

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

FINANCIAL STATEMENTS - MODIFIED CASH BASIS
AND ADDITIONAL INFORMATION

June 30, 2008

With Independent Auditor's Report Thereon

DAVID L. HOWELL, CPA
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BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Financial Statements - Modified Cash Basis

June 30, 2008

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS - MODIFIED CASH BASIS:	
Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis	3
Statement of Support, Revenue, Expenses and Changes in Net Assets - Modified Cash Basis	4 - 8
Notes to Financial Statements	9 - 11
ADDITIONAL INFORMATION - MODIFIED CASH BASIS:	
INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION	12 - 13
Schedule of Expenses Legislative Initiative for the Elderly - Modified Cash Basis	14
Schedule of Expenses Title III-B	15
Schedule of Expenses Title III-C	16
Schedule of Expenses Title III-D	17
Schedule of Expenses Title III-E	18
Schedule of Expenses Medication Management	19
Schedule of Expenses Elder Abuse	20
Schedule of Expenses Health Benefit Counseling	21
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	22 - 23
Schedule of Findings and Questioned Costs	24



Independent Auditor's Report

The Board of Directors
Boone County Community Organization Association, Inc.:

I have audited the accompanying statement of assets, liabilities and net assets - modified cash basis of Boone County Community Organization Association, Inc. (the "Association") (a nonprofit organization) as of June 30, 2008, and the related statement of support, revenue, expenses and changes in net assets - modified cash basis for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

As described in note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Association as of June 30, 2008, and its support, revenue and expenses for the year then ended, on the basis of accounting described in note 1.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 26, 2008, on my consideration of the Association's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

David L. Howell, CPA

David L. Howell, CPA
Cabin Creek, West Virginia
November 26, 2008

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Statement of Assets, Liabilities, and Net Assets - Modified
Cash Basis

June 30, 2008

Assets

Current Assets:

Cash \$ 675,816

Restricted current assets:

Cash 154,695

Total Current Assets \$ 830,511

Liabilities and Net Assets

Net Assets \$ 830,511

\$ 830,511

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Statement of Support, Revenue, Expenses and Changes in Net Assets -
Modified Cash Basis

Year Ended June 30, 2008

	CSBG	Title III-B	Title III-C	Title III-D
Support and Revenue:				
Federal	\$ 46,187	40,290	98,286	-
State	-	31,677	20,024	220
Medicaid	-	-	-	-
Medicaid waiver	-	-	-	-
County tax levy	-	-	-	-
Project income	-	5,255	43,475	-
In-kind	-	3,937	6,812	-
Interest	-	-	-	-
Other	-	-	27,796	-
Total support and revenue	46,187	81,159	196,393	220
Expenses:				
Salaries	35,939	42,920	76,825	-
Fringe benefits	8,114	12,132	5,120	-
Payroll taxes	4,465	5,561	10,021	-
In-kind	-	3,937	6,812	-
Budget digest	-	-	-	-
Accounting and audit	-	1,600	-	-
Contracted services	-	3,357	-	-
Equipment	-	-	-	-
Repairs and maintenance	-	-	-	-
Insurance	-	4,800	-	-
Materials and supplies	-	-	-	-
Health care provider tax	-	-	-	-
Telephone	-	1,206	971	-
Postage	-	368	-	-
Dues and registration	-	-	-	-
Office supplies	-	2,758	118	-
Food and products	-	-	110,118	-
Health fair	-	-	-	473
Travel	-	1,670	203	-
Employee Training	-	-	-	-
Fuel and maintenance - vehicles	-	1,909	-	-
Nonmedicaid Assistance	-	-	-	-
Miscellaneous	-	-	-	-
Emergency assistance	-	-	-	-
Total expenses	48,518	82,218	210,188	473
Excess of support and revenue over (under) expenses	(2,331)	(1,059)	(13,795)	(253)
Fund balance (deficit), beginning of year	(22,708)	11,143	113,740	(1,121)
Fund balance (deficit), end of year	\$ (25,039)	10,084	99,945	(1,374)

See accompanying notes to financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Statement of Support, Revenue, Expenses and Changes in Net Assets -
Modified Cash Basis (Continued)

Year Ended June 30, 2008

	Title III-E	Title III-F	LIFE	Shine
Support and Revenue:				
Federal	\$ 13,404	2,199	-	3,700
State	-	-	192,361	-
Medicaid	-	-	-	-
Medicaid waiver	-	-	-	-
County tax levy	-	-	-	-
Project income	-	-	-	-
In-kind	3,859	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total support and revenue	17,263	2,199	192,361	3,700
Expenses:				
Salaries	7,302	-	87,014	3,074
Fringe benefits	618	-	6,546	166
Payroll taxes	912	-	10,252	387
In-kind	3,859	-	-	-
Budget digest	-	-	-	-
Accounting and audit	-	-	8,000	-
Contracted services	-	-	4,956	-
Equipment	-	-	-	-
Repairs and maintenance	-	-	-	-
Insurance	-	-	20,000	-
Materials and supplies	292	-	-	-
Health care provider tax	-	-	-	-
Telephone	304	-	7,282	-
Postage	-	-	1,000	-
Dues and registration	-	-	1,581	-
Office supplies	154	-	2,052	-
Food and products	-	-	12,390	-
Health fair	-	462	-	-
Travel	-	-	8,714	-
Employee Training	2,132	-	-	-
Fuel and maintenance - vehicles	-	-	17,286	-
Nonmedicaid Assistance	-	-	1,800	-
Miscellaneous	-	-	-	-
Emergency assistance	-	-	-	-
Total expenses	15,573	462	188,873	3,627
Excess of support and revenue over (under) expenses	1,690	1,737	3,488	73
Fund balance (deficit), beginning of year	(2,781)	(1,573)	(326)	19
Fund balance (deficit), end of year	\$ (1,091)	164	3,162	92

See accompanying notes to financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Statement of Support, Revenue, Expenses and Changes in Net Assets -
Modified Cash Basis (Continued)

Year Ended June 30, 2008

	Medicaid Waiver	Medicaid	Lighthouse	United Way
Support and Revenue:				
Federal	\$ -	-	-	-
State	-	-	102,587	-
Medicaid	-	199,615	-	-
Medicaid waiver	479,350	-	-	-
County tax levy	-	-	-	-
Project income	-	-	-	-
In-kind	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	7,229
Total support and revenue	479,350	199,615	102,587	7,229
Expenses:				
Salaries	415,157	209,403	45,211	-
Fringe benefits	12,346	10,612	-	-
Payroll taxes	55,005	35,959	6,356	-
In-kind	-	-	-	-
Budget digest	-	-	-	-
Accounting and audit	350	350	-	-
Contracted services	100	100	-	-
Equipment	-	-	-	-
Repairs and maintenance	-	-	-	-
Insurance	850	850	-	-
Materials and supplies	552	450	-	-
Health care provider tax	66	37	-	-
Telephone	1,370	1,235	-	-
Postage	-	-	-	-
Dues and registration	-	-	-	-
Office supplies	1,084	958	-	-
Food and products	-	-	-	-
Health fair	-	-	-	-
Travel	16,685	2,605	381	-
Employee Training	341	334	-	-
Fuel and maintenance - vehicles	261	232	-	-
Nonmedicaid Assistance	-	-	-	-
Miscellaneous	60	46	-	-
Emergency assistance	-	-	-	4,988
Total expenses	504,227	263,171	51,948	4,988
Excess of support and revenue over (under) expenses	(24,877)	(63,556)	50,639	2,241
Fund balance (deficit), beginning of year	197,084	273,507	-	15,851
Fund balance (deficit), end of year	\$ 172,207	209,951	50,639	18,092

See accompanying notes to financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Statement of Support, Revenue, Expenses and Changes in Net Assets -
Modified Cash Basis (Continued)

Year Ended June 30, 2008

	Neediest Cases	WIA	FAIR	Elder Abuse
Support and Revenue:				
Federal	\$ -	-	-	441
State	-	-	-	-
Medicaid	-	-	-	-
Medicaid waiver	-	-	-	-
County tax levy	-	-	-	-
Project income	-	-	-	-
In-kind	-	-	-	-
Interest	-	-	-	-
Other	9,015	-	45,110	-
Total support and revenue	9,015	-	45,110	441
Expenses:				
Salaries	-	-	24,004	-
Fringe benefits	-	-	-	-
Payroll taxes	-	-	3,216	-
In-kind	-	-	-	-
Budget digest	-	-	-	-
Accounting and audit	-	-	-	-
Contracted services	-	-	6,418	-
Equipment	-	-	-	-
Repairs and maintenance	-	-	-	-
Insurance	-	-	-	-
Materials and supplies	-	-	-	-
Health care provider tax	-	-	-	-
Telephone	-	-	-	-
Postage	-	-	-	-
Dues and registration	-	-	-	-
Office supplies	-	-	-	-
Food and products	-	-	-	-
Health fair	-	-	-	-
Travel	-	-	6	441
Employee Training	-	-	-	-
Fuel and maintenance - vehicles	-	-	-	-
Nonmedicaid Assistance	-	-	-	-
Miscellaneous	-	-	-	-
Emergency assistance	9,015	-	-	-
Total expenses	9,015	-	33,644	441
Excess of support and revenue over (under) expenses	-	-	11,466	-
Fund balance (deficit), beginning of year	-	(242)	23,196	-
Fund balance (deficit), end of year	\$ -	(242)	34,662	-

See accompanying notes to financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Statement of Support, Revenue, Expenses and Changes in Net Assets -
Modified Cash Basis (Continued)

Year Ended June 30, 2008

	<u>General</u>	<u>Total</u>
Support and Revenue:		
Federal	\$ 18,496	223,003
State	-	346,869
Medicaid	-	199,615
Medicaid waiver	-	479,350
County tax levy	148,561	148,561
Project income	-	48,730
In-kind	110,876	125,484
Interest	2,970	2,970
Other	21,415	110,565
Total support and revenue	<u>302,318</u>	<u>1,685,147</u>
Expenses:		
Salaries	94,086	1,040,935
Fringe benefits	864	56,518
Payroll taxes	12,579	144,713
In-kind	110,876	125,484
Budget digest	20,272	20,272
Accounting and audit	200	10,500
Contracted services	7,974	22,905
Equipment	592	592
Repairs and maintenance	504	504
Insurance	1,576	28,076
Materials and supplies	2,996	4,290
Health care provider tax	-	103
Telephone	3,629	15,997
Postage	161	1,529
Dues and registration	489	2,070
Office supplies	1,115	8,239
Food and products	48,689	171,197
Health fair	-	935
Travel	1,268	31,973
Employee Training	-	2,807
Fuel and maintenance - vehicles	3,027	22,715
Nonmedicaid Assistance	-	1,800
Miscellaneous	7,907	8,013
Emergency assistance	4,392	18,395
Total expenses	<u>323,196</u>	<u>1,740,562</u>
Excess of support and revenue over (under) expenses	(20,878)	(55,415)
Fund balance (deficit), beginning of year	<u>280,135</u>	<u>885,926</u>
Fund balance (deficit), end of year	<u>\$ 259,257</u>	<u>830,511</u>

See accompanying notes to financial statements.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Notes to Financial Statements

Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies

Organization

Boone County Community Organization Association, Inc. (the "Association") is a non-profit association organized to carry out community action programs which are generally funded by federal, state and local agencies. Grants received by the Association from funding agencies usually require compliance with prescribed grant conditions and other special requirements, including the furnishing of certain amounts of cash and noncash contributions. The Association provides services designed to combat problems of poverty and to seek elimination or reduction of conditions of poverty.

Basis of Presentation

The accounts of the Association are maintained, and the accompanying financial statements are presented on the Modified Cash Basis of accounting. The modified cash basis of accounting differs from generally accepted accounting principles since it requires support and revenue to be recorded when received rather than when earned and expenses to be recorded when paid rather than incurred, except that in-kind contributions are recorded as both support and expense in the year rendered. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Income Tax Status

Under provisions of the Internal Revenue Code, Section 501(c) (3), and the applicable income tax regulations of the State of West Virginia, the Association is exempt from taxes on income other than unrelated business income. The Association had no net unrelated business income during the year ended June 30, 2008.

Property and Equipment

Property and equipment are recorded as expenses at the time of purchase.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Notes to Financial Statements (Continued)

In-Kind Contributions

In-kind contributions for donated office space are recognized in the year rendered. Such contributions are recorded based upon estimated fair market rental rates.

(2) Cash

At June 30, 2008, Cash consisted of:

Petty cash	\$ 1,100
Checking and savings accounts	<u>674,716</u>
Total cash	<u>\$ 675,816</u>

Certain cash amounts are restricted by grantors for use in specific programs according to program purposes. At June 30, 2008, such cash balances were restricted as follows:

Title III-B	\$ 26,213
Title III-C	78,796
Title III-D	(1,355)
Title III-E	17,197
Title III-F	(1,151)
CSBG	(27,568)
LIFE	9,955
Respite	34,656
SHINE	1,312
United Way	<u>16,640</u>
Total restricted cash	<u>\$ 154,695</u>

The Association had \$830,511 on deposit with various banks, all of which was insured by FDIC at June 30, 2008.

(3) Annuity

The Association sponsors an annuity contribution plan for all employees covered by grants which have contributions budgeted. The Association matches employee contributions up to \$600 per year per employee. Employer contributions for the year ended June 30, 2008 totaled \$13,440.

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Notes to Financial Statements (Continued)

(4) Contingent Liabilities

The Association's programs are generally funded from federal, state, and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

(5) Concentrations of Revenue Sources

Approximately 46% of the Association's total support is provided by Medicaid programs.

**ADDITIONAL INFORMATION - MODIFIED CASH
BASIS**



Independent Auditor's Report on Additional Information

The Board of Directors
Boone County Community Organization Association, Inc.:

I have audited the accompanying schedules of expenses - modified cash basis of Boone County Community Organization Association, Inc.'s (the "Association") Title III-B, Title III-C, Title III-D, Title III-E, Medication Management and Elder Abuse grants for the grant year ended September 30, 2007, it's Health Benefit Counciling grants for the grant year ended March 31, 2008 and it's Legislative Initiative for the Elderly grant for the grant year ended June 30, 2008. These schedules of expenses - modified cash basis are the responsibility of the Association's management. My responsibility is to express an opinion on the schedules of expenses - modified cash basis based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. I believe that my audit provides a reasonable basis for my opinion.

The accompanying schedules were prepared to present the expenses, on a modified cash basis, of the Association's Legislative Initiative for the Elderly, Title III-B, Title III-C, Title III-D, Title III-E, Medication Management, Elder Abuse and Health Benefit Counciling grants on the grant year ends which differs from the Association's fiscal year end pursuant to a requirement of the Metro Area Agency on Aging.

In my opinion, the accompanying schedules of expenses - modified cash basis presents fairly, in all material respects, the expenses of the Association's Legislative Initiative for the Elderly for the year ended June 30, 2008 and its Title III-B, Title III-C, Title III-D, Title III-E, Medication Management and Elder Abuse grants for the year ended September 30, 2007 and it's Health Benefit Counciling grants for the year ended March 31, 2008 in conformity with the modified cash basis of accounting.

This report is intended solely for the information and use of the board of directors and management of the Association as well as the Metro Area Agency on Aging and is not intended to be and should not be used by anyone other than these specified parties.

David L. Howell, CPA

David L. Howell, CPA
Cabin Creek, West Virginia
November 26, 2008

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Expenses Legislative Initiative for the Elderly -
Modified Cash Basis

Grant Year Ended June 30, 2008

Salaries	\$ 83,314
Payroll taxes	6,373
Worker's compensation	3,291
Unemployment	588
Employee benefits	6,606
Accounting and auditing	8,000
Travel in community	4,464
Computer support	4,956
Dues and registration	1,581
Raw food/nutrition	12,390
Telephone	7,282
Liability insurance	2,000
Office supplies	2,052
Postage	1,000
Vehicle maintenance	3,392
Vehicle insurance	18,000
Gas and oil	13,895
Mileage	4,250
Homemaker expense	3,700
Non-medicaid assistance	<u>1,800</u>
	<u>\$ 188,934</u>

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Expenses Title III-B - Modified Cash Basis

Grant Year Ended September 30, 2007

Salaries	\$ 35,769
Payroll taxes	3,234
Worker's compensation	1,961
Unemployment	301
Employee benefits	10,980
Accounting and auditing	2,400
Travel in community	1,736
Computer support	2,198
Dues and registration	281
Telephone	1,194
Liability insurance	600
Office supplies	1,579
Postage	598
Vehicle maintenance	120
Vehicle insurance	4,200
Gas and oil	1,821
In-kind space	<u>3,937</u>
	<u>\$ 72,909</u>

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Expenses Title III-C - Modified Cash Basis

Grant Year Ended September 30, 2007

	C-1 <u>Congregate</u>	C-2 Home <u>Delivered</u>
Salaries	\$ 21,872	42,401
Payroll taxes	1,614	3,267
Worker's compensation	944	1,480
Unemployment	187	429
Employee benefits	1,863	1,863
Travel in community	127	199
Raw food	54,008	31,596
Disposable products	1,284	2,009
Telephone	367	574
Office supplies	26	26
Supplies	798	1,249
In-kind space	<u>2,657</u>	<u>4,155</u>
	<u>\$ 85,747</u>	<u>89,248</u>

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Expenses Title III-D - Modified Cash Basis (As amended February 29, 2008)

Grant Year Ended September 30, 2007

Health fair	\$ 2,420
In-kind space	<u>259</u>
	<u>\$ 2679</u>

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Expenses Title III-E - Modified Cash Basis

Grant Year Ended September 30, 2007

Salaries	\$ 7,096
Payroll taxes	543
Worker's compensation	342
Unemployment	19
Employee benefits	441
Telephone	209
Office supplies	521
Training supplies	138
Employee training	2,269
In-kind space	<u>3,859</u>
	<u>\$ 15,437</u>

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Expenses Medication Management - Modified Cash
Basis

Grant Year Ended September 30, 2007

Health fair	\$ 473
In-kind space	<u>56</u>
	<u>\$ 529</u>

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Expenses Elder Abuse - Modified Cash Basis

Grant Year Ended September 30, 2007

Travel in community

\$ 441

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Expenses Health Benefit Counseling - Modified Cash
Basis

Grant Year Ended March 31, 2008

Salaries	\$ 2,787
Payroll taxes	213
Worker's compensation	105
Unemployment	47
Employee benefits	<u>548</u>
	<u>\$ 3,700</u>



**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**

The Board of Directors
Boone County Community Organization Association, Inc.:

I have audited the financial statements - modified cash basis of Boone County Community Organization Association, Inc. (the "Association") (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued my report thereon dated November 26, 2008, which was qualified because the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. I conducted my 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 my audit, I considered the Association's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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, management, 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.



DAVID L. HOWELL, CPA
Cabin Creek, West Virginia
November 26, 2008

BOONE COUNTY COMMUNITY ORGANIZATION ASSOCIATION, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2008

COMPLIANCE WITH LAWS AND REGULATIONS

NONE

QUESTIONED COSTS

NONE