

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

**AUDIT REPORT
MARCH 31, 2011**

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
MARCH 31, 2011**

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INDEPENDENT AUDITOR'S 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 (The CAP) (a nonprofit organization) as of March 31, 2011, 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 CAP'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CAP's internal control over financial reporting. Accordingly, we express no such opinion. 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 to the financial statements, these financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets on a modified cash basis of The Community Action Program Corporation of Washington-Morgan Counties, Ohio as of March 31, 2011, and its support, revenue, and expenses, and the changes in its net assets and functional expenses on a modified cash basis 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 25, 2011, on our consideration of The Community Action Program Corporation of Washington-Morgan Counties, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "J.R. Snodgrass, A.C.".

Wheeling, West Virginia
October 25, 2011

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS
MARCH 31, 2011**

ASSETS

Cash	\$ 1,667,845
Savings and certificates of deposit	546,608
Program funds receivable	164,623
Fixed assets at cost, net of accumulated depreciation of \$1,706,635	<u>2,847,412</u>
 TOTAL ASSETS	 <u><u>\$ 5,226,488</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Deferred revenue	\$ 866,404
Unearned program and management fees	76,019
Security/escrow deposits and funds held in trust	98,455
Payroll taxes and employee withholdings and accruals	117,256
Accrued vacation, leave and employee benefits	504,597
Notes payable - financed	11,227
Capital lease payable	22,617
Mortgages payable - financed	377,736
Mortgages payable - soft mortgages	1,146,699
PIP Trust loan payable	<u>6,503</u>
Total liabilities	<u><u>3,227,513</u></u>

NET ASSETS - UNRESTRICTED

Operating - program and corporate	709,842
Operating - fixed assets	<u>1,289,133</u>
Total net assets	<u><u>1,998,975</u></u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,226,488</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, 2011**

PUBLIC SUPPORT AND REVENUE

Federal grants and contracts, net of grant funds returned of \$273,797	\$ 11,349,440
State, local and other grants and contracts	690,265
Fee for service contracts	576,111
Contributions	157,295
Program income	742,498
Total public support and revenue	<u>13,515,609</u>

OTHER REVENUE

Special events income	31,839
Miscellaneous income	43,157
Interest income	8,750
Total other revenue	<u>83,746</u>

TOTAL PUBLIC SUPPORT AND OTHER REVENUE 13,599,355

EXPENSES

Program and corporate services	13,371,085
Management and general	115,684
Total expenses	<u>13,486,769</u>

Excess of public support and other revenue over expenses \$ 112,586

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, 2011**

	Operating Net Assets-Unrestricted			Total Net Assets
	Program	Corporate	Plant	
BALANCES, MARCH 31, 2010	\$ -	\$ 727,032	\$ 1,226,968	\$ 1,954,000
Excess (deficit) of public support and other revenue over expenses	(100,882)	213,468	-	112,586
Transfer to plant fund: principal reduction and capital lease payments	(60,774)	(69,002)	129,776	-
Amortization of mortgage payable balances	-	-	83,305	83,305
Depreciation, net	-	-	(150,916)	(150,916)
BALANCES, MARCH 31, 2011	\$ (161,656)	\$ 871,498	\$ 1,289,133	\$ 1,998,975

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, 2011**

	<u>Senior and Community Services</u>	<u>Morgan Operations</u>	<u>Housing and Transportation</u>	<u>Employment and Training</u>	<u>Children's Programs</u>	<u>Miscellaneous Community Programs</u>
EXPENDITURES						
Wages - employee	\$ 794,422	\$ 901	\$ 943,298	\$ 204,179	\$ 1,067,316	\$ 68,111
Wages - participant	-	-	-	377,498	-	-
Fringe benefits	530,928	791	552,400	231,756	762,639	50,749
Travel and transportation	70,802	34	223,305	14,614	51,360	4,465
Contractual	25,279	61	25,192	8,830	49,197	159,210
Communications	20,588	4	11,466	7,700	22,916	130
Participant support	-	-	527	26,525	82	-
Classroom training	-	-	99	394,543	-	424
On the job training - OJT	-	-	-	15,881	-	-
Occupancy, facility costs, and rents	323,518	6,974	24,518	20,735	122,320	12,987
Emergency assistance	851,467	-	-	-	-	-
Housing assistance payments	1,788,812	6,791	-	-	-	-
Insurances	17,584	16	52,614	5,580	38,909	234
Supplies	54,589	60	20,950	45,191	15,884	3,944
Program supplies	41,946	-	-	23,787	56,410	2
Small tools, equipment, and equipment maintenance	32,484	21	38,724	17,220	29,141	789
Memberships and dues	9,419	-	955	129	2,551	4
Printing and photocopying	7,436	2	4,257	2,380	10,849	(2,537)
Miscellaneous	9,048	-	24	(1,052)	5,952	-
Food	255,374	-	-	-	96,140	-
Materials	-	-	603,459	-	-	-
Vehicle operations	50,112	-	232,179	-	137,044	-
Acquisition and renovation	-	-	94,542	-	-	472,270
Special events	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Total expenditures	<u>\$ 4,883,808</u>	<u>\$ 15,655</u>	<u>\$ 2,828,509</u>	<u>\$ 1,395,496</u>	<u>\$ 2,468,710</u>	<u>\$ 770,782</u>

The Corporate Account includes the elimination of photocopying expense included in the programs for principal payments on the capital lease totaling \$12,924.
The Children's Program expenses do not include debt service payments for facilities and vehicles totaling \$60,774.00.

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, 2011**

	<u>Health Programs</u>	<u>Corporate Services</u>	<u>Total Program and Corporate Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
EXPENDITURES					
Wages - employee	\$303,343	\$ 92,817	\$ 3,474,387	\$ 7,744	\$ 3,482,131
Wages - participant	-	-	377,498	-	377,498
Fringe benefits	213,752	65,055	2,408,070	5,637	2,413,707
Travel and transportation	7,158	1,226	372,964	4,252	377,216
Contractual	23,583	3,138	294,490	12,906	307,396
Communications	15,472	744	79,020	477	79,497
Participant support	-	-	27,134	-	27,134
Classroom training	-	-	395,066	-	395,066
On the job training - OJT	-	-	15,881	-	15,881
Occupancy, facility costs, and rents	42,162	45,551	598,765	25,755	624,520
Emergency assistance	-	6,059	857,526	-	857,526
Housing assistance payments	-	-	1,795,603	-	1,795,603
Insurances	20,018	38,221	173,176	5,851	179,027
Supplies	12,212	2,305	155,135	3,939	159,074
Program supplies	22,356	-	144,501	174	144,675
Small tools, equipment, and equipment maintenance	11,732	971	131,082	428	131,510
Memberships and dues	772	1,311	15,141	24	15,165
Printing and photocopying	5,684	314	28,385	229	28,614
Miscellaneous	-	-	13,972	3,953	17,925
Food	-	-	351,514	199	351,713
Materials	-	21,740	625,199	-	625,199
Vehicle operations	-	11,427	430,762	78	430,840
Acquisition and renovation	-	22,089	588,901	-	588,901
Special events	-	-	-	42,302	42,302
Interest expense	-	16,913	16,913	1,736	18,649
Total expenditures	<u>\$678,244</u>	<u>\$ 329,881</u>	<u>\$ 13,371,085</u>	<u>\$ 115,684</u>	<u>\$ 13,486,769</u>

The Corporate Account includes the elimination of photocopying expense included in the programs for principal payments on the capital lease totaling \$12,924
The Children's Program expenses do not include debt service payments for facilities and vehicles totaling \$60,774.00

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, 2011**

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 certain 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 have also been made. The CAP also funds deferred absences and all related payroll costs and certain health insurance benefits. 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 (debt-funded only) net of accumulated depreciation and mortgage, notes, and capital lease payable balances.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

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 in the program funds. The asset is then transferred to the Plant Fund to be 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.

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 in the program funds. The asset is transferred to the Plant Fund to be depreciated over its useful life. 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.

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.)

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 operational expense, but are recorded and accumulated as contra-account balances of the respective capital fixed assets and unrestricted Plant 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.

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

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, 2011**

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 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.) Revenue earned in fee-for-service type arrangements is recognized when received.

B. Program Income

The amount due from various sources is recognized when received.

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, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deferred Revenue

Deferred revenue represents the excess of funds received for certain program expenses over the amount of grant funds expended through March 31, 2011.

G. Program Funds Receivable

Program funds receivable represents the excess of funds disbursed for certain program expenses over the amount of grant funds received through March 31, 2011.

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, Staff Accountant II, 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, 2011**

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.

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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 the Financial Accounting Standards Board Accounting Standards Codification. Certain requirements of the Trust Agreement have not been met as of March 31, 2011, which would permit The CAP to have access to net asset values of the PIP Trust. Therefore, as of March 31, 2011, The CAP does not have an ongoing economic interest in the net assets of the PIP Trust.

As of March 31, 2011, The CAP owed the PIP Trust a loan amount of \$6,503. The PIP Trust also donated \$50,000 to The CAP in fiscal year 2011.

There were no additional transactions between the PIP Trust and The CAP for the fiscal year ended March 31, 2011.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

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 have not been satisfied. The total amount of in-kind services received was \$904,479. 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 fiscal year 2011, the rate used was \$7.30 per hour through December 31, 2010, and \$7.40 thereafter (in accordance with the State of Ohio minimum wage rate) plus fringe benefits afforded to part-time employees.

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, 2011, for the following grants:

In-kind Space/Use Allowance

U. S. Department of Health and Human Services - Head Start	<u>\$ 67,954</u>
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In-kind Wages and Fringe Benefits

Senior Service America, Inc. - Senior Aides Title V Program	27,880
Senior Service America, Inc. - Title V ARRA	36,491
U. S. Department of Health and Human Services - Head Start	754,833
Area Agency on Aging - Senior Programs	15,739
Washington County Levy	<u>1,582</u>
Total Wages and Fringe Benefits	<u>836,525</u>

Total in-kind match	<u>\$ 904,479</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, 2011**

**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 \$904,479 in-kind match has been allocated to federal and state assisted programs as follows:

* U. S. Department of Health & Human Services - Head Start	\$ 822,787
* Area Agency on Aging - Senior Programs Unit of Service Contract	15,739
* Senior Service America, Inc. - Title V	64,371
Washington County Levy	<u>1,582</u>
Total in-kind	<u>\$ 904,479</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 \$164,623 for program funds receivable and \$866,404 for deferred revenue as of March 31, 2011, are made up of the following: (Federal amounts are also identified by grant and CFDA number in the accompanying schedule of expenditures of federal awards.)

PROGRAM FUNDS RECEIVABLE:

Federal Programs

The Ohio Association of Second Harvest Food Banks	\$ 98
COAD – ARRA HHS	2,607
Ohio Department of Development – CSBG	9,806
COAD – ARRA DOE	7,412
Ohio Department of Job and Family Services – One Stop	9,581
Senior Service America, Inc. - CAA Title V DII	27
Ohio Department of Public Safety – Morgan-Noble Reentry	11,762
Ohio Department of Public Safety – Washington Reentry	11,205
Morgan County Schools – Prevention	1,893
Washington County – Home Investment Partnership Program	1,924
Ohio Department of Development – ARRA HPRP	2,287
U.S.D.A. Rural Development	<u>26,629</u>
Total program funds receivable - federal programs	<u>85,231</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

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

<u>State, Local, and Other Programs</u>	
Washington County Senior Levy	37,625
HWAP HHS Interest Transfer to ARRA	119
One Stop	1,657
Children's Learning Center	36,180
Family Planning – non federal	3,811
Total program funds receivable-state, local, and other programs	<u>79,392</u>
 Total program funds receivable	 <u>\$ 164,623</u>

DEFERRED REVENUE:

<u>Federal Programs</u>	
Morgan County DJFS - Ombudsman	\$ 6,888
ODOD – Emergency HEAP	166,944
ODOD – Administrative HEAP	24,096
Senior Service America, Inc. - Title V	7,490
O.V.E.R. WIA	40,119
ODOD/City of Marietta – Neighborhood Stabilization Program	109,229
HUD – Shelter Plus Program	1,029
City of Belpre – Home Investment Partnership Program	11,192
HUD – Housing Choice Voucher Program	389,675
Ohio Department of Health – W.I.C.	16,320
Total deferred revenue - federal programs	<u>772,982</u>

<u>State and Local Programs</u>	
ODOD – Housing Trust Funds	9,276
HWAP DOE – Interest Transfer	9
Housing Preservation Recapture Funds	13,631
CFHS – non-federal	37,215
Alternative to Delinquency	1,830
Osteopathic Heritage Foundation – RHISCO	20,606
Washington County CSB	10,855
Total deferred revenue - state and local programs	<u>93,422</u>
 Total deferred revenue	 <u>\$ 866,404</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

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, 2011:

Mortgage payable to bank in monthly installments of \$1,585.28, including interest at 6% per annum, secured by Children's Learning Center in Malta, maturing 2/14/17.	\$ 94,274
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.	170,674
Mortgage payable to bank in monthly installments of \$230.07, including interest at 8.5% per annum, secured by Spring Street property, maturing 12/01/15.	11,165
Mortgage payable to bank in monthly installments of \$840.38, including interest at 6.5% per annum, secured by Main St., Malta property, maturing 1/16/16.	37,853
Mortgage payable to bank in monthly installments of \$317.84, including interest at 5% per annum, secured by 1014 Hadley Lane property, maturing 9/15/18.	23,717
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.	8,486
Mortgage payable to bank in monthly installments of \$310.16, including interest at 6.25% per annum, secured by Summit Street property, maturing 7/15/2023.	31,567
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.	1,661
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.	902
Note payable to bank in monthly installments of \$897.23, including interest at 5.99% per annum, secured by 2008 Dodge Ram truck, maturing 2/29/2012.	8,664
Total second mortgages in the name of the City of Marietta as detailed on the following pages.	1,564
Total second mortgages in the name of Washington County as detailed on the following pages.	1,590
Total second mortgages in the name of the Ohio Department of Mental Health as detailed on the following pages.	391,827
Total second mortgages in the name of the Ohio Department of Development as detailed on the following pages.	508,953
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>242,765</u>
Total long-term debt	<u>1,535,662</u>
Less current maturities	<u>116,438</u>
Long-term debt, net of current portion	<u>\$ 1,419,224</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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>
2012	\$ 39,572	\$ 76,866	\$ 116,438
2013	30,461	71,052	101,513
2014	29,707	70,166	99,873
2015	30,979	70,166	101,145
2016	33,869	67,018	100,887
Thereafter	<u>224,375</u>	<u>791,431</u>	<u>1,015,806</u>
Total	<u>\$ 388,963</u>	<u>\$ 1,146,699</u>	<u>\$ 1,535,662</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:

Gates Avenue	\$ 44,339
Elm and Maple Streets	36,184
Fifth Street Property	39,244
East Bell	34,681
Wayne Street	19,845
Main Street	25,139
Scammel Street	51,595
Cisler Street	<u>140,800</u>
Total Ohio Department of Mental Health mortgages	<u>\$ 391,827</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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	\$ 31,383
Wedgewood Drive Property	28,776
4 Units of the 8 Unit Complex	208,507
Spring Street	27,999
Main Street	31,592
Sixteenth Street	29,320
Poplar Street	26,469
Florence	41,980
Cisler Street	<u>82,927</u>
 Total Ohio Department of Development mortgages	 <u>\$ 508,953</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:

Summit Street Property	\$ 89,910
Sharon Street	2,348
Wedgewood Drive	2,083
Main Street, Malta	12,889
Spring Street	14,215
Phillips Street	22,365
Hadley Lane	37,727
Poplar Street	18,691
Sixteenth Street	13,570
Main Street	13,944
Florence	<u>15,023</u>
 Total Washington County and Morgan County Board of Mental Retardation and Developmental Disabilities mortgages	 <u>\$ 242,765</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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>\$ 1,564</u>
Washington County:	
Warren Avenue	\$ 208
Florence	1,190
Elm	<u>192</u>
Total Washington County CHIP	<u>\$ 1,590</u>

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 and improvements, Marietta, Ohio	53,211
Fourth Street property	57,517
Bell Avenue property, McConnellsville, Ohio	72,650
Maple Street property	55,340
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

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

NOTE 6 - FIXED ASSETS (CONTINUED)

Shade Street	19,000
Cisler property and improvements	339,270
Main Street	75,500
Florence Street property and improvements	98,221
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, Shade and 16 th Street improvements	42,207
Warren improvements	1,562
Elm improvements	1,443
New Matamoras building	27,000
Summit Road	140,234
Meigs improvements	41,300
Land - Main Street, Malta	10,000
Land - Mt. Tom Road	<u>10,226</u>
Total land, buildings, and improvements forwarded	3,864,949
Vehicles	603,814
Equipment	<u>85,284</u>
Total fixed assets	4,554,047
Less accumulated depreciation	<u>1,706,635</u>
Net fixed assets	<u>\$ 2,847,412</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 \$16,500 for calendar year 2010 and 2011, except for employees eligible under the "catch-up" provisions. The catch-up provisions allow eligible employees age 50 and over to make additional contributions up to \$22,000 for 2010 and 2011. 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, 2011, for this plan was \$203,724.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

NOTE 8 – CAPITAL EQUIPMENT LEASE

Effective February 2009, the Community Action Program Corporation entered into a capital lease agreement to finance certain office equipment valued at \$50,619 under a 48-month term which matures February 2013. The scheduled minimum lease payments including principal and interest over the term of the lease are \$12,924 for fiscal year 2012 and \$9,693 for fiscal year 2013. This equipment has been capitalized and the capital lease payable is accounted for in the fixed asset Plant Fund. The balance of the capital lease payable as of March 31, 2011, is \$22,617, including principal and interest. Cost of this equipment rental recognized in the statement of functional expenses-modified cash basis for the year ended March 31, 2011, was \$12,924, which includes principal and interest. Accumulated depreciation recognized in the Plant Fund on the copiers under capital lease totaled \$27,419 for the fiscal year ended March 31, 2011.

NOTE 9 - CONCENTRATIONS

The Community Action Program Corporation receives approximately 84 percent of its support and revenue through federal government grants. Approximately 73 percent of those federal funds are through the five programs noted below. Their percent of funding to total federal funding is as follows:

<u>Program</u>	<u>Percent</u>
Head Start and Head Start ARRA	22
Housing Choice Voucher Program	18
Weatherization Assistance for Low-Income Persons (HWAP) And HWAP ARRA	17
Low Income Energy Assistance Program (LIHEAP) And LIHEAP ARRA	10
Workforce Investment Act (WIA) Cluster and WIA ARRA	6

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 \$250,000 (unlimited for non-interest bearing funds). Funds in excess of the insured amounts are secured under a memorandum of agreement for deposit of public funds between the financial institution and The CAP. Per this agreement, the financial institution will secure all public deposits in an amount sufficient to meet the requirements of Chapter 135 of the Ohio Revised Code. A maximum of \$5,000,000 will be covered by this agreement. This agreement is in effect through March 31, 2016.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 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, 2011, on the line of credit is 3.25 percent. The line of credit balance was zero at March 31, 2011. 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, 2011, was \$156,076.

NOTE 12 - SUBSEQUENT EVENTS

The CAP evaluated subsequent events for potential required disclosures through October 25, 2011, which is the date the financial statements were available to be issued.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2011**

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Program Number</u>	<u>Cash Received (Net of Funds Returned)</u>	<u>Grant Funds Receivable (Deferred Revenue)</u>		<u>Net Revenue Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
				<u>March 31, 2010</u>	<u>March 31, 2011</u>		
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
<u>DIRECT RECIPIENT:</u>							
Head Start	93.600	05CH4042/44	\$ 201,268	\$ -	\$ -	\$ 201,268	\$ 201,268
Head Start	93.600	05CH4042/45	2,125,485	-	-	2,125,485	2,125,485
Head Start - ARRA	93.708	05SE4042/01	113,462	-	-	113,462	113,462
Subtotal - Head Start Cluster 93.600-93.708			<u>2,440,215</u>	<u>-</u>	<u>-</u>	<u>2,440,215</u>	<u>2,440,215</u>
<u>PASS-THROUGH:</u>							
<u>OHIO DEPARTMENT OF HEALTH</u>							
Family Planning Services	93.217	84-6-001-1-XX-09	37,167	-	-	37,167	37,167
Family Planning Services	93.217	94-6-001-1-FP-0311	103,956	-	-	103,956	103,956
Subtotal - Family Planning Services 93.217			<u>141,123</u>	<u>-</u>	<u>-</u>	<u>141,123</u>	<u>141,123</u>
<u>PASS-THROUGH:</u>							
<u>COAD</u>							
Temporary Assistance for Needy Families - Weatherization	93.558	n/a	-	(14,048)	-	14,048	14,048
<u>PASS THROUGH</u>							
<u>THE OHIO ASSOCIATION OF SECOND HARVEST FOOD BANKS</u>							
Temporary Assistance for Needy Families: Tax Assistance Capacity Building	93.558	n/a	4,008	-	98	4,106	4,106
<u>PASS-THROUGH:</u>							
<u>MORGAN COUNTY DEPARTMENT OF JOB & FAMILY SERVICES</u>							
Temporary Assistance for Needy Families: Ombudsman	93.558	2008-2009	-	(6,888)	(6,888)	-	-
Subtotal - Temporary Assistance for Needy Families 93.558			<u>4,008</u>	<u>(20,936)</u>	<u>(6,790)</u>	<u>18,154</u>	<u>18,154</u>
<u>PASS-THROUGH:</u>							
<u>OHIO DEPARTMENT OF DEVELOPMENT</u>							
Low-Income Home Energy Assistance: Crisis Cooling Program	93.568	10-HC-247	124,606	-	-	124,606	124,606
Emergency	93.568	10-HE-247	(163,587)	(269,936)	-	106,349	106,349
Emergency	93.568	11-HE-247	785,000	-	(166,944)	618,056	618,056
Administrative - Operations	93.568	10-HA-147	68,380	(17,959)	-	86,339	86,339
Administrative - Operations	93.568	11-HA-147	192,310	-	(24,096)	168,214	168,214

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Cash Received (Net of Funds Returned)	Grant Funds Receivable (Deferred Revenue)		Net Revenue Recognized	Federal Disbursements/ Expenditures
				March 31, 2010	March 31, 2011		
PASS-THROUGH:							
COAD							
ARRA HWAP - HHS	93.568	ARRA 10-11	29,647	501	2,607	31,753	31,753
Low-Income Home Energy Assistance	93.568	H-09-133p	(349)	(386)	-	37	37
Subtotal - Low-Income Home Energy Assistance 93.568			<u>1,036,007</u>	<u>(287,780)</u>	<u>(188,433)</u>	<u>1,135,354</u>	<u>1,135,354</u>
PASS-THROUGH:							
OHIO DEPARTMENT OF DEVELOPMENT							
Community Services Block Grant	93.569	1011-41	166,985	(16,405)	9,806	193,196	193,196
Community Services Block Grant ARRA T & TA	93.710	ARRA 09-969	17,616	-	-	17,616	17,616
Community Services Block Grant T & TA	93.569	09-018	8,010	3,554	-	4,456	4,456
Community Services Block Grant - ARRA	93.710	ARRA 09-941	191,555	(40,477)	-	232,032	232,032
Subtotal - Community Services Block Grant Cluster 93.569-93.710			<u>384,166</u>	<u>(53,328)</u>	<u>9,806</u>	<u>447,300</u>	<u>447,300</u>
PASS-THROUGH:							
OHIO DEPARTMENT OF HEALTH							
Maternal and Child Health Services Block Grant to the States - CFHSP	93.994	84-6-001-1-MC-310	16,027	-	-	16,027	16,027
Maternal and Child Health Services Block Grant to the States - CFHSP	93.994	84-6-001-1-MC-411	49,738	-	-	49,738	49,738
Subtotal - Maternal and Child Health Services Block Grants to the States 93.994			<u>65,765</u>	<u>-</u>	<u>-</u>	<u>65,765</u>	<u>65,765</u>
SUBTOTAL - U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>4,071,284</u>	<u>(362,044)</u>	<u>(185,417)</u>	<u>4,247,911</u>	<u>4,247,911</u>
U. S. DEPARTMENT OF ENERGY							
PASS-THROUGH:							
COAD							
Weatherization Assistance for Low-Income Persons - ARRA	81.042	DE-EE-000099	1,813,739	(56,989)	7,412	1,878,140	1,878,140
Weatherization Assistance for Low-Income Persons	81.042	D-09-133p	4,279	1,357	-	2,922	2,922
SUBTOTAL - U. S. DEPARTMENT OF ENERGY 81.042			<u>1,818,018</u>	<u>(55,632)</u>	<u>7,412</u>	<u>1,881,062</u>	<u>1,881,062</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Cash Received (Net of Funds Returned)	Grant Funds Receivable (Deferred Revenue) March 31, 2010	Grant Funds Receivable (Deferred Revenue) March 31, 2011	Net Revenue Recognized	Federal Disbursements/ Expenditures
U. S. DEPARTMENT OF LABOR							
<u>PASS-THROUGH O.V.E.R.</u>							
Employment Service/Wagner-Peyser Funded Activities - One Stop - ODJF:	17.207	n/a	28,860	5,654	9,581	32,787	32,787
Disabled Veterans Outreach Program (DVOP) - One Stop	17.801	n/a	-	1,567	-	(1,567)	(1,567)
Local Veterans Employment Representative Program - One Stop	17.804	n/a	-	1,920	-	(1,920)	(1,920)
Subtotal - Employment Services Cluster 17.207, 17.801, and 17.804			<u>28,860</u>	<u>9,141</u>	<u>9,581</u>	<u>29,300</u>	<u>29,300</u>
<u>PASS-THROUGH:</u>							
<u>SENIOR SERVICE AMERICA, INC.</u>							
Senior Community Service Employment Program:							
CAA Title V	17.235	CAA 163	195,153	2,746	27	192,434	192,434
ARRA Title V	17.235	ARRA 163	8,060	(1,227)	-	9,287	9,287
Employment Program-Title V	17.235	PY09-10	103,572	(1,387)	-	104,959	104,959
Senior Aide Program	17.235	PY10-11	159,726	-	(7,490)	152,236	152,236
Subtotal - Senior Community Service Employment Program 17.235			<u>466,511</u>	<u>132</u>	<u>(7,463)</u>	<u>458,916</u>	<u>458,916</u>
<u>PASS THROUGH O.V.E.R.</u>							
Work Force Investment Act (WIA) Cluster:							
WIA - Adult Program	17.258	2009-2010	16,661	11,421	-	5,240	5,240
WIA - Adult Program	17.258	2010-2011	137,676	-	18,359	156,035	156,035
ARRA - Adult	17.258	2009-2010	61,998	1,843	-	60,155	60,155
One Stop	17.258	2009-2010	94	94	-	-	-
WIA - Youth Activities	17.259	2009-2010	59,857	9,970	-	49,887	49,887
WIA - Youth Activities	17.259	2010-2011	107,050	-	(26,493)	80,557	80,557
ARRA - Youth	17.259	2009-2010	6,622	713	-	5,909	5,909
One Stop	17.259	2009-2010	94	94	-	-	-
WIA - Veterans Programs	17.260	2008-2010	-	(12,462)	-	12,462	12,462
WIA - Dislocated Workers	17.260	2008-2010	(23,713)	(1,901)	-	(21,812)	(21,812)
ARRA Dislocated	17.260	2009-2010	-	(4)	-	4	4
WIA - Dislocated Workers:							
Rapid Response - AMP	17.260	AMP 2010-2011	173,147	-	(4,930)	168,217	168,217
Rapid Response Coordinator	17.260	2,010	6,218	-	-	6,218	6,218
ARRA Ohio Learning Accounts	17.260	2,010	5,560	-	-	5,560	5,560
ARRA DMG 5	17.260	2009-2010	88,056	8,979	-	79,077	79,077
Wait List Reduction	17.260	2009-2010	42,972	506	-	42,466	42,466
OJT NET	17.260	OJT NEGS 2010-2011	1,460	-	(1,460)	-	-
ARRA Ohio Learning Accounts	17.260	OLA 2010-2011	7,075	-	-	7,075	7,075
ARRA Wait List Reduction	17.260	WLR 2 2010-2011	75,368	-	(2,734)	72,634	72,634
One Stop	17.260	2009-2010	-	94	-	(94)	(94)
WIA Dislocated Worker Formula Grants	17.278	2010-2011	108,621	-	(22,861)	85,760	85,760
Subtotal - WIA Cluster 17.258-17.260 and 17.278			<u>874,816</u>	<u>19,347</u>	<u>(40,119)</u>	<u>815,350</u>	<u>815,350</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Cash Received (Net of Funds Returned)	Grant Funds Receivable (Deferred Revenue)		Net Revenue Recognized	Federal Disbursements/ Expenditures
				March 31, 2010	March 31, 2011		
<u>PASS-THROUGH Workforce Connections</u>							
WIA Pilots, Demonstration, and Research Projects:							
Workforce Innovation in Regional Economic Developmental (WIRED)	17.261	WIRED PY09-002	53,770	22,760	-	31,010	31,010
SUBTOTAL - U. S. DEPARTMENT OF LABOR			<u>1,423,957</u>	<u>51,380</u>	<u>(38,001)</u>	<u>1,334,576</u>	<u>1,334,576</u>
U. S. DEPARTMENT OF JUSTICE							
<u>PASS THROUGH</u>							
<u>OHIO DEPARTMENT OF PUBLIC SAFETY</u>							
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program:							
Morgan and Noble Re-entry Task Force	16.803	2009-RA--R01-2361	9,465	-	11,762	21,227	21,227
Washington County Re-entry Task Force	16.803	2009-RA-R01-2362	8,830	-	11,205	20,035	20,035
SUBTOTAL - U. S. DEPARTMENT OF JUSTICE 16.803			<u>18,295</u>	<u>-</u>	<u>22,967</u>	<u>41,262</u>	<u>41,262</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
<u>PASS-THROUGH:</u>							
<u>CITY OF MARIETTA</u>							
Community Development Block Grant/State's Program:							
Neighborhood Stabilization Program	14.228	A-Z-08-289-1	798,401	22,383	(109,229)	666,789	666,789
<u>PASS-THROUGH:</u>							
<u>CITY OF BELPRE</u>							
CDBG Comprehensive Housing Improvement Program							
	14.228	A-C-09-095-1	5,678	2,316	-	3,362	3,362
<u>PASS-THROUGH:</u>							
<u>OHIO DEPARTMENT OF DEVELOPMENT/ WASHINGTON COUNTY COMMISSIONERS</u>							
Community Development Block Grant/State's Program							
	14.228	B-C-08-077-1	-	(30,261)	-	30,261	30,261
<u>PASS-THROUGH:</u>							
<u>OHIO DEPARTMENT OF DEVELOPMENT/ MORGAN COUNTY COMMISSIONERS</u>							
Community Development Block Grant/State's Program							
Subtotal - Community Development Block Grant/ State's Program 14.228	14.228	B-C-08-053-1	2,160	(10,590)	-	12,750	12,750
			<u>806,239</u>	<u>(16,152)</u>	<u>(109,229)</u>	<u>713,162</u>	<u>713,162</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or Program Number	Cash Received (Net of Funds Returned)	Grant Funds Receivable (Deferred Revenue)		Net Revenue Recognized	Federal Disbursements/ Expenditures
				March 31, 2010	March 31, 2011		
PASS THROUGH:							
MORGAN COUNTY SCHOOLS							
Emergency Shelter Grants Program	14.231	2009-2010	15,119	1,062	-	14,057	14,057
Emergency Shelter Grants Program	14.231	2010-2011	7,186	-	1,893	9,079	9,079
Subtotal - Emergency Shelter Grants Program 14.231			<u>22,305</u>	<u>1,062</u>	<u>1,893</u>	<u>23,136</u>	<u>23,136</u>
PASS-THROUGH:							
CITY OF MARIETTA							
HUD Shelter Plus Care	14.238	OH16C90-7011	65,000	34,700	(1,029)	29,271	29,271
PASS-THROUGH:							
CITY OF BELPRE							
HOME Investment Partnerships Program	14.239	A-C-09-095-2	59,208	-	(11,192)	48,016	48,016
PASS-THROUGH:							
OHIO DEPARTMENT OF DEVELOPMENT/ WASHINGTON COUNTY COMMISSIONERS							
HOME Investment Partnerships Program	14.239	B-C-08-077-2	23,200	(61,438)	-	84,638	84,638
HOME Investment Partnerships Program	14.239	B-C-10-1CY-2	-	-	1,924	1,924	1,924
PASS-THROUGH:							
OHIO DEPARTMENT OF DEVELOPMENT/ MORGAN COUNTY COMMISSIONERS							
HOME Investment Partnerships Program	14.239	B-C-08-053-2	36,980	(10,589)	-	47,569	47,569
Subtotal - HOME Investment Partnerships Program 14.239			<u>119,388</u>	<u>(72,027)</u>	<u>(9,268)</u>	<u>182,147</u>	<u>182,147</u>
PASS-THROUGH							
OHIO DEPARTMENT OF DEVELOPMENT							
ARRA Homelessness Prevention and Rapid Re-Housing	14.257	N-A-09-6AN-1	300,322	24,412	2,287	278,197	278,197
PASS-THROUGH:							
CITY OF MARIETTA							
HUD Section 8 Housing Choice Vouchers	14.871	OH16-V077	3,014	-	-	3,014	3,014
HUD Section 8 Housing Choice Vouchers	14.871	OH16-V077	1,690,992	(170,377)	-	1,861,369	1,861,369
HUD Section 8 Housing Choice Vouchers	14.871	OH16-V077	536,532	-	(389,675)	146,857	146,857
Subtotal - Section 8 Housing Choice Vouchers 14.871			<u>2,230,538</u>	<u>(170,377)</u>	<u>(389,675)</u>	<u>2,011,240</u>	<u>2,011,240</u>
SUBTOTAL - U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>3,543,792</u>	<u>(198,382)</u>	<u>(505,021)</u>	<u>3,237,153</u>	<u>3,237,153</u>

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Program Number</u>	<u>Cash Received (Net of Funds Returned)</u>	<u>Grant Funds Receivable (Deferred Revenue)</u>		<u>Net Revenue Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
				<u>March 31, 2010</u>	<u>March 31, 2011</u>		
U. S. DEPARTMENT OF AGRICULTURE							
<u>DIRECT RECIPIENT</u>							
Rural Housing Preservation Grants	10.433	HPG-10	4,000	-	26,629	30,629	30,629
Rural Housing Preservation Grants	10.433	HPG 08	24,863	(11,084)	-	35,947	35,947
Subtotal Rural Housing 10.433			<u>28,863</u>	<u>(11,084)</u>	<u>26,629</u>	<u>66,576</u>	<u>66,576</u>
<u>PASS-THROUGH:</u>							
<u>OHIO DEPARTMENT OF HEALTH</u>							
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	846001WA0310	198,956	(13,436)	-	212,392	212,392
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	8460011WA0411	239,462	-	(16,320)	223,142	223,142
Subtotal - Women, Infants, and Children (WIC) 10.557			<u>438,418</u>	<u>(13,436)</u>	<u>(16,320)</u>	<u>435,534</u>	<u>435,534</u>
<u>PASS-THROUGH:</u>							
<u>OHIO DEPARTMENT OF EDUCATION</u>							
Child and Adult Care Food Program	10.558	n/a	105,366	-	-	105,366	105,366
SUBTOTAL - U. S. DEPARTMENT OF AGRICULTURE			<u>572,647</u>	<u>(24,520)</u>	<u>10,309</u>	<u>607,476</u>	<u>607,476</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,447,993</u>	<u>\$ (589,198)</u>	<u>\$ (687,751)</u>	<u>\$ 11,349,440</u>	<u>\$ 11,349,440</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, 2011**

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 which includes the recording of grant receivables and deferred revenues. 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 - FEDERAL FUNDS RETURNED TO GRANTORS

Federal grant awards received, as stated in the schedule of expenditures of federal awards (SEFA), is net of funds returned to grantors. The total amount of funds returned to various grantors in fiscal year 2011 totaled \$273,797.

NOTE C - ADDITIONAL FEDERAL GRANT/EXPENDITURE INFORMATION

Totals for amounts received from various pass-through and federal fundings sources are grouped by CFDA numbers and identified clusters on the schedule of expenditures of federal awards.

The Community Action Program Corporation of Washington-Morgan Counties, Ohio is the fiscal agent for the City of Marietta in regard to the HUD Section 8 Housing Choice Vouchers Program, CFDA #14.871. Those funds are included in the schedule of expenditures of federal awards.

Programs containing the "ARRA" designation have been funded through the American Recovery and Reinvestment Act of 2009.

NOTE D - NON-CASH ASSISTANCE

Approximately \$887,158 in non-cash assistance was expended as part of federal programs, which are included on the SEFA. Details by program are included in Note 3 to the financial statements. The \$877,158 does not include non-cash assistance for federal fee for service programs and contracts.

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED MARCH 31, 2011**

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.568	U. S. Department of Health and Human Services Low Income Home Energy Assistance Program (LIHEAP) and LIHEAP ARRA* (passed through the Ohio Department of Development and COAD)
93.569 & 93.710	U. S. Department of Health and Human Services Community Services Block Grant (CSBG) and CSBG ARRA* Cluster (passed through the Ohio Department of Development)
81.042	U. S. Department of Energy Weatherization Assistance for Low-Income Persons (HWAP) and HWAP ARRA* (passed through COAD)
17.258-17.260 & 17.278	U. S. Department of Labor Work Force Investment Act Cluster (passed through O.V.E.R.)
14.228	U. S. Department of Housing and Urban Development Neighborhood Stabilization Program (passed through the City of Marietta) Community Development Block Grants (CDBG) (passed through the City of Belpre, Ohio Department of Development, Washington County Commissioners, and Morgan County Commissioners)

*ARRA - Funding provided by the American Recovery and Reinvestment Act of 2009.

The dollar threshold used to distinguish between Type A and Type B programs was \$340,483.

The Community Action Program Corporation of Washington-Morgan Counties Ohio qualified as a low-risk auditee for the year ended March 31, 2011.

SECTION II - FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended March 31, 2011.

INDEPENDENT AUDITOR'S 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, 2011, and have issued our report thereon dated October 25, 2011. 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

Management of The CAP is responsible for establishing and maintaining effective 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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*.

This report is intended solely for the information and use of the Board of Directors, the 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.

DR Snodgrass, etc.

Wheeling, West Virginia
October 25, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
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 could have a direct and material effect on each of its major federal programs for the fiscal year ended March 31, 2011. 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 and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of 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 of 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended March 31, 2011.

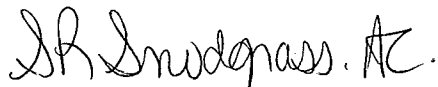
Internal Control Over Compliance

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 the 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, Finance Committee, management, others within the organization, 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.



Wheeling, West Virginia
October 25, 2011

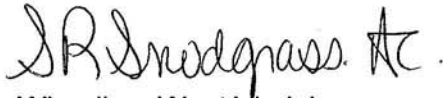
**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
STATUS OF PRIOR YEAR AUDIT FINDINGS/COMMENTS
MARCH 31, 2011**

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

**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 and corporate services expenses is presented for purposes 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.



Wheeling, West Virginia
October 25, 2011

**The Community Action Program Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES
FOR THE YEAR ENDED MARCH 31, 2011**

	Community Services Block Grant	HUD Housing Choice	MHAR Housing - Washington	Senior Nutrition Program	Washington Levy	Summer Feeding	Shelter Plus Care	317 Housing - Morgan	Morgan Co. Prevention
Expenditures									
Wages - employee	\$ 77,422	\$ 122,074	\$ 553	\$ 191,959	\$ 104,947	\$ 879	\$ 1,672	\$ 901	\$ 12,585
Wages - participant	-	-	-	-	-	-	-	-	-
Total fringe benefits	55,194	101,207	494	106,716	73,434	382	1,561	791	5,543
Total travel and transportation	16,507	3,687	12	27,140	8,180	175	39	34	961
Contractual	1,465	11,177	35	3,295	1,141	-	193	61	117
Communications	3,914	1,475	2	3,832	2,689	1	7	4	930
Participant support	-	-	-	-	-	-	-	-	-
Classroom training	-	-	-	-	-	-	-	-	-
OJT	-	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	10,948	3,439	2,012	31,781	9,750	2	8,929	6,974	1,553
Emergency assistance	-	-	-	-	-	-	-	-	-
Housing assistance payments	-	1,756,052	3,600	-	-	-	29,160	6,791	-
Insurances	1,890	2,812	9	7,629	2,189	-	50	16	199
Supplies	7,945	7,521	41	4,516	1,531	2,357	150	60	318
Program supplies	-	-	-	34,911	6,459	588	-	-	-
Small tools, equipment, and equipment maintenance	6,487	8,401	12	6,213	1,103	2	39	21	906
Memberships and dues	6,583	478	-	311	47	-	-	-	2
Printing and photocopying	2,411	1,235	1	1,324	246	3	4	2	23
Miscellaneous	2,430	83	-	-	-	-	-	-	-
Food	-	-	-	207,409	44,102	3,863	-	-	-
Materials	-	-	-	-	-	-	-	-	-
Vehicle operations	-	2,144	-	12,845	35,123	-	-	-	-
Acquisition and renovation	-	-	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 193,196	\$ 2,021,785	\$ 6,771	\$ 639,881	\$ 290,941	\$ 8,252	\$ 41,804	\$ 15,655	\$ 23,137

**The Community Action Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

	Housing Trust	HWAP - DOE	HWAP - HHS	CHIP - Washington	CHIP - Morgan	Urban Transit	Housing Preservation	CTS/EMT/NE T	Electric Partnership Program	Senior Aides - Title V
Expenditures										
Wages - employee	\$ 5,666	\$ 1,469	\$ -	\$ 7,717	\$ 9,013	\$ 146,053	\$ 5,549	\$ 9,008	\$ 17,038	\$ 11,105
Wages - participant	-	-	-	-	-	-	-	-	-	207,159
Total fringe benefits	4,649	62	-	5,886	6,336	163,799	5,214	9,371	6,825	33,917
Total travel and transportation	763	-	-	1,007	1,518	1,304	1,171	175,429	711	1,341
Contractual	1	40	156	1,762	1,384	5,775	2,826	966	480	858
Communications	5	-	-	361	256	159	10	277	716	64
Participant support	-	-	-	-	-	-	-	-	-	-
Classroom training	-	-	-	-	-	99	-	-	-	-
OJT	-	-	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	10	-	-	991	377	1,000	11	32	418	320
Emergency assistance	-	-	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-	-	-
Insurances	27	-	-	1,199	1,062	15,437	80	255	1,348	195
Supplies	73	4	-	605	493	7,601	254	367	596	1,603
Program supplies	-	-	-	-	-	-	-	-	-	-
Small tools, equipment, and equipment maintenance	25	170	-	499	588	1,480	25	289	328	315
Memberships and dues	-	-	-	2	1	411	-	1	125	32
Printing and photocopying	59	-	-	848	15	946	99	626	535	284
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Food	-	-	-	-	-	-	-	-	-	-
Materials	-	1,167	-	1,647	1,565	-	-	-	8,175	-
Vehicle operations	-	-	-	-	-	69,256	-	30,112	18,656	-
Acquisition and renovation	34,445	-	-	8,750	-	-	51,347	-	-	-
Special events	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 45,723	\$ 2,912	\$ 156	\$ 31,274	\$ 22,608	\$ 413,320	\$ 66,586	\$ 226,733	\$ 55,951	\$ 257,193

**The Community Action Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

	Workforce Investment Act	Alternative to Delinquency	Verizon	One Stop	Head Start Federal	Micro Enterprise	MR Housing Management Washington	MR Housing Management Morgan	HEAP Adminis- tration	HEAP Emergency
Expenditures										
Wages - employee	\$ 95,547	\$ 32	\$ 101	\$12,094	\$1,046,540	\$ -	\$ 3,167	\$ 600	\$ 129,026	\$ -
Wages - participant	31,432	-	-	-	-	-	-	-	-	-
Total fringe benefits	93,921	23	29	10,428	752,293	-	2,949	569	96,667	-
Total travel and transportation	7,955	-	-	56	51,233	-	56	12	4,177	-
Contractual	5,803	1	-	155	25,043	2	43	12	4,073	-
Communications	3,895	-	-	2,628	22,903	-	11	2	3,253	-
Participant support	4,920	-	-	-	82	-	-	-	-	-
Classroom training	128,627	-	-	-	-	-	-	-	-	-
OJT	3,247	-	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	11,760	-	-	8,452	85,855	-	(66)	(80)	4,829	-
Emergency assistance	-	-	-	-	-	-	-	-	-	724,405
Housing assistance payments	-	-	-	-	-	-	-	-	-	-
Insurances	3,177	-	-	1,332	38,909	-	10	3	1,343	-
Supplies	6,400	1	1	2,894	14,227	-	343	47	5,610	-
Program supplies	-	-	-	449	42,514	-	2	-	(12)	-
Small tools, equipment, and equipment maintenance	7,545	-	-	4,376	29,079	-	99	10	4,642	-
Memberships and dues	95	-	-	-	2,551	-	-	-	14	-
Printing and photocopying	19	-	-	110	10,835	-	7	2	930	-
Miscellaneous	(1,052)	-	-	-	-	-	-	-	-	-
Food	-	-	-	-	96,140	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-	-	-
Vehicle operations	-	-	-	-	137,044	-	-	-	-	-
Acquisition and renovation	-	-	-	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 403,291	\$ 57	\$ 131	\$42,974	\$2,355,248	\$ 2	\$ 6,621	\$ 1,177	\$ 254,552	\$ 724,405

**The Community Action Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

	Emergency Cooling	Child and Family Health	Health Contracts	Family Planning	WIC	T & T A	CHIP Belpre	RHISCO 1/1/08- 6/30/09	Second Harvest Foodbanks	TANF Weatheriza- tion	Washington Reentry JAG	Morgan- Noble Reentry JAG
Expenditures												
Wages - employee	\$ -	\$ 32,060	\$ 5,445	\$ 54,070	\$211,768	\$ 2,747	\$ 21,955	\$ 7,873	\$ 3,370	\$ -	\$ 9,788	\$ 10,063
Wages - participant	-	-	-	-	-	-	-	-	-	-	-	-
Total fringe benefits	-	27,510	6,409	36,324	143,509	949	14,950	4,843	956	83	9,251	9,590
Total travel and transportation	-	921	19	994	5,224	53	3,598	1,198	17	-	286	871
Contractual	-	4,811	67	12,105	6,600	-	2,635	27,551	28	170	1	2
Communications	-	508	3	2,617	12,344	88	465	53	42	-	4	5
Participant support	-	-	-	-	-	-	-	-	-	-	-	-
Classroom training	-	-	-	-	-	-	-	-	-	-	212	212
OJT	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy, facility costs, and rents	-	1,523	8	7,564	33,067	239	648	13,002	112	-	15	17
Emergency assistance	124,606	-	-	-	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	-
Insurances	-	6,878	19	6,371	6,750	132	2,828	46	-	-	7	7
Supplies	-	810	39	5,823	5,540	127	884	214	3	-	358	352
Program supplies	-	2,609	11	18,677	1,059	-	-	-	-	-	-	-
Small tools, equipment, and equipment maintenance	-	1,404	10	5,575	4,743	139	594	147	100	-	76	70
Memberships and dues	-	29	-	305	438	-	351	-	-	-	1	1
Printing and photocopying	-	186	5	978	4,515	-	163	4	296	-	36	36
Miscellaneous	-	-	-	-	-	-	24	-	-	-	-	-
Food	-	-	-	-	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	2,284	-	-	-	-	-
Vehicle operations	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition and renovation	-	-	-	-	-	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 124,606	\$ 79,249	\$ 12,035	\$151,403	\$435,557	\$ 4,474	\$ 51,379	\$ 54,931	\$ 4,924	\$ 253	\$ 20,035	\$ 21,226

**The Community Action Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

	Waiting List	One Stop Enhancement	ARRA DMG- 5 Rapid Response 7/1/09- 6/30/10	Wired PY09-02	ARRA Ohio Leaning Acct. Project	Rapid Response Coordinator	Rapid Response AMP	Neighborhood Stabilization Program	Representative Payee	
CAA Title V	Reduction	Enhancement	6/30/10	PY09-02	Project	Coordinator	AMP	Program	Payee	
Expenditures										
Wages - employee	\$ 20,185	\$ 14,246	\$ -	\$ 6,893	\$ 5,214	\$ -	\$ 1,631	\$ 29,550	\$ 36,620	\$ 8,138
Wages - participant	134,366	-	-	-	3,665	-	-	-	-	-
Total fringe benefits	32,665	13,995	-	5,815	3,660	-	900	31,492	23,547	8,823
Total travel and transportation	2,612	100	-	156	296	-	60	971	2,042	-
Contractual	951	68	572	1	-	-	-	3	131,599	84
Communications	17	9	-	3	2	-	-	1,066	55	-
Participant support	-	4,517	-	3,918	1,674	-	-	9,195	-	-
Classroom training	-	73,456	-	50,684	16,444	-	-	69,042	-	-
OJT	-	-	-	-	-	12,634	-	-	-	-
Occupancy, facility costs, and rents	42	17	-	9	3	-	-	45	99	-
Emergency assistance	-	-	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-	-	-
Insurances	343	107	-	84	14	-	-	167	161	22
Supplies	684	136	27,879	115	29	-	3,628	1,305	2,630	146
Program supplies	-	-	23,338	-	-	-	-	-	-	-
Small tools, equipment, and equipment maintenance	83	49	686	5	3	-	-	4,117	387	-
Memberships and dues	-	-	-	-	-	-	-	2	2	-
Printing and photocopying	486	10	330	17	5	-	-	24	(2,622)	22
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Food	-	-	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-	-	-
Vehicle operations	-	-	-	-	-	-	-	-	-	-
Acquisition and renovation	-	-	-	-	-	-	-	-	472,270	-
Special events	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 192,434	\$ 106,710	\$ 52,805	\$ 67,700	\$ 31,009	\$ 12,634	\$ 6,219	\$ 146,979	\$ 666,790	\$ 17,235

**The Community Action Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

	ARRA Title V	ARRA Summer	ARRA WIA	ARRA CSBG	ARRA HWAP - DOE	ARRA HWAP - HHS	ARRA Head Start	ARRA HPRP	ARRA Ohio Benefit Bank	Total Program Services	WVAN
Expenditures											
Wages - employee	\$ 4,851	\$ 123	\$ 2,607	\$113,279	\$ 719,830	\$ -	\$ 20,776	\$ 17,056	\$ 8,715	\$ 3,381,570	\$ 48,237
Wages - participant	-	876	-	-	-	-	-	-	-	377,498	-
Total fringe benefits	1,910	222	2,779	69,591	335,225	-	10,346	7,194	2,217	2,343,015	25,685
Total travel and transportation	1,014	14	39	4,122	37,804	-	127	3,217	2,515	371,738	259
Contractual	375	-	43	3,359	8,997	-	24,154	262	50	291,352	1,369
Communications	11	1	4	3,325	9,381	(164)	13	82	948	78,276	438
Participant support	-	-	2,301	-	527	-	-	-	-	27,134	-
Classroom training	-	4,641	51,649	-	-	-	-	-	-	395,066	-
OJT	-	-	-	-	-	-	-	-	-	15,881	-
Occupancy, facility costs, and rents	66	6	15	3,759	21,031	-	36,465	245,865	300	553,214	96
Emergency assistance	-	-	-	-	-	-	-	2,456	-	851,467	-
Housing assistance payments	-	-	-	-	-	-	-	-	-	1,795,603	-
Insurances	4	1	156	1,308	31,230	(852)	-	1	-	134,955	15,575
Supplies	264	26	226	22,248	10,073	-	1,657	2,026	50	152,830	382
Program supplies	-	-	-	-	-	-	13,896	-	-	144,501	-
Small tools, equipment, and equipment maintenance	31	1	9	4,120	32,707	2,019	62	18	302	130,111	120
Memberships and dues	-	-	-	1,984	64	-	-	-	-	13,830	7
Printing and photocopying	760	-	335	869	966	-	14	20	52	28,071	243
Miscellaneous	-	-	-	4,069	-	-	5,952	-	2,466	13,972	-
Food	-	-	-	-	-	-	-	-	-	351,514	-
Materials	-	-	-	-	588,621	-	-	-	-	603,459	-
Vehicle operations	-	-	-	-	83,405	30,750	-	-	-	419,335	9,496
Acquisition and renovation	-	-	-	-	-	-	-	-	-	566,812	-
Special events	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 9,286	\$ 5,911	\$ 60,163	\$232,033	\$1,879,861	\$ 31,753	\$113,462	\$278,197	\$ 17,615	\$ 13,041,204	\$ 101,907

**The Community Action Corporation
of Washington-Morgan Counties, Ohio
SCHEDULE OF PROGRAM AND CORPORATE SERVICES EXPENSES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011**

	Utilities Programs	Housing Service Alliance	Rental Properties	Total Corporate Services	Total Program and Corporate Services	Management and General	Total
Expenditures							
Wages - employee	\$ 12,966	\$ 3,623	\$ 27,991	\$ 92,817	\$ 3,474,387	\$ 7,744	\$ 3,482,131
Wages - participant	-	-	-	-	377,498	-	377,498
Total fringe benefits	6,356	2,477	30,537	65,055	2,408,070	5,637	2,413,707
Total travel and transportation	165	93	709	1,226	372,964	4,252	377,216
Contractual	57	21	1,691	3,138	294,490	12,906	307,396
Communications	208	53	45	744	79,020	477	79,497
Participant support	-	-	-	-	27,134	-	27,134
Classroom training	-	-	-	-	395,066	-	395,066
OJT	-	-	-	-	15,881	-	15,881
Occupancy, facility costs, and rents	31	170	45,254	45,551	598,765	25,755	624,520
Emergency assistance	6,059	-	-	6,059	857,526	-	857,526
Housing assistance payments	-	-	-	-	1,795,603	-	1,795,603
Insurances	1,491	17	21,138	38,221	173,176	5,851	179,027
Supplies	1,202	61	660	2,305	155,135	3,939	159,074
Program supplies	-	-	-	-	144,501	174	144,675
Small tools, equipment, and equipment maintenance	431	132	288	971	131,082	428	131,510
Memberships and dues	1,001	-	303	1,311	15,141	24	15,165
Printing and photocopying	14	3	54	314	28,385	229	28,614
Miscellaneous	-	-	-	-	13,972	3,953	17,925
Food	-	-	-	-	351,514	199	351,713
Materials	21,740	-	-	21,740	625,199	-	625,199
Vehicle operations	1,550	-	381	11,427	430,762	78	430,840
Acquisition and renovation	22,089	-	-	22,089	588,901	-	588,901
Special events	-	-	-	-	-	42,302	42,302
Interest expense	-	-	16,913	16,913	16,913	1,736	18,649
Total Expenditures	\$ 75,360	\$ 6,650	\$ 145,964	\$ 329,881	\$ 13,371,085	\$ 115,684	\$ 13,486,769