

COMMUNITY ACTION, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2011

COMMUNITY ACTION, INC.

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210 Toll Gate 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

We have audited the accompanying statement of financial position of Community Action, Inc., (a non-profit organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Community Action, Inc.'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; 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, Inc., as of June 30, 2011, 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 December 20, 2011, on our consideration of Community Action, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Community Action, Inc., taken as 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 the schedules on pages 19 through 53, presented for purposes of supplemental analysis, are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sarp & Company

Sarp & Company

CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
December 20, 2011

COMMUNITY ACTION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011

Assets:		
Cash	\$ 1,101,466	
Grants receivable	534,137	
Other accounts receivable	105,462	
Investments	43,982	
Inventory	4,453	
Prepaid expenses	47,751	
Property and equipment, net	<u>527,980</u>	
 Total Assets		 <u>\$ 2,365,231</u>
 Liabilities:		
Accounts payable	591,293	
Accrued and withheld payroll taxes	7,789	
Accrued salaries	145,894	
Deferred revenue	92,575	
Accrued expenses	31,859	
Security deposit	<u>1,235</u>	
 Total Liabilities		 870,645
 Net Assets:		
Unrestricted	1,432,106	
Temporarily restricted	<u>\$ 62,480</u>	
 Total Net Assets		 1,494,586
 Total Liabilities and Net Assets		 <u>\$ 2,365,231</u>

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

COMMUNITY ACTION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Changes in Unrestricted Net Assets:	
Contributed support and earned revenue:	
Government grants	\$ 7,333,337
Contributions	107,876
Contributed property	36,018
In-kind contributions	34,952
Special events	565
Other revenue:	
Program service fees	154,916
Information technology sales	19,740
Investment income (Loss)	20,682
Rental income - housing	56,494
Miscellaneous income	19,233
Gain on disposal of fixed asset	25,165
	<hr/>
	7,808,978
Net assets released from restrictions	<hr/>
	10,720
	 \$ 7,819,698
Expenses and Losses:	
Operating:	
Program services	6,929,340
Management and general	695,795
Fundraising	8,012
	<hr/>
Total expenses and losses	<hr/>
	7,633,147
Increase in unrestricted net assets	186,551
Changes in Temporarily Restricted Net Assets:	
Contributions	\$ 21,527
Net assets released from restrictions	<hr/>
	(10,720)
Increase (Decrease) in temporarily restricted net assets	<hr/>
	10,807
Increase (Decrease) in net assets	197,358
Net assets at beginning of year	1,297,228
Net assets at end of year	<hr/>
	\$ 1,494,586

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

COMMUNITY ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011

	Program Services	Management and General	Fundraising	Total
Payroll and Benefits:				
Salaries	\$ 1,332,242	\$ 494,211	\$ 3,962	\$ 1,830,415
Employee benefits	303,046	65,467	367	368,880
Payroll taxes	99,603	37,454	301	137,358
 Total Payroll and Benefits	 <u>1,734,891</u>	 <u>597,132</u>	 <u>4,630</u>	 <u>2,336,653</u>
Operating:				
Travel	52,395	13,781	54	66,230
Software	1,119	-	-	1,119
Equipment maintenance and rental	1,114	-	-	1,114
Small equipment and tools	47,185	-	-	47,185
Supplies	90,910	1,365	-	92,275
Space costs	90,487	6,085	112	96,684
Telephone	34,249	6,057	97	40,403
Postage	18,496	1,721	77	20,294
Printing	14,465	758	827	16,050
Licenses and registration	1,416	985	-	2,401
Insurance	28,241	1,212	21	29,474
Auto expenses	10,579	-	-	10,579
Information technology	6,345	14,489	94	20,928
Advertising and publications	6,259	3,716	-	9,975
Registration and memberships	3,454	1,713	-	5,167
Training and technical assistance	13,483	1,273	-	14,756
Administrative fees	5,988	-	-	5,988
Volunteer recognition	8,999	-	-	8,999
Contracted services	4,555	31,357	12	35,924
Snow removal	504	-	-	504
Utilities	27,681	-	-	27,681
Meetings	3,675	1,488	-	5,163
Food and meals	522	-	-	522
Building repairs and maintenance	3,168	-	-	3,168
Miscellaneous	4,173	-	-	4,173
Property taxes	4,187	-	-	4,187
Depreciation	16,534	-	-	16,534
Bad expense	894	-	-	894
Consumer Assistance:				
Child care fees	1,646,348	-	-	1,646,348
Food and meals	129,918	-	-	129,918
Weatherization services	1,107,924	-	-	1,107,924
Housing assistance	113,718	-	-	113,718
Client travel and assistance	1,574,323	-	-	1,574,323
Subsidized Wages/Fringes	66,243	-	-	66,243
Other consumer support	15,142	-	-	15,142
Funds returned	1,606	-	-	1,606
In-Kind expenses	34,952	-	-	34,952
Fiscal Services	-	2,652	2,060	4,712
Human Resources Services	-	10,011	28	10,039
Federal Taxes	3,198	-	-	3,198
 Total Operating	 <u>5,194,449</u>	 <u>98,663</u>	 <u>3,382</u>	 <u>5,296,494</u>
 Total Functional Expenses	 <u>\$ 6,929,340</u>	 <u>\$ 695,795</u>	 <u>\$ 8,012</u>	 <u>\$ 7,633,147</u>

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

COMMUNITY ACTION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

Operating Activities:		
Increase (Decrease) in Net Assets		\$ 197,358
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	\$ 32,331	
Unrealized (Gain) Loss on Investments	(13,159)	
(Increase) Decrease in Grant Receivables	(318,145)	
(Increase) Decrease in Accounts Receivable	(73,971)	
(Increase) Decrease in Inventory	(852)	
(Increase) Decrease in Prepaid Expenses	(12,874)	
Increase (Decrease) in Accounts Payable	175,598	
Increase (Decrease) in Accrued Expense	3,134	
Increase (Decrease) in Security Deposit	(190)	
Increase (Decrease) in Accrued and Withheld Payroll Taxes	6,975	
Increase (Decrease) in Accrued Salaries	2,543	
Increase (Decrease) in Deferred Revenue	9,111	
Total Adjustments		(189,499)
Net Cash Provided by Operating Activities		7,859
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	\$ (42,051)	
Disposal of Fixed Assets	7,801	
Sale of Investments	61,583	
Net Cash Provided by (Used in) Investing Activities		27,333
Increase in Cash and Cash Equivalents		35,192
Cash at Beginning of Year		1,066,274
Cash at End of Year		\$ 1,101,466

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

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011.

Allowance for Doubtful Accounts

No allowance for doubtful accounts is provided at June 30, 2011, 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 values 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, 2011.

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

CSBG	\$ 18,273
Medical Transportation	260,243
Work Ready	3,067
RSVP	2,569
Weatherization (DOE)	11,621
Weatherization (LIHEAP)	1,512
HSDf	5,371
Crossroads	8,003
Stewart-McKinney	2,558
HFHADP-Disabled Housing	1,922
HPRP (ARRA)	13,646
Victims of Crime Act	12,614
NCCD	14,233
CCIS-Low Income	139,506
CCIS-Former TANF	24,218
CCIS-TANF	14,781
Total	<u>\$534,137</u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Land	\$ 34,965
Buildings and Improvements	657,106
Equipment	240,609
	<u>932,680</u>
Less: Accumulated Depreciation	(404,700)
Property and Equipment	<u>\$ 527,980</u>

Depreciation expense for the year is \$32,331, which includes \$15,797 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, 2011, 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	\$ 14,298
Early Care and Education meeting space	7,900
Early Care and Education travel	262
Food and program supplies	2,708
Donated technology	9,784
	<u>\$ 34,952</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 55,552 hours of time, volunteers supporting the Victims of Crime Act program provided approximately 4,114 hours of time and volunteers supporting the Early Care and Education provided approximately 673 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>\$43,982</u>

An unrealized gain of \$13,159 was recognized in 2011.

Components of net investment income include:

Dividend income	\$ 974
Interest income on certificates of deposit	529
Interest income on interest bearing cash	6,020
Unrealized holding gain	13,159
	<u>\$20,682</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 \$22,317 for the year ended June 30, 2011, thus \$3,198 in federal tax due is accrued by the organization.

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, three programs provided 63 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, 2011, as follows:

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

ADULT EDUCATION (SECTION 231) SUBGRANT #041-11-0020 – 25 percent; \$14,288 met with in-kind classroom space.

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

SUPPORTIVE HOUSING #PA0320B3E020802 and #PA0320B3E020801 – 20 percent of all direct operating services and 25 percent of all supportive services; match met with grant funds and local community funds.

EARLY CARE AND EDUCATION GRANT – 25 percent requirement (or \$21,667) met with in-kind and cash contributions.

VICTIMS OF CRIME ACT – 20 percent; match met with volunteer hours valued at \$52,229.

HOUSING FOR HOMELESS AND DISABLED PERSONS #PA0310B3E020802 and #PA0310B3E020801 – 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, 2011, 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, 2011, 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 June 30,</u>	<u>Equipment</u>	<u>Facilities</u>
2012	\$2,880	\$26,400
2013	2,076	22,000
2014	2,076	15,200
2015	2,076	
	<u>\$9,108</u>	<u>\$63,600</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, 2011, lease expenses for Facilities and Equipment was \$64,579 and \$3,148, 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 February 28, 2012. As of June 30, 2011, 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, 2011, was \$1,004,161 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, 2011, are available for the following purposes:

Contributions available for Crossroads program	\$29,514
Contributions available for client services	23,074
Contributions available for Friends for Food	9,892
	<u>\$62,480</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. Employee contributions will be matched dollar-for-dollar by employer contributions of

NOTE 14: (CONTINUED)

not less than one percent and not more than three percent of employee's compensation. Maximum salary reductions are \$11,500 for calendar year 2011. For employees age 50 or older, the limit is \$14,000. For the year ending June 30, 2011, employer contributions were \$28,843.

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, 2011, these accrued compensated absences were \$78,041.

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, 2011.

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, 2011, Community Action, Inc., raised and spent match monies totaling approximately 27 percent of the contract to fulfill its obligation.

Domestic Violence Budget

For the year ended June 30, 2011, total domestic violence expenditures for Community Action, Inc., expenditures for domestic violence was \$427,442.

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, 2011.

SUPPLEMENTAL INFORMATION

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

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 ⁽¹⁾⁽³⁾	93.569	C000047190	\$ 308,649	\$ 311,681
ARRA - Community Services Block Grant ⁽¹⁾⁽³⁾	93.710	C000046272	230,609	204,677
Low-Income Home Energy Assistance (LIHEAP):				
WX-LIHEAP ⁽¹⁾	93.568	C000050260	202,991	201,479
WX-LIHEAP ⁽¹⁾	93.568	C000045587	15,463	15,463
Passed through the Pennsylvania Department of Public Welfare (DPW):				
Temporary Assistance for Needy Families (TANF)(09/10)	93.558	4100044838	-	3,004
Temporary Assistance for Needy Families (TANF)(10/11)	93.558	4100044838	102,429	100,144
Passed through the Clarion County Commissioners:				
Child Care and Development ⁽¹⁾⁽²⁾	93.596	DC10-169208	526,154	424,587
Child Care and Development Funds (CCDF) Matching Grant ⁽¹⁾⁽²⁾	93.575	DC10-169208	223,568	189,068
Social Services Block Grant (SSBG) ⁽¹⁾	93.667	DC10-169208	140,371	126,998
Child Care Development Block Grant - ARRA ⁽¹⁾⁽²⁾	93.713	DC10-169208	86,616	85,437
Temporary Assistance for Needy Families (TANF)	93.558	DC10-169208	12,157	11,848
Passed through the Pennsylvania Coalition Against Domestic Violence (PCADV):				
Social Services Block Grant (SSBG)(10/11) ⁽¹⁾	93.667	52-33	16,279	15,860
Social Services Block Grant (SSBG)(09/10) ⁽¹⁾	93.667	52-33	-	5,587
Family Violence Prevention Services (FVPS)(10/11)	93.671	52-33	107,649	104,878
Family Violence Prevention Services (FVPS)(09/10)	93.671	52-33	-	17,338
Temporary Assistance for Needy Families (TANF)(10/11)	93.558	52-33	11,492	11,196
Temporary Assistance for Needy Families (TANF)(09/10)	93.558	52-33	-	2,714
Passed through the NW Regional Key-NW Institute of Research:				
Early Care and Education Grant (ECE) ⁽¹⁾⁽²⁾	93.575		65,035	65,000
Passed through the Jefferson County Commissioners:				
Medical Assistance Transportation Program (MATP) (10/11) ⁽¹⁾	93.778	SAP 159000	<u>903,119</u>	<u>760,968</u>
Total U. S. Department of Health and Human Services			<u>2,952,581</u>	<u>2,657,927</u>
<u>U. S. Department of Education</u>				
Passed Through the Pennsylvania Department of Education:				
Adult Education Section 231	84.002	0411-0020	<u>42,864</u>	<u>42,864</u>
Total U. S. Department of Education			<u>\$ 42,864</u>	<u>\$ 42,864</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, 2011
(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 ⁽¹⁾	81.042	C000050260	\$ 107,998	\$ 96,377
WX-DOE - ARRA ⁽¹⁾	81.042	C000046254	<u>1,086,666</u>	<u>1,180,297</u>
Total U.S. Department of Energy			<u>1,194,664</u>	<u>1,276,674</u>
Passed through the United Way of America:				
Emergency Food and Shelter National Board Program:				
Emergency Food and Shelter National Board Program-CL	97.024	28-7218-00-002	7,647	-
Emergency Food and Shelter National Board Program-JEFF	97.024	28-7260-00-007	<u>3,072</u>	<u>-</u>
Total U. S. Department of Homeland Security			<u>10,719</u>	<u>-</u>
<u>U. S. Department of Justice</u>				
Passed through the Pennsylvania Commission on Crime and Delinquency:				
Crime Victim Assistance	16.575	2008/2009/2010-VF-05-20055	51,803	39,161
Crime Victim Assistance	16.575	2008/2009/2010-VF-05-20054	<u>32,844</u>	<u>29,828</u>
Total U. S. Department of Justice			<u>84,647</u>	<u>68,989</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-10-169208	<u>74,459</u>	<u>69,074</u>
Total U. S. Department of Agriculture			<u>74,459</u>	<u>69,074</u>
<u>U. S. Department of Housing and Urban Development (HUD)</u>				
Transitional Housing	14.235	PA0320B3E020801	13,545	23,894
Transitional Housing	14.235	PA0320B3E020802	63,802	61,244
Housing for Homeless and Disabled Persons	14.235	PA0310B3E020801	31,119	39,182
Housing for Homeless and Disabled Persons	14.235	PA0310B3E020802	\$ 53,463	\$ 51,541

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, 2011
(CONTINUED)

Federal Grantor/ Pass Through Grantor/ Program Title	Federal C.F.D.A. Number	Contract Number	Federal Expenditures	Grant Payments Received
Passed Through the Pennsylvania Department of Economic and Community Development (DCED):				
Passed through the Jefferson County Commissioners:				
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	C000046139	\$ 65,394	\$ 71,604
Total U. S. Department of Housing and Urban Development			<u>227,323</u>	<u>247,465</u>
<u>Corporation for National and Community Service</u>				
Retired senior and volunteer Program - RSVP (10/11)	94.002	10SRAPA010	56,729	61,453
Retired senior and volunteer Program - RSVP (11/12)	94.002	10SRAPA010	<u>13,924</u>	<u>11,355</u>
Total Corporation for National and Community Service			<u>70,653</u>	<u>72,808</u>
Total Schedule of Federal Awards			<u>\$ 4,657,910</u>	<u>\$ 4,435,801</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	107,998
Weatherization Assistance for Low-Income Persons - ARRA ⁽¹⁾	81.042	1,086,666
Low-Income Home Energy Assistance ⁽¹⁾	93.568	218,454
Social Services Block Grant ⁽¹⁾	93.667	156,650
Medical Assistance Program ⁽¹⁾	93.778	903,119
CCDF Cluster:		
Child Care and Development ⁽¹⁾⁽²⁾	93.596	526,154
Child Care and Development Funds (CCDF) Matching Grant ⁽¹⁾⁽²⁾	93.575	223,568
Early Care and Education Grant (ECE) ⁽¹⁾⁽²⁾	93.575	65,035
Child Care and Development Block Grant - ARRA ⁽¹⁾⁽²⁾	93.713	86,616
CCDF Cluster:		
Community Services Block Grant ⁽¹⁾⁽³⁾	93.569	308,649
ARRA - Community Services Block Grant ⁽¹⁾⁽³⁾	93.710	230,609
Total Programs Selected		<u>\$ 3,913,518</u>
Total Schedule of Federal Awards		<u>\$ 4,657,910</u>
Percentage Tested		<u>84.02%</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2011

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 GRANT #C000047190
YEAR ENDED JUNE 30, 2011

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
BUDGET CATEGORY			
OPERATING COSTS			
Salaries and fringes	\$ 444,869	\$ 244,871	\$ -
Consumable supplies	2,350	1,047	-
Travel	19,000	13,473	-
Advertising	1,000	262	-
Office equipment	1,800	-	-
Space costs	9,000	5,333	-
Audit	6,500	2,997	-
	<u>484,519</u>	<u>267,983</u>	<u>-</u>
Total Operating Costs	<u>484,519</u>	<u>267,983</u>	<u>-</u>
RELATED COSTS			
Professional services	4,000	2,010	-
Insurance	2,400	1,141	-
Other	78,391	37,515	-
	<u>84,791</u>	<u>40,666</u>	<u>-</u>
Total Related Costs	<u>84,791</u>	<u>40,666</u>	<u>-</u>
Total	<u>\$ 569,310</u>	<u>\$ 308,649</u>	<u>\$ -</u>

NOTE: The Community Services Block Grant Program contract period is from January 1, 2010 through December 31, 2011. The expenditures above are for the period July 1, 2010 through June 30, 2011.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT ARRA #C000046272
YEAR ENDED JUNE 30, 2011

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
BUDGET CATEGORY			
OPERATING COSTS			
Salaries and fringes	\$ 184,197	\$ 56,100	\$ -
Consumable supplies	4,979	54,447	-
Travel	4,347	2,191	-
Advertising	820	519	-
Office equipment	3,000	32,240	-
Space costs	6,851	1,895	-
Audit	959	959	-
	<hr/>	<hr/>	<hr/>
Total Operating Costs	205,153	148,351	-
RELATED COSTS			
Professional services	23,500	-	-
Insurance	1,352	332	-
Other	219,659	81,926	-
	<hr/>	<hr/>	<hr/>
Total Related Costs	244,511	82,258	-
	<hr/>	<hr/>	<hr/>
Total	\$ 449,664	\$ 230,609	\$ -

NOTE: The Community Services Block Grant ARRA Program contract period is from July 1, 2009 through September 30, 2010. The expenditures above are for the period July 1, 2010 through September 30, 2010. The expenditures above include \$290 of interest income and deferred interest.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000050260 (LIHEAP)
YEAR ENDED JUNE 30, 2011

	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 1,552	\$ 377	\$ -
b. Operating/supplies	6,423	2,484	-
c. Office equipment	150	-	-
Total Administration	<u>8,125</u>	<u>2,861</u>	<u>-</u>
II. FINANCIAL AUDIT	1,342	1,342	-
III. DIRECT SERVICES			
a. Program support	43,091	10,111	-
b. Labor	64,125	65,772	-
c. Materials	103,538	121,392	-
d. Health and safety	-	-	-
Total Direct Services	<u>210,754</u>	<u>197,275</u>	<u>-</u>
IV. LIABILITY INSURANCE	<u>1,512</u>	<u>1,512</u>	<u>-</u>
Total	<u>\$ 221,733</u>	<u>\$ 202,990</u>	<u>\$ -</u>

NOTE: The contract period for the Low Income Home Energy Assistance Program is July 1, 2010 through September 30, 2011. The expenditures above are for the period July 1, 2010 through June 30, 2011. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000045587 (LIHEAP)
YEAR ENDED JUNE 30, 2011

	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 2,133	\$ 604	\$ -
b. Operating/supplies	5,195	169	
c. Office equipment	10	-	-
	<hr/>	<hr/>	<hr/>
Total Administration	7,338	773	-
II. FINANCIAL AUDIT	-	-	-
III. DIRECT SERVICES			
a. Program support	3,340	3,541	-
b. Labor	3,750	2,451	-
c. Materials	5,107	4,176	-
d. Vehicle purchase	-	-	-
e. Health and safety	172,006	4,330	-
f. Crisis	-	-	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	184,203	14,498	-
IV. LIABILITY INSURANCE	<hr/>	<hr/>	<hr/>
	192	192	-
	<hr/>	<hr/>	<hr/>
Total	\$ 191,733	\$ 15,463	\$ -

NOTE: The contract period for the Low Income Home Energy Assistance Program is July 1, 2009 through September 30, 2010. The expenditures above are for the period July 1, 2010 through September 30, 2010. 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, 2011

	<u>Final Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 515	\$ 638	\$ -
b. Operating/supplies	4,639	4,666	-
c. Office equipment	150	-	-
	<hr/>	<hr/>	<hr/>
Total Administration	5,304	5,304	-
II. FINANCIAL AUDIT			
	778	778	-
III. DIRECT SERVICES			
a. Program support	39,291	27,569	-
b. Labor	17,000	20,362	-
c. Materials	22,500	24,253	-
d. Vehicle/Major Equipment	-	-	-
e. Health and safety	19,591	26,198	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	98,382	98,382	-
IV. LIABILITY INSURANCE			
	712	712	-
V. TRAINING/TECH. ASST.			
	<hr/>	<hr/>	<hr/>
Total	11,200	2,822	-
	<hr/>	<hr/>	<hr/>
Total	\$ 116,376	\$ 107,998	\$ -

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION ARRA CONTRACT #C000046254
YEAR ENDED JUNE 30, 2011

	Final Approved Budget	Contract Period Expenditures	Questioned Cost
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 43,011	\$ 18,168	\$ -
b. Operating/supplies	117,751	23,837	-
c. Office equipment	3,160	2,583	-
	-	-	-
Total Administration	<u>163,922</u>	<u>44,588</u>	-
II. FINANCIAL AUDIT	12,873	2,815	-
III. DIRECT SERVICES			
a. Program support	390,889	246,116	-
b. Labor	798,769	196,196	-
c. Materials	660,570	269,929	-
d. Vehicle/Major Equipment	21,791	-	-
e. Health and safety	550,000	317,700	-
	-	-	-
Total Direct Services	<u>2,422,019</u>	<u>1,029,941</u>	-
IV. LIABILITY INSURANCE	16,174	2,580	-
V. TRAINING/TECH. ASST.	22,089	6,742	-
	-	-	-
Total	<u>\$ 2,637,077</u>	<u>\$ 1,086,666</u>	<u>\$ -</u>

NOTE: The contract period for the Weatherization ARRA Program is September 15, 2009 through March 31, 2012. The expenditures above are for the period July 1, 2010 through June 30, 2011. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
DEPARTMENT OF EDUCATION - ADULT EDUCATION PROGRAMS
CONTRACT #059-11-0020 AND #41-11-0020
YEAR ENDED JUNE 30, 2011

	Adult Education Programs	
	Adult Literacy Programs	
	Act 143	Section 231
	<u>#059-11-0020</u>	<u>#041-11-0020</u>
REVENUE		
Grant income	<u>\$ 75,976</u>	<u>\$ 42,864</u>
 EXPENSES		
Salaries	44,052	27,283
Benefits	13,518	6,596
Professional and technical services	366	204
Purchased property services	6,164	4,759
Other purchased services	11,662	3,439
Supplies	214	583
	<u>75,976</u>	<u>42,864</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM
CONTRACT #C000046140
YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ 187,861	\$ 71,604
 EXPENSES		
Financial Assistance	98,627	24,072
Housing Relocation and Stabilization Services	70,905	36,662
Data Collection and Evaluation	13,632	2,514
Administration	4,697	2,146
	187,861	65,394
 Subtotal	 \$ -	 \$ 6,210
Prior year Due to (from) Funding Source		(19,856)
Due to (from) Funding Source		\$ (13,646)

NOTE: The program contract period is from September 17, 2009 through August 12, 2012. The expenditures above are for the period July 1, 2010 through June 30, 2011.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
DEPARTMENT OF EDUCATION - NEW CHOICES/CAREER DEVELOPMENT
CONTRACT #282-10-6871
YEAR ENDED JUNE 30, 2011

REVENUE

Grant income \$ 50,500

EXPENSES

Salaries	25,804
Benefits	7,751
Travel	971
Communications	4,119
Occupancy	5,206
Office Supplies	1,422
Other Operating Costs	3,732
Testing and Instruction Materials	632
Outreach/Marketing	833
Other Supportive Services	30

50,500

Due to Funding Source

\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
RETIRED AND SENIOR VOLUNTEER PROGRAM
CONTRACT #10SRAPA010
YEAR ENDED JUNE 30, 2011

REVENUE

Grant income	\$ 70,653
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VOLUNTEER SUPPORT EXPENSES

Salaries and wages	\$42,705	
Fringe benefits	7,970	
Travel	5,750	
Supplies	930	
Other volunteer support costs	8,095	
Audit	<u>377</u>	
Total Volunteer Support Expenses		<u>65,827</u>

VOLUNTEER COSTS

Volunteer recognition	1,896	
Recruitment	228	
Insurance	<u>2,702</u>	
Total Volunteer Costs		<u>4,826</u>
Total Program		<u>70,653</u>
Due to (from) Funding Source		<u>\$ -</u>

NOTE: The program contract period is from April 1, 2010 through June 30, 2012. The expenditures above are for the period July 1, 2010 through June 30, 2011. The match was met with local donations and community funds.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
FOOD AND SHELTER PROGRAMS
PENNSYLVANIA DEPARTMENT OF AGRICULTURE
YEAR ENDED JUNE 30, 2011

	Pennsylvania Department of Agriculture	
	<u>#44101620</u>	<u>#44101637</u>
REVENUE		
Grants	\$ 57,599	\$ 73,473
Interest	114	167
	<u>57,713</u>	<u>73,640</u>
EXPENSES		
Administrative expenses	4,608	5,878
Food assistance	53,105	67,762
	<u>57,713</u>	<u>73,640</u>
Due to Funding Source	<u>-</u>	<u>-</u>
Deferred	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
FOOD AND SHELTER PROGRAMS
FEDERAL EMERGENCY MANAGEMENT AGENCY
YEAR ENDED JUNE 30, 2011

	Federal Emergency Management Agency	
	Clarion	Jefferson
	#28-7218-00-002	#28-7260-00-007
REVENUE		
Grants	\$ 7,678	\$ 3,065
Interest	14	7
	7,692	3,072
 EXPENSES		
Administrative expenses	36	186
Shelter assistance	5,423	2,451
Utility assistance	2,188	435
Food assistance	-	-
	7,647	- 3,072
Due to Funding Source	45	- -
Deferred	\$ -	\$ -

NOTE: The FEMA Program contract #28-7218-00-002 period is from October 1, 2009 through October 31, 2010, the above expenditures are shown for the period July 1, 2010 through October 31, 2010. The FEMA Program contract #28-7260-00-007 period is from October 1, 2009 through October 31, 2010, the above expenditures are shown for the period July 1, 2010 through October 31, 2010.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
CONTRACT #SAP 159000
YEAR ENDED JUNE 30, 2011

	<u>Reported</u>	<u>Actual</u>
SERVICE DATA		
Expenditures:		
Group I clients	\$ 1,800,283	\$ 1,800,283
Group II clients	90,668	90,668
	<u>1,890,951</u>	<u>1,890,951</u>
Total Expenditures		
Summary of Trips:		
Total trips	78,490	78,490
Total clients	1,764	1,764
	<u>80,254</u>	<u>80,254</u>
Total Passenger Trips		
ALLOCATION DATA		
Revenues:		
Department of Public Welfare	1,890,324	1,890,324
Interest income	627	627
	<u>1,890,951</u>	<u>1,890,951</u>
Total Revenues		
Funds Expended:		
Operating costs	1,574,173	1,574,173
Administrative costs	316,778	316,778
	<u>1,890,951</u>	<u>1,890,951</u>
Total Funds Expended		
Excess Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HUMAN SERVICES DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Pennsylvania Department of Public Welfare	<u>\$ 5,528</u>	<u>\$ 5,528</u>
 EXPENDITURES		
Categorical:		
Homeless assistance	5,528	5,528
Total Expenditures	<u>5,528</u>	<u>5,528</u>
Excess of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOMELESS ASSISTANCE PROGRAM
CONTRACT # SAP 159000
YEAR ENDED JUNE 30, 2011

I. SOURCES OF FUNDING

DPW allocation	\$ 41,256
Interest earned	1
	41,257
Total HAP Funding	41,257

II. EXPENSES

	Case Management	Rental Assistance	Total
On behalf of clients	\$ -	\$ 10,037	10,037
Personnel	13,197	10,294	23,491
Operating	2,025	1,579	3,604
	\$ 15,222	\$ 21,910	37,132
Subtotal			
County Administration			4,125
			41,257
Total HAP Expenses			
Total Unexpended Funds			\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM
CONTRACT #PA0320B3E020801
YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ 67,165	\$ 13,545
 EXPENSES		
Administration	3,185	-
Leasing	7,026	736
Direct operating	16,667	3,825
Supportive services	40,287	8,984
	67,165	13,545
 Due to Funding Source	 \$ -	 \$ -

NOTE: The Supportive Housing Program #PA0320B3E020801 contract period is September 1, 2009 through August 31, 2010. The expenditures above are for the period July 1, 2010 through August 31, 2010. The budget is for the entire contract period 2009 - 2010.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM
CONTRACT #PA0320B3E020802
YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ 67,165	\$ 63,802
 EXPENSES		
Administration	3,185	3,185
Leasing	7,026	6,290
Direct operating	16,667	16,064
Supportive services	40,287	38,263
	67,165	63,802
Due to Funding Source	\$ -	\$ -

NOTE: The Supportive Housing Program #PA0320B3E020802 contract period is September 1, 2010 through August 31, 2011. The expenditures above are for the period September 1, 2010 through June 30, 2011. The budget is for the entire contract period 2010 - 2011.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOUSING FOR HOMELESS AND DISABLED PERSONS PROGRAM
CONTRACT #PA0310B3E020801
YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ <u>86,567</u>	\$ <u>31,118</u>
 EXPENSES		
Administration	4,015	876
Leasing	58,718	18,924
Supportive services	23,834	11,318
	<u>86,567</u>	<u>31,118</u>
Due to Funding Source	\$ -	\$ -

NOTE: The Housing for Homeless & Disabled Persons Program #PA0310B3E020801 contract period is December 1, 2009 through November 30, 2010. The expenditures above are for the period July 1, 2010 through November 30, 2010. The budget is for the entire contract period 2009 - 2010.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOUSING FOR HOMELESS AND DISABLED PERSONS PROGRAM
CONTRACT #PA0310B3E020802
YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ <u>86,567</u>	\$ <u>53,463</u>
 EXPENSES		
Administration	4,015	2,855
Leasing	58,718	32,347
Supportive services	23,834	18,261
	<u>86,567</u>	<u>53,463</u>
Due to Funding Source	\$ -	\$ -

NOTE: The Housing for Homeless & Disabled Persons Program #PA310B3E020802 contract period is December 1, 2010 through November 30, 2011. The expenditures above are for the period December 1, 2010 through June 30, 2011. The budget is for the entire contract period December 1, 2010 through November 30, 2011.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF PUBLIC WELFARE
EARLY CARE AND EDUCATION GRANT
YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>YTD % Expended</u>
PERSONNEL			
Salaries and wages	\$ 35,178	\$ 35,178	100%
Fringe benefits	9,645	9,645	100%
	<u>44,823</u>	<u>44,823</u>	<u>100%</u>
OPERATING			
Occupancy	1,387	1,387	100%
Telephone	1,253	1,253	100%
Advertising	1,044	1,044	100%
Printing	1,168	1,168	100%
Postage	191	190	99%
Supplies	7,841	7,841	100%
Travel	3,573	3,572	100%
Training	1,062	1,061	100%
Audit	523	523	100%
Insurance/bond	250	242	97%
Computer support	1,885	1,884	100%
Indirect Costs	-	47	0%
	<u>20,177</u>	<u>20,212</u>	<u>100%</u>
Total Operating	<u>20,177</u>	<u>20,212</u>	<u>100%</u>
Totals	<u>\$ 65,000</u>	<u>\$ 65,035</u>	<u>100%</u>

NOTE: The actual expenditures above include the use of \$35 of interest income.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF PUBLIC WELFARE
CHILDREN'S TRUST FUND 09/10
YEAR ENDED JUNE 30, 2011

	<u>Budget</u>	<u>Actual</u>
PERSONNEL		
Salaries and wages	\$ 3,504	\$ 170
Fringe benefits	1,200	20
	<u>4,704</u>	<u>190</u>
OPERATING		
Occupancy	344	3
Communications	430	6
Transportation	712	23
Training	500	-
Program Supplies	630	-
Fiscal Services	1,609	8
Insurance	68	1
Audit	100	-
	<u>4,393</u>	<u>41</u>
Total Operating	<u>4,393</u>	<u>41</u>
Totals	<u>\$ 9,097</u>	<u>\$ 231</u>

NOTE: The Children's Trust Fund grant contract period is November 1, 2007 through October 31, 2010. The expenditures above are for the period July 1, 2010 through October 31, 2010. The budget is for year one of the grant, November 1, 2009 through October 31, 2010.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS WITH
FUNDING RECONCILIATION FOR CRIME VICTIM ASSISTANCE
SUBGRANT #2008/2009/2010-VF-05-20055 CLEARFIELD
YEAR ENDED JUNE 30, 2011

	<u>Approved</u> <u>Budget</u>	<u>Reported</u> <u>Costs</u>	<u>Questioned</u> <u>Costs</u>
BUDGET CATEGORY			
Personnel	\$ 41,103	\$ 27,349	\$ -
Employee benefits	11,449	7,398	-
Travel	3,620	1,044	-
Supplies/operating	26,410	12,232	-
Other	7,470	3,779	-
	<u>\$ 90,052</u>	<u>\$ 51,802</u>	<u>\$ -</u>

Note: The Crime Victim Assistance Subgrant - Clearfield contract period is from July 1, 2009 through June 30, 2011. The expenditures above are for the period July 1, 2010 through June 30, 2011. 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 #2008/2009/2010-VF-05-20054 JEFFERSON
YEAR ENDED JUNE 30, 2011

	<u>Approved</u> <u>Budget</u>	<u>Reported</u> <u>Costs</u>	<u>Questioned</u> <u>Costs</u>
BUDGET CATEGORY			
Personnel	\$ 31,557	\$ 15,132	\$ -
Employee benefits	9,683	5,705	-
Travel	1,320	35	-
Supplies/operating	13,010	8,916	-
Other	5,030	3,056	-
	<u>\$ 60,600</u>	<u>\$ 32,844</u>	<u>\$ -</u>

Note: The Crime Victim Assistance Subgrant - Jefferson contract period is from July 1, 2009 through June 30, 2011. The expenditures above are for the period July 1, 2010 through June 30, 2011. 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, 2011

	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
BUDGET CATEGORY					
<u>TITLE XX</u>					
Personnel:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	-	-	-	-	-
Operations:					
Advertising	504	504	504	-	-
Equipment maintenance	155	155	155	-	-
Food	3	3	3	-	-
Maintenance	1,947	1,765	1,765	182	-
Postage	580	566	566	14	-
Printing	280	280	280	-	-
Professional Fees	12,306	12,813	12,813	(507)	-
Supplies	504	193	193	311	-
Total Operations	16,279	16,279	16,279	-	-
Total	\$ 16,279	\$ 16,279	\$ 16,279	\$ -	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
ACT 44 PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2011

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<u>ACT 44</u>					
Personnel:					
Salaries	\$ 112,348	\$ 112,348	\$ 112,348	\$ -	\$ -
Benefits	36,643	36,643	36,643	-	-
Total Personnel	148,991	148,991	148,991	-	-
Operations:					
Advertising	-	-	-	-	-
Equipment	-	-	-	-	-
Food	288	288	288	-	-
Memberships	25	-	-	25	-
Professional Fees	3,134	3,404	3,404	(270)	-
Rent	7,911	7,911	7,911	-	-
Staff Development	86	86	86	-	-
Telephone	8,501	8,405	8,405	96	-
Utilities	6,557	6,408	6,408	149	-
Total Operations	26,502	26,502	26,502	-	-
Program Totals	\$ 175,493	\$ 175,493	\$ 175,493	\$ -	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
FVPS PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2011

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<u>FVPS</u>					
Personnel:					
Salaries	\$ 67,046	\$ 67,046	\$ 67,046	\$ -	\$ -
Benefits	21,997	21,997	21,997	-	-
Total personnel	<u>89,043</u>	<u>89,043</u>	<u>89,043</u>	<u>-</u>	<u>-</u>
Operations:					
Food	209	209	209	-	-
Insurance	2,500	2,500	2,500	-	-
Professional Fees	1,260	1,260	1,260	-	-
Supplies	5,037	5,037	5,037	-	-
Travel	9,600	9,600	9,600	-	-
Total operations	<u>18,606</u>	<u>18,606</u>	<u>18,606</u>	<u>-</u>	<u>-</u>
Program totals	<u>\$ 107,649</u>	<u>\$ 107,649</u>	<u>\$ 107,649</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
TANF RELOCATION PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2011

BUDGET CATEGORY	Approved Budget	Reported Costs	Allowable Costs Per Audit		
			Total	(Over) Under Budget	Questioned Costs
<u>TANF RELOCATION</u>					
Operations relocation expense	\$ 11,492	\$ 11,492	\$ 11,492	\$ -	\$ -
Program totals	\$ 11,492	\$ 11,492	\$ 11,492	\$ -	\$ -

COMMUNITY ACTION, INC.
COMBINED SCHEDULE OF BUDGETED, REPORTED AND
ALLOWABLE COSTS WITH FUNDING RECONCILIATION
PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2011

	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	148,991	148,991	148,991	-	-
Operations	26,502	26,502	26,502	-	-
FVPS					
Personnel	89,043	89,043	89,043	-	-
Operations	18,606	18,606	18,606	-	-
TANF RELOCATION					
Operations	11,492	11,492	11,492	-	-
	<u>\$ 310,913</u>	<u>\$ 310,913</u>	<u>\$ 310,913</u>	<u>\$ -</u>	<u>\$ -</u>
FUNDING RECONCILIATION					
Approved contract received as of June 30, 2011				\$ 302,910	
Approved contract receivable at June 30, 2010				8,003	
				\$ 310,913	
Allowable costs:					
Approved				310,913	
Questioned				-	
				310,913	<u>310,913</u>
Due to (from) PCADV					<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUES
PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2011

Received during:		
July	\$	-
August		-
September		77,478
October		17,126
November		21,562
December		27,538
January		-
February		25,826
March		60,098
April		53,405
May	\$	<u>19,877</u>
		\$302,910
Receivable at June 30:		
June		<u>8,003</u>
Total		<u>\$310,913</u>

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF PUBLIC WELFARE
WORK READY PROGRAM #4100044838
YEAR ENDED JUNE 30, 2011

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
ADMINISTRATION			
Personnel	\$ 6,872	\$ 6,136	\$ -
Operating Expenses	6,929	7,665	-
	<u>13,801</u>	<u>13,801</u>	<u>-</u>
Total Administration			
PROGRAM COSTS			
Personnel	87,841	87,489	-
Equipment and Supplies	1,100	1,014	-
Operating Expenses	16,880	19,043	-
Other Expenses	5,200	3,131	-
	<u>111,021</u>	<u>110,677</u>	<u>-</u>
Total Program Costs			
SUPPORT SERVICES	13,186	9,979	-
WORK EXPERIENCE WAGES	2,796	3,582	-
WC/UC/FICA FOR PAID WORK EXPERIENCE	783	436	-
SUBSIDIZED WORK WAGES	2,535	-	-
SPECIAL ALLOWANCES	1,859	198	-
	<u>\$ 145,981</u>	<u>\$ 138,673</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
COMBINED RECAP FOR THE FISCAL YEAR
DEPARTMENT OF PUBLIC WELFARE
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES
CONTRACT #DC10 169208
YEAR ENDED JUNE 30, 2011

	<u>Low Income/ Former TANF</u>	<u>TANF Training / Working Service</u>	<u>State MOE</u>	<u>Food Stamps</u>	<u>Total</u>
REVENUE					
DPW Funds	\$ 1,635,537	\$ 96,572	\$ 19,995	\$ 146,931	\$ 1,899,035
Interest	244	16	3	24	287
Client Overpayment Recovery	150	-	-	-	150
Total Revenue	<u>1,635,931</u>	<u>96,588</u>	<u>19,998</u>	<u>146,955</u>	<u>1,899,472</u>
EXPENDITURES					
Final report totals	1,640,695	94,700	19,573	144,504	1,899,472
Total Expenditures	<u>1,640,695</u>	<u>94,700</u>	<u>19,573</u>	<u>144,504</u>	<u>1,899,472</u>
Total Due to (from) DPW	<u>\$ (4,764)</u>	<u>\$ 1,888</u>	<u>\$ 425</u>	<u>\$ 2,451</u>	<u>\$ -</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 #DC10 169208
YEAR ENDED JUNE 30, 2011

	<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	\$ 177,628	\$ 1,241,206	\$ 25,134	\$ 191,569	\$ 1,635,537
Interest	-	212	-	32	244
Client Overpayment Recovery	-	150	-	-	150
Total Revenue	<u>177,628</u>	<u>1,241,568</u>	<u>25,134</u>	<u>191,601</u>	<u>1,635,931</u>
EXPENDITURES					
Final report totals	177,628	1,245,541	23,219	194,307	1,640,695
Total Expenditures	<u>177,628</u>	<u>1,245,541</u>	<u>23,219</u>	<u>194,307</u>	<u>1,640,695</u>
Total Due to (from) DPW	<u>\$ -</u>	<u>\$ (3,973)</u>	<u>\$ 1,915</u>	<u>\$ (2,706)</u>	<u>\$ (4,764)</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 #DC10 169208
YEAR ENDED JUNE 30, 2011

	TANF	TANF Service				TANF
	FSS	Training	WS-Training	Working	WS-Working	Total
REVENUE						
DPW Funds	\$ 17,863	\$ 53,767	\$ 10,634	\$ 11,940	\$ 2,368	\$ 96,572
Interest	-	11	2	2	1	16
Total Revenue	<u>17,863</u>	<u>53,778</u>	<u>10,636</u>	<u>11,942</u>	<u>2,369</u>	<u>96,588</u>
EXPENDITURES						
Final report totals	17,967	51,529	10,052	13,355	1,797	94,700
Total Expenditures	<u>17,967</u>	<u>51,529</u>	<u>10,052</u>	<u>13,355</u>	<u>1,797</u>	<u>94,700</u>
Total Due to (from) DPW	<u>\$ (104)</u>	<u>\$ 2,249</u>	<u>\$ 584</u>	<u>\$ (1,413)</u>	<u>\$ 572</u>	<u>\$ 1,888</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 #DC10 169208
YEAR ENDED JUNE 30, 2011

	State MOE/GA FSS	Service State MOE	Genl Assist/ WS2	State MOE/GA Total
REVENUE				
DPW Funds	\$ 4,581	\$ 15,414	\$ -	\$ 19,995
Interest	-	3	-	3
	-	-	-	-
	-	-	-	-
Total Revenue	<u>4,581</u>	<u>15,417</u>	<u>-</u>	<u>19,998</u>
EXPENDITURES				
Final report totals	4,608	14,965	-	19,573
Total Expenditures	<u>4,608</u>	<u>14,965</u>	<u>-</u>	<u>19,573</u>
Total Due to (from) DPW	<u>\$ (27)</u>	<u>\$ 452</u>	<u>\$ -</u>	<u>\$ 425</u>

COMMUNITY ACTION, INC.
RECAP FOR THE FISCAL YEAR
FOOD STAMPS
DEPARTMENT OF PUBLIC WELFARE
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES
CONTRACT #DC10 169208
YEAR ENDED JUNE 30, 2011

	<u>Food Stamps</u>		
	<u>FSS</u>	<u>Service</u>	<u>Total</u>
REVENUE			
DPW Funds	\$ 30,972	\$ 115,959	\$ 146,931
Interest	-	24	24
	-	-	-
	-	-	-
Total Revenue	<u>30,972</u>	<u>115,983</u>	<u>146,955</u>
EXPENDITURES			
Final report totals	31,153	113,351	144,504
Total Expenditures	<u>31,153</u>	<u>113,351</u>	<u>144,504</u>
Total Due to (from) DPW	<u>\$ (181)</u>	<u>\$ 2,632</u>	<u>\$ 2,451</u>

210 Toll Gate 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

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 the financial statements of Community Action, Inc., (a non-profit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 20, 2011. We conducted our audit 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; audit guidelines issued by the Pennsylvania Department of Public Welfare; and guidelines issued by the Pennsylvania Coalition Against Domestic Violence.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Community Action, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 of the audit committee, 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.



Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
December 20, 2011

210 Toll Gate Hill Road
Greensburg, PA 15601
Telephone 724-834-2151
FAX: 724-834-5969

John F. Sarp, CPA, Managing Partner
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1943 - 1991

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

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

Compliance

We have audited the compliance of Community Action, Inc., (a non-profit) organization) 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, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Action, Inc.'s management. Our responsibility is to express an opinion on Community Action, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; audit guidelines issued by the Pennsylvania Department of Public Welfare; and guidelines issued by the Pennsylvania Coalition Against Domestic Violence. Those standards, the OMB Circular A-133, and other audit guidelines 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. Our audit does not provide a legal determination on Community Action, Inc.'s compliance with those requirements.

In our opinion, Community Action, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

The management of Community Action, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Community Action, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

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

This report is intended solely for the information of the audit committee, 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.


Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
December 20, 2011

SARP & COMPANY CERTIFIED PUBLIC ACCOUNTANTS

210 Toll Gate Hill Road
Greensburg, PA 15601
Telephone 724-834-2151
FAX: 724-834-5969

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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, 2011, 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	31	Revenue and Expenses
Human Services Development Fund	32	Revenue and Expenses
Homeless Assistance Program	33	Revenue and Expenses
Early Care Education Grant	38	Expenditure Report

Children's Trust Fund – 09/10	39	Expenditure Report
PCADV – Contract # 5233	42	Budgeted, Reported and Allowable Costs – Title XX
	43	Budgeted, Reported and Allowable Costs – Act 44
	44	Budgeted, Reported, and Allowable Costs – FVPS
	45	Budgeted, Reported, and Allowable Costs – TANF Relocation
	47	Schedule of Revenues
Work Ready Program	48	Budget Comparison Statement
Child Care Information Services	49	Combined Recap for the Fiscal Year
	50	Recap for the Fiscal Year - Low Income and Former TANF
	51	Recap for the Fiscal Year - TANF Training and Working Service
	52	Recap for the Fiscal Year - TANF State MOE
	53	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

Sarp & Company
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania
December 20, 2011

COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

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? 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 section 501(a) of OMB Circular A-133?

No

Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
81.042	Weatherization Assistance for Low-Income Persons
93.568	Low-Income Home Energy Assistance
93.667	Social Services Block Grant
93.778	Medical Assistance Program
CSBG Cluster	
93.569	Community Services Block Grant
93.710	ARRA – Community Services Block Grant
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
93.713	ARRA – Child Care and Development Block Grant

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, 2011

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

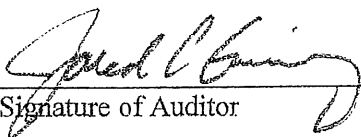
COMMUNITY ACTION, INC.
POST-AUDIT CONFERENCE
JUNE 30, 2011

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

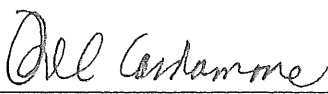
Date: November 17, 2011

Time: 12:16 p.m.

Place: Community Action, Inc. Board Meeting



Signature of Auditor



Signature of Director