



Mary Taylor, CPA
Auditor of State

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance – General Fund For the Year Ended December 31, 2007	5
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance - General Fund For the Year Ended December 31, 2006	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

Community Action Commission
Van Wert County
114 East Main Street Suite 1
Van Wert, Ohio 45891

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 10, 2008

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Community Action Commission
Van Wert County
114 East Main Street Suite 1
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 years ended December 31, 2007 and 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Commission has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the fund the accompanying financial statements present, GAAP require presenting entity wide statements. While the Commission does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Commissions to reformat their statements. The Commission has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Community Action Commission, Van Wert County, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Commission has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

April 10, 2008

**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, 2007**

	General
Cash Receipts:	
Grants	\$110,691
Other Receipts	55,625
Total Cash Receipts	166,316
 Cash Disbursements:	
Current:	
Salaries	40,555
Supplies	6,480
Contracts - Services	6,516
Rentals	19,883
Travel	871
Public Employee's Retirement	5,041
Worker's compensation and fringe benefits	21,962
Local Agency Programs	48,591
Other	4,447
Total Cash Disbursements	154,346
Total Receipts Over/(Under) Disbursements	11,970
Fund Cash Balance, January 1	89,556
Fund Cash Balance, December 31	\$101,526

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

**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, 2006**

	<u>General</u>
Cash Receipts:	
Grants	\$746,975
Other Receipts	51,640
Total Cash Receipts	<u>798,615</u>
Cash Disbursements:	
Current:	
Salaries	47,113
Supplies	5,844
Contracts - Services	11,469
Rentals	3,146
Travel	787
Public Employee's Retirement	6,455
Worker's compensation and fringe benefits	19,316
Local Agency Programs	53,071
Program Fund Disbursements	652,000
Other	2,674
Total Cash Disbursements	<u>801,875</u>
Total Receipts Over/(Under) Disbursements	(3,260)
Fund Cash Balance, January 1	<u>92,816</u>
Fund Cash Balance, December 31	<u><u>\$89,556</u></u>

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

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Community Action Commission of Van Wert County, (the Commission), is formed as a not for profit corporation under Section 1702.01 et. seq., of the Ohio Revised Code. The Commission is directed by 16 member Board from Van Wert County, of which 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 affect 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 adjoining 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Commission recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Van Wert County Treasurer is the custodian of the Commission's monies. The County holds the Commission's assets in its cash and investment pool, 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 fund as the following type:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

E. Property, Plant, and Equipment

The Commission records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH

The Van Wert County Auditor acts as the fiscal agent for the Commission and the County Treasurer maintains a cash and investment pool used by all County funds. Because of the nature of the pool all County funds are commingled, the risk involved and the preferential claim of the Commission cannot be determined.

The Van Wert County Auditor's records indicated the Commission's cash balance as of December 31, 2007 and 2006 was \$101,526 and \$89,556 respectively.

3. RETIREMENT SYSTEMS

The Commission's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5 percent and 9.0 percent, respectively, of their gross salaries and the Commission contributed an amount equaling 13.85 percent and 13.70 percent, respectively, of participants' gross salaries. The Commission has paid all contributions required through December 31, 2007.

4. RISK MANAGEMENT

Commercial Insurance

The Commission is included in Van Wert County's commercial insurance policies for comprehensive property and general liability and public officials' liability.

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

5. JOINT VENTURES

A. The Apple Glen Housing Corporation

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 percent of common stock shares with no par value of Apple Glen Housing Corporation, with the remaining 25 percent being owned by the Women's Tri-County Help Center Inc

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

5. JOINT VENTURES (Continued)

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 percent rate through December 31, 2007 and at a rate of 1.0 percent 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.

B. Russell's Crossing Housing Corporation

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

C. Partridge Place Housing Corporation

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 percent of common stock shares with no par value of Partridge Place Housing Corporation, with the remaining 25 percent 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 percent rate through December 31, 2011, and at a rate of .5 percent 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. 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 Partridge Place Housing Corporation has entered into debt issues in which the real property is put up as collateral.

D. Patrick Place Limited Partnership

The Van Wert County Community Action Commission has become the Project General Partner in the Patrick Place Limited Partnership. A partnership organized for the purpose of proposed rehabilitation of a USDA Rural Development financed, family, tax credit development in Paulding County, Ohio. Final terms will be contained in an Amended and Restated Limited Partnership Agreement to be entered into after receiving an allocation of credits and loan funds from the Ohio Housing Finance Agency (OHFA), loan commitments from OHFA and other necessary financing. Payment of all fees and benefits are contingent on financing, securing equity from an investor, and execution of said operating agreement.

**COMMUNITY ACTION COMMISSION
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

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. Management cannot presently determine amounts which may be disallowed. However, based on prior experience, management believes any refunds would be immaterial.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Community Action Commission
Van Wert County
114 East Main Street Suite 1
Van Wert, Ohio 45891

To the Board of Trustees:

We have audited the financial statements of the Community Action Commission, Van Wert County, (the Commission), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated April 10, 2008, wherein we noted the Commission prepared its financial statements using accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Commission's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Commission's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Commission's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 10, 2008



Mary Taylor, CPA
Auditor of State

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
MAY 27, 2008**