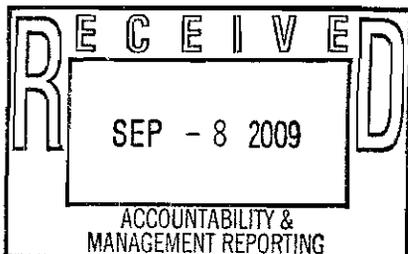


CHANGE, INC.
TABLE OF CONTENTS
DECEMBER 31, 2008

	<u>Page</u>
Independent Auditor's Report.....	1 – 2
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6 – 7
Schedule of Expenditures of Federal Awards.....	8 – 10
Schedule of Expenditures of State Awards.....	11
Notes to Financial Statements	12 – 19
Independent Auditor's Report on Additional Information	20
Additional Information	21 – 30
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31 – 32
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	33 – 34
Schedule of Findings and Questioned Costs	35 – 36
Summary Schedule of Prior Audit Findings.....	37



SEACHRIST, KENNON & MARLING, A.C.

CERTIFIED PUBLIC ACCOUNTANTS * BUSINESS CONSULTANTS

Craig K. Seachrist, CPA, CVA
Diana L. Kennon, CPA, CVA
Ronnie L. Marling, CPA, CFE
James M. Riley, CPA
Julie A. Kerns, CPA
Chantelle S. Parrish, CPA

Wheeling Office
21 Waddles Run Road
Wheeling, WV 26003
Telephone: (304) 233-0141
Fax: (304) 233-1226
E-mail: cpa@skmcpa.com

www.skmcpa.com

Ohio Office
46210 Country Lake Drive
St. Clairsville, OH 43950

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CHANGE, Inc.:

We have audited the accompanying statements of financial position of CHANGE, Inc. (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

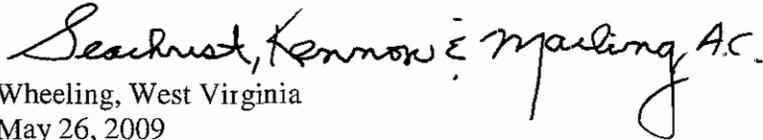
As discussed in Note 13 to the financial statements, during the current fiscal year management elected to change its policy for recording accrued wages and benefits resulting in the understatement of previously reported accrued wages and benefits as of December 31, 2007. Accordingly, the 2007 financial statements have been restated to account for this change in accounting principle.

As more fully discussed in Note 2, it is the Organization's policy to expense fixed assets purchased with grant funds. This practice differs from accounting principles generally accepted in the United States of America, which require fixed assets to be capitalized on the statement of financial position and systematic depreciation charges made to operations over the estimated useful lives of the assets. It was not practicable to determine the effect of this departure from accounting principles generally accepted in the United States of America on the financial statements.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of CHANGE, Inc. as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2009, on our consideration of CHANGE, Inc.'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 is important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of CHANGE, Inc. taken as a whole. The schedule of expenditures of state awards is presented for the purpose of additional analysis and is not a required part of the financial statements of CHANGE, Inc. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Wheeling, West Virginia
May 26, 2009

CHANGE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

	2008	Restated 2007
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 92,607	\$ 8,635
Accounts receivable - grants, contracts and contributions	141,139	177,725
Accounts receivable - medical fees, net of allowance for uncollectible accounts of \$159,779 and \$92,658	121,946	103,914
Accounts receivable - other	-	4,749
Deposits and prepaid expenses	21,354	17,198
Total current assets	377,046	312,221
Inventory:		
Pharmacy	42,263	24,975
Weatherization	20,925	14,925
Gingerbread Corner	-	4,047
Total inventory	63,188	43,947
Property and equipment, net - Note 4	1,462,159	1,455,953
Total assets	\$ 1,902,393	\$ 1,812,121
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 132,674	\$ 80,867
Accrued wages and benefits	106,242	67,668
Deferred revenue	43,744	16,481
Mortgages and notes payable, current portion - Note 5	57,740	33,391
Lines of credit - Note 5	64,625	206,648
Total current liabilities	405,025	405,055
Mortgages and notes payable, net of current portion - Note 5	1,216,461	1,185,135
Total liabilities	1,621,486	1,590,190
Net assets:		
Unrestricted	280,907	221,931
Total net assets	280,907	221,931
Total liabilities and net assets	\$ 1,902,393	\$ 1,812,121

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

CHANGE, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>Restated 2007</u>
<u>UNRESTRICTED NET ASSETS</u>		
Revenues and other support:		
Federal support	\$ 1,753,098	\$ 1,366,617
State support	323,717	267,995
Local support	62,355	30,061
Program service fees	41,335	33,155
Medical third party and self pay revenue	1,146,726	818,007
Service contracts	336,668	256,471
Donations and contributions	12,122	10,414
Gain (loss) on sale of fixed assets	-	(38,372)
Donated services and materials - Note 3	1,538,993	1,061,567
Other income	57,683	47,844
Gingerbread Corner sales	15,753	31,797
Total revenues and other support	<u>5,288,450</u>	<u>3,885,556</u>
Expenses:		
Salaries	1,749,254	1,257,005
Fringe benefits	361,768	266,811
Office expenses	68,114	40,833
Materials and supplies	399,294	245,844
Insurance	51,947	90,369
Telephone and utilities	73,070	58,176
Travel / training	74,382	53,393
Equipment and maintenance	326,019	153,982
Contractual	157,672	96,402
Donated services and materials - Note 3	1,538,993	1,061,567
Program expenses and support	72,050	41,030
Bad debt expense	69,861	48,171
Other expenses	110,008	137,338
Outreach	11,921	-
Interest	61,132	76,465
Depreciation	92,034	67,664
Cost of sales - Gingerbread Corner	11,955	24,005
Total expenses	<u>5,229,474</u>	<u>3,719,055</u>
Increase (decrease) in unrestricted net assets	58,976	166,501
Net assets, beginning of year	<u>221,931</u>	<u>55,430</u>
Net assets, end of year	<u>\$ 280,907</u>	<u>\$ 221,931</u>

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

CHANGE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	Program	Management and General	Fundraising	Total 2008	Restated Total 2007
Salaries	\$ 1,311,941	\$ 402,328	\$ 34,985	\$ 1,749,254	\$ 1,257,005
Fringe benefits	271,326	83,207	7,235	361,768	266,811
Office expenses	51,086	15,666	1,362	68,114	40,833
Materials and supplies	299,471	91,837	7,986	399,294	245,844
Insurance	38,960	12,987	-	51,947	90,369
Telephone and utilities	54,803	16,806	1,461	73,070	58,176
Travel	55,787	17,107	1,488	74,382	53,393
Equipment and maintenance	244,514	74,985	6,520	326,019	153,982
Contractual	118,254	39,418	-	157,672	96,402
Donated services and materials	1,538,993	-	-	1,538,993	1,061,567
Program expenses and support	72,050	-	-	72,050	41,030
Bad debt expense	69,861	-	-	69,861	48,171
Other expenses	82,506	25,302	2,200	110,008	137,338
Outreach	8,941	2,742	238	11,921	-
Interest and service charges	45,849	15,283	-	61,132	76,465
Depreciation	69,026	21,167	1,841	92,034	67,664
Cost of sales - Gingerbread Corner	11,955	-	-	11,955	24,005
	<u>\$ 4,345,323</u>	<u>\$ 818,835</u>	<u>\$ 65,316</u>	<u>\$ 5,229,474</u>	<u>\$ 3,719,055</u>

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

CHANGE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	Restated 2007
Cash flows from operating activities:		
Increase in net assets	\$ 58,976	\$ 166,501
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	92,034	67,664
(Gain) loss on sale of fixed assets	-	38,372
Bad debt expense	69,861	48,171
Changes in assets and liabilities:		
(Increase) decrease in grants, contracts and contributions receivable	41,335	(86,373)
(Increase) in medical fees receivable	(87,893)	(97,714)
(Increase) in inventories	(19,241)	(22,137)
(Increase) decrease in deposits and prepaid expenses	(4,156)	1,163
Increase in accounts payable and accrued liabilities	90,381	6,965
Increase in deferred revenue	27,263	2,201
	<u>268,560</u>	<u>124,813</u>
Cash flows from investing activities:		
Construction in progress	(35,710)	-
Proceeds from sale of fixed assets	-	70,000
Purchase of fixed assets	(3,329)	(77,166)
	<u>(39,039)</u>	<u>(7,166)</u>
Cash flows from financing activities:		
Proceeds from long term debt	102,537	-
Principal payments on long term debt	(248,086)	(166,634)
	<u>(145,549)</u>	<u>(166,634)</u>
Net cash (used) by investing activities	<u>(39,039)</u>	<u>(7,166)</u>
Cash flows from financing activities:		
Proceeds from long term debt	102,537	-
Principal payments on long term debt	(248,086)	(166,634)
	<u>(145,549)</u>	<u>(166,634)</u>
Net cash (used) by financing activities	<u>(145,549)</u>	<u>(166,634)</u>
Net increase (decrease) in cash and cash equivalents	83,972	(48,987)
Cash and cash equivalents at beginning of year	<u>8,635</u>	<u>57,622</u>
Cash and cash equivalents at end of year	<u>\$ 92,607</u>	<u>\$ 8,635</u>

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

CHANGE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>Restated 2007</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	<u>\$ 34,992</u>	<u>\$ 65,415</u>
Schedule of non-cash investing and financing activities:		
Loan proceeds for the purchase of fixed assets and debt payments	<u>\$ 59,201</u>	<u>\$ 249,112</u>
Purchase of fixed assets with loan proceeds	<u>\$ (59,201)</u>	<u>\$ (249,112)</u>

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

CHANGE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Grantor/Pass Through Agency Program Title	Grant or Award Number	Federal CFDA #	Revenue Recognized	Expenditures
Department of Housing and Urban Development				
Passed through the City of Wheeling				
HOME Investment Partnership Program				
First Time Home Buyers - Brooke	N/A	14 239	\$ 8,687	\$ 8,687
First Time Home Buyers - Hancock	N/A	14 239	8,773	8,773
			<u>17,460</u>	<u>17,460</u>
Passed through the City of Weirton				
Community Development Block Grant				
CDBG	B-07-MC-54-0004	14 218	3,129	3,129
CDBG	B-08-MC-54-0004	14 218	3,703	3,703
			<u>6,832</u>	<u>6,832</u>
Emergency Shelter Grants Program				
ESGP	2007-1136	14 231	1,268	1,268
ESGP	2008-1136	14 231	9,044	9,044
			<u>10,312</u>	<u>10,312</u>
Total Department of Housing and Urban Development			<u>34,604</u>	<u>34,604</u>
Department of Justice				
Passed through the State of West Virginia Division of Criminal Justice Services				
Delinquency Prevention	2008-JL-FX-0133	16 540	48,536	48,536
Crime Victim Assistance				
VOCA	08-939	16 575	10,450	10,450
VOCA	09-926	16 575	8,697	8,697
			<u>19,147</u>	<u>19,147</u>
Passed through the State of West Virginia Coalition Against Domestic Violence				
Crime Victim Assistance				
LAV	2004-WV-AX-0040	16 524	7,211	7,211
LAV	2004-WV-AX-0040	16 524	7,699	7,699
			<u>14,910</u>	<u>14,910</u>
Total Department of Justice			<u>82,593</u>	<u>82,593</u>
Department of Homeland Security				
Emergency Food and Shelter Program	LRO898400-008	97 024	1,797	1,797
Department of Energy				
Passed through the West Virginia Office of Economic Opportunity				
Weatherization Assistance to Low-Income Persons	2007-1002	81 042	81,318	81,318
	2008-1002	81 042	206,686	206,686
Total Department of Energy			<u>288,004</u>	<u>288,004</u>

The accompanying notes are an integral part of these financial statements

CHANGE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Grantor/Pass Through Agency Program Title	Grant or Award Number		Federal CFDA #	Revenue Recognized	Expenditures
Department of Health and Human Services					
Health Resources and Services Administration	H80CS08238	*	93 224	589,292	589,292
Passed through the West Virginia Department of Health and Human Resources					
Public Awareness Earned Income Tax Credit					
EITC	G080122	*	93 558	16,481	16,481
EITC	G090497	*	93 558	12,082	12,082
				<u>28,563</u>	<u>28,563</u>
Investigations and Technical Assistance					
BCCSP	BC08-1011		93 283	806	806
BCCSP	BC09-1013		93 283	10,976	10,976
				<u>11,782</u>	<u>11,782</u>
Protective Services for Children and Adults					
Lighthouse	G080121		93 671	33 336	33 336
Lighthouse	G090183		93 671	21,254	21,254
				<u>54,590</u>	<u>54,590</u>
Passed through the West Virginia Office of Economic Opportunity					
Low Income Home Energy Assistance and Energy Crisis Intervention Program					
LIEAP	2007-1402		93 568	1,614	1,614
WX DHHR	2007-1002		93 568	2,622	2,622
WX DHHR	2008-1002		93 568	70,915	70,915
Energy Crisis Intervention Program	N/A		93 568	15,746	15,746
				<u>90,897</u>	<u>90,897</u>
Community Service Block Grant					
CSBG	2007-0002	*	93 569	7,725	7,725
CSBG	2008-0003	*	93 569	380,067	380,067
CSBG	2008-0022	*	93 569	15,000	15,000
CSBG		*	93 569	400	400
				<u>403,192</u>	<u>403,192</u>
Passed through the West Virginia Bureau for Public Health					
Threat Preparedness	G 080959		93 889	8,000	8,000
Passed through the West Virginia Office of Community and Rural Health Services					
OCS	90ET0364/01		93 570	5,745	5,745
Total Department of Health and Human Services				<u>1,192,061</u>	<u>1,192,061</u>

The accompanying notes are an integral part of these financial statements

CHANGE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

<u>Federal Grantor/Pass Through Agency</u> <u>Program Title</u>	<u>Grant or Award Number</u>	<u>Federal</u> <u>CFDA #</u>	<u>Revenue</u> <u>Recognized</u>	<u>Expenditures</u>
Department of Transportation				
FTA Direct Funding Job Access Commute	WV-37-X037-00	20 516	114,653	114,653
FTA Direct Funding Job Access Commute	WV-37-X034-00	20 516	28,972	28,972
			<u>143,625</u>	<u>143,625</u>
Passed through the West Virginia Department of Transportation Division of Public Transit				
Job Access Reverse Commute	F-37-4040	20.516	10,414	10,414
Total Department of Transportation			<u>154,039</u>	<u>154,039</u>
* Major Programs			<u>\$ 1,753,098</u>	<u>\$ 1,753,098</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of CHANGE, Inc and is presented on the accrual basis of accounting. 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.

The accompanying notes are an integral part of these financial statements

CHANGE, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

State Grantor/Pass Through Agency Program Title	Grant or Award Number	Federal CFDA #	Revenue Recognized	Expenditures
West Virginia Department of Health and Human Resources				
Passed through the West Virginia Bureau of Children and Families				
Protective Services for Victims of Domestic Violence	G080121	N/A	\$ 55,682	\$ 55,682
Protective Services for Victims of Domestic Violence	G090183	N/A	83,702	83,702
			<u>139,384</u>	<u>139,384</u>
OCHS/Division of Primary Care				
Uncompensated Care	G080289	N/A	74,355	74,355
Uncompensated Care	G090042	N/A	53,844	53,844
			<u>128,199</u>	<u>128,199</u>
Mortgage Debt Reduction	G080571	N/A	26,100	26,100
Mortgage Debt Reduction	G090073	N/A	18,900	18,900
			<u>45,000</u>	<u>45,000</u>
Total West Virginia Department of Health and Human Resources			<u>312,583</u>	<u>312,583</u>
			<u>\$ 312,583</u>	<u>\$ 312,583</u>

The accompanying notes are an integral part of these financial statements

CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Note 1 – Nature of Operations:

CHANGE, Inc. is a nonprofit organization, which was formed in 1983 under the laws of the State of West Virginia. The Organization provides assistance to very low to moderate income and/or unemployed residents of the four counties in the northern panhandle of West Virginia and the surrounding communities in Ohio and Pennsylvania. In fulfilling its mission, CHANGE, Inc. provides decent, safe, sanitary and affordable housing opportunities for qualifying families, and develops and administers programs and services that help decrease social dependence and increase self-sufficiency, community involvement, and awareness and opportunities for those at risk. CHANGE, Inc. provides these services with funding from various federal, state, local and private sources.

From 1998 to April 12, 2005, CHANGE, Inc. operated a free health clinic after a needs assessment of the area showed that 100 percent of CHANGE, Inc.'s clients had no health insurance and Weirton Medical Center reported an influx of low-income patients beyond their financial capabilities. This free clinic provided prescription and preventative health services to uninsured residents of Brooke and Hancock Counties in West Virginia.

On April 12, 2005, CHANGE, Inc. formed Family Medical Care, Inc., a community health medical center. The transition from a free clinic to Family Medical Care, Inc. was made to meet the overwhelming increase in demand for services mostly due to the 10,000 employees and retirees of Weirton Steel who had lost their jobs, pensions and health insurance. With the transition, patients now have access to quality health care based on a sliding scale regardless of income level, insurance status, or residence through funding from federal, state, local and private sources, as well as third party and private program income. Family Medical Care, Inc. is operated as a department of CHANGE, Inc.

Note 2 – Summary of Significant Accounting Policies:

Basis of presentation – The financial statements of CHANGE, Inc. (the Organization) have been prepared in conformity with accounting principles generally accepted in the United States of America, with the exception of the capitalization of certain fixed assets.

Basis of combination – Intercompany transactions have been eliminated in the financial statements for the years ended December 31, 2008 and 2007.

Basis of accounting – CHANGE, Inc. prepares its financial statements using the accrual basis of accounting.

Account classification – Revenue and expense information is maintained separately for each grant funded to CHANGE, Inc. as required by the various funding sources.

CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Note 2 – Summary of Significant Accounting Policies (continued):

Equipment and vehicles – In accordance with grant award budgets approved by the various funding sources, equipment and vehicles purchased with grant funds under cost reimbursement grants are charged to expense in the period in which they are purchased rather than being recorded as assets and depreciated over their estimated useful life. As a result, the expenses reflected in the statements of activities and changes in net assets include the cost of equipment and vehicles purchased during the year rather than a provision for depreciation for those assets acquired with grant funds.

The equipment acquired is owned by CHANGE, Inc. while it is used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the equipment purchased with grant funds; therefore, its disposition, as well as the ownership of any sale proceeds there from, is subject to funding source regulations

Buildings – CHANGE, Inc. owns several buildings that are used for program specific purposes. The buildings are acquired with the aid of grant awards and private funding and are shown on the statements of financial position. As noted above, the portion of the building or renovations that are paid for with grant funds are charged to expense when the buildings are purchased or renovations are made.

Fixed assets – debt financed or non-grant expenditures – Fixed assets acquired with local or corporate funds, or debt-financed, are capitalized at cost and depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows: 15 to 40 years for buildings and improvements and 3 to 5 years for equipment and vehicles.

Interest expense related to debt-financed fixed assets is charged to unrestricted (corporate) funds for those grants that do not allow interest expense.

Accounts receivable – Accounts receivable are stated at the net of the allowance for doubtful accounts. The allowance is established through a provision for bad debts charged to expense. Accounts are charged off against the allowance when management believes that the collection of the accounts is unlikely. The allowance is an amount which management believes will be adequate to absorb possible losses on outstanding accounts that may become uncollectible based on evaluations of the collectability of accounts and prior bad debt expense.

Inventory – Inventory is recorded on a first-in first-out basis at cost for the Weatherization, Pharmacy and Gingerbread Corner programs

Cash and cash equivalents – For the purpose of the Statement of Cash Flows, CHANGE, Inc. considers all investments with an original maturity date of three months or less to be cash equivalents

CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Note 2 – Summary of Significant Accounting Policies (continued):

Revenues – Revenues are recognized in the accompanying financial statements as follows:

Grants and Reimbursement Contracts – 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 earned.

Program Income – The amount due from various sources is recognized when earned.

Interest Income – Interest income is recognized in the accounting period in which it is received. CHANGE, Inc. maintains funds received from various sources in interest-bearing checking accounts. The portion of interest earned on federal funds is applied to the federal 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 Organization.

Donations, Contributions and Promises to Give – All donations and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the same fiscal year in which the contribution was recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. Temporarily restricted net assets are reclassified to unrestricted net assets upon expiration of the restriction. All promises to give are considered collectible.

There were no temporarily or permanently restricted net assets at December 31, 2008 and 2007.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Financial statement presentation – CHANGE, Inc. presents its financial statements in accordance with Statements of Financial Accounting Standards (SFAS) No. 117 “Financial Statements of Not-for-Profit Organizations.” Under SFAS No. 117 CHANGE, Inc. is required to present information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Assets with voluntary designations by the governing board are considered to be unrestricted.

CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Note 3 – In-kind Wages, Rent, Transportation, Supplies and Other:

Local cash matches were used to meet matching cash requirements of various grants. The amounts were obtained from various local grants, performance contracts, donations and in-kind Match and in-kind were obtained for the year ended December 31, 2008 and 2007, for the following programs:

	<u>2008</u>	<u>2007</u>
<u>Salaries and Benefits:</u>		
Corporate	\$ 14,171	\$ 8,094
Family Medical Care	-0-	913
FQHC	-0-	2,538
Lighthouse	78	275
Gingerbread Corner	<u>1,483</u>	<u>1,781</u>
Total salaries and benefits	<u>15,732</u>	<u>13,601</u>
 <u>Medical Services and Drugs:</u>		
FQHC	1,538,993	798,059
Family Medical Care	<u>-0-</u>	<u>263,508</u>
Total medical services and drugs	<u>1,538,993</u>	<u>1,061,567</u>
 <u>Other:</u>		
Corporate	1,064	1,712
Family Medical Care	-0-	2,065
FQHC	-0-	781
Lighthouse	29,218	13,823
Gingerbread Corner	<u>451</u>	<u>625</u>
Total other	<u>30,733</u>	<u>19,006</u>
 Total	 <u>\$1,585,457</u>	 <u>\$1,094,174</u>

For the years ended December 31, 2008 and 2007, donations of medical services and pharmaceuticals totaling \$1,538,993 and \$1,061,567, respectively, have been recognized in the statements of activities. No other amounts have been recognized in the statements of activities for in-kind contributions because the criteria for recognition under Statement of Accounting Standards No. 116 have not been satisfied.

CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Note 4 – Land, Buildings, Vehicles and Equipment:

As described in Note 2, the Organization owns land, buildings, equipment and vehicles, which are recorded at cost. The following is a listing of fixed assets at cost:

	<u>2008</u>	<u>2007</u>
Land	\$ 17,602	\$ 17,602
Buildings and improvements	1,394,409	1,394,409
Equipment and furnishings	212,645	212,645
Vehicles	<u>312,532</u>	<u>250,001</u>
	1,937,188	1,874,657
Less: Accumulated depreciation	<u>510,738</u>	<u>418,704</u>
	1,426,450	1,455,953
Construction in progress	<u>35,709</u>	<u>-0-</u>
Net fixed assets	<u>\$1,462,159</u>	<u>\$1,455,953</u>

Note 5 – Lines of Credit and Long-Term Debt:

Lines of credit, mortgages and notes payable consist of the following at December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
<u>Line of Credit</u>		
\$300,000 demand note secured by four parcels of property located in Hancock and Marshall Counties in West Virginia. The variable rate in effect at December 31, 2008 was 3.25%.	<u>\$ 64,625</u>	<u>\$ 206,648</u>
<u>Mortgages and Notes Payable</u>		
Deed of trust on Taylor Street property, interest rate of 7.50%, maturity on February 3, 2012	\$ 15,220	\$ 19,580
Deed of Trust on West Street property, interest rate of 6.125%, maturity on November 1, 2023.	51,823	51,165
Note payable on Dodge Caravan 0512, interest rate of 5.99%, maturity on September 29, 2008.	-0-	3,877
Note payable on Dodge Caravan 0513, interest rate of 5.00%, maturity on September 24, 2008	-0-	4,193

CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Note 5 – Lines of Credit and Long-Term Debt (continued):

	<u>2008</u>	<u>2007</u>
Note payable on Dakota Truck, interest rate of 7.55%, maturity on April 13, 2010.	8,482	13,511
Note payable on Dodge Caravan 0515, interest rate of 0.00%, maturity on June 4, 2010.	6,248	10,658
Note payable on Dodge Caravan 0616, interest rate of 8.70%, maturity on July 23, 2009.	2,661	6,992
Deed of Trust on 3136 West Street, interest rate of 4.125%, maturity on June 28, 2046.	1,127,729	1,108,550
Note payable on Chrysler Town & Country Minivan, interest rate of 6.24%, maturity on May 5, 2011	12,733	-0-
Note payable on 2007 Dodge Caravan, interest rate of 6.95%, maturity on June 13, 2012.	26,193	-0-
Note payable on Transportation Bus, interest rate of 5.75%, maturity on December 7, 2010.	9,087	-0-
Note payable on Chevy Silverado Truck, interest rate of 12.44%, maturity on October 28, 2013.	<u>14,025</u>	<u>-0-</u>
Total mortgages and notes payable	<u>\$1,274,201</u>	<u>\$1,218,526</u>

Aggregate maturities of long-term debt for the periods subsequent to December 31, 2008, based on present arrangements, are as follows:

2009	\$ 57,740
2010	52,913
2011	46,588
2012	33,978
2013	30,388
Thereafter	<u>1,052,594</u>
	<u>\$ 1,274,201</u>

CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Note 6 – Inter-fund Loans:

The corporate fund advanced \$25,000 to the Gingerbread Corner as start-up funds.

The Gingerbread Corner is a retail craft center operated by CHANGE, Inc. The Gingerbread Corner was opened in 2003. Proceeds from the sales of craft items are used to support the corporate program costs of CHANGE, Inc. The Gingerbread Corner ceased operations on July 31, 2008.

Note 7 – Retirement Plan:

CHANGE, Inc. maintains a 403(b) retirement plan. All full-time employees working 20 hours or more per week are eligible to participate. CHANGE, Inc. contributed \$678 and \$486 to the plan for the fiscal years ending December 31, 2008 and 2007, respectively.

Note 8 – Commitments and Contingencies:

CHANGE, Inc. receives a substantial amount of its support from federal and state programs. A significant reduction of this support would have a major effect on CHANGE, Inc.'s activities.

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, would be immaterial.

CHANGE, Inc. is required to file an annual cost report with the Medicaid program. Upon final settlement of these reports, amounts may be deemed payable to or receivable from the Medicaid program. The Organization's initial cost report had not been finalized as of the date of this report. As such, no liability or asset has been recorded for any amount that may be payable or receivable as a result of this report.

Note 9 – Concentration of Credit Risk:

CHANGE, Inc. maintains cash accounts at several local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. All cash deposits were within FDIC coverage limits at December 31, 2008.

CHANGE, Inc. is located in Weirton, West Virginia. The Organization grants credit without collateral to patients of Family Medical Care, Inc., most of whom are local residents.

Note 10 – Reclassifications

The Organization's policy is to reclassify amounts reported in prior year financial statements when necessary for classifications adopted during the current year.

CHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Note 11 – Income Taxes

CHANGE, Inc is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization files a Form 990-T, Exempt Organization Business Income Tax Return, which includes the sales and cost of sales of the Gingerbread Corner; however, due to the net losses generated by these activities, the Organization is not liable for any income taxes associated therewith. Accordingly, no provision for income taxes is included in the accompany financial statements.

Note 12 – Federal 330 Grant Funding

Federal 330 grants are issued to community health centers to increase the access to comprehensive primary and preventive health care and improve the health status of underserved populations. The Bureau of Primary Health Care awarded CHANGE, Inc. with Federal 330 grant funding in the amount of \$558,333 for the period July 1, 2007 through April 30, 2008 and \$576,308 for the period May 1, 2008 through April 30, 2009. CHANGE, Inc. received and expended \$589,292 in Federal 330 funding for the year ended December 31, 2008

Note 13 – Change in Accounting Principle

During 2008, the Organization changed its method of accounting for accrued wages and benefits. The financial statements for the year ended December 31, 2007 have been restated to apply the new method retroactively which had the effect of overstating net assets by \$58,291 and the financial statements have been restated to reflect the change in accounting principle.

The restatement of unrestricted net assets for the year ended December 31, 2007 is summarized as follows:

Understatement of accrued wages and benefits	<u>\$58,291</u>
--	-----------------

SEACHRIST, KENNON & MARLING, A.C.

CERTIFIED PUBLIC ACCOUNTANTS * BUSINESS CONSULTANTS

Craig K. Seachrist, CPA, CVA
Diana L. Kennon, CPA, CVA
Ronnie L. Marling, CPA, CFE
James M. Riley, CPA
Julie A. Kerns, CPA
Chantelle S. Parrish, CPA

Wheeling Office
21 Waddles Run Road
Wheeling, WV 26003
Telephone: (304) 233-0141
Fax: (304) 233-1226
E-mail: cpa@skmcpa.com

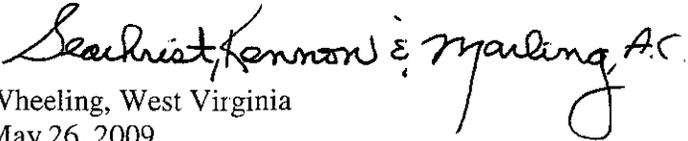
www.skmcpa.com

Ohio Office
46210 Country Lake Drive
St. Clairsville, OH 43950

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of
CHANGE, Inc.:

Our report on our audits of the basic financial statements of CHANGE, Inc. for the years ended December 31, 2008 and 2007 appears on pages 1 and 2. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 21 through 30 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to 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.


Wheeling, West Virginia
May 26, 2009

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

CORPORATE

REVENUES AND OTHER SUPPORT

Federal support	\$ 2,015
State support	851
Local support	1,875
Donations and contributions	4,505
Other income	153,566
Total revenues and other support	<u>162,812</u>

EXPENSES

Salaries	120
Fringe benefits	519
Office expenses	5,587
Insurance	(405)
Telephone and utilities	16
Travel	1,400
Contractual	699
Program expenses and support	1,448
Other expenses	22,973
Outreach	38
Interest	58,120
Depreciation	66,480
Total expenses	<u>156,995</u>
Revenues over (under) expenses	<u>\$ 5,817</u>

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

COMMUNITY SERVICE BLOCK GRANT

REVENUES AND OTHER SUPPORT

Federal support	\$ 402,793
Total revenues and other support	<u>402,793</u>

EXPENSES

Salaries	217,729
Fringe benefits	58,319
Office expenses	12,344
Materials and supplies	498
Insurance	2,557
Telephone and utilities	11,774
Travel	19,429
Equipment and maintenance	11,629
Contractual	21,745
Other expenses	39,795
Outreach	80
Total expenses	<u>395,899</u>

Revenues over (under) expenses	<u>\$ 6,894</u>
--------------------------------	-----------------

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

WEATHERIZATION

REVENUES AND OTHER SUPPORT

Federal support	\$ 377,287
Local support	57,855
Total revenues and other support	<u>435,142</u>

EXPENSES

Salaries	159,921
Fringe benefits	41,609
Office expenses	5,932
Materials and supplies	125,753
Insurance	10,902
Telephone and utilities	2,854
Travel	625
Equipment and maintenance	38,653
Contractual	1,194
Program expenses and support	62,670
Other expenses	2,359
Total expenses	<u>452,472</u>

Revenues over (under) expenses \$ (17,330)

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

TRANSPORTATION

REVENUES AND OTHER SUPPORT

Federal support	\$ 154,039
Local support	2,625
Program service fees	40,330
Service contracts	336,668
Donations and contributions	15,716
Other income	3,946
Total revenues and other support	<u>553,324</u>

EXPENSES

Salaries	237,779
Fringe benefits	35,964
Office expenses	1,564
Materials and supplies	195
Insurance	13,348
Telephone and utilities	9,600
Travel	1,647
Equipment and maintenance	194,288
Contractual	5,682
Bad debt expense	80
Other expenses	4,787
Outreach	9
Interest	765
Total expenses	<u>505,708</u>

Revenues over (under) expenses	<u>\$ 47,616</u>
--------------------------------	------------------

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

HOUSING

REVENUES AND OTHER SUPPORT

Federal support	\$ 17,460
State support	8,947
Total revenues and other support	<u>26,407</u>

EXPENSES

Salaries	13,105
Fringe benefits	2,985
Office expenses	470
Travel	720
Contractual	7,815
Other expenses	1,306
Outreach	6
Total expenses	<u>26,407</u>

Revenues over (under) expenses	<u>\$ -</u>
--------------------------------	-------------

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

LIGHTHOUSE

REVENUES AND OTHER SUPPORT

Federal support	\$ 100,757
State support	139,384
Donations and contributions	4,259
Other income	8,000
Total revenues and other support	<u>252,400</u>

EXPENSES

Salaries	156,691
Fringe benefits	40,228
Office expenses	1,969
Materials and supplies	107
Insurance	9,061
Telephone and utilities	13,800
Travel	3,194
Equipment and maintenance	8,763
Contractual	4,090
Program expenses and support	2,707
Other expenses	9,839
Outreach	183
Total expenses	<u>250,632</u>
Revenues over (under) expenses	<u>\$ 1,768</u>

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

YOUTH SERVICES

REVENUES AND OTHER SUPPORT

Federal support	\$ 55,367
Program service fees	1,005
Total revenues and other support	<u>56,372</u>

EXPENSES

Salaries	9,755
Fringe benefits	1,254
Office expenses	122
Materials and supplies	17,000
Equipment and maintenance	14,000
Contractual	11,989
Other expenses	2,333
Total expenses	<u>56,453</u>

Revenues over (under) expenses	<u>\$ (81)</u>
--------------------------------	----------------

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

GINGERBREAD CORNER

REVENUES AND OTHER SUPPORT

Gingerbread Corner sales	\$ 15,753
Other income	5,542
Total revenues and other support	<u>21,295</u>

EXPENSES

Salaries	6,730
Fringe benefits	916
Office expenses	813
Materials and supplies	4
Insurance	345
Telephone and utilities	974
Travel	217
Equipment and maintenance	4
Cost of sales	11,955
Other expenses	2,219
Interest	98
Total expenses	<u>24,275</u>

Revenues over (under) expenses \$ (2,980)

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

FQHC

REVENUES AND OTHER SUPPORT

Federal support	\$ 609,073
State support	174,535
Medical third party and self pay revenue	1,183,878
Donations and contributions	2,194
Donated services and materials - Note 3	1,538,993
Other income	16,570
Total revenues and other support	<u>3,525,243</u>

EXPENSES

Salaries	959,741
Fringe benefits	178,666
Office expenses	33,497
Materials and supplies	281,319
Insurance	16,139
Telephone and utilities	34,052
Travel	40,266
Equipment and maintenance	108,935
Contractual	104,458
Donated services and materials - Note 3	1,538,993
Program expenses and support	5,225
Bad debt expense	69,781
Other expenses	97,660
Outreach	11,410
Interest	2,149
Depreciation	25,554
Total expenses	<u>3,507,845</u>
Revenues over (under) expenses	<u>\$ 17,398</u>

CHANGE, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

EARNED INCOME TAX CREDIT

REVENUES AND OTHER SUPPORT

Federal support	\$ 34,307
Total revenues and other support	<u>34,307</u>

EXPENSES

Salaries	6,180
Fringe benefits	1,308
Office expenses	5,816
Materials and supplies	11,570
Travel	6,884
Equipment and maintenance	2,480
Outreach	195
Total expenses	<u>34,433</u>

Revenues over (under) expenses	<u>\$ (126)</u>
--------------------------------	-----------------

SEACHRIST, KENNON & MARLING, A.C.

CERTIFIED PUBLIC ACCOUNTANTS * BUSINESS CONSULTANTS

Craig K. Seachrist, CPA, CVA
Diana L. Kennon, CPA, CVA
Ronnie L. Marling, CPA, CFE
James M. Riley, CPA
Julie A. Kerns, CPA
Chantelle S. Parrish, CPA

Wheeling Office
21 Waddles Run Road
Wheeling, WV 26003
Telephone: (304) 233-0141
Fax: (304) 233-1226
E-mail: cpa@skmcpa.com

www.skmcpa.com

Ohio Office
46210 Country Lake Drive
St. Clairsville, OH 43950

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

To the Board of Directors of
CHANGE, Inc.:

We have audited the financial statements of CHANGE, Inc (a nonprofit organization) as of and for the year ended December 31, 2008, and have issued our report thereon dated May 26, 2009. In our report, our opinion was qualified because, as described in Note 2, CHANGE, Inc. expenses certain fixed assets purchased with grant funds. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered CHANGE, Inc.'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 CHANGE, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report on financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. See finding 08-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, material weaknesses. However, we consider the significant deficiency described above, Finding 08-1, to be a material weakness.

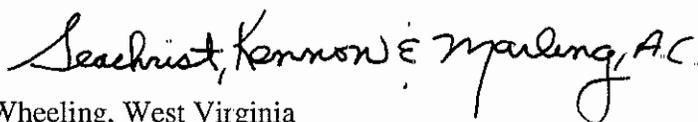
Compliance and Other Matters

As part of obtaining reasonable assurance about whether CHANGE, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of CHANGE, Inc. in a separate letter dated May 26, 2009.

CHANGE, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit CHANGE, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the Organization, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Wheeling, West Virginia
May 26, 2009

SEACHRIST, KENNON & MARLING, A.C.

CERTIFIED PUBLIC ACCOUNTANTS * BUSINESS CONSULTANTS

Craig K. Seachrist, CPA, CVA
Diana L. Kennon, CPA, CVA
Ronnie L. Marling, CPA, CFE
James M. Riley, CPA
Julie A. Kerns, CPA
Chantelle S. Parrish, CPA

Wheeling Office
21 Waddles Run Road
Wheeling, WV 26003
Telephone: (304) 233-0141
Fax: (304) 233-1226
E-mail: cpa@skmcpa.com

www.skmcpa.com

Ohio Office
46210 Country Lake Drive
St. Clairsville, OH 43950

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

To the Board of Directors of
CHANGE, Inc.:

Compliance

We have audited the compliance of CHANGE, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. CHANGE, Inc.'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 CHANGE, Inc.'s management. Our responsibility is to express an opinion on CHANGE, Inc.'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 CHANGE, Inc.'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 CHANGE, Inc.'s compliance with those requirements.

In our opinion, CHANGE, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

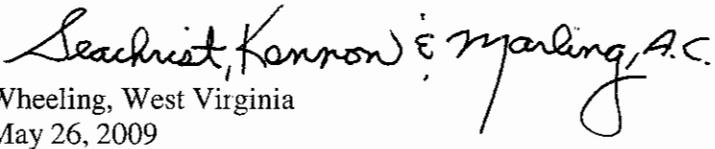
The management of CHANGE, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered CHANGE, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CHANGE, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Wheeling, West Virginia
May 26, 2009

CHANGE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED DECEMBER 31, 2008

SECTION 1 – SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor’s report issued:	Qualified
Internal control over financial reporting:	
Material weakness identified	Yes
Reportable conditions identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Reportable conditions identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance with major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>	
93.569	Department of Health and Human Services Community Service Block Grant	
93.224	Department of Health and Human Services Health Resources and Services Administration	
93.558	Department of Health and Human Services Public Awareness Earned Income Tax Credit	
Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000
Auditee qualified as a low-risk auditee?		No

CHANGE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED DECEMBER 31, 2008

SECTION 2 – FINANCIAL STATEMENT FINDINGS

Finding 08-1: Material Weakness

Financial Statement Preparation:

Condition: The Organization currently requires assistance from the auditors to prepare its financial statements, complete with required footnote disclosures, in conformity with U.S. generally accepted accounting principles (GAAP). Certain material adjustments were required to be made to the accounting records.

Criteria: Management is responsible for establishing and maintaining internal controls in the financial reporting system and for the fair presentation of the financial position, activities and changes in net assets, cash flows and disclosures in the financial statements, in conformity with GAAP. The adjustment of all account balances to reflect appropriate year-end balances is a necessary step to ensure the financial statements are fairly presented.

Effect: A likelihood that is more than remote exists that the partnership may issue financial statements and related footnotes that contain a material misstatement that will not be prevented or detected by the Organization's internal control.

Recommendation: We recommend that the Organization designate an employee with the required expertise to review for material misstatements, and oversee the preparation of, the financial statements and related footnotes as prepared by the auditors.

Response: Management agrees with this finding and effective June 3, 2008 hired a chief financial officer who will oversee preparation of financial statements. Improved security measures for procurement, account reconciliations and segregation of job duties are gradually being introduced by the CFO to the fiscal department. These changes will reduce the likelihood of material misstatement. A new financial software system, called MIP, was implemented effective July 1, 2008. This software will improve the efficiency and accuracy of financial statement preparation. The CFO, who is not a CPA, is to gain training in footnote disclosures in an effort to place CHANGE, Inc. in a position to produce financial statements independently in conformity with U.S. GAAP.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

CHANGE, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR YEAR ENDED DECEMBER 31, 2008

There were no prior audit findings relative to federal awards.

SEACHRIST, KENNON & MARLING, A.C.

CERTIFIED PUBLIC ACCOUNTANTS * BUSINESS CONSULTANTS

Craig K. Seachrist, CPA, CVA
Diana L. Kennon, CPA, CVA
Ronnie L. Marling, CPA, CFE
James M. Riley, CPA
Julie A. Kerns, CPA
Chantelle S. Parrish, CPA

Wheeling Office
21 Waddles Run Road
Wheeling, WV 26003
Telephone: (304) 233-0141
Fax: (304) 233-1226
E-mail: cpa@skmcpa.com

www.skmcpa.com

Ohio Office
46210 Country Lake Drive
St Clairsville, OH 43950

May 26, 2009

To the Senior Management and
The Board of Directors of
Change, Inc.

In planning and performing our audit of the financial statements of Change, Inc. for the year ended December 31, 2008, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated May 26, 2009, on the financial statements of Change, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Disbursements

During our examination of one hundred and fifty (150) cash disbursements we noted five (5) deviations. Four (4) of the disbursements tested were not properly verified as required by the Organization's policy and internal controls. One (1) of the disbursements tested was recorded incorrectly to the general ledger. All the disbursements tested were properly supported by invoices and purchase orders and appear to be reasonable and necessary for the operations of the Organization. We recommend that all disbursements be properly verified to assure compliance with the Organization's policies and internal controls as well as compliance with federal and state funding requirements and that all disbursements be recorded accurately to the general ledger.

Management Response

This recommendation was taken under advisement and corrective action taken in June of 2008. The purchase order form was modified to make the approval box more apparent and the CFO now reviews and approves all purchase orders. However, since this change was not made until the middle of 2008, there was greater likelihood near the beginning of 2008 for this error to occur.

Federal Expenditures

During our examination we noted vendors being used for federal expenditures are not being compared to the Excluded Parties List System (EPLS). The EPLS includes information regarding entities debarred, suspended, proposed for debarment, excluded or disqualified under the nonprocurement common rule, or otherwise declared ineligible from receiving federal contracts, certain subcontracts, and certain federal assistance and benefits. We recommend the Organization establish policies and procedures to assure vendors being used for federal expenditures are being compared to the EPLS.

Management Response

Management recognizes the need for a procedure to ensure that all vendors are being compared to the EPLS. Most of our long term vendors have been verified but we cannot confirm that all newer vendors have been subject to this comparison. The Fiscal department has already begun policy modification related to Procurement and Accounts Payable operations. These changes will include comparison of current vendors to the EPLS and a standard procedure for comparison of all new vendors.

Sliding Fee Patients

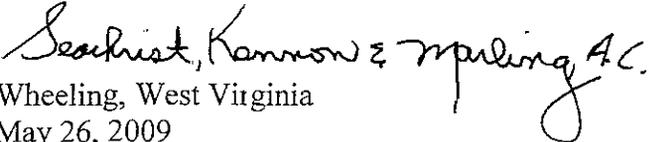
During our examination of forty (40) sliding fee patients we noted two (2) deviations. One (1) patient tested had never been assessed, however, they had been classified as Level B in the Organization's computer software. One (1) patient tested had no proof of income on file in the Organization's computer software. We recommend classifying sliding fee patients at the highest level until they have been assessed which includes obtaining proof of income. In addition, we recommend that documents supporting the assessment be maintained according to Organization policy.

Management Response

Management has a policy in place that mandates uninsured patients are charged full price until household assessment is completed. Once an uninsured patient is scheduled for the first time, they must meet with the Health Benefits Coordinator to determine which discounts they are eligible for. Assessments are done yearly, with documentation scanned into the patient's chart.

We wish to thank the entire staff of Change, Inc for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, Senior Management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.


Wheeling, West Virginia
May 26, 2009

SEACHRIST, KENNON & MARLING, A.C.

CERTIFIED PUBLIC ACCOUNTANTS * BUSINESS CONSULTANTS

Craig K. Seachrist, CPA, CVA
Diana L. Kennon, CPA, CVA
Ronnie L. Marling, CPA, CFE
James M. Riley, CPA
Julie A. Kerns, CPA
Chantelle S. Parrish, CPA

Wheeling Office

21 Waddles Run Road
Wheeling, WV 26003
Telephone: (304) 233-0141
Fax: (304) 233-1226
E-mail: cpa@skmcpa.com

www.skmcpa.com

Ohio Office

46210 Country Lake Drive
St. Clairsville, OH 43950

May 26, 2009

To the Board of Directors of
Change, Inc.

We have audited the financial statements of Change, Inc. for the year ended December 31, 2008, and have issued our report thereon dated May 26, 2009. Professional standards require that we provide you with the following information related to our audit

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated December 29, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Change Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Change Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Change Inc.'s compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on Change Inc.'s compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Change Inc.'s compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Change Inc are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimates of the allowance for doubtful accounts and useful lives. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached Adjusting Journal Entries Report summarizes misstatements identified during audit procedures. It has been determined that their effects are material in the aggregate to the financial statements taken as a whole. Management has corrected all such misstatements. The attached Schedule A summarizes an uncorrected misstatement of the financial statements. It has been determined that its effect is immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The attached Reclassifying Journal Entries Report summarizes eliminating adjustments made for report purposes only.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 26, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards

require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

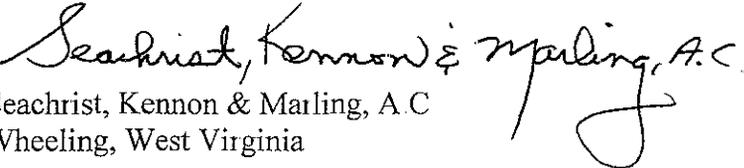
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention

We noted certain matters that we reported to the management of Change, Inc in a separate management letter dated May 26, 2009

This information is intended solely for the use of the Board of Directors and management of Change, Inc and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


Seachrist, Kennon & Marling, A.C
Wheeling, West Virginia

Client: **CHANGE, Inc.**
 Engagement: **2008 - CHANGE, Inc.**
 Period Ending: **12/31/2008**
 Trial Balance: **2505 - Trial Balance**
 Workpaper: **2508a - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To remove outstanding suspense items from reconciliation				
1001-100	CHANGE MAIN	4116	3 351 10	
5270-100 10L08	OTHER			3,351.10
Total			3,351.10	3,351.10
Adjusting Journal Entries JE # 2				
To remove outstanding suspense items from reconciliation				
1003-180 17P08	FMC MAIN	4115	21 74	
4002-100 14A08	STATE		400 00	
1003-100	FMC MAIN			400 00
5270-180 18J08	OTHER			21.74
Total			421.74	421.74
Adjusting Journal Entries JE # 3				
To record unrecorded liabilities				
5023-180 18J08	BUILDING - MAINTENANCE	5129	10 200 00	
5260-180 18N08	MEDICATIONS		14 049 08	
5415-100 10L08	SERVICE FEES/BANK CHARGES		223 61	
5432-180 18N08	SUPPLIES - PHARMACY		231 09	
5491-120 12F08	VEHICLE - FUEL/GAS		748 08	
5491-130 13A08	VEHICLE - FUEL/GAS		1 161 01	
5491-130 13B08	VEHICLE - FUEL/GAS		1 763 76	
2001-100	ACCTS PAYABLE MAIN			223 61
2001-120 19C08	ACCTS PAYABLE MAIN			748 08
2001-130 99998	ACCTS PAYABLE MAIN			2 924 77
2003-180 17P08	ACCTS PAYABLE FMC			24,480.17
Total			28,376.63	28,376.63
Adjusting Journal Entries JE # 4				
To reclass construction in progress from expense				
1512-180	CONSTRUCTION IN PROGRESS	4723-3	35 709 76	
5023-180 18J08	BUILDING - MAINTENANCE			35,709.76
Total			35,709.76	35,709.76
Adjusting Journal Entries JE # 5				
To reclass misposting in weatherization A/R which should have been recorded in Corporate A/R				
1300-120 19C08	RECEIVABLES	4317	2 912 00	
1300-100	RECEIVABLES			2,912.00
Total			2,912.00	2,912.00

Client: **CHANGE, Inc.**
 Engagement: **2008 - CHANGE, Inc.**
 Period Ending: **12/31/2008**
 Trial Balance: **2505 - Trial Balance**
 Workpaper: **2508a - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 6		4317		
To reclass misposting of expenses to revenue account				
5250-120 12B08	MATERIAL		961 00	
5250-120 12C08	MATERIAL		1 067 00	
5250-120 12D08	MATERIAL		2 539 67	
5250-120 12E08	MATERIAL		1 386 49	
5466-120 12D08	TRAVEL INSTATE - MILEAGE		201 37	
5491-120 12D08	VEHICLE - FUEL/GAS		92 12	
4001-120 12D08	FEDERAL			2 833 16
4004-120 12B08	FOUNDATIONS/PRIVATE			961 00
4004-120 12C08	FOUNDATIONS/PRIVATE			1 067 00
4004-120 12E08	FOUNDATIONS/PRIVATE			1,386.49
Total			6,247.65	6,247.65
Adjusting Journal Entries JE # 7		7507		
To adjust A/R FMC to actual				
1320-180 18J08	ACCTS REC - FMC COMMERCIAL		9 591 00	
4005-180 22B08	PATIENT REVENUE			9,591.00
Total			9,591.00	9,591.00
Adjusting Journal Entries JE # 8		4321		
To adjust deferred revenue for Lighthouse grant				
4001-150 10F08	FEDERAL		1 012 52	
2300-150 10F08	DEFERRED REVENUE			1,012.52
Total			1,012.52	1,012.52
Adjusting Journal Entries JE # 9		5218		
To record accrued interest on debt				
5191-100 10L08	INTEREST MORT/VEH		1 290 26	
2100-100	ACCRUED INTEREST			1,290.26
Total			1,290.26	1,290.26
Adjusting Journal Entries JE # 10		4330		
To adjust FMC A/R to actual				
1300-180 17P08	RECEIVABLES		51 78	
4002-180 18A08	STATE			51.78
Total			51.78	51.78
Adjusting Journal Entries JE # 11		4422		
To adjust weatherization inventory				
1500-120 19C08	INVENTORY		2 154 21	
5210-120 12F08	INVENTORY			2,154.21
Total			2,154.21	2,154.21

Client: **CHANGE, Inc.**
 Engagement: **2008 - CHANGE, Inc.**
 Period Ending: **12/31/2008**
 Trial Balance: **2505 - Trial Balance**
 Workpaper: **2508a - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 12		4516		
To record prepaid BRIM insurance				
1400-100	PREPAID OTHER		405 49	
1400-110	PREPAID OTHER		1 900 85	
1400-120 19C08	PREPAID OTHER		1 495 37	
1400-130	PREPAID OTHER		2 306 35	
1400-150 14D08	PREPAID OTHER		1,495 37	
1400-180 17P08	PREPAID OTHER		2 286 57	
5186-100 10L08	INSURANCE - LIABILITY			405 49
5186-110 11D08	INSURANCE - LIABILITY			1 900 85
5186-120 12F08	INSURANCE - LIABILITY			1 495 37
5186-130 13B08	INSURANCE - LIABILITY			2 306 35
5186-150 10F08	INSURANCE - LIABILITY			1 495 37
5186-180 18J08	INSURANCE - LIABILITY			2,286.57
Total			9,890.00	9,890.00
Adjusting Journal Entries JE # 13		4515		
To adjust prepaid workers compensation				
3514-110	PREPAID WORKERS COMPENSATION		622 81	
3514-120	PREPAID WORKERS COMPENSATION		597 33	
3514-130	PREPAID WORKERS COMPENSATION		200 27	
3514-150	PREPAID WORKERS COMPENSATION		191 37	
3514-180	PREPAID WORKERS COMPENSATION		322 08	
5143-110 11D08	FRINGES - WORKERS COMP			622 81
5143-120 12F08	FRINGES - WORKERS COMP			597 33
5143-130 13B08	FRINGES - WORKERS COMP			200 27
5143-150 10F08	FRINGES - WORKERS COMP			191 37
5143-180 18J08	FRINGES - WORKERS COMP			322.08
Total			1,933.86	1,933.86
Adjusting Journal Entries JE # 15		7351		
To record accrued vacation				
5999-110 10L08	ACCRUED VACATION EXPENSE		9 221 99	
5999-120 10L08	ACCRUED VACATION EXPENSE		3 819 17	
5999-130 10L08	ACCRUED VACATION EXPENSE		1 561 51	
5999-150 10L08	ACCRUED VACATION EXPENSE		2 397 92	
5999-180 10L08	ACCRUED VACATION EXPENSE		36 061 09	
3510-110	ACCRUED VACATION			9 221 99
3510-120	ACCRUED VACATION			3 819 17
3510-130	ACCRUED VACATION			1 561 51
3510-150	ACCRUED VACATION			2,397 92
3510-180	ACCRUED VACATION			36,061.09
Total			53,061.68	53,061.68

Client: **CHANGE, Inc.**
 Engagement: **2008 - CHANGE, Inc.**
 Period Ending: **12/31/2008**
 Trial Balance: **2505 - Trial Balance**
 Workpaper: **2508a - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 18				
To reverse prior year accrual for vacation and payroll				
6000-110 20E08	FUND BALANCE		13,588.94	
6000-120 19C08	FUND BALANCE		5,306.08	
6000-130 99998	FUND BALANCE		4,510.18	
6000-150 14D08	FUND BALANCE		4,838.21	
6000-180 17P08	FUND BALANCE		30,047.47	
5400-110 11D08	SALARIES			8,494.43
5400-120 12F08	SALARIES			2,539.66
5400-130 13B08	SALARIES			3,529.69
5400-150 10F08	SALARIES			3,860.31
5400-180 18J08	SALARIES			14,876.95
5999-110 10L08	ACCRUED VACATION EXPENSE			5,094.51
5999-120 10L08	ACCRUED VACATION EXPENSE			2,766.42
5999-130 10L08	ACCRUED VACATION EXPENSE			980.49
5999-150 10L08	ACCRUED VACATION EXPENSE			977.90
5999-180 10L08	ACCRUED VACATION EXPENSE			15,170.52
Total			58,290.88	58,290.88

Change, Inc.
Schedule A
December 31, 2008

The following adjustment was passed on, based on materiality. Had the adjustment been booked, it would have had the following effects:

Nature of Adjustment	Dr (Cr) Assets	Dr (Cr) Liabilities	Increase (Decrease) Net Assets	Dr. (Cr.) Expenses	Dr (Cr) Revenues
To adjust prepaid workers compensation		1,034.43	1,034.43	(1,034.43)	
			-		
			-		
Total	-	1,034.43	1,034.43	(1,034.43)	-

Client: *CHANGE, Inc.*
 Engagement: *2008 - CHANGE, Inc.*
 Period Ending: *12/31/2008*
 Trial Balance: *2505 - Trial Balance*
 Workpaper: *2508b - Reclassifying Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 16		2506		
To eliminate intercompany transactions				
4007-100 10L08	OTHER		97 039 24	
4007-100 11B08	OTHER		20 956 00	
5420-110 11D08	SPACE COSTS			11 325 24
5420-120 12F08	SPACE COSTS			6 317 04
5420-130 13B08	SPACE COSTS			6 837 12
5420-150 10F08	SPACE COSTS			718 20
5420-150 10F08	SPACE COSTS			4 784 64
5420-180 18J08	SPACE COSTS			34 791 36
5420-180 18N08	SPACE COSTS			13 643 04
5421-120 12F08	SPACE COSTS - WAREHOUSE			400 00
5494-120 12F08	VEHICLE - RENTAL			5 790 60
5494-130 13A08	VEHICLE - RENTAL			19 534 00
5494-130 13B08	VEHICLE - RENTAL			13,854.00
Total			<u>117,995.24</u>	<u>117,995.24</u>
Reclassifying Journal Entries JE # 17		2506		
To eliminate intercompany transactions				
4005-180 18Q08	PATIENT REVENUE		37 151 52	
4007-150 10H08	OTHER		8 000 00	
4009-130 10L08	DONATIONS		10 597 00	
4009-170 10L08	DONATIONS		3 954 84	
4010-130 13B08	X TRANS INC FROM CSBG FOR SALARY		3 236 59	
4011-130 13B08	X TRANS INC FROM CSBG FOR FRINGES		708 80	
5155-100 10L08	FUNDRAISER			8 000 00
5260-180 18J08	MEDICATIONS			27 574 70
5400-110 11D08	SALARIES			3 954 84
5400-110 11D08	SALARIES			14 542 39
5430-180 18J08	SUPPLIES - MEDICAL			9,576.82
Total			<u>63,648.75</u>	<u>63,648.75</u>