



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Community Action Commission
Van Wert County
114 East Main Street
Van Wert, Ohio 45891

To the Board of Trustees:

We have audited the accompanying financial statements of the Community Action Commission, Van Wert County, (the Commission), as of and for the year ended December 31, 2001. These financial statements are the responsibility of the Commission'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 opinion.

As described Note 1, the Commission prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance and reserves for encumbrances of the Community Action Commission, Van Wert County, as of December 31, 2001, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2002 on our consideration of the Commission's internal control over financial reporting and our tests of its 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.

We performed our audit to form an opinion on the financial statements of the Commission, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected such information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

June 18, 2002

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General
Cash receipts:	
Local Agency Programs	\$61,177
Grants	640,751
Other receipts	2,506
Total cash receipts	704,434
Cash disbursements:	
Salaries	47,853
Supplies	4,725
Contracts - services	15,672
Rentals	1,800
Travel	715
Public employee's retirement	6,252
Worker's compensation and fringe benefits	14,990
Local Agency Programs	53,825
Program Fund Disbursements	551,304
Grant Administration	3,967
Other	9,975
Total disbursements	711,078
Total receipts (under) disbursements	(6,644)
Fund cash balance January 1	44,424
Fund cash balance, December 31	\$37,780
Reserve for encumbrances, December 31	\$2,545

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

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**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Community Action Commission, Van Wert County, (the Commission), formed a corporation, not for profit, under Sections 1702.01 of the Ohio Revised Code. The Commission is directed by 15 member Board from Van Wert County and, to be constituted by one-third of the membership shall be elected public officials, at least one-third of the membership shall be representatives of the poor within the service area and selected by demographic procedures, and the remainder membership, but not less than 20 percent of the total, shall be members or officials of business, industry, labor, religious, welfare, education, or other major groups. The general purpose and function of the Commission are to plan, develop, and coordinate programs and services designed to combat problems of poverty and seek the elimination of the conditions of poverty as they effect the residents of urban and rural communities in Van Wert County. In addition to providing service to the County of Van Wert, the location of Corporate offices, the Commission may choose, as community needs are expressly identified in additional Counties, to expand the service area to no more than five additional Counties within the State of Ohio.

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Commission enters into annual written agreements with Van Wert County to serve as fiscal agent. Therefore, the Commission's cash is held and invested by the Van Wert County Treasurer, who is the custodian for Commission monies. The Commission's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Commission approves an annual budget.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control. The Board annually approves the appropriation measure and subsequent amendments.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

A summary of 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Commission.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2001 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$695,860	\$704,434	\$8,574

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$727,212	\$713,623	\$13,589

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001
(Continued)**

3. RETIREMENT SYSTEMS

The Commission's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Commission contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Commission has paid all contributions required through December 31, 2001.

4. RISK MANAGEMENT

The Commission has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

The Commission's full time employees are covered under the County's health insurance and dental and vision coverage through a private carrier.

5. JOINT VENTURE

The Apple Glen Housing Corporation, is a subsidiary of the Commission, and has become a general partner in the Apple Glen Limited Partnership, a partnership organized for the purpose of constructing, owning and operating a low income housing project. The Van Wert County Community Action Commission is the owner of 75% of common stock shares with no par value of Apple Glen Housing Corporation, with the remaining 25% being owned by the Women's Tri-County Help Center Inc.

The Van Wert County Community Action Commission, Inc. has loaned Apple Glen Limited Partnership \$500,000. These funds have been loaned at a 3.5% rate through December 31, 2007, and at a rate of 1.0% from January 1, 2008 through December 31, 2037, with an amortization of forty (40) years. The loan is payable out of cash flow with annual minimum payments. Repayment was to begin during 1999, however due to limited cash flows the Partnership has determined payment to the Ohio Housing Finance Agency (OHFA) be made first and re-payment of the Commission to begin when it becomes evident that the funds are and will be available to meet both OHFA and Commission loan payments. The Apple Glen Housing Corporation has entered into debt issues in which the real property is put up as collateral.

The Van Wert County Community Action Commission also entered into another apartment housing project limited partnership with Woda Development & Construction, Inc, known as Russell's Crossing Housing Corporation. The Van Wert County Community Action Commission is the owner of 25% of common stock shares with no par value of Russell's Crossing Housing Corporation, with the remaining 75% being owned by the Women's Tri-County Help Center Inc.

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001
(Continued)**

5. JOINT VENTURE (Continued)

The Partridge Place Housing Corporation is a subsidiary of the Commission, and has become a general partner in the Partridge Place Limited Partnership, a partnership organized for the purpose of constructing, owning and operating a low income housing project. The Van Wert County Community Action Commission is the owner of 75% of common stock shares with no par value of Partridge Place Housing Corporation, with the remaining 25% being owned by the Women's Tri-County Help Center Inc.

The Van Wert County Community Action Commission, Inc. has loaned Partridge Place Limited Partnership \$550,000. These funds have been loaned at a 5% rate through December 31, 2011, and at a rate of .5% from January 1, 2012 through December 31, 2046, with an amortization of forty-five (40) years. The loan is payable out of cash flow with annual minimum payments. The Partridge Place Housing Corporation has entered into debt issues in which the real property is put up as collateral.

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE PERIOD ENDED DECEMBER 31, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Project Number	Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through Ohio Department of Development:</i>			
Home Investment Partnership Program	14.239	HDAP 013	\$550,000
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Direct</i>			
Emergency Food and Shelter Program	83.523	LRO 004	1,800
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Development:</i>			
Community Services Block Grant Program	93.569	01-153	<u>100,181</u>
Total Federal Assistance			<u><u>\$651,981</u></u>

The notes to the Schedule of Federal Awards Expenditures are an integral part of this schedule.

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2001**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Commission's federal award programs. The schedule has been prepared on the cash basis of accounting.



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Community Action Commission
Van Wert County
114 East Main Street
Van Wert, Ohio 45891

To the Board of Trustees:

We have audited the financial statements of Community Action Commission, Van Wert County, (the Commission), as of and for the year ended December 31, 2001, and have issued our report thereon dated June 18, 2002. 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 Commission'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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Commission in a separate letter dated June 18, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of 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.

Community Action Commission
Van Wert County
Report of Independent Accountants on Compliance and
on Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, the Board of Trustees, 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 18, 2002



**STATE OF OHIO
OFFICE OF THE AUDITOR**

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Community Action Commission
Van Wert County
114 East Main Street
Van Wert, Ohio 45891

To the Board of Trustees:

Compliance

We have audited the compliance of the Community Action Commission, Van Wert County, (the Commission), 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, 2001. The Commission's major federal program is identified in the summary of auditor's 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 the Commission's management. Our responsibility is to express an opinion on the Commission'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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Commission'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 on Commission's compliance with those requirements.

In our opinion, the Commission 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, 2001

Internal Control Over Compliance

The management of the Commission 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 Commission'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.

**Internal Control Over Compliance
(Continued)**

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 for the information and use of the audit committee, management, the Board of Trustees, 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.



Jim Petro
Auditor of State

June 18, 2002

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Home Improvement Partnerships Program, CFDA # 14.239
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



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COMMUNITY ACTION COMMISSION

VAN WERT 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 16, 2002**