and are recorded as an asset until the charge can be properly recognized. Direct cost is charged to the program when incurred; indirect cost is allocated to the various programs in accordance with a cost allocation plan.

- f. Income Taxes – The Miami County Community Action Council is exempt from income taxes under 501 (c) (3) of the Internal Revenue Code. Therefore no assets, liabilities, or expenses related to federal income tax are recorded.

3. DEFICIT CASH AND NET ASSET BALANCES

Various programs of the Miami County Community Action Council had a deficit net asset balance due to grant monies that have been expended but not yet received as of December 31, 2006. The negative cash balances of the various grant programs are a result of expenditures being made prior to reimbursement from the grant agency. These deficit cash balances are covered by unrestricted interprogram loans and recorded as accounts payable.

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2006**

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

HWAP – for expenditures for the Home Weatherization Program	\$ 47,587
HEAP – for payment of Energy Assistance	<u>87,877</u>
	<u>\$ 135,464</u>

5. HOME WEATHERIZATION ASSISTANCE PROGRAM

The following is an analysis of income received from the Ohio Development of Development for the HWAP program:

Date	Voucher #	DOE CFDA #81.042	HHS CFDA #93.568	Total
1/25/2006	607134	\$ 9,837	\$ 9,399	\$ 19,236
3/8/2006	608768	7,476	5,241	12,717
3/20/2006	609135	9,256	-	9,256
5/4/2006	610878	29,811	14,153	43,964
6/2/2006	611748	12,663	12,183	24,846
7/13/2006	700152	17,935	11,004	28,939
8/16/2006	701307	10,680	7,664	18,344
9/15/2006	702303	16,021	6,662	22,683
10/30/2006	703838	14,320	7,950	22,270
12/1/2006	705175	10,218	13,164	23,382
12/19/2006	705737	12,995	21,378	34,373
2/27/2007	708062	9,377	17,483	26,860
3/9/2007	708476	23,728	11,316	35,044
		<u>184,317</u>	<u>137,597</u>	<u>321,914</u>
Less: Prior year receivable		(20,037)	(14,641)	(34,678)
		<u><u>\$ 164,280</u></u>	<u><u>\$ 122,956</u></u>	<u><u>\$ 287,236</u></u>

6. ACCOUNTS RECEIVABLE

Accounts Receivable (A/R) as of December 31, 2006, consists of the following:

Accounts	General	HWAP	HEAP	CSBG	Total
A/R Trade	\$ 332	\$ -	\$ -	\$ -	\$ 332
A/R Federal	-	61,904	72,183	20,974	155,061
A/R Interprogram	15,967	-	-	-	15,967
Total A/R	<u><u>\$ 16,299</u></u>	<u><u>\$ 61,904</u></u>	<u><u>\$ 72,183</u></u>	<u><u>\$ 20,974</u></u>	<u><u>\$ 171,360</u></u>

Of the accounts receivable from federal funds, the following is a list of contracts with amounts receivable:

Program	Contract No.	Amount
HWAP	06-134	61,904
HEAP	07-HA-151	32,866
HEAP	07-HE-251	39,317
CSBG	06-639	20,974
Total		<u><u>\$ 155,061</u></u>

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2006**

7. EMPLOYEES' RETIREMENT SYSTEM

The Miami County Community Action Council contributes 6.2% of gross salary to Social Security Insurance. Social Security Insurance requires member to contribute an additional 6.2% of their gross salary. Amounts contributed by both the Council and its employees amounted to \$15,470 each for the year ended December 31, 2006. Further the Council has a Tax Deferred Savings Plan (403B) for its employees who are eligible after one (1) service and employees are fully vested after five (5) years of service. The Council contributes five (5) percent of the employees gross salary to the plan with the employees entitled to contribute additional amounts up to the maximum allowed by law. During the year ended December 31, 2006, the Council contributed \$3,812 and the employees contributed and additional amount of \$6,750. The value of the plan at December 31, 2006, was \$219,991.

8. RISK MANAGEMENT

The Miami County Community Action Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To reduce risk, the Miami County Community Action Council had the following business policies:

1. **Bonding – Fidelity Bonding is through the Ohio Casualty Insurance Company and consists of a blanket bond for all employees and Board officers in the amount of \$100,000 per person; \$250 deductible.**
2. **General Liability – This is a Comprehensive Business policy under Safeco, which includes:**
 - a. **Property – Loss or damage coverage, \$250 deductible.**
 - b. **Vehicle – Liability coverage \$1,000,000; uninsured motorist \$1,000,000; Physical damage/Collision and Medical \$2,000; \$1,000 deductible for collision and a \$1,000 deductible for other than collision.**
 - c. **General Liability Coverage; \$3,000,000.**
3. **Workers Compensation – Employee accident coverage through the Bureau of Workers' Compensation, utilizing a group rating plan based on position and accident history.**
4. **Health Insurance – Comprehensive medical insurance is under is under Consumers Life Insurance Company. Deductible; individual \$500, family \$1,00; co-insurance: 80/20 up to \$1,500 individual, \$3,000 family, individual plan lifetime maximum benefit for all service \$5,000,000.**

9. RELATED PARTY TRANSACTION

The Miami County Community Action Council is staffed through an "Employer of Record contract with the Miami Metropolitan Housing Authority. The Miami Metropolitan Housing Authority has a separate audit per the Department of Housing and Urban Development Guidelines. In addition, the Miami County Community Action Council makes certain inter-fund loans between programs with no payment terms associated with these advances. As of December 31, 2006, the Council was due \$15,967 from the other program the Council administers.

10. STATUS OF PRIOR AUDIT FINDINGS

There were no findings reported for the previous year ended December 31, 2006.

11. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the basis of accounting as described in Note 2.

MIAMI COUNTY COMMUNITY ACTION COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2006

12. USE OF ESTIMATES

The preparation of the financial statements in accordance with Generally Accepted Accounting Principles 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.

13. PRIOR PERIOD ADJUSTMENTS

	<u>Total</u>	<u>HWAP</u>	<u>HEAP</u>	<u>MG&A</u>
Beginning equity	\$ 235,847	\$ 42,569	\$ 51,294	\$ 141,984
Accrued compensated absences - correction	(35,240)	-	-	(35,240)
Capital assets/ Accumulated depreciation	953	-	-	953
Unfound variance	3,281	3,036	-	245
Beginning equity, restated	<u>\$ 204,841</u>	<u>\$ 45,605</u>	<u>\$ 51,294</u>	<u>\$ 107,942</u>

14. CAPITAL ASSETS

	<u>12/31/2005</u>	<u>Deletions/ Corrections</u>	<u>Additions</u>	<u>12/31/2006</u>
Equipment	\$ 118,574	\$ (30,708)	\$ 3,280	\$ 91,146
Accumulated Depreciation	(105,090)	31,661	(4,893)	(78,322)
Net Capital Assets	<u>\$ 13,484</u>	<u>\$ 953</u>	<u>\$ (1,613)</u>	<u>\$ 12,824</u>

The depreciation expense for the year ended December 31, 2006 was \$4,893.

MIAMI COUNTY COMMUNITY ACTION COUNCIL
SUPPLEMENTAL COMBINING SCHEDULE OF FINANCIAL POSITION – BY PROGRAM
December 31, 2006

ASSETS	HWAP	HEAP	CSBG	MG & A	Total
CURRENT ASSETS					
Cash	\$ (18,585)	\$ 18,197	\$ (18,946)	\$ 39,332	\$ 19,998
Accounts receivable	61,904	72,183	20,974	16,299	171,360
Prepaid expenses	-	-	172	-	172
TOTAL CURRENT ASSETS	43,319	90,380	2,200	55,631	191,530
CAPITAL ASSETS					
Furniture and fixtures	23,716	-	-	24,300	48,016
Automobiles	9,980	-	-	33,150	43,130
Accumulated depreciation	(26,282)	-	-	(52,040)	(78,322)
TOTAL PROPERTY AND EQUIPMENT	7,414	-	-	5,410	12,824
OTHER ASSETS					
Workers Comp Deposit	-	-	-	679	679
TOTAL ASSETS	\$ 50,733	\$ 90,380	\$ 2,200	\$ 61,720	\$ 205,033
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	\$ 325	\$ -	\$ -	\$ 296	\$ 621
Accrued payroll and payroll expenses	2,821	2,503	2,200	-	7,524
Accrued compensated absences	-	-	-	21,290	21,290
TOTAL CURRENT LIABILITIES	3,146	2,503	2,200	21,586	29,435
LONG-TERM LIABILITIES					
Accrued compensated absences	-	-	-	11,465	11,465
TOTAL LIABILITIES	3,146	2,503	2,200	33,051	40,900
NET ASSETS					
NET ASSETS					
Unrestricted net assets	-	-	-	28,669	28,669
Temporarily restricted net assets	47,587	87,877	-	-	135,464
TOTAL NET ASSETS	47,587	87,877	-	28,669	164,133
TOTAL LIABILITIES AND NET ASSETS	\$ 50,733	\$ 90,380	\$ 2,200	\$ 61,720	\$ 205,033

See Auditors' Report

MIAMI COUNTY COMMUNITY ACTION COUNCIL
SUPPLEMENTAL COMBINING SCHEDULE OF ACTIVITIES – BY PROGRAM
Year Ended December 31, 2006

	<u>HWAP</u>	<u>HEAP</u>	<u>CSBG</u>	<u>MG & A</u>	<u>Total</u>
REVENUE:					
Federal Grant	\$ 287,236	\$ 343,188	\$ 136,762	\$ -	\$ 767,186
Management Services	-	-	-	52,214	52,214
TOTAL REVENUE	<u>287,236</u>	<u>343,188</u>	<u>136,762</u>	<u>52,214</u>	<u>819,400</u>
EXPENSES:					
Wages and Benefits	166,086	132,884	129,031	51,388	479,389
Services	525	1,550	910	11,260	14,245
Materials and Supplies	32,486	4,747	-	23,238	60,471
Contract Labor	8,286	-	-	-	8,286
Emergency HEAP Program	-	161,309	-	-	161,309
Transportation	5,466	-	-	5,669	11,135
Equipment and Tool Expense	11,900	-	-	2,642	14,542
Training	1,912	35	39	11,829	13,815
Health and Safety	41,371	-	-	-	41,371
Depreciation Expense	1,463	-	-	3,430	4,893
Other	250	252	-	7,049	7,551
Insurance	12,423	-	3,921	4,332	20,676
Phone	232	1,103	647	7,786	9,768
Administrative expenses	900	4,725	2,214	2,864	10,703
Storage	1,954	-	-	-	1,954
TOTAL EXPENSES	<u>285,254</u>	<u>306,605</u>	<u>136,762</u>	<u>131,487</u>	<u>860,108</u>
Changes in net assets	1,982	36,583	-	(79,273)	(40,708)
Net assets at beginning of the year	<u>45,605</u>	<u>51,294</u>	<u>-</u>	<u>107,942</u>	<u>204,841</u>
NET ASSETS AT END OF THE YEAR	<u><u>\$ 47,587</u></u>	<u><u>\$ 87,877</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 28,669</u></u>	<u><u>\$ 164,133</u></u>

See Auditors' Report

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
SUPPLEMENTAL SCHEDULE OF SUPPORT, GRANTS, REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS – HOME ENERGY ASSISTANCE PROGRAM (HEAP)
Year Ended December 31, 2006**

<u>Ohio Department of Development Grant</u>	<u>Prior Fiscal Year</u>	<u>Current Fiscal Year</u>	<u>Total</u>	<u>Budget</u>	<u>Variance</u>
<u>06-HA-151</u>					
Revenue:					
Federal Grants	\$ 62,060	\$ 93,032	\$ 155,092	\$ 155,092	\$ -
Expenses:					
Salaries	33,076	67,488	100,564	99,153	1,411
Fringe	14,492	31,150	45,642	45,938	(296)
Audit	-	1,956	1,956	1,956	-
Reproduction	2,216	3,210	5,426	6,321	(895)
Travel	411	35	446	411	35
Phone	334	724	1,058	1,313	(255)
	<u>50,529</u>	<u>104,563</u>	<u>155,092</u>	<u>155,092</u>	<u>-</u>
Government Grants Over (Under) Expenditures	<u>\$ 11,531</u>	<u>\$ (11,531)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning Net Assets			<u>11,531</u>		
Ending Net Assets			<u>\$ -</u>		
<u>05-HE-251 and 06-HE-251</u>					
Revenue:					
Federal Grants	\$ 82,650	\$ 44,575	\$ 127,225	\$ 180,000	\$ (52,775)
Expenses:					
Emergency Payments	<u>42,888</u>	<u>84,337</u>	<u>127,225</u>	<u>180,000</u>	<u>(52,775)</u>
Government Grants Over (Under) Expenditures	<u>\$ 39,762</u>	<u>\$ (39,762)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning Net Assets			<u>39,762</u>		
Ending Net Assets			<u>\$ -</u>		
<u>06-HC-251</u>					
Revenue:					
Federal Grants		\$ 28,002	\$ 28,002	\$ 34,500	\$ (6,498)
Expenses:					
Emergency Payments		<u>28,002</u>	<u>28,002</u>	<u>34,500</u>	<u>(6,498)</u>
Government Grants Over (Under) Expenditures		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>07-HA-151</u>					
Federal Grants		\$ 78,261			
<u>07-HE-151</u>					
Federal Grants		<u>99,318</u>			
Total		177,579			
Expended		<u>(89,702)</u>			
Ending Net Assets -Home Energy Assistance Program		<u>\$ 87,877</u>			
Reconciliation of the Total HEAP Activity:					
Beginning Net Assets		\$ 51,294			
Total Federal Grants Received		343,188			
Total Expenses		<u>(306,605)</u>			
Ending Net Assets		<u>\$ 87,877</u>			

See Auditors' Report

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
SUPPLEMENTAL SCHEDULE OF SUPPORT, GRANTS, REVENUES, EXPENDITURES
AND CHANGES IN NET ASSETS – COMMUNITY SERVICE BLOCK GRANT
Year Ended December 31, 2006**

<u>Ohio Department of Development Grant</u>	<u>Current Fiscal Year</u>	<u>Budget</u>	<u>Variance</u>
<u>06-639</u>			
Revenue:			
Federal grants	\$ 136,762	\$ 136,762	\$ -
Expenses:			
Salaries	93,850	93,850	-
Fringe	35,181	35,181	-
Consultant	910	910	-
Traning	39	39	-
Insurance	3,921	3,921	-
Phone	647	647	-
Administrative expenses	2,214	2,214	-
	<u>136,762</u>	<u>136,762</u>	<u>-</u>
Government Grants Over (Under) Expenditures	-	<u>\$ -</u>	<u>\$ -</u>
Beginning Net Assets	-		
Ending Net Assets	<u>\$ -</u>		

See Auditors' Report

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2006**

<u>Program</u>	<u>Federal CFDA Number</u>	<u>Project Number</u>	<u>Expenditures</u>
<u>U.S. Department of Energy</u>			
Home Weatherization Assistance Program	81.042	05&06-134	\$ 164,280
<u>U.S. Department of Health and Human Services</u>			
Passed through:			
Ohio Department of Development			
Community Service Block Grant (CSBG)	93.569	06-639	136,762
Home Energy Assistance Program (HEAP)	93.568	06&07-HA-151	134,710
	93.568	06&07-HE-251	143,893
	93.568	06-HC-251	28,002
Home Weatherization Assistance Program (HWAP)	93.568	05&06-134	<u>120,974</u>
Total U.S. Department of Health and Human Services			<u>564,341</u>
Total All Programs			<u>\$ 728,621</u>



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Directors
Miami County Community Action Council
Troy, Ohio**

We have audited the basic financial statements for Miami County Community Action Council as of and for the year ended December 31, 2006 and have issued our report thereon dated August 31, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Miami County Community Action Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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This report is intended solely for the information and use of 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.

Jones, Cochenour & Co.

Jones, Cochenour & Co.
August 31, 2007



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

**Board of Directors
Miami County Community Action Council
Troy, Ohio**

Compliance

We have audited the compliance of Miami County Community Action Council with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. Miami County Community Action Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Miami County Community Action Council's management. Our responsibility is to express an opinion on Miami County Community Action Council's compliance based on our audit.

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; 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 Miami County Community Action Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Miami County Community Action Council's compliance with those requirements.

In our opinion, Miami County Community Action Council 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, 2006.

Internal Control Over Compliance

The management of Miami County Community Action Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Miami County Community Action Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Miami County Community Action Council's internal control over compliance.

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

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

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

This report is intended solely for the information and use of the board of directors, management, Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Jones, Cochenour & Co." with a stylized flourish at the end.

Jones, Cochenour & Co.
August 31, 2007

**Summary of Auditors' Results and Schedule of Findings
OMB Circular A-133 § .505**

**Miami County Community Action Council
December 31, 2006**

1. SUMMARY OF AUDITORS' RESULTS
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Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	Home Energy Assistance Program (HEAP) CFDA# 93.568
Dollar Threshold: Type A/B Programs	\$300,000
Low Risk Auditee?	Yes

**Summary of Auditors' Results and Schedule of Findings
OMB Circular A-133 § .505 - Continued**

**Miami County Community Action Council
December 31, 2006**

2. FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings or questioned costs for the year ended December 31, 2006.

3. FINDINGS RELATED TO FEDERAL AWARDS

There are no findings or questioned costs for the year ended December 31, 2006.



Mary Taylor, CPA
Auditor of State

MIAMI COUNTY COMMUNITY ACTION COUNCIL

MIAMI COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 13, 2007**