

**Miami County Community Action Council  
Single Audit Report  
For The Year Ended December 31, 2003**

Lightner & Stickel, CPA's, Inc  
Troy, Ohio





**Auditor of State  
Betty Montgomery**

Board of Commissioners  
Miami County Community Action Council

We have reviewed the Independent Auditor's Report of the Miami County Community Action Council, Miami County, prepared by Lightner & Stickel, CPA's, Inc., for the audit period January 1, 2003 through December 31, 2003. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

June 22, 2004

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## Independent Auditor's Report

To the Board of Commissioners  
Miami County Community Action Council  
Troy, Ohio

We have audited the accompanying financial statements of the Miami County Community Action Council, as listed in the Table of Contents, as of and for the year ended December 31, 2003. 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, in evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Accounting principles generally accepted in the United States of America require that property and equipment be depreciated. It is Miami County Community Action Council's policy to expense these costs in accordance with guidelines provided by their various funding sources. The effect of this departure from accounting principles generally accepted in the United States of America is not readily determinable.

In our opinion, except for the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Miami County Community Action Council as of December 31, 2003, and the results of its changes in net assets and 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 a report dated May 21, 2004, on our consideration of the Miami County Community Action Council's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

Lightner & Stickel, CPA's, Inc.  
May 21, 2004

**Miami County Community Action Council**  
**Statement of Financial Position**  
**December 31, 2003**

**Assets**

Current Assets			
Cash	\$	204,520	
Accounts Receivable		229,065	
Prepaid Expenses		61,293	
Total Current Assets			\$ 494,878
Fixed Assets			
Property & Equipment		168,972	
Total Property and Equipment			168,972
Other Assets			
Workers Comp Deposit		679	
Total Other Assets			679
Total Assets			\$ 664,529

**Liabilities and Net Assets**

**Liabilities**

Current Liabilities			
Accounts Payable	\$	146,273	
Accrued Expenses		14,012	
Total Current Liabilities			\$ 160,285
Total Liabilities			160,285

**Net Assets**

Net Assets			
Unrestricted		431,072	
Temporarily restricted		73,172	
Total Net Assets			504,244
Total Liabilities and Net Assets			\$ 664,529

The notes to the financial statements are an integral part of the financial statements.



**Miami County Community Action Council**  
**Statement of Activities**  
**For the Year Ended December 31, 2003**

**Changes in Unrestricted Net Assets:**

Unrestricted Support and Revenue:			
Transportation Revenue	\$	259,682	
Local Cash Reimbursement		30,000	
Interest Income		0	
Management Services		<u>207,125</u>	
Total Sales Revenue			\$ 496,807
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions:			
State Grant		194,945	
Federal Grant		<u>937,693</u>	
			<u>1,132,638</u>
Total Support and Revenue			\$ 1,629,445
Unrestricted Expenses:			
Program Expenses:			
Transit		840,877	
HWAP		237,038	
HEAP		212,537	
CSBG		<u>136,762</u>	
			1,427,214
Management, General and Administrative Expenses		<u>173,045</u>	
			1,600,259
Capital Additions (Disposals)			<u>(212,394)</u>
			1,812,653
Increase (Decrease) in Unrestricted Assets			(183,208)
Changes in Temporarily Restricted Net Assets:			
State Grant		194,945	
Federal Grant		937,693	
Grant Revenue Released from Restrictions		<u>(1,132,638)</u>	
			<u>0</u>
Increase (Decrease) in Net Assets			(183,208)
Net Assets at Beginning of Year			<u>687,452</u>
Net Assets at End of Year			<u>\$ 504,244</u>

The notes to the financial statements are an integral part of the financial statements.

**Miami County Community Action Council**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2003**

Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets		\$ (183,208)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
(Gain) loss on disposal of property	\$ 212,394	
(Increase) decrease in accounts receivable	21,487	
(Increase) decrease in prepaid assets	(21,388)	
Increase (decrease) in accounts payable	(31,165)	
Increase (decrease) in deferred expenses	<u>(1,518)</u>	
 Total adjustments		 <u>179,810</u>
 Net Cash Provided (Used) by Operating Activities		 <u>(3,398)</u>
  Net Increase (Decrease) in Cash		  (3,398)
 Cash at Beginning of Year		 <u>207,918</u>
 Cash at End of Year		 <u><u>\$ 204,520</u></u>

The notes to the financial statements are an integral part of the financial statements.

**Miami County Community Action Council**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2003**

**Note 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. **Transit Program** – This program also known as “Urban Mass Transportation” includes the Miami and Piqua County transportation assistance programs. These programs are available to the general public at a fare. However, certain individuals who meet income, elderly or disability requirements receive a reduced or free fare for transportation.
2. **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 of their homes.
3. **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.
4. **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.

**Miami County Community Action Council**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2003**

**Note 2 – Summary of Significant Accounting Policies**

The accompanying financial statements have been prepared on the accrual basis of fund accounting in accordance with accounting principles generally accepted in the United States of America except that furniture, equipment, and vehicles purchased with restricted grant funds are recorded as fixed assets in the Plant Fund and there is no depreciation recorded for the assets on the financial statements.

Further, fund 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 by funds in accordance with specific activities or objectives as follows:

**Unrestricted**

The Unrestricted Fund accounts 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 except for amounts invested in property and equipment, these funds are accounted for in the plant fund and recorded at the purchase price and expensed at the time they are received.

**Temporarily Restricted**

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**

A grantor imposed restriction that stipulates 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, 2003, the MCCAC had no permanently restricted assets.

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 or market.

**Miami County Community Action Council**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2003**

**Note 2 – Summary of Significant Accounting Policies (continued)**

- b. **Furniture, equipment and vehicles** are recorded as fixed assets in the plant fund and expensed in the period incurred. As a result, no depreciation is recorded. Accordingly, the accompanying financial statements do not reflect provisions for depreciation in accordance with accounting principles generally accepted in the United States of America.
- c. **Compensated absences** – The liability for Compensated Absences balances are accounted for by the Miami County Community Action Council.

Miami County Community Action Council employees are covered for absences by Annual Leave and Sick Leave as defined in the Personnel Policies adopted by the Miami County Community Action Council as follows:

- 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, 2003.
  - 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.

**Miami County Community Action Council**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2003**

**Note 2 – Summary of Significant Accounting Policies (continued)**

Expenditures are recognized when incurred in accordance with accounting principles generally accepted in the United States of America except for fixed assets which are expensed rather than capitalized and depreciated. 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.

**Note 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 which have been expended but not yet received as of December 31, 2003. 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.

The net asset deficit balances resulted from adjustments for accrued liabilities. The program is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**Note 4 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

HWAP – for expenditures for the Home Weatherization Program	\$ 41,087
HEAP – for payment of Energy Assistance in the year 2003	<u>32,085</u>
	<u>\$ 73,172</u>

**Miami County Community Action Council  
Notes to the Financial Statements  
For the Year Ended December 31, 2003**

**Note 5 – Home Weatherization Assistance Program (HWAP)**

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

<u>Date</u>	<u>Voucher #</u>	<u>Stripper</u>	<u>DOE</u>	<u>HHS</u>	<u>Total</u>
		<u>No CFDA #</u>	<u>CFDA #81.042</u>	<u>CFDA #93.568</u>	
3/9/2003	309479	\$ 0	\$ 4,001	\$ 1,468	\$ 5,469
4/17/2003	310959	0	0	3,472	3,472
5/14/2003	312257	0	28,812	12,277	41,089
5/29/2003	312547	0	0	2,819	2,819
6/18/2003	313714	0	11,590	8,135	19,725
7/21/2003	400203	0	14,108	8,325	22,433
8/1/2003	401002	0	7,281	1,634	8,915
9/29/2003	402803	0	30,433	12,316	42,749
10/14/2003	403425	0	13,634	1,994	15,628
11/12/2003	404598	0	21,107	4,348	25,455
12/19/2003	406028	0	10,561	6,377	16,938
	Sub Total	<u>0</u>	<u>141,527</u>	<u>63,165</u>	<u>204,692</u>

Accounts Receivable

2/9/2004	0	6,477	6,991	13,468
2/13/2004	0	23,122	9,959	33,081

Refunds:

6/2/2003	0	(2,772)	(9,339)	(12,111)
	0	0	0	0

Final Settlement

Accounts Receivable	0	0	0	0
Accounts Payable	0	0	0	0
Grand Total	<u>\$ 0</u>	<u>\$ 168,354</u>	<u>\$ 70,776</u>	<u>\$ 239,130</u>

**Miami County Community Action Council  
Notes to the Financial Statements  
For the Year Ended December 31, 2003**

**Note 6 – Accounts Receivable**

Accounts Receivable (A/R) as of December 31, 2003, consists of the following:

<u>Accounts</u>	<u>General</u>	<u>Transit</u>	<u>HWAP</u>	<u>HEAP</u>	<u>CSBG</u>	<u>Total</u>
A/R Trade	\$ 5,827	\$ 9,167	\$ 0	\$ 0	\$ 0	\$ 14,994
A/R Federal	0	83,852	46,547	45,444	0	175,843
A/R State	0	0	0	0	0	0
A/R Local	9,800	7,500	0	0	0	17,300
A/R Interprog.	20,928	0	0	0	0	20,928
Total A/R	<u>\$ 36,555</u>	<u>\$ 100,519</u>	<u>\$ 46,547</u>	<u>\$ 45,444</u>	<u>\$ 0</u>	<u>\$ 229,065</u>

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

<u>Program</u>	<u>Contract No.</u>	<u>Amount</u>
Transit	EHTA-0055-002-021	\$ 83,852
HWAP	03-134	46,547
HEAP	04-HA-151	45,444
CSBG	03-139	0
Total		<u>\$ 175,843</u>

**Note 7 – Fixed Assets and Plant Fund**

The fixed assets of the Council are reported in the Plant Fund. Fixed assets are valued on the basis of historical cost. The Council capitalizes all equipment with a purchase price over \$1,000. Fixed assets are not depreciated, due to the fact the grant agreements require that the Council expense items when purchased. The building and land in use by the Council are owned and reported by Miami County. The Ohio Department of Transportation has a secured party agreement on two vehicles purchased on behalf of the Community Action Council; the following is a break down of the Plant Fund by Program :

	<u>12/31/2002</u>	<u>Additions</u>	<u>Tranfers Deletions</u>	<u>12/31/2003</u>
Unrestricted	\$ 90,547	\$ 0	\$ 0	\$ 90,547
Transit	202,465	0	(202,465)	0
CSBG	1,408	0	0	1,408
HWAP	86,946	0	(9,929)	77,017
	<u>\$ 381,366</u>	<u>\$ 0</u>	<u>\$ (212,394)</u>	<u>\$ 168,972</u>



**Miami County Community Action Council**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2003**

**Note 8 – 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 \$73,684 each for the year ended December 31, 2003. 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, 2003, the Council contributed \$6,858 and the employees contributed an additional amount of \$9,900. The value of the plan at December 31, 2003, was \$285,808.

**Note 9 – 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 Hartford, which includes:
  - a. Property – Loss or damage coverage, \$500 deductible.
  - b. Vehicle – Liability coverage \$1,000,000; uninsured motorist \$1,000,000; Physical damage/Collision and Medical \$2,000; \$500 deductible for collision and a \$250 deductible for other than collision.
  - c. General Liability Coverage; \$2,000,000.
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 Central Summit Insurance Company. Deductible: individual \$261, family \$691; co-insurance: 80/20 up to \$1,500 individual, \$3,000 family, individual plan lifetime maximum benefit for all service \$5,000,000.

**Miami County Community Action Council**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2003**

**Note 10 – Related Party Transaction**

The Miami County Community Action Council has a management agent contract with Miami Metropolitan Housing Authority in which a contract is signed to provide services as determined by the 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, 2003, the Council was due \$20,928 from the other program the Council administers.

**Note 11 – Status of Prior Audit Findings**

There were no findings reported for the previous year ended December 31, 2002.

**Note 12 – 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.

**Note 13 – 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.

**Note 14 – Subsequent Event**

The Miami County Transit Service and Piqua Transit Service were both funded under the Rural Transportation Program. Due to the 2000 census, the funding for the two programs now falls under the Urban Transportation Program. Under the Urban Transportation Program, only public bodies can be grantees. Consequently, the Miami County Transit Service and the Piqua Transit Service were transferred to the Miami County Commissioners and City of Piqua, respectively. The transfer of assets was effective December 31, 2003. However, to assist in the effective transfer of operations, the CAC continued to oversee the Piqua Transit Service until March 31, 2004. Consequently, some financial activity for the Transit Service still appears on the books of record through the spring of 2004.

## **Independent Auditor's Report on Supplemental Data**

To The Board of Commissioners  
Miami County Community Action Council  
Troy, Ohio

Our report on our audit of the basic financial statements of the Miami County Community Action Council under Supplemental Data, as of and for the year ended December 31, 2003, appears on Page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The purpose of our audit was to form an opinion on the basic financial statements taken as a whole. The information included in the accompanying Supplemental Data (pages 13-17) is presented for purposes of additional analysis only and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lightner & Stickel, CPA's, Inc.  
May 21, 2004

**Miami County Community Action Council**  
**Supplemental Combining Schedule of Financial Position - By Program**  
**December 31, 2003**

	<u>Transit</u>	<u>HWAP</u>	<u>HEAP</u>	<u>CSBG</u>	<u>MG &amp; A</u>	<u>Total</u>
<b>Assets</b>						
Current Assets						
Cash	\$ 0	\$ 601	\$ 14,957	\$ 0	\$ 188,962	\$ 204,520
Accounts Receivable	100,519	46,547	45,444	0	36,555	229,065
Prepaid Expenses	0	0	0	1,450	59,843	61,293
Total Current Assets	<u>100,519</u>	<u>47,148</u>	<u>60,401</u>	<u>1,450</u>	<u>285,360</u>	<u>494,878</u>
Fixed Assets						
Property & Equipment	0	0	0	0	168,972	168,972
Total Property and Equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>168,972</u>	<u>168,972</u>
Other Assets						
Workers Comp Deposit	0	0	0	0	679	679
Total Other Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>679</u>	<u>679</u>
Total Assets	<u>\$ 100,519</u>	<u>\$ 47,148</u>	<u>\$ 60,401</u>	<u>\$ 1,450</u>	<u>\$ 455,011</u>	<u>\$ 664,529</u>
<b>Liabilities and Net Assets</b>						
<b>Liabilities</b>						
Current Liabilities						
Accounts Payable	\$ 100,520	\$ 6,061	\$ 28,316	\$ 1,450	\$ 9,926	\$ 146,273
Accrued Expenses	0	0	0	0	14,012	14,012
Total Current Liabilities	<u>100,520</u>	<u>6,061</u>	<u>28,316</u>	<u>1,450</u>	<u>23,938</u>	<u>160,285</u>
Long-Term Liabilities						
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>100,520</u>	<u>6,061</u>	<u>28,316</u>	<u>1,450</u>	<u>23,938</u>	<u>160,285</u>
<b>Net Assets</b>						
Net Assets						
Unrestricted	(1)	0	0	0	431,073	431,072
Temporarily restricted	0	41,087	32,085	0	0	73,172
Total Net Assets	<u>(1)</u>	<u>41,087</u>	<u>32,085</u>	<u>0</u>	<u>431,073</u>	<u>504,244</u>
Total Liabilities and Net Assets	<u>\$ 100,519</u>	<u>\$ 47,148</u>	<u>\$ 60,401</u>	<u>\$ 1,450</u>	<u>\$ 455,011</u>	<u>\$ 664,529</u>

See Independent Auditor's Report on Supplemental Data.

**Miami County Community Action Council**  
**Supplemental Combining Schedule of Activities - By Program**  
**For the Year Ended December 31, 2003**

	<u>Transit</u>	<u>HWAP</u>	<u>HEAP</u>	<u>CSBG</u>	<u>MG &amp; A</u>	<u>Total</u>
<b>Revenue:</b>						
Transportation Revenue	\$ 259,682	\$ 0	\$ 0	\$ 0	\$ 0	\$ 259,682
Local Cash Reimbursement	30,000	0	0	0	0	30,000
State Grant	194,945	0	0	0	0	194,945
Federal Grant	356,250	239,130	205,551	136,762	0	937,693
Management Services	0	0	0	0	207,125	207,125
<b>Total Revenue</b>	<u>840,877</u>	<u>239,130</u>	<u>205,551</u>	<u>136,762</u>	<u>207,125</u>	<u>1,629,445</u>
<b>Expenses:</b>						
Wages and Benefits	580,090	17,148	110,039	123,204	51,392	881,873
Services	124,342	0	5,914	653	44,193	175,102
Materials and Supplies	76,322	30,141	0	0	13,633	120,096
Casualty and Liability Costs	54,536	0	0	0	0	54,536
Vehicle Licenses and Usage	742	6,267	0	0	0	7,009
Emergency HEAP Program	0	0	96,584	12,905	0	109,489
Transportation	0	11,847	0	0	0	11,847
Equipment and Tool Expense	0	3,338	0	0	42,618	45,956
Training (MCAC)	1,722	0	0	0	13,695	15,417
Health and Safety	0	26,686	0	0	0	26,686
Other	3,123	141,611	0	0	7,514	152,248
<b>Total Expenses</b>	<u>840,877</u>	<u>237,038</u>	<u>212,537</u>	<u>136,762</u>	<u>173,045</u>	<u>1,600,259</u>
<b>Capital Additions:</b>						
Disposal of Property and Equipment	0	0	0	0	(212,394)	(212,394)
Capital Additions Net of Disposals	0	0	0	0	(212,394)	(212,394)
<b>Changes in Net Assets</b>	0	2,092	(6,986)	0	(178,314)	(183,208)
<b>Net Assets at Beginning of the Year</b>	<u>(1)</u>	<u>38,995</u>	<u>39,071</u>	<u>0</u>	<u>609,387</u>	<u>687,452</u>
<b>Net Assets at End of the Year</b>	<u>\$ (1)</u>	<u>\$ 41,087</u>	<u>\$ 32,085</u>	<u>\$ 0</u>	<u>\$ 431,073</u>	<u>\$ 504,244</u>

See Independent Auditor's Report on Supplemental Data.

**Miami County Community Action Council**  
**Supplemental Schedule of Support, Grants, Revenues, Expenditures**  
**and Changes in Net Assets - Home Energy Assistance Program (HEAP)**  
**For the Year Ended December 31, 2003**

<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>03 HA-151 and 04 HA-151</u>					
Revenue:					
Federal Grants	\$ 63,250	\$ 52,179	\$ 115,429	\$ 107,524	\$ 7,905
Expenses:					
Salaries	45,579	29,913	75,492	70,792	4,700
Fringe	20,638	13,909	34,547	32,317	2,230
Audit	0	0	0	569	569
Reproduction	2,332	2,124	4,456	1,093	3,363
Travel	0	0	0	0	0
Other Expenses	1,187	271	1,458	27,533	26,075
	<u>69,736</u>	<u>46,217</u>	<u>115,953</u>	<u>132,304</u>	<u>16,351</u>
Government Grants Over (Under) Expenditures	<u>\$ (6,486)</u>	<u>\$ 5,962</u>	<u>(524)</u>	<u>\$ (24,780)</u>	<u>\$ 24,256</u>
Beginning Net Assets			6,487		
Ending Net Assets			<u>\$ 5,963</u>		
<u>03 HE-151 and 04 HE-151</u>					
Revenue:					
Federal Grants	\$ 22,706	\$ 51,937	\$ 74,643	\$ 71,000	\$ 3,643
Expenses:					
Emergency Payments	<u>55,291</u>	<u>25,814</u>	<u>81,105</u>	<u>71,000</u>	<u>10,105</u>
	<u>55,291</u>	<u>25,814</u>	<u>81,105</u>	<u>71,000</u>	<u>10,105</u>
Government Grants Over (Under) Expenditures	<u>\$ (32,585)</u>	<u>\$ 26,123</u>	<u>(6,462)</u>	<u>\$ 0</u>	<u>\$ (6,462)</u>
Beginning Net Assets			32,584		
Ending Net Assets			<u>\$ 26,122</u>		
<u>03 HC-251</u>					
Revenue:					
Federal Grants		\$ 15,479	\$ 15,479	\$ 27,800	\$ 12,321
Expenses:					
Emergency Payments		<u>15,479</u>	<u>15,479</u>	<u>27,800</u>	<u>12,321</u>
		<u>15,479</u>	<u>15,479</u>	<u>27,800</u>	<u>12,321</u>
Government Grants Over (Under) Expenditures		<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Beginning Net Assets			0		
Ending Net Assets			<u>\$ 0</u>		
Ending Net Assets - Home Energy Assistance Program			<u>\$ 32,085</u>		

See Independent Auditor's Report on Supplemental Data.

**Miami County Community Action Council**  
**Supplemental Schedule of Support, Grants, Revenues, Expenditures**  
**and Changes in Net Assets - Community Services Block Grant (CSBG)**  
**For the Year Ended December 31, 2003**

<u>Ohio Department of Development Grant</u>	<u>Current Fiscal Year</u>	<u>Budget</u>	<u>Variance</u>
<u>02-139</u>			
Revenue:			
Federal Grants	\$ 136,762	\$ 136,762	\$ 0
Expenses:			
Salaries	91,012	91,012	0
Fringe	32,192	32,192	0
Consultant	653	653	0
Travel	0	0	0
Equipment	0	0	0
Human Services Dir.	12,905	12,905	0
Emergency	0	0	0
Legal Fees	0	0	0
	<u>136,762</u>	<u>136,762</u>	<u>0</u>
Government Grants Over (Under) Expenditures	0	<u>\$ 0</u>	<u>\$ 0</u>
Beginning Net Assets	<u>0</u>		
Ending Net Assets	<u>\$ 0</u>		

See Independent Auditor's Report on Supplemental Data.

**Miami County Community Action Council  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2003**

<u>Program</u>	Federal CFDA Number	Project Number	Grant Year	Funds Received	Funds Expended
<u>U.S. Department of Transportation</u>					
(Passed through by the Ohio Department of Transportation)					
Miami Transit	20.509	EHTA-0055-002-021	1/1/03 - 12/31/03	\$ 356,250	\$ 356,250
				\$ 356,250	\$ 356,250
Total U.S. Department of Transportation					
<u>U.S. Department of Energy</u>					
(Passed through by the Ohio Department of Development)					
Stripper Program (HWAP)	81.xxx	03-134	4/1/02 - 3/31/03	\$ 0	\$ 0
				0	0
Sub Total	81.xxx			0	0
Home Weatherization Assistance Program	81.042	02-134	4/1/02 - 3/31/03	0	36,887
	81.042	03-134	4/1/03 - 3/31/04	168,354	132,313
Sub Total	81.042			168,354	169,200
<b>Total U.S. Department of Energy</b>				<b>168,354</b>	<b>169,200</b>
<u>U.S. Department of Health and Human Services</u>					
(Passed through by the Ohio Department of Development)					
Community Services Block Grant (CSBG)	93.569	03-939	1/1/03 - 12/31/03	136,762	136,762
Home Energy Assistance Program (HEAP)	93.568	03-HA-151	9/1/02 - 8/31/03	63,250	69,736
		04-HA-151	9/1/03 - 8/31/04	52,179	46,217
		03-HE-151	11/4/02 - 3/15/03	22,706	55,291
		04-HE-151	11/3/03 - 3/31/04	51,937	25,814
		03-HC-251	7/19/03 - 9/30/04	15,479	15,479
Home Weatherization Assistance Program (HWAP)		02-134	3/31/03 - 4/01/04	0	6,507
		03-134	4/1/03 - 3/31/04	70,776	61,331
Sub Total	93.568			276,327	280,375
<b>Total U.S. Department of Health and Human Services</b>				<b>413,089</b>	<b>417,137</b>
<b>Total All Programs</b>				<b>\$ 937,693</b>	<b>\$ 942,587</b>

See Independent Auditor's Report.



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

To the Board of Commissioners  
Miami County Community Action Council  
Troy, Ohio

We have audited the financial statements of the Miami County Community Action Council as of and for the year ended December 31, 2003, and have issued our report thereon dated May 21, 2004. In addition, the Miami County Community Action Council's policy is to expense property and equipment in accordance with guidelines provided by their funding sources. 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.

Compliance

As part of obtaining reasonable assurance about whether the 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 grants, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Miami County Community Action Council's internal control over financial reporting in order to determine our auditing procedures for expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Lightner & Stickel, CPA's, Inc.  
May 21, 2004

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

To the Board of Commissioners  
Miami County Community Action Council  
Troy, Ohio

**Compliance**

We have audited the compliance of the 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 its major federal program for the year ended December 31, 2003. The Miami County Community Action Council's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Miami County Community Action Council's management. Our responsibility is to express an opinion on the 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; 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 the Miami County Community Action Council's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances. We believe that our audit provides a reasonable basis for my opinion. Our audit does not provide a legal determination on Miami County Community Action Council's compliance with those requirements.

In our opinion, the Miami County Community Action Council complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

**Internal Control Over Compliance**

The management of the 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 the 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Lightner & Stickel, CPA's, Inc.  
May 21, 2004

**Miami County Community Action Council  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2003**

**Summary of Auditors Results:**

Type of Financial Statement Opinion	Qualified
Were there any material control weakness conditions reported at the financial statement level (Generally Accepted Government Standards)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (Generally Accepted Government Auditing Standards)?	No
Was there any material reportable noncompliance at the financial statement level (Generally Accepted Government Auditing Standards)?	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 section 510?	No
Major Programs:	Transit CFDA # 20.509
Dollar Threshold A/B Programs	Type A: \$300,000 and > Type B: All Others
Low Risk Auditee?	Yes
Findings Related to the Financial Statements Required to be Reported in Accordance with Generally Accepted Government Auditing Standards	None
Findings and Questioned Costs for Federal Awards	None



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Betty Montgomery**

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**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  
JULY 13, 2004**