

**FINANCIAL STATEMENTS
DECEMBER 31, 2007**

**COMMUNITY ACTION PARTNERSHIP
ASSOCIATION OF IDAHO, INC.**

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Action Partnership Association of Idaho, Inc.
Boise, Idaho

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Partnership Association of Idaho, Inc. as of December 31, 2007, and the changes in its net assets and its cash flows for the year 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 August 05, 2008 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 important for assessing the results of our audit.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Community Action Partnership Association of Idaho, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is also not a required part of the basic financial statements of the Organization. Such information has been subjected to the auditing procedures applied in the audits 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.

Eide Bailly LLP

Boise, Idaho
August 05, 2008

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

ASSETS

CURRENT ASSETS

Cash	\$ 429,169
Grants receivable	<u>1,107,174</u>
	1,536,343

PROPERTY AND EQUIPMENT

Equipment	29,487
Accumulated depreciation	<u>(8,053)</u>
	<u>21,434</u>
	<u><u>\$ 1,557,777</u></u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 1,475,749
Accrued liabilities	<u>9,485</u>
	1,485,234

NET ASSETS

Unrestricted	<u>72,543</u>
	<u><u>\$ 1,557,777</u></u>

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2007

SUPPORT	
Federal grants	\$ 8,379,492
State grants	38,000
Other	<u>27,820</u>
TOTAL SUPPORT	8,445,312
EXPENSES	
Community Service Block Grant Program	3,015,785
Community Food and Nutrition Program	12,197
Emergency Food Assistance Program	218,409
Low Income Home Energy Assistance Program	2,766,869
Weatherization Assistance Program	1,878,340
Administration	<u>539,132</u>
TOTAL EXPENSES	<u>8,430,732</u>
INCREASE IN NET ASSETS	14,580
NET ASSETS, BEGINNING OF YEAR	<u>57,963</u>
NET ASSETS, END OF YEAR	<u><u>\$ 72,543</u></u>

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2007

	Program Services						Total All Funds
	Community Service Block Grant	Community Food and Nutrition	Emergency Food Assistance	Low Income Home Energy Assistance	Weatherization Assistance	Admini- stration	
EXPENSES							
Salaries and benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,783	\$ 219,783
Professional services	-	-	-	-	-	112,596	112,596
Office and miscellaneous	-	-	-	-	-	62,174	62,174
Rent and clerical support	-	-	-	-	-	15,828	15,828
Postage	-	-	-	-	-	2,910	2,910
Telephone and utilities	-	-	-	-	-	8,155	8,155
Insurance	-	-	-	-	-	2,429	2,429
Staff training and travel	-	-	-	-	-	99,138	99,138
Supplies	-	-	-	-	-	7,259	7,259
Depreciation	-	-	-	-	-	3,628	3,628
Public relations	-	-	-	-	-	5,232	5,232
Grant disbursements	3,015,785	12,197	218,409	2,766,869	1,878,340	-	7,891,600
	<u>\$ 3,015,785</u>	<u>\$ 12,197</u>	<u>\$ 218,409</u>	<u>\$ 2,766,869</u>	<u>\$ 1,878,340</u>	<u>\$ 539,132</u>	<u>\$ 8,430,732</u>

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 14,580
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	3,628
Change in assets and liabilities	
Grants receivable	(559,373)
Accounts payable	941,149
Accrued liabilities	931
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	400,915
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<hr/> (18,413)
NET INCREASE IN CASH	382,502
CASH, BEGINNING OF YEAR	<hr/> 46,667
CASH, END OF YEAR	<hr/> <hr/> \$ 429,169

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

General Purpose

The Community Action Partnership Association of Idaho, Inc., (the Organization) is a non-profit corporation incorporated under the laws of the State of Idaho for the purpose of strengthening the State of Idaho capacity for planning and coordinating poverty related programs, to research possible funding sources for programs benefiting low-income and disadvantaged populations in Idaho, and to provide training and technical assistance to such programs as available and appropriate. The Organization's members are the Community Council of Idaho, formerly Idaho Migrant Council, the Community Action Partnerships in Idaho, and the Canyon County Office on Aging.

Display of Net Assets

The Organization has provided the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth in Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made," and Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations," dated June, 1993. Accordingly, the net assets of the Organization are reported in each of the following three classes: (a) unrestricted net assets, (b) temporarily restricted assets, and (c) permanently restricted net assets.

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. The Organization has no temporarily restricted net assets at December 31, 2007.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the Organization maintains permanently. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. The Organization has no permanently restricted net assets at December 31, 2007.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments, generally with an original maturity of three months or less, to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

Equipment

Acquisitions of equipment greater than \$1,000 are recorded at cost. Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

Equipment	5 years
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Grant Support

All grants, except for expenditure reimbursement grants, are recognized as income when the grantor agency agrees to provide the funds to the Organization. Expenditure reimbursement grants are recognized as income when the related expenditures are made.

Income Taxes

The Organization presently has an exemption from federal and state income taxes under Internal Revenue Code Section 501(c) (3).

Concentrations of Credit Risk

Financial instruments that subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and grants receivable. The Organization does not require collateral to support financial instruments.

The Organization maintains its cash balance in one financial institution located in Boise, Idaho. At December 31, 2007, certain accounts had balances in excess of the Federal Deposit Insurance Corporation (FDIC) coverage.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - ECONOMIC DEPENDENCY

The Organization's primary sources of revenue are Community Service Block Grant (CSBG), Low Income Home Energy Assistance Program (LIHEAP), Department of Energy (DOE), and Bonneville Power Administration (BPA). These are federal funds passed through the Idaho Department of Health and Welfare. Continued operations are contingent upon future funding. Use of these funds is subject to the administrative directives, rules, and regulations related to the contract with the Idaho Department of Health and Welfare. These programs are subject to change by an act of Congress or administrative changes mandated by the U.S. Department of Health and Human Services. Contracts from the Idaho Department of Health and Welfare are in place for CSBG and LIHEAP through September 30, 2009, DOE through March 31, 2008, and BPA thru September 30, 2008.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RETIREMENT PLANS

The Organization has a SIMPLE IRA defined contribution retirement plan. Employees are eligible to participate after they have earned \$5,000 in the current year and \$5,000 in the prior year. The plan allows employees to defer a maximum of \$10,000, of salary before taxes. The Organization will match up to 3 percent of the employee's deferral to be deposited into the employee's account and immediately vested. The Organization's retirement plan expense for the year ended December 31, 2007 was \$155.

NOTE 4 - LEASE COMMITMENT

The Organization leases its Boise office. Future minimum lease payments for the years ending December 31, are as follows:

2008	<u>\$ 14,940</u>
Total	<u><u>\$ 14,940</u></u>

Rent expense for the year ended December 31, 2007 was \$15,828.

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.

SINGLE AUDIT SECTION

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2007

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Community Action Assn - Capacity Building	93.570	\$ 71,999
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Passed through Idaho Department of Health and Welfare		
Low Income Home Energy Assistance Program	93.568	2,913,318
Community Service Block Grant	93.569	3,168,167
Community Food and Nutrition Program	93.571	<u>12,197</u>
Total Department of Health and Human Services		<u>6,093,682</u>
<u>U.S. DEPARTMENT OF ENERGY</u>		
Passed through Idaho Department of Health and Welfare		
Weatherization Assistance Program	81.042	1,983,309
<u>U.S. DEPARTMENT OF AGRICULTURE</u>		
Passed through the Idaho Department of Health and Welfare		
The Emergency Food Assistance Program	10.568	<u>230,502</u>
Total Federal Awards		<u>\$ 8,379,492</u>

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2007

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Organization. The reporting entity is defined in Note 1 to the Organization's financial statements.

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

NOTE 2 - MAJOR PROGRAMS

Major programs are identified in the summary of Auditors' Results section of the Schedule of Findings and Questioned Costs.

The following programs have been identified as major programs for the year ended December 31, 2007:

<u>Program</u>	<u>CFDA Number</u>
Community Service Block Grant	93.569
Low Income Home Energy Assistance Program	93.568
Weatherization Assistance Program	81.042



**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
Community Action Partnership Association of Idaho, Inc.
Boise, Idaho

We have audited the financial statements of Community Action Partnership Association of Idaho, Inc. (a nonprofit organization) as of and for the year ended December 31, 2007 and have issued our report thereon dated August 05, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Action Partnership Association of Idaho, 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 Community Action Partnership Association of Idaho, 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.

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 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.

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

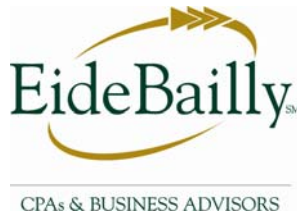
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Partnership Association of Idaho, 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 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, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
August 05, 2008



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

To the Board of Directors
Community Action Partnership Association of Idaho, Inc.
Boise, Idaho

Compliance

We have audited the compliance of Community Action Partnership Association of Idaho, 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, 2007. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respect, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs.

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In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization'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, the Board of Trustees, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
August 05, 2008

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

Material weakness identified No

Reportable conditions No

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over major programs:

Material weaknesses identified No

Reportable conditions None Reported

Type of auditors' report issued on compliance for major programs

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)

No

Identification of major programs:

CFDA number

Name of Federal Program

93.569

Community Service Block Grant

93.568

Low Income Home Energy Assistance Program

81.042

Weatherization Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs

\$300,000

Auditee qualified as low-risk auditee

Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None