

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
FINANCIAL STATEMENTS
For The Year Ended December 31, 2007**



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, 2007 through December 31, 2007. 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

September 8, 2008

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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, 2007, 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 an opinion 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, 2007, 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 July 14, 2008 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Council taken as a whole. The supplementary schedules shown on pages 10 - 13 are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Miami County Community Action Council. The accompanying Schedule of Expenditures of Federal Awards shown on page 14 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 basic financial statements. Such supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Jones, Cochenour & Co.
July 14, 2008

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**MIAMI COUNTY COMMUNITY ACTION COUNCIL
STATEMENT OF NET ASSETS
December 31, 2007**

ASSETS		
Cash	\$	104,984
Accounts receivable		146,966
Prepaid expenses		4,223
TOTAL CURRENT ASSETS, NET		256,173
 CAPITAL ASSETS		
Furniture and fixtures		48,636
Automobiles		43,130
		91,766
Accumulated depreciation		(82,716)
TOTAL CAPITAL ASSETS		9,050
 OTHER ASSETS		
Workers' compensation deposit		679
		679
TOTAL ASSETS		265,902
 LIABILITIES		
Accounts payable		18,246
Accrued compensated absences		18,509
TOTAL CURRENT LIABILITIES		36,755
 LONG-TERM LIABILITIES		
Compensated absences		13,403
		13,403
TOTAL LIABILITIES		50,158
 NET ASSETS		
Unrestricted net assets		34,663
Temporarily restricted net assets		181,081
		215,744
NET ASSETS	\$	215,744

See notes to financial statements

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
STATEMENT OF ACTIVITIES
Year Ended December 31, 2007**

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:			
Management services	\$ 71,203	\$ -	\$ 71,203
Federal grants	-	836,748	836,748
Net Assets Released from Restrictions (Satisfaction of Program Restrictions)			
Federal grants	791,131	(791,131)	-
TOTAL SUPPORT AND REVENUE	862,334	45,617	907,951
PROGRAM EXPENSES:			
HWAP	291,132	-	291,132
HEAP	363,237	-	363,237
CSBG	136,762	-	136,762
TOTAL PROGRAM EXPENSES	791,131	-	791,131
Management, general and administrative expenses	65,209	-	65,209
TOTAL EXPENSES	856,340	-	856,340
INCREASE IN NET ASSETS	5,994	45,617	51,611
Net assets at beginning of year	28,669	135,464	164,133
NET ASSETS AT END OF YEAR	\$ 34,663	\$ 181,081	\$ 215,744

See notes to financial statements

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
STATEMENT OF CASH FLOWS
Year Ended December 31, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from governmental grants	\$ 851,923
Cash received from management services	80,422
Cash payments for administration	<u>(846,739)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	85,606
CASH FLOWS FROM INVESTING ACTIVITIES:	
Disposal of fixed assets	1,375
Purchase of fixed assets	<u>(1,995)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	(620)
INCREASE IN CASH AND CASH EQUIVALENTS	84,986
CASH AND CASH EQUIVALENTS, BEGINNING	<u>19,998</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 104,984</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Change in net assets	\$ 51,611
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Depreciation	4,982
Loss on disposal of assets	(589)
(Increase) decrease in accounts receivable	24,395
(Increase) decrease in prepaid assets	(4,051)
Increase (decrease) in accounts payable	17,625
Increase (decrease) in payroll and payroll taxes	(7,524)
Increase (decrease) in accrued expenses	<u>(843)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 85,606</u></u>

See notes to financial statements

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2007**

1. DESCRIPTION OF THE ENTITY

The Miami County Community Action Council (“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 or all of the income derived from the assets. As of December 31, 2007, the Council had no permanently restricted assets.

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2007**

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 of 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 on 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, 2007.
- 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

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, 2007**

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

HWAP – for expenditures for the Home Weatherization Program	\$ 51,076
HEAP – for payment of Energy Assistance	<u>130,005</u>
	<u>\$ 181,081</u>

5. HOME WEATHERIZATION ASSISTANCE PROGRAM

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

Voucher Date	Voucher #	DOE CFDA #81.042	HHS CFDA #93.568	Total
2/27/2007	708062	\$ 9,377	\$ 17,483	\$ 26,860
3/9/2007	708476	23,728	11,316	35,044
4/6/2007	709334	14,562	-	14,562
4/20/2007	709692	6,553	-	6,553
6/19/2007	712087	10,119	4,858	14,977
6/19/2007	711926	21,729	22,277	44,006
8/24/2007	DEV836	18,089	11,374	29,463
9/6/2007	DEV1589	12,651	12,985	25,636
9/24/2007	DEV3153	8,217	8,888	17,105
11/5/2007	DEV5266	9,320	10,461	19,781
11/15/2007	DEV6903	13,314	18,944	32,258
1/7/2008	DEV8532	6,157	21,704	27,861
1/15/2008	DEV9660	10,351	21,023	31,374
5/14/2008	DEV38332	17,656	13,389	31,045
		<u>181,823</u>	<u>174,702</u>	<u>356,525</u>
Less: Prior year receivable		<u>(33,105)</u>	<u>(28,799)</u>	<u>(61,904)</u>
Current year income		<u>\$ 148,718</u>	<u>\$ 145,903</u>	<u>\$ 294,621</u>

6. ACCOUNTS RECEIVABLE

Accounts Receivable (A/R) as of December 31, 2007, consists of the following:

Accounts	General	HWAP	HEAP	CSBG	Total
A/R Trade	\$ 6,852	\$ -	\$ -	\$ -	\$ 6,852
A/R Federal	-	90,280	45,138	4,468	139,886
A/R Interprogram	228	-	-	-	228
Total A/R	<u>\$ 7,080</u>	<u>\$ 90,280</u>	<u>\$ 45,138</u>	<u>\$ 4,468</u>	<u>\$ 146,966</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	90,280
HEAP	07-HA-151	7,638
HEAP	07-HE-251	37,500
CSBG	06-639	4,468
Total		<u>\$ 139,886</u>

**MIAMI COUNTY COMMUNITY ACTION COUNCIL
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2007**

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 \$4,445 each for the year ended December 31, 2007. Further the Council has a Tax Deferred Savings Plan (403B) for its employees who are eligible after one (1) year's 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, 2007, the Council and the employees contributed a total of \$3,035. The value of the plan at December 31, 2007, was \$81,709.

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 Motorists Mutual Insurance Company, 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 \$1,500, family \$3,000; co-insurance: 90/10 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, 2007, the Council was due \$6,852 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, 2007**

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. CAPITAL ASSETS

	<u>12/31/2006</u>	<u>Deletions/ Corrections</u>	<u>Additions/ Corrections</u>	<u>12/31/2007</u>
Equipment	\$ 91,146	\$ (1,375)	\$ 1,995	\$ 91,766
Accumulated Depreciation	(78,322)	588	(4,982)	(82,716)
Net Capital Assets	<u>\$ 12,824</u>	<u>\$ (787)</u>	<u>\$ (2,987)</u>	<u>\$ 9,050</u>

The depreciation expense for the year ended December 31, 2007 was \$4,982.

MIAMI COUNTY COMMUNITY ACTION COUNCIL
SUPPLEMENTAL COMBINING SCHEDULE OF FINANCIAL POSITION – BY PROGRAM
December 31, 2007

ASSETS	<u>HWAP</u>	<u>HEAP</u>	<u>CSBG</u>	<u>MG & A</u>	<u>Total</u>
CURRENT ASSETS					
Cash	\$ (34,053)	\$ 88,749	\$ (2,797)	\$ 53,085	\$ 104,984
Accounts receivable	90,280	45,138	4,468	7,080	146,966
Prepaid expenses	-	-	-	4,223	4,223
TOTAL CURRENT ASSETS	<u>56,227</u>	<u>133,887</u>	<u>1,671</u>	<u>64,388</u>	<u>256,173</u>
CAPITAL ASSETS					
Furniture and fixtures	24,336	-	-	24,300	48,636
Automobiles	9,980	-	-	33,150	43,130
Accumulated depreciation	(27,246)	-	-	(55,470)	(82,716)
TOTAL PROPERTY AND EQUIPMENT	<u>7,070</u>	<u>-</u>	<u>-</u>	<u>1,980</u>	<u>9,050</u>
OTHER ASSETS					
Workers Comp Deposit	-	-	-	679	679
TOTAL ASSETS	<u>\$ 63,297</u>	<u>\$ 133,887</u>	<u>\$ 1,671</u>	<u>\$ 67,047</u>	<u>\$ 265,902</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	\$ 12,221	\$ 3,882	\$ 1,671	\$ 472	\$ 18,246
Accrued compensated absences	-	-	-	18,509	18,509
TOTAL CURRENT LIABILITIES	<u>12,221</u>	<u>3,882</u>	<u>1,671</u>	<u>18,981</u>	<u>36,755</u>
LONG-TERM LIABILITIES					
Accrued compensated absences	-	-	-	13,403	13,403
TOTAL LIABILITIES	<u>12,221</u>	<u>3,882</u>	<u>1,671</u>	<u>32,384</u>	<u>50,158</u>
NET ASSETS					
NET ASSETS					
Unrestricted net assets	-	-	-	34,663	34,663
Temporarily restricted net assets	51,076	130,005	-	-	181,081
TOTAL NET ASSETS	<u>51,076</u>	<u>130,005</u>	<u>-</u>	<u>34,663</u>	<u>215,744</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 63,297</u>	<u>\$ 133,887</u>	<u>\$ 1,671</u>	<u>\$ 67,047</u>	<u>\$ 265,902</u>

See Auditors' Report

MIAMI COUNTY COMMUNITY ACTION COUNCIL
SUPPLEMENTAL COMBINING SCHEDULE OF ACTIVITIES – BY PROGRAM
Year Ended December 31, 2007

	<u>HWAP</u>	<u>HEAP</u>	<u>CSBG</u>	<u>MG & A</u>	<u>Total</u>
REVENUE:					
Federal Grant	\$ 294,621	\$ 405,365	\$ 136,762	\$ -	\$ 836,748
Management Services	-	-	-	71,203	71,203
TOTAL REVENUE	<u>294,621</u>	<u>405,365</u>	<u>136,762</u>	<u>71,203</u>	<u>907,951</u>
EXPENSES:					
Wages and Benefits	177,195	180,832	118,786	(512)	476,301
Services	-	5,480	2,841	875	9,196
Materials and Supplies	32,737	1,218	-	23,657	57,612
Contract Labor	7,158	-	-	-	7,158
Emergency HEAP Program	-	164,676	-	-	164,676
Transportation	10,666	-	-	7,070	17,736
Equipment and Tool Expense	20,123	5,086	892	14,825	40,926
Training	71	1,005	-	5,566	6,642
Health and Safety	29,044	-	-	-	29,044
Depreciation Expense	1,552	-	-	3,430	4,982
Other	2,366	3,840	13,422	1,768	21,396
Insurance	7,500	-	-	-	7,500
Phone	-	1,100	649	7,782	9,531
Administrative expenses	564	-	172	748	1,484
Waste disposal	2,156	-	-	-	2,156
TOTAL EXPENSES	<u>291,132</u>	<u>363,237</u>	<u>136,762</u>	<u>65,209</u>	<u>856,340</u>
Changes in net assets	3,489	42,128	-	5,994	51,611
Net assets at beginning of the year	<u>47,587</u>	<u>87,877</u>	<u>-</u>	<u>28,669</u>	<u>164,133</u>
NET ASSETS AT END OF THE YEAR	<u><u>\$ 51,076</u></u>	<u><u>\$ 130,005</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,663</u></u>	<u><u>\$ 215,744</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, 2007

<u>Ohio Department of Development Grant</u>	<u>Current Fiscal</u> <u>Year</u>	<u>Budget</u>	<u>Variance</u>
<u>07-HA-151 and 08-HA-151</u>			
Revenue:			
Federal Grants	\$ 198,560	\$ 196,536	\$ 2,024
Expenses:			
Salaries	124,200	126,616	(2,416)
Fringe	56,631	54,264	2,367
Audit	5,480	4,385	1,095
Equipment	5,086	6,961	(1,875)
Supplies	1,218	2,300	(1,082)
Travel	1,005	655	350
Phone	1,100	1,105	(5)
Other	3,840	250	3,590
	<u>198,560</u>	<u>196,536</u>	<u>2,024</u>
Government Grants Over (Under) Expenditures	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning Net Assets	<u>11,531</u>		
Ending Net Assets	<u>\$ 11,531</u>		
<u>07-HE-251 and 08-HE-251</u>			
Revenue:			
Federal Grants	\$ 177,026	\$ -	\$ 177,026
Expenses:			
Emergency Payments	<u>134,898</u>	<u>-</u>	<u>134,898</u>
Government Grants Over (Under) Expenditures	<u>42,128</u>	<u>\$ -</u>	<u>\$ 42,128</u>
Beginning Net Assets	<u>87,877</u>		
Ending Net Assets -Home Energy Assistance Program	<u>\$ 130,005</u>		
<u>07-HC-251</u>			
Revenue:			
Federal Grants	\$ 29,779	\$ 31,000	\$ (1,221)
Expenses:			
Emergency Payments	<u>29,779</u>	<u>31,000</u>	<u>(1,221)</u>
Government Grants Over (Under) Expenditures	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning Net Assets	<u>-</u>		
Ending Net Assets	<u>\$ -</u>		
Reconciliation of the Total HEAP Activity:			
Beginning Net Assets	\$ 87,877	\$ -	\$ 87,877
Total Federal Grants Received	405,365	-	405,365
Total Expenses	<u>(363,237)</u>	<u>-</u>	<u>(363,237)</u>
Ending Net Assets	<u>\$ 130,005</u>	<u>\$ -</u>	<u>\$ 130,005</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, 2007**

<u>Ohio Department of Development Grant</u>	<u>Current Fiscal Year</u>	<u>Budget</u>	<u>Variance</u>
<u>07-739</u>			
Revenue:			
Federal Grants	\$ 136,762	\$ 136,762	\$ -
Expenses:			
Salaries	85,139	85,139	-
Fringe	33,647	33,647	-
Consultant	2,841	2,841	-
Equipment Maintenance	892	892	-
Space	649	649	-
Administrative Expenses	10,007	10,007	-
Other	3,587	3,587	-
	<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, 2007**

<u>Program</u>	<u>Federal CFDA Number</u>	<u>Project Number</u>	<u>Funds Received</u>	<u>Funds Expended</u>
<u>U.S. Department of Energy</u>				
Passed through:				
Ohio Department of Development				
Home Weatherization Assistance Program	81.042	06-134	\$ 21,115	\$ 53,440
	81.042	07-134	<u>127,603</u>	<u>102,031</u>
Total U.S. Department of Energy			<u>148,718</u>	<u>155,471</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through:				
Ohio Department of Development				
Community Service Block Grant (CSBG)	93.569	07-739	136,762	136,762
Home Energy Assistance Program (HEAP)	93.568	07-HA-151	90,392	127,922
	93.568	08-HA-151	108,168	70,638
	93.568	07-HC-251	29,779	29,779
	93.568	07-HE-251	27,026	77,373
	93.568	08-HE-251	150,000	57,870
Home Weatherization Assistance Program (HWAP)	93.568	06-134	-	11,690
	93.568	07-134	112,578	90,301
	93.568	07-134	<u>33,325</u>	<u>33,325</u>
Total U.S. Department of Health and Human Services			<u>688,030</u>	<u>635,660</u>
Total All Programs			<u>\$ 836,748</u>	<u>\$ 791,131</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, 2007 and have issued our report thereon dated July 14, 2008. 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 the board of directors, management, Auditor of State, 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.

A handwritten signature in cursive script that reads "Jones, Cochenour & Co.".

Jones, Cochenour & Co.

July 14, 2008



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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, 2007. Miami County Community Action Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility 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, 2007.

Internal Control Over Compliance

The management of Miami County Community Action Council is responsible for establishing and maintaining effective internal control over compliance with the 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 a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program 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, 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.

A handwritten signature in cursive script that reads "Jones, Cochenour & Co.".

Jones, Cochenour & Co.

July 14, 2008

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

**Miami County Community Action Council
December 31, 2007**

1. SUMMARY OF AUDITORS' RESULTS
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Financial Statements:	
Type of Financial Statement Opinion	Unqualified
At the financial statements level, were there any material weaknesses reported?	No
At the financial statements level, were there any significant deficiencies identified that are not considered material weaknesses?	No
At the financial statement level, was there any material noncompliance?	No
Federal Awards:	
Were there any material weakness in internal control over major programs identified?	No
Were there any significant deficiencies that are not considered to be material weaknesses in internal control over major programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510(a) of OMB Circular A-133?	No
Major Programs (list):	CFDA# 93.568 - Home Energy Assistance Program (HEAP)
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, 2007**

2. FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings or questioned costs for the year ended December 31, 2007.

3. FINDINGS RELATED TO FEDERAL AWARDS

There are no findings or questioned costs for the year ended December 31, 2007.



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
SEPTEMBER 18, 2008**