

COMMUNITY ACTION, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2013

COMMUNITY ACTION, INC.

- TABLE OF CONTENTS -

	<u>Page</u>
Independent Auditors' Report	1,2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
Supplemental Information	
Schedule of Expenditures of Federal Awards	15-17
Note to Schedule of Expenditures of Federal Awards	18
Budget Comparison Statements	
Department of Community and Economic Development:	
Community Services Block Discretionary Grant #C000052902	19
Community Services Block Grant #C000052445	20
Weatherization Contract #C000050260 (LIHEAP)	21
Weatherization Contract #C000050260 (LIHEAP)	22
Weatherization Contract #C000053015 (LIHEAP)	23
Weatherization Contract #C000050260 (DOE)	24
Weatherization Contract #C000053015 (DOE)	25
Weatherization ARRA Contract #C000046254	26

COMMUNITY ACTION, INC.

- TABLE OF CONTENTS -
(CONTINUED)

Page

Schedule of Revenue and Expenses

Department of Education:

Adult Education Programs - Contract #059-14-0011 and #41-14-0011	27
Retired and Senior Volunteer Program Contract #10SRAPA010	28
Medical Assistance Transportation Program Contract #SAP 159000	29
Homeless Assistance Program Contract #SAP 159000	30
Supportive Housing Program Contract #PA0320B3E021003	31
Supportive Housing Program Contract #PA0320B3E021104	32
Housing For Homeless and Disabled Persons Program – Contract #PA0310B3E021003	33
Housing For Homeless and Disabled Persons Program – Contract #PA0310B3E021104	34

Schedule of Budgeted, Reported, and Allowable Costs:

Crime Victim Assistance Subgrant #2011/2012-VF-05-22249 – Clearfield	35
Crime Victim Assistance Subgrant #2011/2012-VF-05-22248 – Jefferson	36
Title XX PCADV Contract #5233	37
Act 44 PCADV Contract #5233	38
FVPS PCADV Contract #5233	39
TANF Relocation PCADV Contract #5233	40
Combined Schedule of Budgeted, Reported, and Allowable Costs with Funding Reconciliation PCADV Contract #5233	41
Schedule of Revenues – PCADV Contract #5233	42

COMMUNITY ACTION, INC.

**- TABLE OF CONTENTS -
(CONTINUED)**

	<u>Page</u>
Department of Public Welfare:	
Work Ready Program – #4100057947 (12/13)	43
Work Ready Program - #4100057947 (11/12)	44
Jefferson and Clarion County Child Care Information Services – Contracts #DC12 169208:	
Combined Recap for the Fiscal Year	45
Low Income and Former TANF	46
TANF Training and Working Service	47
TANF State MOE	48
Food Stamps	49
Single Audit Reports:	
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>	50,51
Independent Auditors’ Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by OMB Circular A-133	52-54
Independent Accountants’ Report on Applying Agreed-Upon Procedures	55,56
Schedule of Findings and Questioned Costs	57,58
Post-Audit Conference	59

210 Tollgate Hill Road
Greensburg, PA 15601
Telephone 724-834-2151
Fax: 724-834-5969

John F. Sarp, CPA, Managing Partner
Jared C. Ewing, CPA

Retired
Donald R. Sarp, CPA
Jerome R. Yasher, CPA
Lawrence J. Nicolette, CPA
1943 - 1991

INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Action, Inc.
105 Grace Way
Punxsutawney, Pennsylvania 15767-1209

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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; audit guidelines issued by the Pennsylvania Department of Public Welfare; and audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements and the information on pages 19 through 49, is presented for purposes of supplemental analysis, are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013, on our consideration of Community Action, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action, Inc.'s internal control over financial reporting and compliance.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
December 10, 2013

COMMUNITY ACTION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

Assets:

Cash	\$ 768,084
Grants receivable	631,095
Other accounts receivable	138,930
Investments	48,813
Inventory	19,492
Prepaid expenses	103,268
Property and equipment, net	<u>448,055</u>

Total Assets \$ 2,157,737

Liabilities:

Accounts payable	222,782
Accrued and withheld taxes	29,062
Accrued salaries	133,206
Deferred revenue	49,325
Accrued expenses	33,284
Security deposit	<u>680</u>

Total Liabilities 468,339

Net Assets:

Unrestricted	1,624,654
Temporarily restricted	\$ <u>64,744</u>

Total Net Assets 1,689,398

Total Liabilities and Net Assets \$ 2,157,737

The accompanying notes to financial statements are an integral part of this statement.

COMMUNITY ACTION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

Changes in Unrestricted Net Assets:

Contributed support and earned revenue:

Government grants	\$ 4,821,420
Contributions	120,606
In-kind contributions	25,382
Special events	1,620

Other revenue:

Program service fees	142,617
Information technology services	252,095
Investment income (Loss)	5,996
Rental income - housing	35,592
Miscellaneous income	23,692
Gain on disposal of fixed asset	22,516

5,451,536

Net assets released from restrictions

10,572

\$ 5,462,108

Expenses and Losses:

Operating:

Program services	4,785,785
Management and general	584,244
Fundraising	25,404

Total expenses and losses

5,395,433

Increase in unrestricted net assets

66,675

Changes in Temporarily Restricted Net Assets:

Contributions

-

Net assets released from restrictions

(10,572)

Increase (Decrease) in temporarily restricted net assets

(10,572)

Increase (Decrease) in net assets

56,103

Net assets at beginning of year

1,633,295

Net assets at end of year

\$ 1,689,398

The accompanying notes to financial statements are an integral part of this statement.

COMMUNITY ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2013

	Program Services	Management and General	Fundraising	Total
Payroll and Benefits:				
Salaries	\$ 1,153,718	\$ 389,391	\$ 14,954	\$ 1,558,063
Employee benefits	287,002	68,010	1,652	356,664
Payroll taxes	87,121	30,100	1,132	118,353
Total Payroll and Benefits	1,527,841	487,501	17,738	2,033,080
Operating:				
Travel	33,624	7,882	835	42,341
Software	240	-	-	240
Equipment maintenance and rental	3,494	-	-	3,494
Small equipment and tools	5,643	-	-	5,643
Supplies	20,165	223	37	20,425
Space costs	87,941	4,803	506	93,250
Telephone	29,081	4,030	341	33,452
Postage	16,371	648	70	17,089
Printing	12,540	153	797	13,490
Licenses and registration	421	2,826	-	3,247
Insurance	29,059	1,078	103	30,240
Auto expenses	17,617	-	-	17,617
Information technology	6,741	32,341	577	39,659
Advertising and publications	5,345	4,111	-	9,456
Registration and memberships	5,978	663	-	6,641
Training and technical assistance	340	85	-	425
Administrative fees	5,988	-	-	5,988
Volunteer recognition	7,025	-	-	7,025
Contracted services	64,945	31,450	976	97,371
Snow removal	680	-	-	680
Utilities	24,284	-	-	24,284
Meetings	1,075	648	-	1,723
Food and meals	947	-	-	947
Building repairs and maintenance	17,438	-	-	17,438
Miscellaneous	562	109	-	671
Property taxes	2,032	-	-	2,032
Depreciation	11,714	-	-	11,714
Bad debt expense	337	-	-	337
Consumer Assistance:				
Child care fees	1,121,010	-	-	1,121,010
Food and meals	23,747	-	-	23,747
Weatherization services	237,403	-	-	237,403
Housing assistance	74,340	-	-	74,340
Client travel and assistance	1,338,878	-	-	1,338,878
Other consumer support	13,989	-	-	13,989
Funds returned	1,728	-	-	1,728
In-Kind expenses	25,382	-	-	25,382
Fiscal Services	-	1,773	3,287	5,060
Human Resources Services	-	3,920	137	4,057
Federal Taxes	9,840	-	-	9,840
Loss on Disposal	-	-	-	-
Total Operating	3,257,944	96,743	7,666	3,362,353
Total Functional Expenses	\$ 4,785,785	\$ 584,244	\$ 25,404	\$ 5,395,433

The accompanying notes to financial statements are an integral part of this statement.

COMMUNITY ACTION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Operating Activities:	
Increase (Decrease) in Net Assets	\$ 56,103
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	\$ 43,724
Unrealized (Gain) Loss on Investments	(2,562)
(Increase) Decrease in Grant Receivables	(125,209)
(Increase) Decrease in Accounts Receivable	(15,445)
(Increase) Decrease in Inventory	(5,161)
(Increase) Decrease in Prepaid Expenses	(50,351)
Increase (Decrease) in Accounts Payable	(65,312)
Increase (Decrease) in Accrued Expense	2,300
Increase (Decrease) in Security Deposit	5
Increase (Decrease) in Accrued and Withheld Taxes	14,005
Increase (Decrease) in Accrued Salaries	115
Increase (Decrease) in Deferred Revenue	14,340
	<hr/>
Total Adjustments	(189,551)
	<hr/>
Net Cash Provided by Operating Activities	(133,448)
Cash Flows from Investing Activities:	
Purchase of Fixed Assets	(8,225)
Disposal of Fixed Assets	15,428
	<hr/>
Net Cash Provided by (Used in) Investing Activities	7,203
	<hr/>
Increase in Cash and Cash Equivalents	(126,245)
Cash at Beginning of Year	894,329
	<hr/>
Cash at End of Year	\$ 768,084

The accompanying notes to financial statements are an integral part of this statement.

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Action, Inc., is a private non-profit organization established in 1965, and is the local Community Action Agency designated by the Board of Commissioners of Jefferson and Clarion Counties as the lead provider of a wide range of social services primarily for low income and disadvantaged individuals. Community Action, Inc., serves as a multi-purpose administering and service delivery entity for a number of projects. Although each of the projects administered by Community Action, Inc., is subject to specific funding source requirements and regulations, each project has a relevant purpose toward the corporate mission. Community Action, Inc.'s programs are funded by various federal, state, and local grants, and private donations.

The accounting policies are the principles of accounting and the methods of applying those principles which are utilized in preparing the financial statements. The accounting policies adopted can significantly affect the reported results of the operations. To facilitate an understanding of the information presented in the financial statements, the significant accounting policies followed in the presentation of the accompanying financial statements are summarized as follows:

Income Taxes

Community Action, Inc., is a non-profit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and applicable state regulations, subject to unrelated business taxable income on net profits from information technology activities. As such, they are not classified as a private foundation. (See also Note 6).

Inventory

Inventory is stated at the lower of cost or market value. Cost is determined using the first-in, first-out method.

Property and Equipment

Property and equipment are recorded at cost, if purchased, and fair market value at date of donation, if contributed. Items purchased or contributed with a fair market value of \$500 or more are capitalized. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives. Donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, Community Action, Inc., reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Community Action, Inc., reclassifies temporarily restricted net assets to unrestricted net assets at that time.

NOTE 1: (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, Community Action, Inc., considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. There were no instruments considered to be cash equivalents at June 30, 2013.

Allowance for Doubtful Accounts

No allowance for doubtful accounts is provided at June 30, 2013, as management believes all outstanding receivables are collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established. Recoveries of previously charged off accounts are recorded when received.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market value in the statement of financial position.

Investment income and realized and unrealized gains (losses) restricted by donors are reported as increases (decreases) in unrestricted net assets if the restrictions are met (either a stipulated time period or a purpose restriction is accomplished) in the reporting period in which the income and gains (losses) are recognized.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of Community Action, Inc., 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 Community Action, Inc., and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently by Community Action, Inc. Generally the donors of these assets permit Community Action, Inc., to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted assets at June 30, 2013.

Grants, contract funding, and contributions which are restricted to the use of Community Action, Inc.'s programs are reflected as unrestricted revenue when these funds are received and spent during the same year.

NOTE 1: (CONTINUED)

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 certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Date of Management's Review

Subsequent events have been evaluated through the Independent Auditors' Report date, which is the date the financial statements were available to be issued.

NOTE 2: GRANTS RECEIVABLE

CCIS-Low Income	\$102,725
Crossroads - PCDAV	13,464
CSBG	95,195
CSBG – Discretionary	5,346
HFHADP-Disabled Housing	6,588
HSDf	559
Medical Transportation	300,011
Stewart McKinney	8,582
Victims of Crime Act	22,256
Weatherization (Crisis)	728
Weatherization (DOE)	26,864
Weatherization (LIHEAP)	19,988
Weatherization (LIHEAP)	28,789
Total	<u>\$631,095</u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Land	\$ 34,965
Buildings and Improvements	557,632
Equipment	287,156
	<u>879,753</u>
Less: Accumulated Depreciation	(431,697)
Property and Equipment	<u>\$ 448,056</u>

Depreciation expense for the year is \$43,724, which includes \$32,010 allocated to cost pools.

NOTE 3: (CONTINUED)

Community Action, Inc., also uses property and equipment, in its operations, that is not capitalized and depreciated because it was purchased with funds from federal and state grants. As June 30, 2013, the total cost of property and equipment not capitalized is \$246,812.

NOTE 4: DONATED SERVICES AND MATERIALS

Contributed services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. In-kind contributions included in total contributed support consist of the following at fair market value at the date of donation:

Adult Literacy classroom space	\$ 20,750
Food and program supplies	746
Donated technology	3,886
	<u>\$ 25,382</u>

Additionally, Community Action, Inc., receives a significant amount of contributed time that does not meet the two recognition criteria above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements. Volunteers supporting the Retired and Senior Volunteer Program provided approximately 46,423 hours of time.

NOTE 5: INVESTMENTS

The fair values of marketable equity securities are based on quoted market prices.

	<u>Cost</u>	<u>Fair Value</u>
544 Shares Exxon Mobil Corporation	<u>\$21,675</u>	<u>\$48,813</u>

An unrealized gain of \$2,562 was recognized for the year ended June 30, 2013.

Components of net investment income include:

Dividend income	\$ 1,273
Interest income on interest bearing cash	2,161
Unrealized holding gain	2,562
	<u>\$ 5,996</u>

NOTE 6: INCOME TAXES

Community Action, Inc., is required to pay federal income taxes on profits earned by its information technology activities, an unrelated business. These activities had a profit of \$60,359 for the year ended June 30, 2013, thus the organization recognized \$9,840 in federal unrelated business income tax.

NOTE 7: THIRD PARTY REIMBURSEMENT ARRANGEMENTS

Community Action, Inc., receives substantial support from third party reimbursement arrangements. Under these third party arrangements, Community Action, Inc., is reimbursed for its actual costs of providing program services. In addition, two programs provided 53 percent of total revenues during the fiscal year. Without these programs, Community Action, Inc.'s ability to carry out its program services would be significantly reduced.

NOTE 8: MATCH REQUIREMENTS

Community Action, Inc., is required to raise and spend (within the community) a percentage or a fixed dollar amount of certain program contracts. Community Action, Inc., fulfilled its obligation for each program for the year ended June 30, 2013, as follows:

PCADV CONTRACT #52-33 – 20 percent of original contract; match met or exceeded with VOCA grant and community donations.

NOTE 8: (CONTINUED)

ADULT EDUCATION (SECTION 231) SUBGRANT #041-14-0011 – 25 percent; \$25,000 met with in-kind classroom space, volunteer services, and local community funds.

RSVP SUBGRANT #10SRAPA010 – 30 percent; match met with local community donations, fundraising efforts, and county support.

SUPPORTIVE HOUSING #PA0320B3E021104 and #PA0320B3E021003 – 20 percent operating and 25 percent of all supportive services; match met with grant funds and local community funds.

HOUSING FOR HOMELESS AND DISABLED PERSONS #PA0310B3E021104 and #PA0310B3E01003 – 25 percent supportive services match; met with grant funds and local community funds.

NOTE 9: OPERATING LEASE COMMITMENTS

Community Action, Inc., has several operating lease agreements in effect as of the year ended June 30, 2013, for the lease of office space and other facilities. These lease agreements have various expiration dates with some continuing in effect on a month-to-month basis. Lease amounts range from \$50 per month to \$1,910 per month, depending on the facility.

Community Action, Inc., has several operating lease agreements in effect as of the year ended June 30, 2013, for the lease of office equipment. At the conclusion of these leases the equipment reverts to the lessor.

The following summarizes the future lease obligations for both the facility and equipment leases:

<u>Year Ended</u> <u>June 30,</u>	<u>Equipment</u>	<u>Facilities</u>
2014	\$2,914	\$ 29,948
2015	2,076	1,258
2016	519	-
	<u>\$5,509</u>	<u>\$31,206</u>

The above schedule does not include facility or equipment leases that are on a month-to-month basis.

NOTE 9: (CONTINUED)

For the year ending June 30, 2013, lease expenses for Facilities and Equipment was \$68,568 and \$3,961, respectively.

NOTE 10: REVOLVING LINE OF CREDIT

Community Action, Inc., maintains an unsecured line of credit with First Commonwealth Bank as follows:

A \$500,000 line of credit with an original date of August 18, 2009, bearing interest at 3.75 percent per annum and expiring on March 31, 2014. As of June 30, 2013, there was no outstanding balance owed.

NOTE 11: FUNCTIONAL COSTING

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification.

NOTE 12: CONCENTRATIONS OF CREDIT RISK OF FINANCIAL INSTRUMENTS

Demand deposits in banks are financial instruments of the depositor. The depositor has the contracted right to receive this currency on demand. Community Action, Inc., has cash deposits in five accounts with two financial institutions. One of the cash accounts represents investments in government securities, which is not covered by FDIC insurance. The other deposits are insured up to \$250,000 per institution. The balance, which was not covered by FDIC insurance at June 30, 2013, was \$786,294 which is collateralized through a repurchasing agreement between Community Action, Inc., and the financial institution.

NOTE 13: RESTRICTED NET ASSETS

Temporarily restricted assets at June 30, 2013, are available for the following purposes:

Contributions available for Crossroads program	\$33,840
Contributions available for client services	24,794
Contributions available for Friends for Food	6,110
	<u>\$64,744</u>

NOTE 14: SIMPLE PLAN

Effective July 1, 2000, a Simple IRA retirement plan was adopted. To be eligible, employees must have received at least \$5,000 in compensation from Community Action, Inc., during any two calendar years preceding the current calendar year and reasonably expect to earn at least \$5,000 during the current calendar year. However, starting January 1, 2013, Community Action, Inc., changed the employee eligibility requirement to any employee who is reasonably expected to receive at least \$5,000 in compensation in the calendar year. Employee contributions will be matched dollar-for-dollar by

NOTE 14: (CONTINUED)

employer contributions of not less than one percent and not more than three percent of employee's annual salary. Maximum salary reductions are \$12,000 for calendar year 2013. For employees age 50 or older, the limit is \$14,500. For the year ending June 30, 2013, employer contributions were \$27,780.

NOTE 15: ACCRUED COMPENSATED ABSENCES

Employees earn compensated time off based on hours worked. Employees are permitted to carry over from one calendar year to the next a maximum of seventy five (75) hours. Community Action, Inc., accrues these compensated absences at current pay rates. At June 30, 2013, these accrued compensated absences were \$65,491.

NOTE 16: SUPPLEMENTAL DISCLOSURES – PCADV

Interfund Borrowings

The lending of PCADV Contract Funds is prohibited by legal restrictions imposed by the Commonwealth of Pennsylvania and has not occurred during the year ended June 30, 2013.

Match Requirements

Community Action, Inc., is required by PCADV to raise monies within the community and spend amounts in excess of 20 percent of the contract. For the year ended June 30, 2013, Community Action, Inc., raised and spent match monies totaling approximately 28 percent of the contract to fulfill its obligation.

Domestic Violence Budget

For the year ended June 30, 2013, total domestic violence expenditures for Community Action, Inc., expenditures for domestic violence was \$473,222.

Interest Income

As required by contract terms, interest income earned on funds received under third-party reimbursement arrangements was used for contract related expenditures.

Federal Awards

Community Action, Inc., received, on an agency-wide basis, federal awards in excess of \$500,000 during the year ended June 30, 2013.

SUPPLEMENTAL INFORMATION

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Federal C.F.D.A. Number	Contract Number	Federal Expenditures	Grant Payments Received
<u>U. S. Department of Health and Human Services</u>				
Passed through the Pennsylvania Department of Community and Economic Development (DCED):				
Community Services Block Grant ⁽³⁾	93.569	C000052445	\$ 305,511	\$ 300,482
Community Services Block Discretionary Grant ⁽³⁾	93.569	C000052902	22,663	17,318
Low-Income Home Energy Assistance (LIHEAP):				
WX-LIHEAP (10/11) ⁽¹⁾	93.568	C000050260	2,453	-
WX-LIHEAP (11/12) ⁽¹⁾	93.568	C000050260	270,422	251,530
WX-LIHEAP (12/13) ⁽¹⁾	93.568	C000053015	133,584	104,067
Passed through the Pennsylvania Department of Public Welfare (DPW):				
Temporary Assistance for Needy Families (TANF)(11/12)	93.558	4100057947	28,195	46,720
Temporary Assistance for Needy Families (TANF)(12/13)	93.558	4100057947	92,755	94,682
Passed through the Clarion County Commissioners:				
Child Care and Development ⁽¹⁾⁽²⁾	93.596	DC12-169208	217,398	217,398
Child Care and Development Funds (CCDF) Matching Grant ⁽¹⁾⁽²⁾	93.575	DC12-169208	380,412	342,040
Social Services Block Grant (SSBG)	93.667	DC12-169208	121,698	61,429
Temporary Assistance for Needy Families (TANF)	93.558	DC12-169208	13,125	12,411
Passed through the Pennsylvania Coalition Against Domestic Violence (PCADV):				
Social Services Block Grant (SSBG)(12/13)	93.667	52-33	16,279	16,388
Family Violence Prevention Services (FVPS)(12/13)	93.671	52-33	107,626	108,072
Temporary Assistance for Needy Families (TANF)(12/13)	93.558	52-33	10,704	10,925
Passed through the NW Regional Key - NW Institute of Research:				
Early Care and Education Grant (ECE)	93.575		3,846	3,846
Passed through the Jefferson County Commissioners:				
Medical Assistance Transportation Program (MATP) (12/13) ⁽¹⁾	93.778	SAP 159000	791,189	648,188
Total U. S. Department of Health and Human Services			<u>2,517,860</u>	<u>2,235,496</u>
<u>U. S. Department of Education</u>				
Passed Through the Pennsylvania Department of Education:				
Adult Education Section 231	84.002	041-12-0011	-	12,500
Adult Education Section 231	84.002	041-14-0011	75,000	75,000
Total U. S. Department of Education			<u>\$ 75,000</u>	<u>\$ 87,500</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)

Federal Grantor/ Pass Through Grantor/ Program Title	Federal C.F.D.A. Number	Contract Number	Federal Expenditures	Grant Payments Received
<u>U. S. Department of Energy</u>				
Passed Through the Pennsylvania Department of Economic and Community Development (DCED):				
Weatherization Assistance for Low Income Persons:				
WX-DOE (12/13) ⁽¹⁾	81.042	C000053015	\$ 78,899	\$ 52,035
WX-DOE (11/12) ⁽¹⁾	81.042	C000050260	10,533	76,759
WX-DOE - ARRA ⁽¹⁾	81.042	C000046254	<u>41,531</u>	<u>44,227</u>
Total U.S. Department of Energy			<u>130,963</u>	<u>173,021</u>
<u>U. S. Department of Justice</u>				
Passed through the Pennsylvania Commission on Crime and Delinquency:				
Crime Victim Assistance	16,575	2011-2012-VF- 05-22248	32,186	36,299
Crime Victim Assistance	16,575	2011-2012-VF- 05-22249	<u>55,983</u>	<u>48,269</u>
Total U. S. Department of Justice			<u>88,169</u>	<u>84,568</u>
<u>U. S. Department of Agriculture</u>				
Passed through the Pennsylvania Department of Public Welfare (DPW):				
State Administered Matching Grants for the Supplemental Nutrition Assistance Nutrition Assistance Program	10.561	DC-12-169208	<u>8,612</u>	<u>8,332</u>
Total U. S. Department of Agriculture			<u>8,612</u>	<u>8,332</u>
<u>U. S. Department of Housing and Urban Development (HUD)</u>				
Transitional Housing	14.235	PA0320B3E021003	10,950	17,960
Transitional Housing	14.235	PA0320B3E021104	59,723	51,141
Housing for Homeless and Disabled Persons	14.235	PA0310B3E021003	34,687	42,423
Housing for Homeless and Disabled Persons	14.235	PA0310B3E021104	48,677	42,089
Total U. S. Department of Housing and Urban Development			<u>\$ 154,037</u>	<u>\$ 153,613</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013
(CONTINUED)

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>	<u>Grant Payments Received</u>
<u>Corporation for National and Community Service</u>				
Retired senior and volunteer Program - RSVP	94.002	10SRAPA010	\$ 60,847	\$ 66,733
Total Corporation for National and Community Service			<u>60,847</u>	<u>66,733</u>
Total Schedule of Federal Awards			<u>3,035,488</u>	<u>\$ 2,809,263</u>

Legend:
(1) Major Program
(2) CCDF Cluster Programs
(3) CSBG Cluster Programs

Calculation of 50% Rule

Programs Selected:				
Weatherization Assistance for Low-Income Persons ⁽¹⁾	81.042		89,432	
Weatherization Assistance for Low-Income Persons - ARRA ⁽¹⁾	81.042		41,531	
Low-Income Home Energy Assistance (LIHEAP)(1)	93.568		406,459	
CCDF Cluster:				
Child Care and Development ⁽¹⁾⁽²⁾	93.596		217,398	
Child Care and Development Funds (CCDF) Matching Grant ⁽¹⁾⁽²⁾	93.575		380,412	
Medical Assistance Transportation Program (MATP)(1)	93.778		791,189	
Total Programs Selected			<u>1,926,421</u>	
Total Schedule of Federal Awards			<u>\$ 3,035,488</u>	
Percentage Tested				<u>63.46%</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Action, 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 of 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.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES BLOCK DISCRETIONARY GRANT #C000052902
YEAR ENDED JUNE 30, 2013

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
BUDGET CATEGORY			
OPERATING COSTS			
Salaries and fringes	\$ 25,078	\$ 14,887	\$ -
Consumable supplies	194	32	-
Travel	4,196	360	-
Advertising	804	122	-
Space costs	2,700	943	-
Audit	450	-	-
	<u>33,422</u>	<u>16,344</u>	<u>-</u>
Total Operating Costs			
RELATED COSTS			
Insurance	108	118	-
	<u>108</u>	<u>118</u>	<u>-</u>
Total Related Costs			
OTHER COSTS			
	16,470	6,201	-
	<u>16,470</u>	<u>6,201</u>	<u>-</u>
Total Other Costs			
Total	<u>\$ 50,000</u>	<u>\$ 22,663</u>	<u>\$ -</u>

NOTE: The Community Services Block Discretionary Grant Program contract period is from January 1, 2012, through December 31, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT #C000052445
YEAR ENDED JUNE 30, 2013

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
BUDGET CATEGORY			
OPERATING COSTS			
Salaries and fringes	\$ 314,645	\$ 203,378	\$ -
Consumable supplies	1,225	837	-
Travel	13,800	8,932	-
Advertising	1,470	842	-
Office equipment	400	-	-
Space costs	8,400	6,593	-
Audit	4,515	1,932	-
	<hr/>	<hr/>	<hr/>
Total Operating Costs	344,455	222,514	-
RELATED COSTS			
Professional services	2,725	2,729	-
Temporary Services Personnel	2,500	-	-
Insurance	1,750	1,399	-
	<hr/>	<hr/>	<hr/>
Total Related Costs	6,975	4,128	-
OTHER COSTS			
Other	53,570	78,869	-
	<hr/>	<hr/>	<hr/>
Total Other Costs	53,570	78,869	-
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 405,000</u>	<u>\$ 305,511</u>	<u>\$ -</u>

NOTE: The Community Services Block Grant Program contract period is from January 1, 2012, through September 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000050260 (LIHEAP)
YEAR ENDED JUNE 30, 2013

	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 4,700	\$ 1,371	\$ -
b. Operating/supplies	15,606	17,314	-
c. Office equipment	330	274	-
Total Administration	<u>20,636</u>	<u>18,959</u>	<u>-</u>
II. FINANCIAL AUDIT	3,067	822	-
III. DIRECT SERVICES			
a. Program support	125,010	115,935	-
b. Program operations	206,000	97,910	-
c. Health and safety	55,000	34,696	-
Total Direct Services	<u>386,010</u>	<u>248,541</u>	<u>-</u>
IV. LIABILITY INSURANCE	<u>3,024</u>	<u>2,100</u>	<u>-</u>
Total	<u>\$ 412,737</u>	<u>\$ 270,422</u>	<u>\$ -</u>

NOTE: The contract period for the Low Income Home Energy Assistance Program is July 1, 2010, through September 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000050260 (LIHEAP)
YEAR ENDED JUNE 30, 2013

	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ -	\$ 2,453	\$ -
b. Operating/supplies	-	-	-
c. Office equipment	-	-	-
	<hr/>	<hr/>	<hr/>
Total Administration	-	2,453	-
II. FINANCIAL AUDIT	-	-	-
III. DIRECT SERVICES			
a. Program support	-	-	-
b. Program operations	-	-	-
c. Health and safety	-	-	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	-	-	-
IV. LIABILITY INSURANCE	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>
Total	\$ -	\$ 2,453	\$ -

NOTE: The contract period for the Low Income Home Energy Assistance Program is July 1, 2010, through September 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000053015 (LIHEAP)
YEAR ENDED JUNE 30, 2013

	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ -	\$ -	\$ -
b. Operating/supplies	15,465	7,110	-
c. Office equipment	-	-	-
	<hr/>	<hr/>	<hr/>
Total Administration	15,465	7,110	-
II. FINANCIAL AUDIT	452	452	-
III. DIRECT SERVICES			
a. Program support	75,608	35,967	-
b. Program operations	198,351	89,636	-
c. Health and safety	18,500	-	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	292,459	125,603	-
IV. LIABILITY INSURANCE	<hr/> 932	<hr/> 418	<hr/> -
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 309,308</u>	<u>\$ 133,583</u>	<u>\$ -</u>

NOTE: The contract period for the Low Income Home Energy Assistance Program is July 1, 2012, through September 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000050260 (DOE)
YEAR ENDED JUNE 30, 2013

	<u>Final Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 2,350	\$ -	\$ -
b. Operating/supplies	3,831	-	-
c. Office equipment	60	-	-
	<hr/>	<hr/>	<hr/>
Total Administration	6,241	-	-
II. FINANCIAL AUDIT			
	778	-	-
III. DIRECT SERVICES			
a. Program support	51,123	366	-
b. Program operations	25,965	8,855	-
c. Health and safety	11,520	1,312	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	88,608	10,533	-
IV. LIABILITY INSURANCE			
	1,140	-	-
V. TRAINING/TECH. ASST.			
	<u>5,600</u>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>
Total	<u>\$102,367</u>	<u>\$ 10,533</u>	<u>\$ -</u>

NOTE: The contract period for the Weatherization (DOE) Program is July 1, 2010, through September 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000053015 (DOE)
YEAR ENDED JUNE 30, 2013

	<u>Final Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 153	\$ 586	\$ -
b. Operating/supplies	6,393	5,960	-
c. Office equipment	-	-	-
	<hr/>	<hr/>	<hr/>
Total Administration	6,546	6,546	-
II. FINANCIAL AUDIT			
	819	819	-
III. DIRECT SERVICES			
a. Program support	38,768	38,475	-
b. Program operations	37,160	27,902	-
c. Health and safety	7,000	4,546	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	82,928	70,923	-
IV. LIABILITY INSURANCE			
	381	381	-
V. TRAINING/TECH. ASST.			
	<hr/> 3,140	<hr/> 230	<hr/> -
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 93,814</u>	<u>\$ 78,899</u>	<u>\$ -</u>

NOTE: The contract period for the Weatherization (DOE) Program is July 1, 2010, through September 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION ARRA CONTRACT #C000046254
YEAR ENDED JUNE 30, 2013

	<u>Final Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 65,353	\$ 1,432	\$ -
b. Operating/supplies	89,590	1,797	-
c. Office equipment	6,293	-	-
	<hr/>	<hr/>	<hr/>
Total Administration	161,236	3,229	-
II. FINANCIAL AUDIT			
	7,973	-	-
III. DIRECT SERVICES			
a. Program support	637,506	4,339	-
b. Program operations	1,062,434	23,252	-
c. Vehicle/Major Equipment	21,791	-	-
d. Health and safety	712,519	10,459	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	2,434,250	38,050	-
IV. LIABILITY INSURANCE			
	11,529	252	-
V. TRAINING/TECH. ASST.			
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 2,637,077</u>	<u>\$ 41,531</u>	<u>\$ -</u>

NOTE: The contract period for the Weatherization ARRA Program is September 15, 2009, through December 31, 2012. The expenditures above are for the period July 1, 2012, through December 31, 2012. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
DEPARTMENT OF EDUCATION - ADULT EDUCATION PROGRAMS
CONTRACT #059-14-0011 AND #41-14-0011
YEAR ENDED JUNE 30, 2013

	Adult Education Programs	
	Adult Literacy Programs	
	Act 143 #059-14-0011	Section 231 #041-14-0011
REVENUE		
Grant income	\$ 75,000	\$ 75,000
 EXPENSES		
Salaries	51,609	49,339
Benefits	11,666	12,232
Professional and technical services	354	-
Purchased property services	6,835	8,823
Other purchased services	4,132	4,205
Supplies	404	401
	75,000	75,000
Due to Funding Source	\$ -	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
RETIRED AND SENIOR VOLUNTEER PROGRAM
CONTRACT #10SRAPA010
YEAR ENDED JUNE 30, 2013

REVENUE

Grant income	\$ 60,847
--------------	-----------

VOLUNTEER SUPPORT EXPENSES

Salaries and wages	\$37,851
Fringe benefits	6,713
Travel	3,343
Supplies	1,746
Other volunteer support costs	7,555
Audit	<u>331</u>

Total Volunteer Support Expenses	<u>57,539</u>
----------------------------------	---------------

VOLUNTEER COSTS

Volunteer recognition	1,379
Insurance	<u>1,929</u>

Total Volunteer Costs	<u>3,308</u>
-----------------------	--------------

Total Program	<u>60,847</u>
---------------	---------------

Due to (from) Funding Source	<u>\$ -</u>
------------------------------	-------------

NOTE: The program contract period is from April 1, 2010, through June 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013. The match was met with local donations and community funds.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
CONTRACT #SAP 159000
YEAR ENDED JUNE 30, 2013

	<u>Reported</u>	<u>Actual</u>
SERVICE DATA		
Expenditures:		
Group I clients	\$ 1,544,270	\$ 1,544,270
Group II clients	116,495	116,495
	<u>1,660,765</u>	<u>1,660,765</u>
Total Expenditures		
Summary of Trips:		
Total trips	64,010	64,010
Total clients	1,527	1,527
	<u>65,537</u>	<u>65,537</u>
Total Passenger Trips		
ALLOCATION DATA		
Revenues:		
Department of Public Welfare	1,660,608	1,660,608
Interest income	157	157
	<u>1,660,765</u>	<u>1,660,765</u>
Total Revenues		
Funds Expended:		
Operating costs	1,337,945	1,337,945
Administrative costs	322,820	322,820
	<u>1,660,765</u>	<u>1,660,765</u>
Total Funds Expended		
Excess Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOMELESS ASSISTANCE PROGRAM
CONTRACT # SAP 159000
YEAR ENDED JUNE 30, 2013

I. SOURCES OF FUNDING

DPW allocation	\$ 29,664
Interest earned	2
 Total HAP Funding	 29,666

II. EXPENSES

	<u>Administration</u>	<u>Case Management</u>	<u>Rental Assistance</u>	<u>Total</u>
Personnel	\$ 161	\$ 8,699	\$ 7,613	16,473
Operating	2,805	1,516	1,327	5,648
Purchased Services	-	-	7,545	7,545
 Subtotal	 \$ 2,966	 \$ 10,215	 \$ 16,485	 29,666
 Total HAP Expenses				 29,666
 Total Unexpended Funds				 \$ -

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM
CONTRACT #PA0320B3E021003
YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ <u>67,165</u>	\$ <u>10,950</u>
 EXPENSES		
Administration	3,185	-
Leasing	7,026	736
Direct operating	16,667	3,868
Supportive services	40,287	6,346
	<u>67,165</u>	<u>10,950</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

NOTE: The Supportive Housing Program #PA0320B3E021003 contract period is September 1, 2011, through August 31, 2012. The expenditures above are for the period July 1, 2012, through August 31, 2012. The budget is for the entire contract period 2011 - 2012.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM
CONTRACT #PA0320B3E021104
YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ <u>67,165</u>	\$ <u>59,723</u>
 EXPENSES		
Administration	3,185	3,185
Leasing	7,026	6,290
Direct operating	16,667	14,322
Supportive services	40,287	35,926
	<u>67,165</u>	<u>59,723</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

NOTE: The Supportive Housing Program #PA0320B3E021104 contract period is September 1, 2012, through August 31, 2013. The expenditures above are for the period September 1, 2012, through June 30, 2013. The budget is for the entire contract period 2012 - 2013.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOUSING FOR HOMELESS AND DISABLED PERSONS PROGRAM
CONTRACT #PA0310B3E021003
YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ <u>86,567</u>	\$ <u>34,687</u>
 EXPENSES		
Administration	4,015	1,198
Leasing	58,718	23,599
Supportive services	23,834	9,890
	<u>86,567</u>	<u>34,687</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

NOTE: The Housing for Homeless & Disabled Persons Program #PA0310B3E021003 contract period is December 1, 2011, through November 30, 2012. The expenditures above are for the period July 1, 2012, through November 30, 2012. The budget is for the entire contract period 2011 - 2012.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOUSING FOR HOMELESS AND DISABLED PERSONS PROGRAM
CONTRACT #PA0310B3E021104
YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ <u>86,567</u>	\$ <u>48,677</u>
 EXPENSES		
Administration	4,015	3,413
Leasing	58,718	31,657
Supportive services	23,834	13,607
	<u>86,567</u>	<u>48,677</u>
Due to Funding Source	\$ <u>-</u>	\$ <u>-</u>

NOTE: The Housing for Homeless & Disabled Persons Program #PA310B3E021104 contract period is December 1, 2012, through November 30, 2013. The expenditures above are for the period December 1, 2012, through June 30, 2013. The budget is for the entire contract period December 1, 2012, through November 30, 2013.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS WITH
FUNDING RECONCILIATION FOR CRIME VICTIM ASSISTANCE
SUBGRANT #2011/2012-VF-05-22249 CLEARFIELD
YEAR ENDED JUNE 30, 2013

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
Personnel	\$ 51,539	\$ 32,311	\$ -
Employee benefits	15,404	8,340	-
Travel	2,498	220	-
Supplies/operating	24,950	12,131	-
Other	5,280	2,981	-
	<u>\$ 99,671</u>	<u>\$ 55,983</u>	<u>\$ -</u>

Note: The Crime Victim Assistance Subgrant - Clearfield contract period is from July 1, 2011, through June 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013. The budget is for the entire contract period.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS WITH
FUNDING RECONCILIATION FOR CRIME VICTIM ASSISTANCE
SUBGRANT #2011/2012-VF-05-22248 JEFFERSON
YEAR ENDED JUNE 30, 2013

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
Personnel	\$ 32,063	\$ 14,552	\$ -
Employee benefits	11,784	6,382	-
Travel	1,106	654	-
Supplies/operating	16,650	8,839	-
Other	3,240	1,759	-
	<u>\$ 64,843</u>	<u>\$ 32,186</u>	<u>\$ -</u>

Note: The Crime Victim Assistance Subgrant - Jefferson contract period is from July 1, 2011, through June 30, 2013. The expenditures above are for the period July 1, 2012, through June 30, 2013. The budget is for the entire contract period.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
TITLE XX PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2013

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<u>TITLE XX</u>					
Personnel:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operations:					
Insurance	2,770	2,522	2,522	248	-
Maintenance	2,800	3,049	3,049	(249)	-
Memberships	25	-	-	25	-
Professional Fees	7,084	7,108	7,108	(24)	-
Staff Development	100	100	100	-	-
Supplies	3,500	3,500	3,500	-	-
Total Operations	<u>16,279</u>	<u>16,279</u>	<u>16,279</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,279</u>	<u>\$ 16,279</u>	<u>\$ 16,279</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
ACT 44 PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2013

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<u>ACT 44</u>					
Personnel:					
Salaries	\$ 120,519	\$ 120,519	\$ 120,519	\$ -	\$ -
Benefits	39,928	39,928	39,928	-	-
Total Personnel	<u>160,447</u>	<u>160,447</u>	<u>160,447</u>	<u>\$ -</u>	<u>\$ -</u>
Operations:					
Advertising	50	-	-	\$ 50	\$ -
Food	750	750	750	-	-
Postage	717	788	788	\$ (71)	\$ -
Printing	900	898	898	\$ 2	\$ -
Professional Fees	14,279	14,162	14,162	\$ 117	\$ -
Rent	-	-	-	-	-
Supplies	980	1,078	1,078	\$ (98)	\$ -
Total Operations	<u>17,676</u>	<u>17,676</u>	<u>17,676</u>	<u>-</u>	<u>-</u>
Program Totals	<u>\$ 178,123</u>	<u>\$ 178,123</u>	<u>\$ 178,123</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
FVPS PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2013

	<u>Allowable Costs Per Audit</u>				
	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
BUDGET CATEGORY					
<u>FVPS</u>					
Personnel:					
Salaries	\$ 48,068	\$ 48,068	\$ 48,068	\$ -	\$ -
Benefits	14,676	14,676	14,676	-	-
Total personnel	<u>62,744</u>	<u>62,744</u>	<u>62,744</u>	<u>-</u>	<u>-</u>
Operations:					
Equipment Maintenance	225	92	92	133	-
Food	750	107	107	643	-
Professional Fees	8,757	9,575	9,575	(818)	-
Rent	8,150	8,137	8,137	13	-
Telephone	8,000	8,800	8,800	(800)	-
Travel	9,600	9,606	9,606	(6)	-
Utilities	9,400	8,565	8,565	835	-
Total operations	<u>44,882</u>	<u>44,882</u>	<u>44,882</u>	<u>-</u>	<u>-</u>
Program totals	<u>\$ 107,626</u>	<u>\$ 107,626</u>	<u>\$ 107,626</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
TANF RELOCATION PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2013

	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
BUDGET CATEGORY					
<u>TANF RELOCATION</u>					
Operations relocation expense	\$ 10,704	\$ 10,704	\$ 10,704	\$ -	\$ -
Program totals	\$ 10,704	\$ 10,704	\$ 10,704	\$ -	\$ -

COMMUNITY ACTION, INC.
COMBINED SCHEDULE OF BUDGETED, REPORTED AND
ALLOWABLE COSTS WITH FUNDING RECONCILIATION
PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2013

	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
BUDGET CATEGORIES					
Title XX					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	16,279	16,279	16,279	-	-
Act 44					
Personnel	160,447	160,447	160,447	-	-
Operations	17,676	17,676	17,676	-	-
FVPS					
Personnel	62,744	62,744	62,744	-	-
Operations	44,882	44,882	44,882	-	-
TANF RELOCATION					
Operations	10,704	10,704	10,704	-	-
	<u>\$ 312,732</u>	<u>\$ 312,732</u>	<u>\$ 312,732</u>	<u>-</u>	<u>-</u>
FUNDING RECONCILIATION					
Approved contract received as of June 30, 2013				299,268	
Approved contract receivable at June 30, 2013				13,464	
				312,732	312,732
Allowable costs:					
Approved				312,732	
Questioned				-	
				312,732	<u>312,732</u>
Due to (from) PCADV					<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUES
PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2013

Received during:

July	\$	-	
August		77,472	
September		15,630	
October		12,576	
November		25,824	
December		25,824	
January		26,262	
February		26,262	
March		26,262	
April		26,262	
May		26,262	
June	\$	<u>26,262</u>	\$314,898

Receivable at June 30:

Need Month Once Received

Not Received as of 9/25/13

Total

13,464
\$328,362

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF PUBLIC WELFARE
WORK READY PROGRAM #4100057947 (12/13)
YEAR ENDED JUNE 30, 2013

Program Year - October 1, 2012, to September 30, 2013

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
ADMINISTRATION			
Personnel	\$ 4,195	\$ 3,811	\$ -
Operating Expenses	10,259	9,393	-
	<u>14,454</u>	<u>13,204</u>	<u>-</u>
Total Administration			
PROGRAM COSTS			
Personnel	91,509	57,343	-
Equipment and Supplies	1,400	804	-
Operating Expenses	21,470	12,733	-
Other Expenses	8,054	3,415	-
Subcontracted Expenses	6,849	5,256	-
Support Services	800	-	-
	<u>130,082</u>	<u>79,551</u>	<u>-</u>
Total Program Costs			
	<u>\$ 144,536</u>	<u>\$ 92,755</u>	<u>\$ -</u>

Note: The Work Ready contract period is from October 1, 2012, through September 30, 2013. The expenditures above are for the period October 1, 2012, through June 30, 2013. The budget is for the entire contract period.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF PUBLIC WELFARE
WORK READY PROGRAM #4100057947 (11/12)
YEAR ENDED JUNE 30, 2013

Program Year - October 1, 2011, to September 30, 2012

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
ADMINISTRATION			
Personnel	\$ 5,690	\$ -	\$ -
Operating Expenses	8,013	-	-
	<u>13,703</u>	<u>-</u>	<u>-</u>
Total Administration			
PROGRAM COSTS			
Personnel	79,576	16,723	-
Equipment and Supplies	1,400	255	-
Operating Expenses	17,654	4,062	-
Other Expenses	11,028	1,265	-
Subcontracted Expenses	13,665	5,269	-
	<u>123,323</u>	<u>27,574</u>	<u>-</u>
Total Program Costs			
WORK EXPERIENCE WAGES	2,132	537	-
WC/UC/FICA FOR PAID WORK EXPERIENCE	320	92	-
SUBSIDIZED WORK WAGES	3,199	-	-
SPECIAL ALLOWANCES	1,859	-	-
	<u>\$ 144,536</u>	<u>\$ 28,203</u>	<u>\$ -</u>

Note: The Work Ready contract period is from October 1, 2011, through September 30, 2012. The expenditures above are for the period July 1, 2012, through September 30, 2012. The budget is for the entire contract period.

COMMUNITY ACTION, INC.
COMBINED RECAP FOR THE FISCAL YEAR
DEPARTMENT OF PUBLIC WELFARE
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES
CONTRACT #DC12 169208
YEAR ENDED JUNE 30, 2013

	<u>Low Income/ Former TANF</u>	<u>TANF Training</u>	<u>State MOE</u>	<u>Food Stamps</u>	<u>Total</u>
REVENUE					
DPW Funds	\$ 1,238,539	\$ 47,723	\$ 30,802	\$ 17,225	\$ 1,334,289
Interest	37	2	1	1	41
Client Overpayment Recovery	9,430	-	-	-	9,430
Total Revenue	<u>1,248,006</u>	<u>47,725</u>	<u>30,803</u>	<u>17,226</u>	<u>1,343,760</u>
EXPENDITURES					
Final Report Totals	1,251,408	45,540	28,186	16,900	1,342,034
Total Expenditures	<u>1,251,408</u>	<u>45,540</u>	<u>28,186</u>	<u>16,900</u>	<u>1,342,034</u>
Total Due to (from) DPW	<u>\$ (3,402)</u>	<u>\$ 2,185</u>	<u>\$ 2,617</u>	<u>\$ 326</u>	<u>\$ 1,726</u>

COMMUNITY ACTION, INC.
RECAP FOR THE FISCAL YEAR
LOW INCOME AND FORMER TANF
DEPARTMENT OF PUBLIC WELFARE
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES
CONTRACT #DC12 169208
YEAR ENDED JUNE 30, 2013

	<u>Low Income</u>		<u>Former TANF</u>		<u>Total</u>
	<u>Admin/FSS</u>	<u>Service</u>	<u>Admin/FSS</u>	<u>Service</u>	
REVENUE					
DPW Funds	\$ 153,483	\$ 878,842	\$ 28,160	\$ 178,054	\$ 1,238,539
Interest	-	31	-	6	37
Client Overpayment Recovery	-	9,430	-	-	9,430
Total Revenue	<u>153,483</u>	<u>888,303</u>	<u>28,160</u>	<u>178,060</u>	<u>1,248,006</u>
EXPENDITURES					
Final Report Totals	160,293	882,408	29,335	179,372	1,251,408
Total Expenditures	<u>160,293</u>	<u>882,408</u>	<u>29,335</u>	<u>179,372</u>	<u>1,251,408</u>
Total Due to (from) DPW	<u>\$ (6,810)</u>	<u>\$ 5,895</u>	<u>\$ (1,175)</u>	<u>\$ (1,312)</u>	<u>\$ (3,402)</u>

COMMUNITY ACTION, INC.
RECAP FOR THE FISCAL YEAR
TANF TRAINING AND WORKING SERVICE
DEPARTMENT OF PUBLIC WELFARE
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES
CONTRACT #DC12 169208
YEAR ENDED JUNE 30, 2013

	<u>TANF</u>	<u>TANF Service</u>		<u>TANF</u>
	<u>FSS</u>	<u>Training</u>	<u>Working</u>	<u>Total</u>
REVENUE				
DPW Funds	\$ 18,873	\$ 17,370	\$ 11,480	\$ 47,723
Interest	-	1	1	2
	<u>18,873</u>	<u>17,371</u>	<u>11,481</u>	<u>47,725</u>
Total Revenue	<u>18,873</u>	<u>17,371</u>	<u>11,481</u>	<u>47,725</u>
EXPENDITURES				
Final Report Totals	17,532	16,352	11,656	45,540
	<u>17,532</u>	<u>16,352</u>	<u>11,656</u>	<u>45,540</u>
Total Expenditures	<u>17,532</u>	<u>16,352</u>	<u>11,656</u>	<u>45,540</u>
Total Due to (from) DPW	<u>\$ 1,341</u>	<u>\$ 1,019</u>	<u>\$ (175)</u>	<u>\$ 2,185</u>

COMMUNITY ACTION, INC.
RECAP FOR THE FISCAL YEAR
TANF STATE MOE
DEPARTMENT OF PUBLIC WELFARE
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES
CONTRACT #DC12 169208
YEAR ENDED JUNE 30, 2013

	State MOE/GA FSS	Service		State MOE/GA Total
		State MOE	Genl Assist/ WS2	
REVENUE				
DPW Funds	\$ 9,634	\$ 21,168	\$ -	\$ 30,802
Interest	-	1	-	1
Total Revenue	<u>9,634</u>	<u>21,169</u>	<u>-</u>	<u>30,803</u>
EXPENDITURES				
Final Report Totals	8,949	19,237	-	28,186
Total Expenditures	<u>8,949</u>	<u>19,237</u>	<u>-</u>	<u>28,186</u>
Total Due to (from) DPW	<u>\$ 685</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 2,617</u>

COMMUNITY ACTION, INC.
RECAP FOR THE FISCAL YEAR
FOOD STAMPS
DEPARTMENT OF PUBLIC WELFARE
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES
CONTRACT #DC12 169208
YEAR ENDED JUNE 30, 2013

	<u>Food Stamps</u>		<u>Total</u>
	<u>FSS</u>	<u>Service</u>	
REVENUE			
DPW Funds	\$ 5,291	\$ 11,934	\$ 17,225
Interest	-	1	1
	<u>5,291</u>	<u>11,935</u>	<u>17,226</u>
Total Revenue	<u>5,291</u>	<u>11,935</u>	<u>17,226</u>
EXPENDITURES			
Final Report Totals	4,915	11,985	16,900
	<u>4,915</u>	<u>11,985</u>	<u>16,900</u>
Total Expenditures	<u>4,915</u>	<u>11,985</u>	<u>16,900</u>
Total Due to (from) DPW	<u>\$ 376</u>	<u>\$ (50)</u>	<u>\$ 326</u>

210 Tollgate Hill Road
Greensburg, PA 15601
Telephone 724-834-2151
Fax: 724-834-5969

John F. Sarp, CPA, Managing Partner
Jared C. Ewing, CPA

Retired
Donald R. Sarp, CPA
Jerome R. Yasher, CPA
Lawrence J. Nicolette, CPA
1943 - 1991

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Community Action, Inc.
105 Grace Way
Punxsutawney, Pennsylvania 15767-1209

We have audited, in accordance with the 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, audit guidelines issued by the Pennsylvania Department of Public Welfare; and audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence, the financial statements of Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. These are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action, Inc.'s financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-01.

Community Action, Inc.'s Response to Findings

Community Action, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Action, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
December 10, 2013

210 Tollgate Hill Road
Greensburg, PA 15601
Telephone 724-834-2151
Fax: 724-834-5969

John F. Sarp, CPA, Managing Partner
Jared C. Ewing, CPA

Retired
Donald R. Sarp, CPA
Jerome R. Yasher, CPA
Lawrence J. Nicolette, CPA
1943 - 1991

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Directors
Community Action, Inc.
105 Grace Way
Punxsutawney, Pennsylvania 15767-1209

Report on Compliance for Each Major Federal Program

We have audited Community Action, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Community Action, Inc.'s major federal programs for the year ended June 30, 2013. Community Action, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Action, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 Community Action, 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Community Action, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Community Action, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-01. Our opinion on each major federal program is not modified with respect to these matters.

Community Action, Inc.'s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Action, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Community Action, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Sarp & Company

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
December 10, 2013

SARP & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

210 Tollgate Hill Road
Greensburg, PA 15601
Telephone 724-834-2151
Fax: 724-834-5969

John F. Sarp, CPA, Managing Partner
Jared C. Ewing, CPA

Retired
Donald R. Sarp, CPA
Jerome R. Yasher, CPA
Lawrence J. Nicolette, CPA
1943 - 1991

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Community Action, Inc.
105 Grace Way
Punxsutawney, Pennsylvania 15767-1209

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Public Welfare (DPW) and Community Action, Inc., solely to assist you with respect to the financial schedules and exhibits required by the DPW Single Audit Supplement. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DPW. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

The procedures and associated findings are as follows:

- a) We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DPW for fiscal year ended June 30, 2013, have been accurately compiled and reflect the audited books and records of Community Action, Inc. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DPW Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Page Number</u>	<u>Referenced Schedule</u>
Medical Assistance Transportation Program	29	Revenue and Expenses
Homeless Assistance Program	30	Revenue and Expenses

PCADV – Contract # 5233	37	Budgeted, Reported and Allowable Costs – Title XX
	38	Budgeted, Reported and Allowable Costs – Act 44
	39	Budgeted, Reported, and Allowable Costs – FVPS
	40	Budgeted, Reported, and Allowable Costs – TANF Relocation
	42	Schedule of Revenues
Work Ready Program	43	Budget Comparison Statement
Work Ready Program	44	Budget Comparison Statement
Child Care Information Services	45	Combined Recap for the Fiscal Year
	46	Recap for the Fiscal Year - Low Income and Former TANF
	47	Recap for the Fiscal Year - TANF Training and Working Service
	48	Recap for the Fiscal Year - TANF State MOE
	49	Recap for the Fiscal Year - Food Stamps

- b) We have inquired of management regarding adjustments to reported revenues or expenditures which were not reflected on the reports submitted to DPW for the period in question.
- c) Processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings which must be reflected on the corresponding schedules.

This report is intended solely for the use of the Department of Public Welfare and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
December 10, 2013

COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

Section I-Summary of Auditors' Results

Financial Statements:

Type of Auditors' Report issued: Unqualified

Internal Control over Financial Reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None Reported

Noncompliance material to the Financial Statements noted?

No

Federal Awards:

Internal Controls over Major Programs:

- Material Weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes

Type of Auditors' Report issued on compliance For major programs:

Unmodified

Any audit findings disclosed that are required To be reported in accordance with section 501(a) of OMB Circular A-133?

No

Major Programs:

CFDA Number

Name of Federal Program or Cluster

81.042

ARRA – Weatherization Assistance for Low-Income Persons

81.042

Weatherization Assistance for Low-Income Persons

93.568

Low-Income Home Energy Assistance (LIHEAP)

CCDF Cluster

93.596

Child Care Mandatory and Matching Funds of the Child Care and Development Fund

93.575

Child Care and Development Block Grant

93.778

Medical Assistance Transportation Program (MATP)

Dollar Threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

Yes

COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

2013-01

2013-01 Weatherization Checklists

Criteria or Specific Requirement – Per guidance from the Pennsylvania Department of Community and Economic Development, recipients are required to utilize and complete a checklist for all participants in the Weatherization program. This checklist must be completed and kept in the participant files.

Condition – During our audit of the Weatherization (DOE, and LIHEAP) programs it was noted that a significant portion of the participant files selected for testing did not have a completed checklist in the file. Per Pennsylvania Weatherization Assistance Program Directive 2011-05 each client file must include the client file checklist. All fields in the checklist must be completed. Authorized subgrantee personnel must sign and date the client file checklist at the completion of all weatherization services.

Cause and Potential Effect of Condition – Based on a conversation with client personnel it was discovered that there was a turnover during the year in the program director position who oversees the Weatherization (DOE, and LIHEAP) programs. As a result of this turnover, there was a backlog in completion of file checklists which remained unfinished as of year-end. The use of the checklist is a requirement of the Weatherization (DOE, and LIHEAP) programs. Based on our examination of the participant files we did not identify any situations where a file was missing required information or was otherwise deficient. The potential effect of this condition is that the client files may be considered inadequate and result in sanctions. Failure to adequately document all weatherization measures in accordance with the guidelines of this directive may result in disallowable costs. Services could be provided which are not allowed by the Weatherization (DOE, or LIHEAP) program, or could jeopardize future funding.

Recommendations - We recommend the program supervisor perform a periodic review of participant files to determine that all appropriate checklists have been signed and completed.

Management response – Previous grantor monitorings did not cite Community Action Inc., for incomplete Weatherization checklists, however, Management agrees with the recommendation a supervisor periodically review participant files to determine all appropriate checklists have been signed and completed. The State provided checklist the auditors reviewed is utilized for both standard Weatherization and Crisis. The auditors recommended the checklist be modified for Crisis jobs to note “N/A” in the initials column and “Crisis job” in the comment column for all administrative and Weatherization services documentation not relevant to a Crisis job to alleviate the appearance a file checklist is incomplete.

COMMUNITY ACTION, INC.
POST-AUDIT CONFERENCE
JUNE 30, 2013

This memo will serve as written notification that a post-audit conference was held between Community Action, Inc., and Sarp & Company, CPAs.

Date: November 21, 2013

Time: 12:13 P.M.

Place: Community Action, Inc. Board Meeting


Signature of Auditor


Signature of Director