

**THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
MARIETTA, OHIO**

AUDIT REPORT

MARCH 31, 2008

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
MARCH 31, 2008**

	<u>Page Number</u>
Independent Auditor's Report	3 - 4
Financial Statements:	
Statement of Assets, Liabilities, and Net Assets-Modified Cash Basis	5
Statement of Support, Revenue, and Expenses-Modified Cash Basis	6
Statement of Changes in Net Assets-Modified Cash Basis	7
Statement of Functional Expenses-Modified Cash Basis	8 - 9
Notes to the Financial Statements	10 - 24
Schedule of Expenditures of Federal Awards	25 - 30
Notes to Schedule of Expenditures of Federal Awards	31 - 32
Schedule of Findings	33 - 34
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35 - 36
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	37 - 38
Status of Prior Year Findings/Comments	39
Report on Accompanying Information	40
Schedule of Program and Corporate Services Expenses	41 - 49

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Community Action Program Corporation
of Washington-Morgan Counties, Ohio

We have audited the accompanying statement of assets, liabilities, and net assets-modified cash basis of The Community Action Program Corporation of Washington-Morgan Counties, Ohio (a nonprofit organization) as of March 31, 2008, and the related statements of support, revenue, and expenses-modified cash basis, changes in net assets-modified cash basis, and functional expenses-modified cash basis for the year then ended. These financial statements are the responsibility of the organization'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 in Note 1, the organization prepares its financial statements on the basis of cash receipts and disbursements, modified for the recording of grant receivables and deferred revenue, payroll taxes and withholdings, and compensated deferred absences in the operating unrestricted fund and a provision for depreciation and long-term debt in the plant fund. This basis 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 assets, liabilities, and net assets of The Community Action Program Corporation of Washington-Morgan Counties, Ohio as of March 31, 2008, and its support, revenue, and expenses, and the changes in its net assets and functional expenses 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 October 21, 2008, on our consideration of The Community Action Program Corporation of Washington-Morgan Counties, Ohio's internal control over financial reporting and our tests of 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 Community Action Program Corporation of Washington-Morgan Counties, Ohio taken as a whole. The accompanying schedule of expenditures of 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. Such information 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.

J. R. Snodgrass, Ac.

Wheeling, West Virginia
October 21, 2008

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS
MARCH 31, 2008**

ASSETS

Cash	\$ 1,112,737
Savings and certificates of deposit	529,797
Program funds receivable	351,504
Prepaid expenses and other assets	3,140
Fixed assets at cost, less accumulated depreciation of \$1,296,345	<u>2,966,889</u>
 TOTAL ASSETS	 <u><u>\$ 4,964,067</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Deferred revenue	\$ 825,616
Unearned program and management fees	78,496
Security/escrow deposits and funds held in trust	116,657
Payroll taxes and employee withholdings	91,083
Accrued vacation	230,274
PIP Trust loan payable	6,503
Mortgages payable - financed	453,262
Mortgages payable - soft mortgages	1,288,783
Notes payable - financed	<u>83,606</u>
Total liabilities	<u><u>3,174,280</u></u>

NET ASSETS - UNRESTRICTED

Operating - corporate	648,549
Operating - plant assets	<u>1,141,238</u>
Total net assets	<u><u>1,789,787</u></u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,964,067</u></u>
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The accompanying notes are an integral part of the financial statements.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES-MODIFIED CASH BASIS
FOR THE YEAR ENDED MARCH 31, 2008**

PUBLIC SUPPORT AND REVENUE

Federal grants and contracts, net of grant funds returned of \$173,209	\$ 8,862,504
State and local grants and contracts	908,598
Contributions	159,687
Contract and fee income	148,375
Payments for services and rents	585,625
Total public support and revenue	<u>10,664,789</u>

OTHER REVENUE

Special events income	33,361
Miscellaneous income	68,326
Interest income	28,631
Total other revenue	<u>130,318</u>

TOTAL PUBLIC SUPPORT AND OTHER REVENUE	<u>10,795,107</u>
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EXPENSES

Program and corporate services	10,368,485
Management and general	286,451
Total expenses	<u>10,654,936</u>

Excess of public support and other revenue over expenses	<u><u>\$ 140,171</u></u>
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The accompanying notes are an integral part of the financial statements.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
STATEMENT OF CHANGES IN NET ASSETS-MODIFIED CASH BASIS
FOR THE YEAR ENDED MARCH 31, 2008**

	<u>Operating Net Assets-Unrestricted</u>			<u>Total Net Assets</u>
	<u>Program</u>	<u>Corporate</u>	<u>Plant</u>	
Balances, March 31, 2007	\$ -	\$ 563,334	\$ 1,127,874	\$ 1,691,208
Excess of public support and other revenue over expenses	9,031	131,140	-	140,171
Transfer to plant fund: principal reduction	(9,031)	(45,925)	54,956	-
Additions to capital assets	-	-	92,815	92,815
Mortgage and note payable additions	-	-	(92,815)	(92,815)
Amortization of mortgage payable balances	-	-	82,733	82,733
Depreciation, net	-	-	(124,325)	(124,325)
Balances, March 31, 2008	<u>\$ -</u>	<u>\$ 648,549</u>	<u>\$ 1,141,238</u>	<u>\$ 1,789,787</u>

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

The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
STATEMENT OF FUNCTIONAL EXPENSES-MODIFIED CASH BASIS
FOR THE YEAR ENDED MARCH 31, 2008

	Senior and Community Services	Morgan Operations	Housing and Transportation	Employment and Training	Childrens' Programs	Miscellaneous Community Programs
EXPENDITURES						
Wages - employee	\$ 693,373	\$ 7,703	\$ 396,673	\$ 371,059	\$ 1,029,648	\$ 14,834
Wages - participant	-	-	-	434,723	-	-
Total fringe benefits	351,037	2,700	252,358	263,126	680,610	6,077
Total travel and transportation	69,167	52	164,985	86,386	49,171	957
Contractual	29,144	798	16,375	45,198	47,188	1,642
Communications	19,542	183	8,233	11,486	27,375	21
Participant support	-	4,648	-	120,575	3,326	-
Classroom training	-	-	-	358,902	-	-
On the job training - OJT	-	-	-	3,900	-	-
Occupancy, facility costs, and rents	123,714	6,539	20,130	16,595	136,103	41
Emergency assistance	828,998	-	-	-	-	-
Housing assistance payments	1,391,939	6,791	-	-	-	-
Insurances	19,434	104	32,742	6,593	35,232	2
Supplies	36,299	126	17,617	19,742	15,005	1,255
Program supplies	46,117	13	1,955	1,612	49,998	-
Small tools, equipment, and equipment maintenance	32,374	270	21,955	15,320	33,199	121
Memberships and dues	9,718	-	1,321	2,049	2,295	2
Printing and photocopying	5,588	122	4,309	2,863	9,650	779
Miscellaneous	7,995	-	195	874	-	-
Food	214,757	-	-	-	97,051	-
Materials	-	-	101,951	-	-	100
Vehicle operations	19,103	-	108,602	639	21,834	-
Acquisition and renovation	-	-	160,345	-	-	258,392
Interest expense	-	-	-	5	-	-
Special events	-	-	-	-	10,953	-
Total expenditures	\$ 3,898,299	\$ 30,049	\$ 1,309,746	\$ 1,761,647	\$ 2,248,638	\$ 284,223

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

The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
STATEMENT OF FUNCTIONAL EXPENSES-MODIFIED CASH BASIS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008

	Health Programs	Corporate Services	Total Program and Corporate Services	Management and General	Total Expenses
EXPENDITURES					
Wages - employee	\$ 337,311	\$ 55,039	\$ 2,905,640	\$ 40,318	2,945,958
Wages - participant	-	-	434,723	-	434,723
Total fringe benefits	186,326	18,360	1,760,594	21,768	1,782,362
Total travel and transportation	8,237	1,321	380,276	3,037	383,313
Contractual	19,367	1,041	160,753	1,544	162,297
Communications	17,711	846	85,397	323	85,720
Participant support	-	-	128,549	-	128,549
Classroom training	-	-	358,902	-	358,902
On the job training - OJT	-	-	3,900	-	3,900
Occupancy, facility costs, and rents	32,066	141	335,329	61,772	397,101
Emergency assistance	-	3,137	832,135	-	832,135
Housing assistance payments	-	-	1,398,730	-	1,398,730
Insurances	20,041	26,118	140,266	24,413	164,679
Supplies	18,449	1,454	109,947	6,425	116,372
Program supplies	22,609	-	122,304	-	122,304
Small tools, equipment, and equipment maintenance	15,583	1,878	120,700	13,935	134,635
Memberships and dues	567	781	16,733	-	16,733
Printing and photocopying	5,049	619	28,979	-	28,979
Miscellaneous	2,151	-	11,215	21,142	32,357
Food	-	-	311,808	-	311,808
Materials	-	7,735	109,786	-	109,786
Vehicle operations	68	31,878	182,124	201	182,325
Acquisition and renovation	-	-	418,737	39,592	458,329
Interest expense	-	-	10,958	23,744	34,702
Special events	-	-	-	28,237	28,237
Total expenditures	\$ 685,535	\$ 150,348	\$ 10,368,485	\$ 286,451	\$ 10,654,936

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

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS – The Community Action Program Corporation of Washington-Morgan Counties, Ohio (the "CAP"), a private non-profit, 501(c)(3) Ohio corporation, is established to identify and eliminate, insofar as possible, the causes of poverty among the low income individuals and families of Washington and Morgan Counties. Towards this end, the CAP operates a variety of programs designed to empower individuals and families to have an impact on their lives. The CAP is an advocate in eliminating the causes of poverty; provides equal opportunity for all employees and clients; aids in every way possible those individuals and families who need personal attention in order to develop latent talents and abilities; uses every resource to secure and retain employment for those who desire to work; improves the availability, safety, and comfort of affordable housing; encourages the attainment of self sufficiency through education; helps individuals and families to become healthier; encourages agencies engaged in activities related to the CAP's programming to administer assistance on a common or cooperative basis; encourages business, labor, and other private organizations to join with public officials in support of the CAP, and sponsors quality programs and maintains quality administration.

BASIS OF PRESENTATION - The financial statements of The Community Action Program Corporation of Washington-Morgan Counties, Ohio have been prepared on a cash basis of accounting modified to include the recording of grant and contract receivables and deferred revenue in the unrestricted operating program. For program service funds, accounts receivable or deferred revenue accounts have been established to properly reflect the excess or deficit of program receipts over program expenses. (See Note 4.) A provision for depreciation and recording of long-term debt in the plant fund has also been made. The CAP also funds deferred absences and all related payroll costs. The liability and the cash available to fund this liability are reflected in the statement of assets, liabilities, and net assets-modified cash basis. Payroll taxes withheld and payroll tax liabilities expensed to programs and not paid at year end are also included in the corporate account liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following information summarizes the accounting basis:

Account Classification

The accounts of the CAP are maintained in accordance with the principles of fund accounting. Revenue and expenditure information is maintained separately for each program funded to the CAP, as required by the various funding sources. Management and corporate accounts are also maintained on an individual basis. However, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, financial transactions have been recorded and reported by fund groups.

The assets, liabilities, and net assets of the CAP are reported in three self-balancing fund groups as follows:

1. The Program Fund represents the activity of grant, contract, and fees for service programs.
2. The Corporate Fund represents the portion of expendable funds available for the CAP's general operations and to support the rental properties funded by the state, local, or private financing.
3. The Plant Fund represents the major fixed assets of the CAP net of accumulated depreciation and mortgage and notes payable balances.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment

In accordance with grant award budgets approved by funding sources, equipment is charged to expense in the period during which it is purchased instead of being recognized as an asset and depreciated over its useful life. Further, equipment capital lease payments are expensed when paid instead of equipment being capitalized and depreciated. As a result, the expenses reflected in the statement of support, revenue, and expenses-modified cash basis include the cost of the equipment purchased or leased during the year rather than a provision for depreciation. As noted below, certain debt financed equipment purchases are recorded in the CAP's Plant Fund.

The equipment acquired is owned by The Community Action Program Corporation of Washington-Morgan Counties, Ohio while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the equipment purchased with grant funds; therefore, its disposition, as well as the ownership of any sale proceeds therefrom, are subject to funding source regulations.

Vehicles

In accordance with grant award budgets approved by funding sources, certain vehicles and buses purchased for program use are charged to expense in the period during which they are purchased instead of being recognized as an asset and depreciated over their useful lives. Accordingly, the statement of support, revenue, and expenses-modified cash basis reflects the expenses of any vehicles or buses purchased with grant funds during the period rather than a provision for depreciation.

The CAP has established a Plant Fund wherein vehicles, buildings, and certain equipment that are debt financed, or partially debt financed, by the CAP have been recorded. Depreciation charges are not recognized as an expense, but are accumulated as contra-account balances of the respective capital assets and Plant Fund balance.

Buildings

The Community Action Program Corporation of Washington-Morgan Counties, Ohio owns its central office building. (See Note 6.) This building and other buildings acquired for program specific use, which have been acquired with the aid of grant awards and private funding, are shown on the statement of assets, liabilities, and net assets-modified cash basis. Due to the CAP's reporting requirements, as noted above, in matching the grant award with the related expenditure (in this case, the acquisition and renovation costs of the building), capital fixed asset expenditures are charged to expense when the assets are purchased or renovated with a corresponding recognition given to the capital fixed asset, and Plant Fund accounts. The remaining debt used to purchase or renovate these assets is also reflected on the financial statements. (See Note 5.)

Depreciation charges are not recognized as an operational expense, but are recorded and accumulated as contra-account balances of the respective capital fixed assets and unrestricted fund balance. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets; 40 years for buildings and improvements and 3 to 5 years for vehicles and equipment.

Space costs are allocated to grants based on square footage occupied by each program. Costs associated with buildings used specifically to provide services for a particular program are charged directly to that program.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest expense is allocated to unrestricted (corporate) funds for those grants that do not allow interest expense. In addition to the buildings reflected in the financial statements, the CAP owns the former Norwood School property which is used for the Head Start Program.

Inventory

Minor materials and supplies are charged to expense during the period of purchase. As a result, no inventory is recognized on the statement of assets, liabilities, and net assets-modified cash basis.

Revenue

Revenue is recognized in the accompanying financial statements as follows:

- A. Grant, Reimbursement Contracts, and Client Fees
The funds due from the various funding sources under grants and reimbursement contracts and fees for client services are recognized as revenue in the program year when the expenditures are incurred and the grant funds or fees are earned. For the purpose of these financial statements, revenue has been recognized when received rather than when earned due to the differences in accounting periods of the corporation and the programs/grants included in these financial statements. An adjustment to revenue received is made to an accounts receivable or deferred revenue account to properly reflect the balance of cash receipts over (under) cash disbursements in each program. (See Note 4.)
- B. Program Income
The amount due from various sources is recognized when received. An adjustment to revenue received is made to a deferred revenue or unearned program fees account to properly reflect the balance of cash receipts over the cash disbursed in each program with program income.
- C. In-kind Contributions
In-kind contributions are recorded at fair market value and recognized as revenue in the accounting period when they are received. In-kind contributions are not included in the statement of support, revenue, and expenses-modified cash basis. These contributions are used for grant matching purposes only and are detailed in Note 3.
- D. Donations
Donations are recognized when received.
- E. Interest Income
Interest income is recognized in the accounting period when it is received. The CAP maintains funds received from various sources in interest-bearing checking accounts (NOW Accounts); the portion of interest earned on grant funds is applied to the funding sources in accordance with grant requirements; the interest earned on other funds is transferred to the corporate accounts and is used to support the programs of The Community Action Program Corporation of Washington-Morgan Counties, Ohio.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deferred Revenue

Deferred revenue represents the excess of funds received for program expenses over the amount of grant funds expended through March 31, 2008.

G. Program Funds Receivable

Program funds receivable represents the excess of funds disbursed for program expenses over the amount of grant funds received through March 31, 2008.

Cost Allocation

Costs are allocated to benefiting programs using various allocation methods depending on the joint cost allocated. Joint costs are those costs incurred for the common benefit of all agency programs, but which cannot be readily identified with a final cost objective. Cost allocation methods are as follows:

Wages and Salaries - Fiscal Department: Fiscal Management (Fiscal Officer, Reports Manager, Staff Accountant, Check Protector Operator, and Payroll Clerk) record the time they spend working on specific programs on their time sheets. They then record time spent on fiscal management activities. Fiscal management time is allocated to all programs based on the number of accounting transactions for the month. Fiscal staff record the time they spend on specific programs on their time sheets. They then record the time spent on general fiscal activities (running batches, checks, filing). This time is allocated to all programs which do not have a bookkeeper assigned based on the number of accounting transactions for the month.

The Human Resource Manager and Clerk's time are allocated to all programs based on full time equivalents (FTE's). The Executive Director and Executive Secretary record time spent on specific programs on their time sheets. They then record general administrative time. This time is allocated to programs based on an average of the prior month's financial activity by program and FTE's by program.

Fringe Benefits - Employer payroll taxes and compensated absences are allocated based on salaries. Insurance benefits are allocated each pay period based upon hours worked reduced by employee withholding in the prior month.

Copy Costs - Copier lease expenses and copier supplies are charged directly to the programs based on actual copier readings. Codes are used to track copier usage. Monthly readings of the copier are taken.

Telephone - Telephone charges to the grants/programs are based on square footage occupied by the program.

Postage - Charges made directly to each program are based on the postage meter readings for each program as provided by the third party vendor.

Utilities - Grants are charged based on square footage during the billing period.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Supplies - Programs purchase supplies as needed. Common office supplies are shared by all programs and are allocated on square footage percentages.

Printing - Printing is directly charged to each program unless it is common printing, in which case, it is allocated on the basis of employees, if personnel printing or, if not personnel printing, then square footage.

Insurance - Insurance is allocated to benefiting programs depending on the equipment, space, or persons covered by the insurance.

Rent - Occupancy charges for the corporate office are allocated by square footage. Occupancy is charged directly to the program using the facility.

Travel - Travel is charged directly to the program or to Community Services Block Grant-Administration, if the travel is for general purposes.

Dues and Subscriptions - Dues and subscriptions are chargeable to Department of Development Grants or directly to the program, if specific to that program.

Income Taxes

The Community Action Program Corporation of Washington-Morgan Counties, Ohio has qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision has been recorded for income taxes in the accompanying financial statements.

NOTE 2 – RELATED PARTY

The Poor and Indigent Peoples Care Trust (PIP Trust) is a non-profit organization that was established to provide financial assistance to non-profit organizations, particularly to The Community Action Program Corporation of Washington-Morgan Counties, Ohio. In accordance with the by-laws of the PIP Trust, the nine Board members of the PIP Trust must be selected from the CAP's Board.

The two entities are not considered financially interrelated organizations because the relationship does not meet all criteria set forth in Financial Accounting Standards Board (FASB) Number 136. Certain requirements of the Trust Agreement have not been met as of March 31, 2008, which would permit the CAP to have access to net asset values of the PIP Trust. Therefore, as of March 31, 2008, the CAP does not have an ongoing economic interest in the net assets of the PIP Trust.

As of March 31, 2008, the CAP owed the PIP Trust a loan amount of \$6,503. The PIP Trust also donated \$50,000 to the CAP in March 2008.

There were no additional transactions between the PIP Trust and the CAP for the fiscal year ended March 31, 2008.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 3 - IN-KIND WAGES, RENT, USE ALLOWANCE, EQUIPMENT, AND LOCAL CASH MATCHES

The Community Action Program Corporation of Washington-Morgan Counties, Ohio receives a significant amount of donated services from unpaid volunteers and parents who assist in the operation of several federal, state, and local programs. No amounts have been recognized in the statement of support, revenue, and expenses-modified cash basis for these services because the criteria for recognition under Statement of Financial Accounting Standards (SFAS) Number 116 have not been satisfied. The total amount of in-kind services received was \$851,131. Amounts used for matching are detailed below.

The values of in-kind rent, wages, and equipment are used as local matches for various federal and state grants. They are valued as follows:

In-kind Rent/Use Allowance - In-kind rent is valued at appraised square footage value of the donated building or space times the square footage used to operate the respective program. In-kind use allowance is valued at 2 percent of the most recent tax valuation paid.

In-kind Wages - In-kind wages are valued at the federal and state minimum wage rates per hour donated on the respective program. For 2007, the rate used was \$6.85 per hour plus fringe benefits afforded to part-time employees. Effective January 1, 2008, the rate of \$7.00 was used in accordance with the State of Ohio federal minimum wage rate increase.

In-kind Equipment and Supplies - In-kind equipment and supplies are valued at the fair market rental value of the equipment or supplies based on local market conditions.

In-kind Building Maintenance - In-kind building maintenance is valued at estimated fair market cost of the service and/or equipment based on local market conditions.

Local cash matches were used to meet matching cash requirements of various grants. The amounts were obtained from various local grants, performance contracts, and donations.

In-kind matching was obtained for the year ended March 31, 2008, for the following grants:

In-kind Space/Use Allowance

U.S. Department of Health and Human Services-Head Start	\$ 64,295
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In-kind Wages and Fringe Benefits

National Council of Senior Citizens-Senior Aides Title V Program	34,086
U.S. Department of Health and Human Services-Head Start	712,153
Area Agency on Aging-Senior Programs	28,916
Washington County Levy	3,670
Department of Development-Community Services Block Grant	123

In-kind Supplies

U.S. Department of Health and Human Services-Head Start	<u>7,888</u>
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Total in-kind match	<u>\$ 851,131</u>
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**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 3 - IN-KIND WAGES, RENT, USE ALLOWANCE, EQUIPMENT, AND LOCAL CASH MATCHES (CONTINUED)

These in-kind match amounts are not reflected in various line item expenses on the statement of functional expenses-modified cash basis.

A total of \$851,131 of in-kind match has been allocated to federal and state assisted programs as follows:

* U.S. Department of Health & Human Services - Head Start	\$ 784,336
* Area Agency on Aging - Senior Programs	28,916
* National Council of Senior Citizens - Senior Aides Title V Program	34,086
* Ohio Department of Development - Community Development Block Grant	123
Washington County Levy	<u>3,670</u>
 Total in-kind	 <u>\$ 851,131</u>

(*Denotes federal program)

NOTE 4 - PROGRAM FUNDS RECEIVABLE AND DEFERRED REVENUE BALANCES BY PROGRAM

The current program funds receivable and deferred revenue balances are comprised of the results of each program's operations that The Community Action Program Corporation of Washington-Morgan Counties, Ohio maintains as a direct recipient or subrecipient. The balances totaling \$351,504 for program funds receivable and \$825,616 for deferred revenue as of March 31, 2008, are made up of the following:

PROGRAM FUNDS RECEIVABLE:

Federal Programs

Community Services Block Grant	\$ 8,422
Morgan County - Kinship Navigator	338
Morgan County - Wellness	327
HUD/City of Marietta - Shelter Plus Care	6,392
Washington County Urban Transit	39,666
Morgan County DJFS - Ombudsman	3,908
Morgan County DJFS - WIA Youth	2,114
Morgan County - Comprehensive Housing Improvement	10,092
Morgan County - Homelessness Prevention	1,162
City of Marietta - Comprehensive Housing Improvement	874
O.V.E.R. - WIA	32,590
O.V.E.R. - Ormet	2,585
O.V.E.R. - Alliance Data Systems	2,243
O.V.E.R. - Boart/NOVA	2,574

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 4 - PROGRAM FUNDS RECEIVABLE AND DEFERRED REVENUE BALANCES BY PROGRAM (CONTINUED)

Washington County DJFS – Non Emergency Transportation	3,887
ODOD/COAD - HWAP - HHS	23,230
ODOD - HEAP Admin.	3,051
ODH - Family Planning	9,334
City of Belpre - Comprehensive Housing Improvement	1,621
Washington County - CDBG Mitigation	<u>17,585</u>
Total program funds receivable - federal programs	<u>171,995</u>
 <u>State, Local, and Other Programs</u>	
Washington County Urban Transit	8,305
Morgan County DD Board and Client Rents	46,292
Six County Mental Health and Client Rents	9,496
O.V.E.R. – One Stop	5,496
Children’s Learning Center	36,180
Washington County DD Board and Client Rents	6,745
City of Belpre - Health Contract	83
ODH and Patient Fees - Family Planning	14,605
Ohio EMA - Mitigation	20,264
Senior Nutrition	28,954
Washington County - FHS Help Me Grow	<u>3,089</u>
Total program funds receivable-state, local, and other programs	<u>179,509</u>
 Total program funds receivable	 <u>\$ 351,504</u>

DEFERRED REVENUE:

<u>Federal Programs</u>	
HUD Housing Choice Program	\$ 444,467
Washington County DJFS - Lice Eradication	2,753
ODOD/COAD - HWAP - DOE	17,345
Washington County - Comprehensive Housing Improvement	8,362
Senior Service America Inc - Title V	1,123
ODOD - HEAP Emergency	123,629
OHD - WIC	3,570
Washington County - Comprehensive Housing Improvement	35,075
FEMA/EMA - Mitigation Lower Salem	684
FEMA/EMA - Mitigation Washington County	<u>20,860</u>
Total deferred revenue - federal programs	<u>657,868</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 4 - PROGRAM FUNDS RECEIVABLE AND DEFERRED REVENUE BALANCES BY PROGRAM (CONTINUED)

<u>State and Local Programs</u>	
Washington County MHAR Board	31,749
Washington County CSB	10,959
Washington County Levy - Donations	7,795
ODOD – Housing Trust	6,684
Housing Preservation Recaptured Funds	11,423
USF - EPP	35,555
Washington County Juvenile Court - Restitution	2,573
Verizon	2,852
Microenterprise Loans Recovered	7,797
SBC Ameritech	5,087
ODH – Medicaid and Patient Fees	4,400
Carter Foundation	1,000
Marietta OBGYN	1,630
Osteopathic Heritage Foundation - RHISCO	<u>38,244</u>
Total deferred revenue - state and local programs	<u>167,748</u>
Total deferred revenue	<u>\$ 825,616</u>

NOTE 5 - LONG-TERM DEBT

As noted in Note 1, the CAP records debt obligations on assets purchased with the assistance of private financing. The following schedule details the outstanding commitments based on loan agreements signed by or prior to March 31, 2008:

Mortgage payable to bank in monthly installments of \$1,705.69, including interest at 8% per annum, secured by Children's Learning Center in Malta, maturing 2/14/17.	\$ 129,513
Mortgage payable to bank, in monthly installments of \$1,162.25 including interest at 5.25% per annum. Loan is secured by first mortgage on property located at 612 Elm Street, Belpre, OH; Lots 201,203, 205, 207, 211, and 213 Poplar Street, Marietta, OH; and 802 Warren Street, Belpre, OH, maturing 6/01/31.	183,804
Mortgage payable to bank in monthly installments of \$249.09, including interest at 8.5% per annum, secured by Spring Street property, maturing 12/01/15.	16,710
Mortgage payable to bank in monthly installments of \$840.38, including interest at 8.5% per annum, secured by Main St., Malta property, maturing 1/16/16.	56,067
Mortgage payable to bank in monthly installments of \$290.50, including interest at 5.5% per annum, secured by Phillips St. property, maturing 9/30/12.	13,834
Mortgage payable to bank in monthly installments of \$317.84, including interest at 5% per annum, secured by 1014 Hodley Lane property, maturing 9/15/18.	30,975
Mortgage payable to bank in monthly installments of \$461.74, including interest at 6.5% per annum, secured by 1203 Poplar property, maturing 1/15/15.	22,359

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Note payable to bank in monthly installments of \$1,046.98, including interest at 7.75% per annum, for Meigs building repairs, maturing 9/1/2011.	34,825
Note payable to bank in monthly installments of \$326.17, including interest at 7.75% per annum, for generator, phone system, and insulation blower, maturing 9/4/2011.	12,014
Note payable to bank in monthly installments of \$897.23, including interest at 6.15% per annum, secured by 2008 Dodge Ram truck, maturing 2/29/2012	36,767
Total second mortgages in the name of the City of Marietta as detailed on the following pages.	8,992
Total second mortgages in the name of Washington County as detailed on the following pages.	8,748
Total second mortgages in the name of the Ohio Department of Mental Health as detailed on the following pages.	439,163
Total second mortgages in the name of the Ohio Department of Development as detailed on the following pages.	583,584
Total second mortgages in name of Washington County and Morgan County Board of Mental Retardation and Development Disabilities as detailed on the following pages.	<u>248,296</u>
Total long-term debt	1,825,651
Less current maturities	<u>131,527</u>
Long-term debt, net of current portion	<u>\$ 1,694,124</u>

Maturities of long-term debt are as follows:

Payable during the fiscal year ending March 31:

	<u>Bank Financed</u>	<u>Soft Mortgages</u>	<u>Total</u>
2009	\$ 53,317	\$ 78,210	\$ 131,527
2010	57,232	76,307	133,539
2011	61,443	76,022	137,465
2012	50,796	69,967	120,763
2013	37,830	63,762	101,592
Thereafter	<u>276,250</u>	<u>924,515</u>	<u>1,200,765</u>
Total	<u>\$ 536,868</u>	<u>\$ 1,288,783</u>	<u>\$ 1,825,651</u>

Certain properties were also acquired with grant funds as well as private financing. For properties purchased with Ohio Department of Mental Health Funds, second mortgages were placed on the properties in the name of the Ohio Department of Mental Health. These mortgages require no repayment provided that the facilities are used for mental health purposes for 40 years. The CAP has recognized this liability (soft mortgages) in the Plant Fund mortgage payable on the statement of assets, liabilities, and net assets-modified cash basis as noted above. The debt is reduced by an amount equal to 1/480th each month. The Plant Fund mortgage payable balance reflects the unamortized second mortgage balances on the following properties:

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Gates Avenue	\$ 51,757
Elm and Maple Streets	41,431
Fifth Street Property	44,964
East Bell	38,842
Wayne Street	22,227
Main Street	28,156
Scammel Street	57,786
Cisler Street	<u>154,000</u>
Total Ohio Department of Mental Health mortgages	<u>\$ 439,163</u>

Certain properties were also acquired with grant funds from the Ohio Department of Development. Second mortgages were placed on properties by the Department. These funds are forgiven over a 30 year life provided the facilities are used for their agreed upon purpose. Accordingly, the CAP has included these liabilities in the Plant Fund mortgage payable balance on the statement of assets, liabilities, and net assets-modified cash basis as noted on page 5. The debt is reduced by an amount equal to 1/360 each month. The Plant Fund mortgage payable balance reflects the unamortized second mortgage balances on the following properties:

Sharon Street Property	\$ 37,176
Wedgewood Drive Property	34,089
4 Units of the 8 Unit Complex	239,397
Spring Street	32,000
Main Street	35,900
Sixteenth Street	33,319
Poplar Street	29,669
Florence	47,704
Cisler Street	<u>94,330</u>
Total Ohio Department of Development mortgages	<u>\$ 583,584</u>

Additionally, several other properties were acquired with grant funds from the Washington and Morgan County Boards of Mental Retardation and Developmental Disabilities (the Boards), and the Ohio Housing Finance Corp. Second mortgages were placed on the properties by the Boards. These mortgages are forgiven over a period of 15 years provided the facilities are used for their agreed upon purpose. Accordingly, the CAP has included these liabilities in the Plant Fund mortgage payable balance on the statement of assets, liabilities, and net assets-modified cash basis as noted on page 5. The debt is reduced by an amount equal to 1/180 each month. The Plant Fund mortgage payable balance reflects the unamortized second mortgage balances on the following properties:

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Orchard Street Property	\$	344
Fourth Street Property		512
Bell Avenue Property		1,040
Edgewood Drive Property		10,192
S. Kennebec Property		4,992
Sharon Street		7,984
Wedgewood Drive		7,083
Main Street, Malta		20,889
Spring Street		23,192
Phillips Street		31,950
Hadley Lane		52,652
Poplar Street		26,701
Sixteenth Street		19,386
Main Street		19,918
Florence		<u>21,461</u>
Total Washington County and Morgan County Board of Mental Retardation and Developmental Disabilities mortgages		<u>\$ 248,296</u>

There were also several other properties acquired or renovated with grant funds from the Washington County and the City of Marietta CHIP funds. Second mortgages were placed on the properties by the county or city. These mortgages are forgiven over a period of 5 years provided the facilities are used for their agreed upon purpose. Accordingly, the CAP has included these liabilities in the Plant Fund mortgage payable balance on the statement of assets, liabilities, and net assets-modified cash basis as noted on page 5. The debt is reduced by an amount equal to 1/60 each month. The Plant Fund mortgage payable balance reflects the unamortized second mortgage balances on the following properties:

City of Marietta - Poplar and Shade	\$	<u>8,992</u>
Washington County:		
Warren Avenue	\$	1,146
Florence		6,544
Elm		<u>1,058</u>
Total Washington County CHIP	\$	<u>8,748</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 6 - FIXED ASSETS

As described in Note 1 to the financial statements, the CAP owns several buildings, vehicles, and equipment which are recorded in the capital fixed asset (plant) fund balance.

Fixed assets at cost:	
Meigs land, building, and improvements	\$ 299,705
Fifth Street properties, Marietta, Ohio	117,543
Elm and Maple properties	147,859
Warren Street property, Marietta, Ohio	46,890
Washington Street property	42,114
Orchard Street property, Marietta, Ohio	36,361
Fourth Street property	57,517
Bell Avenue property, McConnellsville, Ohio	72,650
Maple Street property	55,340
Aurora Street property	59,242
Scammel property	102,124
Wayne property	58,698
Main Street, Malta	72,861
E. Bell Avenue property	58,895
Edgewood Street property and improvements	77,414
S. Kennebec property	53,205
Sharon Street	86,117
Wedgewood Drive	95,443
Spring Street	70,000
Main Street, Malta (#2) and improvements	142,648
Main Street, Malta (#3) and improvements	340,355
8 Unit Complex	608,090
Shade Street	19,000
Cisler property	50,000
Main Street	75,500
Florence Street	89,298
Poplar Street	76,048
S. 16 th Street	71,830
Phillips Street	71,606
Hadley Lane	99,912
Gates Avenue	80,911
Main, Poplar, Florence, and 16 th Street improvements	30,480
Orchard improvements	16,850
Cisler improvements	176,000
Cisler improvements	113,270
Poplar/Shade improvements	11,727
Warren improvements	1,562
Florence improvements	8,923
Elm improvements	1,443
New Matamoras building	27,000

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 6 - FIXED ASSETS (CONTINUED)

Meigs improvements	41,300
Land - Main Street, Malta	10,000
Land - Mt. Tom Road	<u>10,226</u>
Total land, buildings, and improvements	3,783,957
Vehicles	465,852
Equipment	<u>13,425</u>
Total fixed assets	4,263,234
Less accumulated depreciation	<u>1,296,345</u>
Net fixed assets	<u>\$ 2,966,889</u>

NOTE 7 - PENSION PLAN

The CAP maintains a 401(k) Plan for eligible employees. All employees of the CAP are eligible to participate in the plan following the completion of one year of service and attainment of age 18. Employees may contribute 1 to 20 percent of their total income on a pre-tax basis, not to exceed \$15,500 for 2007 and 2008, except for employees eligible under the "catch-up" provisions. The catch-up provisions allow eligible employees age 50 and over to make additional contributions of \$5,000, respectively, for 2007 and 2008. The CAP has elected to contribute 4 percent of each eligible employee's salary to the plan and each employee is eligible to earn up to 2 percent additional match by contributing up to 2 percent of his/her own pay. The amount of pension expense incurred during the fiscal year ended March 31, 2008, for this plan was \$193,968.

NOTE 8 – EQUIPMENT LEASES

The Community Action Program Corporation leases certain office equipment under 48-month term, closed end lease agreements which expire during fiscal year 2009. The scheduled minimum lease payments over the term of the lease are \$10,755 for fiscal year 2009. Cost of this equipment rental recognized in the statement of functional expenses-modified cash basis for the year ended March 31, 2009, was \$14,340, which includes lease costs only.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE 9 - CONCENTRATIONS

The Community Action Program Corporation receives approximately 82 percent of its support and revenue through federal government grants. Approximately 78 percent of those federal funds are through the five programs noted below. There percent of funding to total federal funding is as follows:

<u>Program</u>	<u>Percent</u>
Head Start	24
Housing Choice Voucher Program	18
Workforce Investment Act (WIA)	15
Low Income Energy Assistance Program (LIHEAP)	12
Temporary Assistance to Needy Families (TANF)	9

The Community Action Program Corporation has funds on deposit with a local financial institution that exceed the Federal Deposit Insurance Corporation (FDIC) insured amount of \$100,000. Effective September 2008, the insured amount was increased to \$250,000 and unlimited for non-interest bearing funds. Funds in excess of the insured amounts are secured by a memorandum of agreement between the financial institution and the CAP. This agreement is in effect through March 31, 2011.

NOTE 10 – GRANT CONTINGENCIES

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursements to the grantor agencies. Management believes disallowances, if any, will be immaterial.

NOTE 11 – LINE OF CREDIT

The CAP maintains a line of credit at a local financial institution in the amount of \$150,000. The interest rate at March 31, 2008, on the line of credit is 7.25 percent. The line of credit balance was \$-0- at March 31, 2008. Corporate certificates of deposit are pledged as collateral for the line of credit. The balance of the certificate of deposit used as collateral as of March 31, 2008, was \$152,956.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2008**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Program or Award Amount	Cash Received (Net of funds returned)	Grant Funds Receivable (Deferred Revenue)		Net Revenue Recognized	Federal Disbursements/ Expenditures
					March 31, 2007	March 31, 2008		
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<u>DIRECT RECIPIENT:</u>								
Head Start	93.600	05CH4042/41	\$ 2,218,300	\$ 138,004	\$ -	\$ -	\$ 138,004	\$ 138,004
Head Start	93.600	05CH4042/42	2,146,421	2,029,888	-	2,029,888	2,029,888	2,029,888
Subtotal-Head Start				2,167,892	-	2,167,892	2,167,892	2,167,892
<u>PASS-THROUGH:</u>								
WASHINGTON COUNTY DEPARTMENT OF JOB AND FAMILY SERVICES								
Temporary Assistance for Needy Families	93.558	n/a	n/a	-	(25,292)	-	25,292	25,292
Head Lice Eradication	93.558	n/a	15,000	14,364	(6,450)	(2,753)	18,061	18,061
Summer Private Employment	93.558	2,007	195,362	151,313	-	-	151,313	151,313
Transportation NET	93.558	2006-2007	200,000	101,388	(11,372)	-	112,760	112,760
Transportation NET	93.558	2007-2008	250,000	101,108	-	3,887	104,995	104,995
Emergency Heating	93.558	2006-2007	202,000	-	(13,144)	-	13,144	13,144
Emergency Heating	93.558	2007-2008	99,750	49,875	-	(35,075)	14,800	14,800
Subtotal-Temporary Assistance for Needy Families				418,048	(56,258)	(33,941)	440,365	440,365
<u>PASS-THROUGH:</u>								
OHIO DEPARTMENT OF DEVELOPMENT								
Low-Income Home Energy Assistance:								
Crisis Cooling Program	93.568	07-HC-247	129,000	127,190	-	-	127,190	127,190
Emergency	93.568	07-HE-247	550,000	(6,451)	(149,119)	-	142,668	142,668
Emergency	93.568	08-HE-247	717,500	512,038	-	(123,629)	388,409	388,409
Administrative - Operations	93.568	07-HA-147	252,491	80,045	(5,889)	-	85,934	85,934
Administrative - Operations	93.568	08-HA-147	252,491	133,464	-	3,051	136,515	136,515
Subtotal-Low Income Home Energy Assistance				846,286	(155,008)	(120,578)	880,716	880,716
Temporary Assistance for Needy Families - Emergency	93.558	08-HE-247	-	175,462	-	-	175,462	175,462
Community Services Block Grant	93.569	06-041	229,264	33,294	21,548	-	11,746	11,746
Community Services Block Grant	93.569	07-041	229,264	166,203	-	-	166,203	166,203
Community Services Block Grant	93.569	07-041	229,264	38,627	-	8,422	47,049	47,049
Community Services Block Grant - T & TA	93.569	TA-07	10,000	10,000	-	-	10,000	10,000
Subtotal-Community Services Block Grant				248,124	21,548	8,422	234,998	234,998

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Program or Award Amount	Cash Received (Net of funds returned)	Grant Funds Receivable		Net Revenue Recognized	Federal Disbursements/ Expenditures
					March 31, 2007	March 31, 2008		
PASS-THROUGH:								
COAD								
Low Income Home Energy Assistance	93.568	H-07	172,743	35,248	19,541	-	15,707	15,707
Low Income Home Energy Assistance	93.568	H-08	232,200	179,264	-	23,230	202,494	202,494
				214,512	19,541	23,230	218,201	218,201
PASS-THROUGH:								
OHIO DEPARTMENT OF HEALTH								
Maternal & Child Health Services Block Grant to the States	93.994	84-6-001-1-MC-06	50,880	4,381	-	-	4,381	4,381
Maternal & Child Health Services Block Grant to the States	93.994	84-6-001-1-MC-07	90,000	28,107	-	-	28,107	28,107
Family Planning Services	93.217	84-6-001-1-XX-08	112,933	-	-	9,334	9,334	9,334
Family Planning Services	93.217	84-6-001-1-XX-06	112,933	23,444	-	-	23,444	23,444
Family Planning Services	93.217	84-6-001-1-XX-07	112,933	84,700	-	-	84,700	84,700
				140,632	-	9,334	149,966	149,966
PASS-THROUGH:								
OHIO DEPARTMENT OF AGING/ BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT AREA AGENCY ON AGING-PSA 8 Special Programs for the Aging, Title III- Part C Nutrition Services Nutrition Services Incentive Program								
	93.045	PY07/08	n/a	171,478	-	-	171,478	171,478
	93.053	PY 06	n/a	16,313	-	-	16,313	16,313
				187,791	-	-	187,791	187,791
PASS-THROUGH:								
WASHINGTON COUNTY DEPARTMENT OF JOB AND FAMILY SERVICES Social Services Block Grant - Title XX								
	93.667	2007-2008	20,000	13,710	-	-	13,710	13,710
PASS-THROUGH:								
MORGAN COUNTY DEPARTMENT OF JOB & FAMILY SERVICES								
Temporary Assistance for Needy Families:								
Ombudsman	93.558	2006-2007	110,000	33,800	3,061	-	30,739	30,739
Ombudsman	93.558	2007-2008	110,000	60,912	-	3,908	64,820	64,820
Kinship Navigator	93.558	2006-2007	15,000	5,653	499	-	5,154	5,154
Kinship Navigator	93.558	2007-2008	15,000	9,353	-	338	9,691	9,691
Summer Youth Employment	93.558	2006	115,000	98,037	-	-	98,037	98,037
				207,755	3,560	4,246	208,441	208,441
PASS-THROUGH:								
MORGAN COUNTY COMMISSIONERS								
Promoting Safe and Stable Families: Children and Family First Program Temporary Assistance for Needy Families: Help Me Grow - Baby Think Twice	93.556	2006-2007	40,000	17,599	2,574	-	15,025	15,025
	93.558	2007-2008	6,000	-	-	327	327	327
				17,599	2,574	327	15,352	15,352
SUBTOTAL - U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
				4,637,811	(164,043)	(108,960)	4,692,894	4,692,894

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Program or Award Amount	Cash Received (Net of funds returned)	Grant Funds Receivable		Net Revenue Recognized	Federal Disbursements/ Expenditures
					March 31, 2007	March 31, 2008		
U. S. DEPARTMENT OF ENERGY								
<u>PASS-THROUGH:</u>								
<u>COAL</u>								
Weatherization Assistance for Low-Income Persons	81.042	D-07	161,771	1,075	(11,239)	-	12,314	12,314
Weatherization Assistance for Low-Income Persons	81.042	D-08	137,585	126,711	-	(17,345)	109,366	109,366
SUBTOTAL - U. S. DEPARTMENT OF ENERGY				127,786	(11,239)	(17,345)	121,680	121,680
U. S. DEPARTMENT OF AGRICULTURE								
<u>PASS-THROUGH:</u>								
<u>OHIO DEPARTMENT OF EDUCATION</u>								
Child and Adult Care Food Program	10.558	n/a	n/a	77,436	(10,861)	-	88,297	88,297
<u>DIRECT RECIPIENT</u>								
Rural Housing Preservation Grants	10.433	HPG 06-07	38,840	47,087	-	-	47,087	47,087
<u>PASS-THROUGH:</u>								
<u>OHIO DEPARTMENT OF HEALTH</u>								
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	84-6-001-1-CL-08	324,821	191,125	1,926	-	189,199	189,199
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	84-6-001-1-CL-09	324,821	163,370	-	(3,570)	159,800	159,800
Subtotal WIC				354,495	1,926	(3,570)	348,999	348,999
SUBTOTAL - U. S. DEPARTMENT OF AGRICULTURE				479,018	(8,935)	(3,570)	484,383	484,383
U. S. DEPARTMENT OF HOMELAND SECURITY								
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>								
<u>PASS-THROUGH:</u>								
<u>OHIO EMERGENCY MANAGEMENT AGENCY/ WASHINGTON COUNTY COMMISSIONERS</u>								
Hazard Mitigation Grant - Macksburg	97.039	DR-1519.22R-OH	73,319	73,319	-	(20,860)	52,459	52,459
<u>PASS-THROUGH:</u>								
<u>OHIO EMERGENCY MANAGEMENT AGENCY/ Hazard Mitigation Grant - Village of Lower Salem</u>								
Hazard Mitigation Grant - Village of Lower Salem	97.039	DR-1519-17 OHIO	49,114	17,782	-	(684)	17,098	17,098
SUBTOTAL - U. S. DEPARTMENT OF HOMELAND SECURITY				91,101	-	(21,544)	69,557	69,557

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Program or Award Amount	Cash Received (Net of funds returned)	Grant Funds Receivable (Deferred Revenue)		Net Revenue Recognized	Federal Disbursements/ Expenditures
					March 31, 2007	March 31, 2008		
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
<u>PASS-THROUGH:</u>								
<u>CITY OF MARIETTA</u>								
HUD Section 8 Housing Choice Vouchers	14.871	OH16-V077	1,721,254	1,243,604	(367,310)	1,610,914	1,610,914	(53,967)
HUD Section 8 Housing Choice Vouchers	14.871	OH16-V077	1,721,254	390,500	(444,467)	(53,967)	(53,967)	27,396
HUD Shelter Plus Care	14.238	OH16C90-7011	144,000	25,000	3,996	27,396	27,396	
Community Development Block Grants/ State's Program								
HOME Investment Partnerships Program	14.228	n/a	40,000	11,237	(29,300)	40,537	40,537	43,008
	14.239	A-C-04-289-2	555,000	42,134	874	43,008	43,008	
<u>PASS-THROUGH:</u>								
<u>CITY OF BELPRE</u>								
HOME Investment Partnerships Program	14.239	A-C-07-095-2	352,500	-	1,621	1,621	1,621	
<u>PASS-THROUGH:</u>								
<u>OHIO DEPARTMENT OF DEVELOPMENT/ WASHINGTON COUNTY COMMISSIONERS</u>								
Community Development Block Grant/ State's Program	14.228	B-C-04-077-1 & 2	624,900	19,298	(7,241)	18,177	18,177	92,485
Community Development Block Grant/States Program: Mitigation HUD Disaster Recovery	14.228	B-P-06-077-2	179,751	74,900	17,585	92,485	92,485	
<u>PASS-THROUGH:</u>								
<u>MORGAN COUNTY SCHOOLS</u>								
Emergency Shelter Grants Program	14.231	2006-2007	12,000	7,192	917	6,275	6,275	14,148
Emergency Shelter Grants Program	14.231	2007-2008	n/a	12,986	1,162	14,148	14,148	
<u>PASS-THROUGH:</u>								
<u>OHIO DEPARTMENT OF DEVELOPMENT/ MORGAN COUNTY COMMISSIONERS</u>								
Community Development Block Grant/ State's Program	14.228	B-C-04-053-1	105,000	2,591	(3,589)	6,180	6,180	41,106
HOME Investment Partnerships Program	14.239	B-C-04-053-2	450,000	31,014	10,092	41,106	41,106	
SUBTOTAL - U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
			1,860,456	1,860,456	(402,527)	1,847,880	1,847,880	

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Program or Award Amount	Cash Received (Net of funds returned)	Grant Funds Receivable (Deferred Revenue) March 31, 2007	March 31, 2008	Net Revenue Recognized	Federal Disbursements/ Expenditures
U. S. DEPARTMENT OF LABOR								
PASS-THROUGH O.V.E.R.								
Employment Service/Wagner-Peyser Funded Activities - One Stop	17.207	n/a	5,885	5,885	-	-	5,885	5,885
Trade Adjustment Assistance-One Stop	17.245	n/a	687	687	-	-	687	687
Unemployment Insurance-One Stop	17.225	n/a	490	490	-	-	490	490
Local Veterans' Employment Representative Program-One Stop	17.804	n/a	294	294	-	-	294	294
Disabled Veterans' Outreach Program (DVOP)-One Stop	17.801	n/a	2,256	2,256	-	-	2,256	2,256
Subtotal One Stop Non WIA				9,612	-	-	9,612	9,612
PASS-THROUGH:								
SENIOR SERVICE AMERICA, INC.								
Senior Community Services Employment Program: Title V	17.235	PY06-07	177,862	76,233	(1,310)	-	77,543	77,543
Senior Aide Program	17.235	PY07-08	264,457	192,829	-	(1,123)	191,706	191,706
Subtotal-Senior Community Services				269,062	(1,310)	(1,123)	269,249	269,249
WIA Cluster 17.258-260								
PASS-THROUGH:								
MORGAN COUNTY DJFS								
WIA Youth Activities	17.259	2006-2007	40,000	16,781	3,069	-	13,712	13,712
WIA Youth Activities	17.259	2007-2008	70,000	36,734	-	2,114	38,848	38,848
Subtotal - Morgan County DJFS				53,515	3,069	2,114	52,560	52,560
PASS THROUGH O.V.E.R.								
Employment Service/Wagner-Peyser Funded Activities	17.207	2007	1,000	(89)	(1,039)	-	950	950
WIA Adult Program	17.258	2006-2007	214,514	91,010	(4,100)	-	95,110	95,110
WIA Adult Program	17.258	2007-2008	181,729	81,213	-	27,943	109,156	109,156
WIA Youth Activities	17.259	2006-2007	203,916	107,646	-	-	107,646	107,646
WIA Youth Activities	17.259	2007-2008	186,964	154,298	-	(12,704)	141,594	141,594
WIA Dislocated Workers - Veterans Programs	17.260	2006-2008	17,352	11,556	-	4,234	15,790	15,790
WIA Dislocated Workers	17.260	2006-2007	87,499	62,379	-	-	62,379	62,379
WIA Dislocated Workers	17.260	2007-2008	248,471	149,730	-	13,117	162,847	162,847
Ormet & Middleton	17.260	2005-2008	242,984	86,394	(155)	2,585	89,134	89,134
Kardex & Airlite	17.260	2004-2006	990,054	50,792	4,375	-	46,417	46,417
Alliance Data Systems	17.260	2006-2008	379,124	102,742	(3,365)	2,243	108,350	108,350
Rapid Response - NOVA	17.260	2007-2008	26,116	10,210	-	-	10,210	10,210
Boart/NOVA	17.260	2007-2009	237,263	2,711	-	2,574	5,285	5,285
Flood Washington	17.260	2006-2007	291,661	38,135	1,016	-	37,119	37,119
Flood -Morgan	17.260	2006-2007	291,661	46,945	2,542	-	44,403	44,403
WIA Youth Activities - One Stop	17.259	2006-2008	98	98	-	-	98	98
WIA Adult Program - One Stop	17.258	2006-2008	98	98	-	-	98	98
Subtotal - O.V.E.R.				995,868	(726)	39,992	1,036,586	1,036,586
Total WIA Cluster				1,049,383	2,343	42,106	1,089,146	1,089,146
SUBTOTAL - U. S. DEPARTMENT OF LABOR				1,328,057	1,033	40,983	1,369,007	1,368,007

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Program or Award Amount	Cash Received (Net of funds returned)	Grant Funds Receivable (Deferred Revenue)		Net Revenue Recognized	Federal Disbursements/ Expenditures
					March 31, 2007	March 31, 2008		
U. S. DEPARTMENT OF TRANSPORTATION								
<u>PASS-THROUGH:</u>								
<u>OHIO DEPARTMENT OF TRANSPORTATION/</u>								
<u>WASHINGTON COUNTY COMMISSIONERS</u>								
Formula Grants for Other Than Urbanized Areas								
	20.509	2006	56,000	18,297	-	-	18,297	18,297
	20.507	2007	319,664	226,519	42,035	-	184,484	184,484
	20.507	2007-2008	247,431	35,656	-	39,666	75,322	75,322
SUBTOTAL - U. S. DEPARTMENT OF TRANSPORTATION				<u>280,472</u>	<u>42,035</u>	<u>39,666</u>	<u>278,103</u>	<u>278,103</u>
TOTAL FEDERAL AWARDS				<u>\$ 8,804,701</u>	<u>\$ (543,676)</u>	<u>\$ (485,873)</u>	<u>\$ 8,862,504</u>	<u>\$ 8,862,504</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Community Action Program Corporation of Washington-Morgan Counties, Ohio and is presented on the modified cash basis of accounting with the exception of recording grant receivables and deferred revenues in the operating-unrestricted assets. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - RECLASSIFICATION OF PRIOR YEAR DEFERRED REVENUE BALANCES

Certain reclassifications to deferred revenue balances have been made in the schedule to account for funds returned to grantors.

NOTE C - FEDERAL FUNDS EXPENDED BY CFDA

The amounts detailed below have been received through various direct and pass-through entities. Amounts have been regrouped by CFDA number in order to provide expenditures by original federal funding sources. Other federal funds that are not received through various funding or pass-through sources are excluded from this recap. Totals for those funds, by CFDA numbers, are reflected on the schedule of expenditures of federal awards.

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Total Amount Expended</u>
U.S. Department of Health and Human Services	93.045	\$ 171,478
	93.053	16,313
	93.217	117,478
	93.556	15,025
	93.558	824,595
	93.568	1,098,917
	93.569	234,998
	93.600	2,167,892
	93.667	13,710
	93.994	<u>32,488</u>
	Total	<u>\$ 4,692,894</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

NOTE C - FEDERAL FUNDS EXPENDED BY CFDA (CONTINUED)

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Total Amount Expended</u>
U.S. Department of Housing and Urban Development	14.231	\$ 20,423
	14.239	85,735
	14.228	157,379
	14.871	1,556,947
	14.238	<u>27,396</u>
	Total	
U.S. Department of Labor	17.207	\$ 6,835
	17.225	490
	17.235	269,249
	17.245	687
	17.260	581,934
	17.259	301,898
	17.258	204,364
	17.801	2,256
	17.804	<u>294</u>
Total		<u>\$ 1,368,007</u>
U.S. Department of Transportation	20.509	\$ 18,297
	20.507	<u>259,806</u>
Total		<u>\$ 278,103</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF FINDINGS AND SUMMARY OF AUDITOR'S RESULTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2008**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

The report on the financial statements of The Community Action Program Corporation of Washington-Morgan Counties, Ohio as of and for the year ended March 31, 2008, is unqualified. The opinion is dated October 21, 2008.

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified not considered to be material weaknesses? Yes No

An unqualified opinion has been issued on the compliance for major programs of The Community Action Program Corporation of Washington-Morgan Counties, Ohio as of and for the year ended March 31, 2008. The opinion is dated October 21, 2008.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? Yes No

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF FINDINGS AND SUMMARY OF AUDITOR'S RESULTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2008**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.558	U.S. Department of Health and Human Services Temporary Assistance to Needy Families (TANF) (passed through various agencies)
93.568	U.S. Department of Health and Human Services Low Income Energy Assistance Program (LIHEAP) (passed through Ohio Department of Development and COAD)
17.258-260	U.S. Department of Labor WIA Cluster (passed through various agencies)

The dollar threshold used to determine major programs was \$300,000.

The Community Action Program Corporation of Washington-Morgan Counties Ohio qualified as a low-risk auditee for the year ended March 31, 2008.

SECTION II - FINANCIAL STATEMENT FINDINGS

Financial Statement Findings in Accordance with GAGAS

We noted no findings related to the financial statements which are required to be reported in accordance with GAGAS.

Findings and Questioned Costs for Federal Awards

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended March 31, 2008.

**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
The Community Action Program Corporation
of Washington-Morgan Counties, Ohio

We have audited the financial statements of The Community Action Program Corporation of Washington-Morgan Counties, Ohio (a nonprofit organization) (the "CAP") as of and for the year ended March 31, 2008, and have issued our report thereon dated October 21, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 the CAP's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the CAP'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 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 the modified cash basis of accounting 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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the CAP in a separate letter dated October 21, 2008.

This report is intended solely for the information and use of the Board of Directors, Audit and Finance Committee, management, others within the organization, and the 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 that reads "J. R. Snodgrass, A.C." The signature is written in a cursive style.

Wheeling, West Virginia
October 21, 2008

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

To the Board of Directors of
The Community Action Program Corporation
of Washington-Morgan Counties, Ohio

Compliance

We have audited the compliance of The Community Action Program Corporation of Washington-Morgan Counties, Ohio (a nonprofit organization) (the "CAP") 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 fiscal year ended March 31, 2008. The Community Action Program Corporation of Washington-Morgan Counties, Ohio's major federal programs are 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 management of The Community Action Program Corporation of Washington-Morgan Counties, Ohio. Our responsibility is to express an opinion on the CAP'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 CAP'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 the CAP's compliance with those requirements.

In our opinion, The Community Action Program Corporation of Washington-Morgan Counties, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended March 31, 2008.

Internal Control Over Compliance

The management of The Community Action Program Corporation of Washington-Morgan Counties, Ohio 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 CAP'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 the CAP's internal control over compliance.

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 material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any 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, Audit and Finance Committee, management, others within the organization, and the 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.

J. R. Snodgrass, A.C.

Wheeling, West Virginia
October 21, 2008

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
STATUS OF PRIOR YEAR AUDIT FINDINGS/COMMENTS
MARCH 31, 2008**

There were no findings and recommendations in the prior year report requiring the preparation of this schedule.



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio**

REPORT ON ACCOMPANYING INFORMATION

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of program expenses is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole in accordance with the basis of accounting described in Note 1 to the financial statements.

D. R. Snodgrass, A.C.

Wheeling, West Virginia
October 21, 2008

**THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES
FOR THE YEAR ENDED MARCH 31, 2008**

	Community Services Block Grant	HUD Housing Choice	MHAR Housing - Washington	CSB Home Visitor	Senior Nutrition Program	Lice Eradication - Washington	Kinship Navigator	Washington Levy
Expenditures								
Wages - employee	\$ 106,820	\$ 133,414	\$ 7,173	\$ 889	\$ 161,817	\$ 8,986	\$ 7,496	\$ 121,480
Wages - participant	-	-	-	-	-	-	-	-
Total fringe benefits	49,654	86,332	4,082	237	73,773	2,852	1,618	53,551
Total travel and transportation	17,443	4,304	204	178	27,197	110	466	13,862
Contractual	2,557	7,286	563	5	2,494	64	-	1,592
Communications	5,971	1,884	31	-	3,775	7	1,084	2,899
Participant support	-	-	-	-	-	-	-	-
Classroom training	-	-	-	-	-	-	-	-
OJT	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	8,104	3,480	36,566	-	24,797	24	824	12,951
Emergency assistance	-	-	-	-	-	-	-	-
Housing assistance payments	-	1,291,262	70,427	-	-	-	-	-
Insurances	4,447	3,784	549	2	6,943	20	144	3,754
Supplies	6,972	11,157	780	-	5,008	2,971	346	3,172
Program supplies	-	-	-	-	29,685	2,954	-	11,178
Small tools, equipment, and equipment maintenance	8,519	10,925	168	-	4,130	56	684	1,923
Memberships and dues	8,983	478	-	-	182	1	1	61
Printing and photocopying	1,122	1,433	31	-	1,120	19	35	839
Miscellaneous	4,435	(271)	-	-	35	-	2,149	6
Food	-	-	-	-	151,595	-	-	63,162
Materials	-	-	-	-	-	-	-	-
Vehicle operations	-	3,471	-	-	10,335	-	-	5,297
Acquisition and renovations	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Staff pool	-	-	-	-	-	-	-	-
Eliminations	-	-	-	-	-	-	-	-
Total expenditures	\$ 225,027	\$ 1,558,939	\$ 120,574	\$ 1,311	\$ 502,886	\$ 18,064	\$ 14,847	\$ 295,727

THE COMMUNITY ACTION PROGRAM CORPORATION
 OF WASHINGTON-MORGAN COUNTIES, OHIO
 SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
 FOR THE YEAR ENDED MARCH 31, 2008

	SNP Antitrust	Shelter Plus Care	317 Housing - Morgan	Wellness - Morgan	Morgan Co. Prevention	Housing Trust	HWAP - DOE	HWAP - HHS
Expenditures								
Wages - employee	\$ -	\$ 1,590	\$ 872	\$ 6,831	\$ 11,870	\$ 2,512	\$ 27,708	\$ 99,319
Wages - participant	-	-	-	-	-	-	-	-
Total fringe benefits	-	904	493	2,207	3,599	1,366	10,838	70,009
Total travel and transportation	-	56	24	28	1,059	255	445	11,443
Contractual	15	217	61	737	85	6	2,050	70
Communications	-	7	4	179	598	5	296	3,677
Participant support	-	-	-	4,648	-	-	-	-
Classroom training	-	-	-	-	-	-	-	-
OJT	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	-	6,014	6,310	229	851	14	519	7,223
Emergency assistance	-	-	-	-	-	-	-	-
Housing assistance payments	-	30,250	6,791	-	-	-	-	-
Insurances	4	53	19	85	174	123	4,788	3,703
Supplies	-	238	98	28	387	291	1,412	3,034
Program supplies	2,300	-	-	13	-	-	-	81
Small tools, equipment, and equipment maintenance	350	46	22	248	660	29	473	10,261
Memberships and dues	-	-	-	-	1	-	(9)	195
Printing and photocopying	-	9	5	117	56	96	73	1,121
Miscellaneous	-	-	-	-	1,084	-	-	-
Food	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	73,094	-
Vehicle operations	-	-	-	-	-	-	-	-
Acquisition and renovations	-	-	-	-	-	17,290	-	-
Interest expense	-	-	-	-	-	-	-	-
Staff pool	-	-	-	-	-	-	-	-
Eliminations	-	-	-	-	-	-	-	-
Total expenditures	\$ 2,659	\$ 39,384	\$ 14,699	\$ 15,350	\$ 20,424	\$ 21,987	\$ 121,687	\$ 218,203

THE COMMUNITY ACTION PROGRAM CORPORATION
 OF WASHINGTON-MORGAN COUNTIES, OHIO
 SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
 FOR THE YEAR ENDED MARCH 31, 2008

	CHIP - Washington	CHIP - Morgan	Urban Transit	Housing Preservation	CHIP - Marietta	CTS/EMT/NEI	Electric Partnership Program	Senior Aides - Title V
Expenditures								
Wages - employee	\$ 805	\$ 20,146	\$ 180,179	\$ 3,491	\$ 18,381	\$ 9,615	\$ 32,790	\$ 19,203
Wages - participant	-	-	-	-	-	-	-	208,837
Total fringe benefits	509	11,174	114,277	2,078	10,834	6,050	24,163	32,298
Total travel and transportation	284	5,571	2,456	367	2,506	139,026	2,264	2,614
Contractual	123	3,090	5,965	1,920	1,534	946	404	1,225
Communications	-	632	2,084	5	548	354	628	87
Participant support	-	-	-	-	-	-	-	-
Classroom training	-	-	-	-	-	-	-	-
OJT	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	-	1,652	9,078	8	949	26	657	431
Emergency assistance	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-
Insurances	3	2,838	16,405	-	2,966	297	1,619	467
Supplies	-	1,048	6,804	292	1,502	970	2,040	3,060
Program supplies	-	-	1,872	-	-	-	2	-
Small tools, equipment, and equipment maintenance	-	1,453	7,267	44	1,299	326	768	633
Memberships and dues	-	1	405	-	1	1	727	33
Printing and photocopying	11	551	800	70	401	584	175	356
Miscellaneous	-	-	195	-	-	-	-	-
Food	-	-	-	-	-	-	-	-
Materials	250	1,563	-	-	1,418	-	25,459	-
Vehicle operations	6	68	59,208	-	3	39,005	2,245	-
Acquisition and renovations	16,198	-	-	40,510	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Staff pool	-	-	-	-	-	-	-	-
Eliminations	-	-	-	-	-	-	-	-
Total expenditures	\$ 18,189	\$ 49,787	\$ 406,995	\$ 48,785	\$ 42,342	\$ 197,200	\$ 93,941	\$ 269,244

THE COMMUNITY ACTION PROGRAM CORPORATION
 OF WASHINGTON-MORGAN COUNTIES, OHIO
 SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
 FOR THE YEAR ENDED MARCH 31, 2008

	Workforce Investment Act	Alternative to Delinquency	Ombudsman - Morgan	WIA Morgan - Youth	Morgan Summer	Verizon 2003	One Stop	FLOOD - Washington
Expenditures								
Wages - employee	\$ 189,595	\$ 165	\$ 35,583	\$ 20,974	\$ 17,569	\$ 614	\$ 5,349	\$ 25,472
Wages - participant	48,977	1,316	8,931	9,444	56,009	-	-	-
Total fringe benefits	125,396	215	26,791	13,644	15,217	268	3,826	6,864
Total travel and transportation	47,164	6	9,274	3,899	4,849	41	55	817
Contractual	5,099	14	534	441	753	5	124	1,768
Communications	4,847	1	1,525	1,175	482	1	3,062	130
Participant support	17,530	-	9,053	22	-	-	-	806
Classroom training	268,838	-	-	-	-	-	-	-
OJT	3,900	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	6,545	1	1,625	1,182	606	3	5,269	446
Emergency assistance	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-
Insurances	3,965	4	174	61	25	2	1,379	126
Supplies	8,274	31	1,105	1,069	1,329	330	1,767	273
Program supplies	1,486	-	-	-	-	-	11	-
Small tools, equipment, and equipment maintenance	7,174	8	690	546	424	17	4,243	338
Memberships and dues	1,850	-	56	8	53	-	-	(2)
Printing and photocopying	1,712	1	217	93	205	2	28	46
Miscellaneous	(8,917)	-	-	-	-	-	874	-
Food	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-
Vehicle operations	-	-	-	-	516	-	-	-
Acquisition and renovations	-	-	-	-	-	-	-	35
Interest expense	5	-	-	-	-	-	-	-
Staff pool	157,469	-	-	-	-	-	-	-
Eliminations	(157,469)	-	-	-	-	-	-	-
Total expenditures	\$ 733,440	\$ 1,762	\$ 95,558	\$ 52,558	\$ 98,037	\$ 1,283	\$ 25,987	\$ 37,119

THE COMMUNITY ACTION PROGRAM CORPORATION
 OF WASHINGTON-MORGAN COUNTIES, OHIO
 SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
 FOR THE YEAR ENDED MARCH 31, 2008

	FLOOD - Morgan	Kardex and Airlolite	Head Start Federal	Morgan Children's Learning Center	Micro Enterprise	MR Housing Management Washington	MR Housing Management Morgan	HEAP Administration
Expenditures								
Wages - employee	\$ 29,806	\$ 3,379	\$ 1,029,648	\$ -	\$ -	\$ 2,180	\$ 1,756	\$ 127,633
Wages - participant	8,289	2,489	680,610	-	-	1,265	1,003	72,037
Total fringe benefits	1,910	1,738	49,171	-	-	40	32	4,162
Total travel and transportation	2,193	806	47,188	-	-	19	12	2,376
Contractual	139	5	27,375	-	-	9	7	3,269
Communications	422	25,420	3,326	-	-	-	-	-
Participant support	-	12,265	-	-	-	-	-	-
Classroom training	-	-	-	-	-	-	-	-
OJT	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	420	8	136,103	-	-	(1,043)	(405)	4,256
Emergency assistance	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-
Insurances	17	-	35,232	-	-	-	-	-
Supplies	313	132	15,005	-	-	388	6	(456)
Program supplies	7	108	49,998	-	-	-	220	4,107
Small tools, equipment, and equipment maintenance	752	57	33,199	-	-	158	50	4,699
Memberships and dues	-	-	2,295	-	-	-	-	11
Printing and photocopying	49	10	9,650	-	-	10	9	616
Miscellaneous	-	-	-	-	-	-	-	(3)
Food	-	-	97,051	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-
Vehicle operations	88	-	21,834	-	-	-	-	-
Acquisition and renovations	-	-	9,031	-	-	-	-	-
Interest expense	-	-	10,953	-	-	-	-	-
Staff pool	-	-	-	-	-	-	-	-
Eliminations	-	-	-	-	-	-	-	-
Total expenditures	\$ 44,405	\$ 46,417	\$ 2,257,669	\$ -	\$ -	\$ 3,032	\$ 2,688	\$ 222,707

THE COMMUNITY ACTION PROGRAM CORPORATION
 OF WASHINGTON-MORGAN COUNTIES, OHIO
 SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
 FOR THE YEAR ENDED MARCH 31, 2008

	HEAP Emergency	Emergency Cooling	SBC Ameritech	Child & Family Health	Dental Clinic	Health Contracts	Family Planning	FHS Help Me Grow
Expenditures								
Wages - employee	\$ -	\$ -	227	\$ 52,926	\$ -	\$ 6,526	\$ 84,429	\$ 7,878
Wages - participant	-	-	-	-	-	-	-	-
Total fringe benefits	-	-	107	30,286	-	5,179	50,213	4,181
Total travel and transportation	-	-	4	996	-	83	3,212	1,054
Contractual	-	-	3	6,550	-	43	10,923	61
Communications	-	-	1	565	-	6	3,882	8
Participant support	-	-	-	-	-	-	-	-
Classroom training	-	-	-	-	-	-	-	-
OJT	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	-	27,294	1	1,263	-	15	6,800	19
Emergency assistance	706,539	99,896	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-
Insurances	-	-	1	7,435	-	15	6,698	3
Supplies	-	-	23	1,600	-	192	6,142	369
Program supplies	-	-	-	1,049	-	-	18,286	-
Small tools, equipment, and equipment maintenance	-	-	6	2,896	-	44	6,678	33
Memberships and dues	-	-	-	301	-	-	205	1
Printing and photocopying	-	-	1	386	-	14	1,407	16
Miscellaneous	-	-	-	-	1,611	-	-	-
Food	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-
Vehicle operations	-	-	-	3	-	-	18	-
Acquisition and renovations	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Staff pool	-	-	-	-	-	-	-	-
Eliminations	-	-	-	-	-	-	-	-
Total expenditures	\$ 706,539	\$ 127,190	\$ 374	\$ 106,256	\$ 1,611	\$ 12,117	\$ 198,893	\$ 13,623

**THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

	WIC	Community Response	T & T A	American Lung Association - Woodstove	Peoples Transportation	Morgan Osteopathic Planning	Ormet and Middleton 12/01/05-6/30/06	Alliance Data Systems - W/A
Expenditures								
Wages - employee	\$ 177,208	\$ -	\$ -	\$ 1,326	\$ -	\$ 85	\$ 8,618	\$ 12,488
Wages - participant	-	-	-	-	-	-	-	-
Total fringe benefits	92,627	-	(2)	747	-	33	5,703	8,693
Total travel and transportation	2,852	-	49	97	-	1	4,167	9,776
Contractual	1,750	-	10,000	267	-	95	547	602
Communications	13,246	-	-	4	-	-	14	17
Participant support	-	-	-	-	-	-	64,380	2,646
Classroom training	-	-	-	-	-	-	4,871	72,928
OJT	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	-	-	-	-	-	-	-	-
Emergency assistance	23,958	-	-	3	-	-	25	33
Housing assistance payments	-	-	-	-	-	-	-	-
Insurances	-	-	-	-	-	-	-	-
Supplies	5,877	-	-	-	-	-	173	194
Program supplies	10,016	-	529	174	-	1	457	736
Small tools, equipment, and equipment maintenance	3,274	-	-	-	-	-	-	-
Memberships and dues	5,902	-	-	34	-	-	132	162
Printing and photocopying	60	-	-	-	-	-	-	51
Miscellaneous	3,217	-	288	8	-	-	47	29
Food	540	560	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-
Vehicle operations	47	-	-	-	-	-	-	-
Acquisition and renovations	-	-	-	86,347	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Staff pool	-	-	-	-	-	-	-	-
Eliminations	-	-	-	-	-	-	-	-
Total expenditures	\$ 340,574	\$ 560	\$ 10,864	\$ 89,007	\$ -	\$ 215	\$ 89,134	\$ 108,355

**THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

	Wash. Co. Summer Youth	PRC Emergency HEAP	Marietta Gynecologic Associates	CHIP Belpre	Mitigation- Lower Salem FEMA	Mitigation- Washington Co FEMA	Mitigation- Washington Co EMA
Expenditures							
Wages - employee	\$ -	\$ 42	\$ 8,344	\$ 401	\$ 1,360	\$ -	\$ 6,244
Wages - participant	101,209	-	-	-	-	-	-
Total fringe benefits	11,850	25	3,840	313	608	-	2,271
Total travel and transportation	-	1	40	271	-	-	89
Contractual	31,087	1,856	40	-	150	-	1,377
Communications	-	-	4	-	-	-	-
Participant support	-	-	-	-	-	-	-
Classroom training	-	-	-	-	-	-	-
OJT	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	-	-	11	1	-	-	-
Emergency assistance	-	22,563	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-
Insurances	-	5	13	-	-	-	-
Supplies	-	1	130	50	-	-	352
Program supplies	-	-	-	-	-	-	-
Small tools, equipment, and equipment maintenance	-	-	30	1	-	-	-
Memberships and dues	-	-	-	-	-	-	-
Printing and photocopying	-	-	9	419	-	-	446
Miscellaneous	8,917	-	-	-	-	-	-
Food	-	-	-	-	-	-	-
Materials	-	-	-	167	100	-	-
Vehicle operations	-	-	-	-	-	-	-
Acquisition and renovations	-	-	-	-	14,881	52,460	110,037
Interest expense	-	-	-	-	-	-	-
Staff pool	-	-	-	-	-	-	-
Eliminations	-	-	-	-	-	-	-
Total expenditures	\$ 153,063	\$ 24,493	\$ 12,461	\$ 1,623	\$ 17,099	\$ 52,460	\$ 120,816

**THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008**

	Mitigation- Washington Co CDBG	RHISCO 1/1/08 - 6/30/09	Boat & Nova Program 1/10/08 6/30/09	Total Corporate Services	Total Program and Corporate Services
Expenditures					
Wages - employee	\$ 6,756	\$ 389	\$ 2,244	\$ 55,039	\$ 2,905,640
Wages - participant	-	-	-	-	434,723
Total fringe benefits	2,995	170	1,583	18,360	1,760,594
Total travel and transportation	289	578	76	1,321	380,276
Contractual	20	-	-	1,041	160,753
Communications	21	-	1	846	85,397
Participant support	-	-	296	-	128,549
Classroom training	-	-	-	-	358,902
OJT	-	-	-	-	3,900
Occupancy, facility costs, and rents	40	1	1	141	335,329
Emergency assistance	-	-	-	3,137	832,135
Housing assistance payments	-	-	-	-	1,398,730
Insurances	2	-	6	26,118	140,266
Supplies	897	5	866	1,454	109,947
Program supplies	-	-	-	-	122,304
Small tools, equipment, and equipment maintenance	120	1	144	1,878	120,700
Memberships and dues	2	-	-	781	16,733
Printing and photocopying	333	-	68	619	28,979
Miscellaneous	-	-	-	-	11,215
Food	-	-	-	-	311,808
Materials	-	-	-	7,735	109,786
Vehicle operations	-	-	-	31,878	182,124
Acquisition and renovations	81,014	-	-	-	427,768
Interest expense	-	-	-	-	10,958
Staff pool	-	-	-	-	157,469
Eliminations	-	-	-	-	(157,469)
Total expenditures	\$ 92,489	\$ 1,144	\$ 5,285	\$ 150,348	\$ 10,377,516 *

*Includes \$9,031 in mortgage principal payments for Head Start Facilities.