



## **FINANCIAL STATEMENTS**

**June 30, 2014 AND 2013**

**COMMUNITY ACTION, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013**

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## INDEPENDENT AUDITOR'S REPORT

October 16, 2014

To the Board of Directors  
Community Action, Inc.  
105 Grace Way  
Punxsutawney, PA 15979-1209

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, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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, 2014 and 2013, and the changes in its net assets and its cash flows for the years 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 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 the purposes of additional analysis and is not a required part of the financial statements and the information on pages 26 through 53, is presented for purposes of supplemental analysis, and 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 October 16, 2014, 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 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.

### **Prior Period Financial Statements**

The financial statements of Community Action, Inc. as of June 30, 2013, were audited by other auditors, whose report dated December 10, 2013, expressed an unmodified opinion on those statements.



WESSEL & COMPANY  
Certified Public Accountants

COMMUNITY ACTION, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2014 AND 2013

	2014	2013
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 825,828	\$ 768,084
Grants receivable	660,217	631,095
Other receivables	198,309	138,930
Investments	54,770	48,813
Inventory	13,281	19,492
Prepaid expenses	52,153	103,268
Total Current Assets	1,804,558	1,709,682
Property and equipment - Net of accumulated depreciation	490,965	448,055
Total Assets	\$ 2,295,523	\$ 2,157,737
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts payable	\$ 265,076	\$ 222,782
Accrued and withheld taxes	7,717	29,062
Accrued salaries	142,157	133,206
Deferred revenue	146,774	49,325
Accrued expenses	27,434	33,284
Security deposits	680	680
Total Current Liabilities	589,838	468,339
Total Liabilities	589,838	468,339
Net Assets:		
Unrestricted	1,612,564	1,624,654
Temporarily restricted	93,121	64,744
Permanently restricted	-	-
Total Net Assets	1,705,685	1,689,398
Total Liabilities and Net Assets	\$ 2,295,523	\$ 2,157,737

See Independent Auditor's Report and  
Accompanying Notes to Financial Statements



COMMUNITY ACTION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014
<u>Public Support and Revenue</u>				
Public Support:				
Grant income	\$ 3,560,807	\$ -	\$ -	\$ 3,560,807
Contributions	183,793	28,377	-	212,170
Contributions, in-kind	35,151	-	-	35,151
Special events	2,625	-	-	2,625
	<u>3,782,376</u>	<u>28,377</u>	<u>-</u>	<u>3,810,753</u>
Total Public Support				
Revenue:				
Service income	362,295	-	-	362,295
Information technology services	313,561	-	-	313,561
Investment income (loss)	8,743	-	-	8,743
Housing income	34,331	-	-	34,331
Miscellaneous income	8,511	-	-	8,511
	<u>727,441</u>	<u>-</u>	<u>-</u>	<u>727,441</u>
Total Revenue				
Total Public Support and Revenue <u>4,509,817</u> <u>28,377</u> <u>-</u> <u>4,538,194</u>				
<u>Expenses</u>				
Operating:				
Program services	3,783,236	-	-	3,783,236
Fundraising	8,895	-	-	8,895
	<u>3,792,131</u>	<u>-</u>	<u>-</u>	<u>3,792,131</u>
Total Operating				
Supporting Services:				
Management and general	729,776	-	-	729,776
	<u>4,521,907</u>	<u>-</u>	<u>-</u>	<u>4,521,907</u>
Total Expenses				
Change in Net Assets	(12,090)	28,377	-	16,287
Net Assets - Beginning of Year	<u>1,624,654</u>	<u>64,744</u>	<u>-</u>	<u>1,689,398</u>
Net Assets - End of Year	<u>\$ 1,612,564</u>	<u>\$ 93,121</u>	<u>\$ -</u>	<u>\$ 1,705,685</u>

See Independent Auditor's Report and  
Accompanying Notes to Financial Statements

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2013
<u>Public Support and Revenue</u>				
Public Support:				
Grant income	\$ 4,821,420	\$ -	\$ -	\$ 4,821,420
Contributions	120,606	-	-	120,606
Contributions, in-kind	25,382	-	-	25,382
Special events	1,620	-	-	1,620
	<u>4,969,028</u>	<u>-</u>	<u>-</u>	<u>4,969,028</u>
Total Public Support				
Revenue:				
Service income	142,617	-	-	142,617
Information technology services	252,095	-	-	252,095
Investment income (loss)	5,996	-	-	5,996
Housing income	35,592	-	-	35,592
Miscellaneous income	23,692	-	-	23,692
Gain on disposal of fixed asset	22,516	-	-	22,516
Released from restriction	10,572	(10,572)	-	-
	<u>493,080</u>	<u>(10,572)</u>	<u>-</u>	<u>482,508</u>
Total Revenue				
Total Public Support and Revenue				
	<u>5,462,108</u>	<u>(10,572)</u>	<u>-</u>	<u>5,451,536</u>
<u>Expenses</u>				
Operating:				
Program services	4,785,785	-	-	4,785,785
Fundraising	25,404	-	-	25,404
	<u>4,811,189</u>	<u>-</u>	<u>-</u>	<u>4,811,189</u>
Total Operating				
Supporting Services:				
Management and general	584,244	-	-	584,244
	<u>5,395,433</u>	<u>-</u>	<u>-</u>	<u>5,395,433</u>
Total Expenses				
Change in Net Assets				
	66,675	(10,572)	-	56,103
Net Assets - Beginning of Year	<u>1,557,979</u>	<u>75,316</u>	<u>-</u>	<u>1,633,295</u>
Net Assets - End of Year	<u>\$ 1,624,654</u>	<u>\$ 64,744</u>	<u>\$ -</u>	<u>\$ 1,689,398</u>

See Independent Auditor's Report and  
Accompanying Notes to Financial Statements

COMMUNITY ACTION, INC..  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,101,751	\$ 503,878	\$ 4,217	\$ 1,609,846
Fringe Benefits	232,330	76,955	579	309,864
Payroll Taxes	83,943	38,244	321	122,508
<b>Total Personnel Costs</b>	<b>1,418,024</b>	<b>619,077</b>	<b>5,117</b>	<b>2,042,218</b>
Travel	37,549	12,182	-	49,731
Software	-	20	-	20
Equipment maintence and rental	2,543	-	-	2,543
Small equipment and tools	9,269	-	-	9,269
Supplies	33,075	265	12	33,352
Space costs	87,295	5,745	176	93,216
Telephone	29,048	4,714	106	33,868
Postage	15,161	730	12	15,903
Printing	11,203	1,019	603	12,825
Licenses and registration	2,056	3,414	-	5,470
Insurance	36,294	2,228	37	38,559
Auto expenses	18,177	-	-	18,177
Information Technology	6,423	31,239	253	37,915
Advertsing and publication	732	2,473	-	3,205
Registration and memberships	3,077	1,555	-	4,632
Training and technical assistance	2,290	100	-	2,390
Administrative fees	6,041	-	-	6,041
Volunteer recognition	8,500	-	-	8,500
Contracted services	101,882	24,737	7	126,626
Snow removal	863	-	-	863
Utilities	26,183	-	-	26,183
Meetings	122	2,165	-	2,287
Food and meals	490	-	-	490
Buildng repairs and maintenance	2,311	-	-	2,311
Miscellaneous	3,798	-	-	3,798
Property taxes	1,413	-	-	1,413
Depreciation	10,994	-	-	10,994
Bad debt expense	-	-	-	-
Consumer assistance:				
Child care fees	-	-	-	-
Food and meals	13,458	-	-	13,458
Weatherization services	428,078	-	-	428,078
Housing assistance	105,419	-	-	105,419
Client travel and assistance	1,304,090	-	-	1,304,090
Other consumer support	9,776	-	-	9,776
Funds returned	6,668	-	-	6,668
Project support	3,875	-	-	3,875
In-Kind expenses	26,877	-	-	26,877
Fiscal services	394	4,884	2,431	7,709
Human resources services	-	13,229	141	13,370
Federal taxes	6,428	-	-	6,428
Fines & penalties	3,360	-	-	3,360
<b>Total Expenses</b>	<b>\$ 3,783,236</b>	<b>\$ 729,776</b>	<b>\$ 8,895</b>	<b>\$ 4,521,907</b>

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

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,153,718	\$ 389,391	\$ 14,954	\$ 1,558,063
Fringe Benefits	287,002	68,010	1,652	356,664
Payroll Taxes	87,121	30,100	1,132	118,353
<b>Total Personnel Costs</b>	<b>1,527,841</b>	<b>487,501</b>	<b>17,738</b>	<b>2,033,080</b>
Travel	33,624	7,882	835	42,341
Software	240	-	-	240
Equipment maintence 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
Advertsing and publication	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
<b>Total Expenses</b>	<b>\$ 4,785,785</b>	<b>\$ 584,244</b>	<b>\$ 25,404</b>	<b>\$ 5,395,433</b>

COMMUNITY ACTION , INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 16,287	\$ 56,103
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	42,659	43,724
<b>Change in assets and liabilities:</b>		
Unrealized (gain)/loss on investments	(5,957)	(2,562)
Grants receivable	(29,122)	(125,209)
Other receivables	(59,379)	(15,445)
Inventory	6,211	(5,161)
Prepaid expenses	51,115	(50,351)
Accounts payable	36,444	(63,012)
Security deposits	-	5
Accrued and withheld taxes	(21,345)	14,005
Accrued salaries	8,950	115
Deferred revenues	97,449	14,340
Total Adjustments	127,025	(189,551)
Net Cash Provided By/(Used In) Operating Activities	143,312	(133,448)
<b>Cash Flows From Investing Activities:</b>		
Purchase of fixed assets	(85,568)	(8,225)
Disposal of fixed assets	-	15,428
Net Cash (Used In)/Provided By Investing Activities	(85,568)	7,203
Net Increase/(Decrease) In Cash and Cash Equivalents	57,744	(126,245)
Cash and Cash Equivalents - Beginning of Year	768,084	894,329
Cash and Cash Equivalents - End of Year	\$ 825,828	\$ 768,084

See Independent Auditor's Report and  
Accompanying Notes to Financial Statements

COMMUNITY ACTION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

NOTE 1 - NATURE OF OPERATIONS

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 14).

Community Action, Inc. follows FASB ASC 740-10 Topic Accounting for Uncertainty in Income Taxes. The FASB ASC requires Community Action, Inc. to evaluate tax positions taken and determine whether it is more-likely-than-not that the tax position will be sustained upon examination based on the technical merits of the position. Community Action, Inc. has performed an evaluation and has determined there are no material unrecognized tax positions or uncertain tax positions that meet the reporting and disclosure provisions of FASB ASC. Community Action, Inc. records tax penalties and interest as they occur. For the years ended June 30, 2014 and 2013, Community Action, Inc. incurred no tax penalty or interest costs. With certain exceptions, the federal income tax returns of

Community Action, Inc. for 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

### *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 services as instructed by the donor. Community Action, Inc. reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Equipment acquired with grant funds is expensed currently in accordance with provisions of the grants. Generally, the title to such assets is held by the respective grantors and there are restrictions regarding their disposition. However, real property acquired with grant funds is capitalized due to its substantial useful life.

### *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, 2014 and 2013.

### *Allowance for Doubtful Receivables*

No allowance for doubtful accounts was provided as of June 30, 2014 and 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, 2014 and 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.

### *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.



### NOTE 3 – 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, 2014 and 2013, was \$602,133 and \$786,294, respectively, which is collateralized through a repurchasing agreement between Community Action, Inc., and the financial institution.

### NOTE 4 – GRANTS RECEIVABLE

Receivables, primarily representing funding under various grants or contracts for program expenditure reimbursements, are summarized as follows at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Adult Literacy – Act 231	\$ 5,663	\$ -
CCIS-Low Income	-	102,725
Crossroads – PCDAV	6,701	13,464
CSBG	78,669	95,195
CSBG – Discretionary	859	5,346
HFHADP – Disabled Housing	11,665	6,588
Homeless Assistance Program	7,416	-
HSDf	2,034	559
Medical Transportation	453,198	300,011
Stewart McKinney	7,293	8,582
Work Ready Program	4,367	-
Victims of Crime Act	21,363	22,256
Weatherization (Crisis)	-	728
Weatherization (DOE)	35,654	26,864
Weatherization (LIHEAP)	25,335	19,988
Weatherization (LIHEAP)	<u>-</u>	<u>28,789</u>
	<u>\$ 660,217</u>	<u>\$ 631,095</u>

## NOTE 5 – INVESTMENTS

The fair values of marketable equity securities are based on quoted market prices. Investments as of June 30, 2014 and 2013 are composed of the following:

	2014	
	<u>Cost</u>	<u>Fair Value</u>
544 Shares Exxon Mobil Corporation	\$21,675	\$54,770
	2013	
	<u>Cost</u>	<u>Fair Value</u>
544 Shares Exxon Mobil Corporation	\$21,675	\$48,813

An unrealized gain of \$5,957 and \$2,562 was recognized for the year ended June 30, 2014 and 2013, respectively.

Components of net investment income include:

	<u>2014</u>	<u>2013</u>
Dividend income	\$ 1,403	\$ 1,273
Interest income on interest bearing cash	1,383	2,161
Unrealized holding gain	<u>5,957</u>	<u>2,562</u>
	<u>\$ 8,743</u>	<u>\$ 5,996</u>

## NOTE 6 – FAIR VALUE MEASUREMENT

The Organization applies GAAP for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP established a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present assets that are measured at fair value on a recurring basis at June 30, 2014 and 2013:

	June 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements at Reporting Date Using	
			Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Shares	\$ <u>54,770</u>	\$ <u>54,770</u>	\$ <u>---</u>	\$ <u>---</u>

	June 30, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements at Reporting Date Using	
			Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Shares	\$ <u>48,813</u>	\$ <u>48,813</u>	\$ <u>---</u>	\$ <u>---</u>

#### NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Land	\$ 34,965	\$ 34,965
Buildings and Improvements	647,528	557,632
Equipment	<u>247,073</u>	<u>287,156</u>
	929,566	879,753
Less: Accumulated Depreciation	<u>(438,601)</u>	<u>(431,698)</u>
Total Property and Equipment	<u>\$ 490,965</u>	<u>\$ 448,055</u>

Depreciation expense for the years ending June 30, 2014 and 2013 is \$42,659 and \$43,724, which includes \$31,664 and \$32,010 allocated to cost pools, respectively.

#### NOTE 8 – RESTRICTED NET ASSETS

Temporarily restricted assets at June 30, 2014 and 2013 are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Contributions available for Crossroads program	\$ 51,640	\$ 33,840
Contributions available for client services	31,895	24,794
Contributions available for Friends for Food	<u>9,586</u>	<u>6,110</u>
	\$ <u>93,121</u>	\$ <u>64,744</u>

#### NOTE 9 – 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, 2015. As of June 30, 2014, there was no outstanding balance owed.

#### NOTE 10 – 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, 2014 and 2013, these accrued compensated absences were \$67,500 and \$65,491, respectively.

#### NOTE 11 – OPERATING LEASE COMMITMENTS

Community Action, Inc. has several operating lease agreements in effect as of the year ended June 30, 2014, 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 \$125 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, 2014, 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:

Year Ended June 30,	<u>Equipment</u>	<u>Facilities</u>
2015	\$ 2,076	\$ 1,258
2016	<u>519</u>	<u>---</u>
	<u>\$ 2,595</u>	<u>\$ 1,258</u>

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

For the years ending June 30, 2014 and 2013, lease expenses for Facilities and Equipment was \$67,519 and \$72,529, respectively.

#### NOTE 12 – 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 for the years ended June 30, 2014 and 2013 consist of the following at fair market value at the date of donation:

	<u>2014</u>	<u>2013</u>
Adult Literacy classroom space	\$ 14,235	\$ 20,750
Food and program supplies	7,515	746
Donated technology	10,052	3,886
Donated Services	<u>3,349</u>	<u>---</u>
Total Donated Services and Materials Revenue	\$ 35,151	\$ 25,382
Less: Donated Fixed Asset Contributions	( <u>8,274</u> )	<u>---</u>
Total Donated Services and Materials Expense	<u>\$ 26,877</u>	<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 46,079 hours of time.

#### NOTE 13 – CONCENTRATIONS

Community Action, Inc. received approximately fifty percent (50%) and fifty-three percent (53%) of its total revenue from two (2) grant programs for the years ended June 30, 2014 and 2013, respectively. If a significant reduction in this level of funding were to occur, Community Action, Inc.'s ability to carry out its program services would be significantly reduced.

#### NOTE 14 – 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 \$35,339 and \$60,359 for the years ended June 30, 2014 and 2013, thus the organization recognized \$5,151 and \$9,840 in federal unrelated business income tax, respectively.

#### NOTE 15 – 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 16 – SIMPLE PLAN

Effective July 1, 2000, a Simple IRA retirement plan was adopted. To be eligible, an employee must be reasonably expected to receive \$5,000 in compensation in the calendar year. Employee contributions will be matched dollar-for-dollar by 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 2014. For employees age 50 or older, the limit is \$14,500. For the year ending June 30, 2014 and 2013, employer contributions were \$25,897 and \$27,780, respectively.

#### NOTE 17 – 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, 2014.

### Match Requirements

Community Action, Inc., is required by PCADV to raise monies within the community and spend amounts in excess of twenty (20%) percent of the contract. For the year ended June 30, 2014, Community Action, Inc., raised and spent match monies totaling approximately twenty-one (21%) percent of the contract to fulfill its obligation.

### Domestic Violence Budget

For the year ended June 30, 2014, total domestic violence expenditures by Community Action, Inc. for domestic violence was \$450,312.

### 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, 2014.

## NOTE 18 - COMMITMENTS AND CONTINGENCIES

### Grant Programs

Community Action, Inc. participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Community Action, Inc. is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. In the opinion of management, liabilities resulting from disallowed expenditures, if any, would not be material to the accompanying financial statements at June 30, 2014 and 2013.

### Litigation

Community Action, Inc. is subject to certain legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect the Community Action, Inc.'s financial statements as a result of operations.

## NOTE 19 – SUBSEQUENT EVENTS

Subsequent events were considered through October 16, 2014, the date the financial statements were available to be issued.



## **SUPPLEMENTAL INFORMATION**

**COMMUNITY ACTION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
 (Page 1 of 2)

Grantor Program Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/Ending Dates	Program or Award Amount	Total Received For the Year	Accrued or (Deferred) Revenue at 7/1/2013	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 6/30/2014	
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>											
Transitional Housing for Homeless and Disabled Persons	D	14.235	PA0320B3E021104	9/1/12-8/31/13	\$ 67,165	\$ 16,024	\$ 8,582	\$ 7,442	\$ 7,442	\$ -	
Transitional Housing for Homeless and Disabled Persons	D	14.235	PA0310B3E021104	12/1/12-11/30/13	86,567	33,881	6,588	27,293	27,293	-	
Transitional Housing for Homeless and Disabled Persons	D	14.267	PA0320L3E021205	9/1/13-8/31/14	67,602	59,579	-	66,872	66,872	7,293	
Transitional Housing for Homeless and Disabled Persons	D	14.267	PA0310L3E021205	12/1/13-11/30/14	91,868	46,682	-	58,347	58,347	11,665	
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							156,166	15,170	159,954	159,954	18,958
<b>U.S. DEPARTMENT OF JUSTICE</b>											
<b>Passed Through the Pennsylvania Commission on Crime and Delinquency:</b>											
Crime Victim Assistance	I	16.575	2011-2012-VF-05-22248	7/1/11-6/30/13	64,843	5,246	5,246	-	-	-	
Crime Victim Assistance	I	16.575	2011-2012-VF-05-22249	7/1/11-6/30/13	99,671	17,010	17,010	-	-	-	
Crime Victim Assistance	I	16.575	2013-2015-VF-05-24278	7/1/13-6/30/15	63,686	22,464	-	26,240	26,240	3,776	
Crime Victim Assistance	I	16.575	2013-2015-VF-05-24299	7/1/13-6/30/15	97,587	18,898	-	36,485	36,485	17,587	
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>							63,618	22,256	62,725	62,725	21,363
<b>U.S. DEPARTMENT OF EDUCATION</b>											
<b>Passed Through the Pennsylvania Department of Education:</b>											
Adult Education Section 231	I	84.002	041-14-0011	7/1/13-6/30/14	70,890	65,227	-	70,890	70,890	5,663	
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>							65,227	-	70,890	70,890	5,663
<b>U.S. DEPARTMENT OF ENERGY</b>											
<b>Passed Through the Pennsylvania Department of Community and Economic Development:</b>											
Weatherization Assistance for Low-Income Persons: WX-DOE (12/13)	I	81.042	C000053015	7/1/12-9/30/13	93,814	41,779	26,864	14,915	14,915	-	
Weatherization Assistance for Low-Income Persons: WX-DOE (13/14)	I	81.042	C000055947	7/1/13-6/30/16	52,024	16,370	-	52,024	52,024	35,654	
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>							58,149	26,864	66,939	66,939	35,654
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>											
<b>Passed Through the Pennsylvania Department of Community and Economic Development:</b>											
Community Services Block Grant	I	93.569	C000052902	1/1/12-9/30/13	50,000	32,682	5,345	27,337	27,337	-	
Community Services Block Grant	I	93.569	C000052445	1/1/12-3/31/14	531,494	231,012	95,195	135,817	135,817	-	
Community Services Block Grant	I	93.569	C000057048	1/1/14-12/31/16	302,131	67,500	-	146,169	146,169	78,669	
Community Services Block Grant	I	93.569	C000057048	1/1/14-12/31/16	16,600	-	-	859	859	859	
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							331,194	100,540	310,182	310,182	79,528

**COMMUNITY ACTION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
 (Page 2 of 2)

Grantor Program Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Dates	Program or Award Amount	Total Received For the Year	Accrued or (Deferred) Revenue at 7/1/2013	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 6/30/2014
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</b>										
Low-Income Home Energy Assistance Program (11/12)	I	93.568 *	C000050260	7/1/10-9/30/13	412,737	79,039	19,988	59,051	59,051	-
Low-Income Home Energy Assistance Program (12/13)	I	93.568 *	C000053015	7/1/12-12/31/13	309,308	205,242	29,517	175,725	175,725	-
Low-Income Home Energy Assistance Program (13/14)	I	93.568 *	C000055947	7/1/13-6/30/16	634,358	277,044	-	302,379	302,379	25,335
						561,325	49,505	537,155	537,155	25,335
<b>Passed Through the Pennsylvania Department of Public Welfare:</b>										
Work Ready (12/13)	I	93.558	4100057947	10/1/12-9/30/13	144,536	22,943	(1,928)	24,871	24,871	-
Work Ready (13/14)	I	93.558	4100064833	10/1/13-9/30/14	144,536	87,749	-	92,116	92,116	4,367
						110,692	(1,928)	116,987	116,987	4,367
<b>Passed Through the Pennsylvania Coalition Against Domestic Violence (PCADV):</b>										
Social Services Block Grant	I	93.667	52-33	7/1/13-6/30/14	26,771	27,400	1,162	26,771	26,771	533
Family Violence Prevention Services	I	93.671	52-33	7/1/13-6/30/14	99,167	101,830	4,634	99,167	99,167	1,971
<b>Passed Through the Jefferson County Commissioners:</b>										
Medical Assistance Transportation Program	I	93.778 *	SAP 159000	7/1/13-6/30/14	815,855	702,222	142,927	772,750	772,750	213,455
						1,834,663	296,840	1,863,012	1,863,012	325,189
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>										
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</b>										
Retired Senior and Volunteer Program - RSVP	D	94.002	13SRAPA009	7/1/13-6/30/16	62,347	62,347	-	62,347	62,347	-
						62,347	-	62,347	62,347	-
						\$ 2,240,170	\$ 361,130	\$ 2,285,867	\$ 2,285,867	\$ 406,827
<b>TOTAL FEDERAL ASSISTANCE</b>										

Source Code: I - Indirect D - Direct \* Major Program

See Independent Auditor's Report and  
Notes to Schedule of Expenditures of Federal Awards

COMMUNITY ACTION, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2014

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.

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

October 16, 2014

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 following this report, which summarize amounts reported to DPW for fiscal year ended June 30, 2014, 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.
- 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.



WESSEL & COMPANY  
Certified Public Accountants

**COMMUNITY ACTION, INC.**  
**BUDGET COMPARISON STATEMENT**  
**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**  
**COMMUNITY SERVICES BLOCK DISCRETIONARY GRANT #C000052902**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<b>Approved Budget</b>	<b>Contract Period Expenditures</b>	<b>Questioned Costs</b>
<b>OPERATING COSTS</b>			
Salaries and Fringes	\$ 20,284	\$ 6,301	\$ -
Consumable Supplies	33	-	-
Travel	1,900	865	-
Advertising	122	-	-
Space Costs	2,700	1,529	-
Total Operating Costs	<u>25,039</u>	<u>8,695</u>	<u>-</u>
<b>RELATED COSTS</b>			
Professional Services	10,804	10,796	-
Insurance	280	170	-
Total Related Costs	<u>11,084</u>	<u>10,966</u>	<u>-</u>
<b>OTHER COSTS</b>			
Other	13,877	7,676	-
Total Other Costs	<u>13,877</u>	<u>7,676</u>	<u>-</u>
Total	<u><u>\$ 50,000</u></u>	<u><u>\$ 27,337</u></u>	<u><u>\$ -</u></u>

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

**COMMUNITY ACTION, INC.**  
**BUDGET COMPARISON STATEMENT**  
**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**  
**COMMUNITY SERVICES BLOCK GRANT #C000052445**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
<b>OPERATING COSTS</b>			
Salaries and Fringes	\$ 380,913	\$ 108,115	\$ -
Consumable Supplies	1,235	581	-
Travel	15,578	3,740	-
Advertising	1,797	569	-
Space Costs	11,458	2,569	-
Audit	4,515	-	-
	<u>415,496</u>	<u>115,574</u>	<u>-</u>
Total Operating Costs	<u>415,496</u>	<u>115,574</u>	<u>-</u>
<b>RELATED COSTS</b>			
Professional Services	5,230	2,500	-
Insurance	2,247	586	-
	<u>7,477</u>	<u>3,086</u>	<u>-</u>
Total Related Costs	<u>7,477</u>	<u>3,086</u>	<u>-</u>
<b>OTHER COSTS</b>			
Other	108,521	17,157	-
	<u>108,521</u>	<u>17,157</u>	<u>-</u>
Total Other Costs	<u>108,521</u>	<u>17,157</u>	<u>-</u>
Total	<u><u>\$ 531,494</u></u>	<u><u>\$ 135,817</u></u>	<u><u>\$ -</u></u>

**NOTE:** The Community Services Block Grant Program contract period is from January 1, 2012 through March 31, 2014. The expenditures above are for the period July 1, 2013 through March 31, 2014.

**COMMUNITY ACTION, INC.  
 BUDGET COMPARISON STATEMENT  
 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
 COMMUNITY SERVICES BLOCK DISCRETIONARY GRANT #C000057048  
 YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
<b>OPERATING COSTS</b>			
Salaries and Fringes	\$ 5,457	\$ 654	\$ -
Consumable Supplies	50	-	-
Travel	300	55	-
Advertising	3,000	-	-
Space Costs	150	23	-
Audit	300	-	-
	<u>9,257</u>	<u>732</u>	<u>-</u>
Total Operating Costs	<u>9,257</u>	<u>732</u>	<u>-</u>
<b>RELATED COSTS</b>			
Insurance	50	3	-
	<u>50</u>	<u>3</u>	<u>-</u>
Total Related Costs	<u>50</u>	<u>3</u>	<u>-</u>
<b>OTHER COSTS</b>			
Other	7,293	126	-
	<u>7,293</u>	<u>126</u>	<u>-</u>
Total Other Costs	<u>7,293</u>	<u>126</u>	<u>-</u>
Total	<u><u>\$ 16,600</u></u>	<u><u>\$ 860</u></u>	<u><u>\$ -</u></u>

**NOTE:** The Community Services Block Discretionary Grant Program contract period is from January 1, 2014 through September 30, 2014. The expenditures above are for the period January 1, 2014 through June 30, 2014.



**COMMUNITY ACTION, INC.  
 BUDGET COMPARISON STATEMENT  
 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
 COMMUNITY SERVICES BLOCK GRANT #C000057048  
 YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
<b>OPERATING COSTS</b>			
Salaries and Fringes	\$ 243,414	\$ 112,370	\$ -
Consumable Supplies	1,756	819	-
Travel	10,020	6,230	-
Advertising	545	541	-
Space Costs	8,028	4,430	-
Audit	1,932	1,845	-
Total Operating Costs	<u>265,695</u>	<u>126,235</u>	<u>-</u>
<b>RELATED COSTS</b>			
Professional Services	2,750	-	-
Insurance	1,258	689	-
Legal	423	525	-
Total Related Costs	<u>4,431</u>	<u>1,214</u>	<u>-</u>
<b>OTHER COSTS</b>			
Other	32,005	18,720	-
Total Other Costs	<u>32,005</u>	<u>18,720</u>	<u>-</u>
Total	<u>\$ 302,131</u>	<u>\$ 146,169</u>	<u>\$ -</u>

**NOTE:** The Community Services Block Grant Program contract period is from January 1, 2014 through December 31, 2016. The expenditures above are for the period January 1, 2014 through June 30, 2014.

**COMMUNITY ACTION, INC.**  
**BUDGET COMPARISON STATEMENT**  
**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**  
**WEATHERIZATION CONTRACT #C000050260 (LIHEAP)**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<b>Final Approved Budget</b>	<b>Current Fiscal Period Expenditures</b>	<b>Questioned Costs</b>
<b>ADMINISTRATION</b>			
Personnel	\$ 4,700	\$ 55	\$ -
Operating/supplies	15,606	562	-
Office equipment	330	-	-
Total Administration	<u>20,636</u>	<u>617</u>	<u>-</u>
<b>FINANCIAL AUDIT</b>	<u>3,067</u>	<u>-</u>	<u>-</u>
<b>DIRECT SERVICES</b>			
Program support	125,010	1,794	-
Program operations	206,000	34,295	-
Health and safety	55,000	21,928	-
Total Direct Services	<u>386,010</u>	<u>58,017</u>	<u>-</u>
<b>LIABILITY INSURANCE</b>	<u>3,024</u>	<u>417</u>	<u>-</u>
Total	<u><u>412,737</u></u>	<u><u>59,051</u></u>	<u><u>-</u></u>

**NOTE:** The contract period for the Low Income Home Energy Assistance Program is July 1, 2011 through September 30, 2013. The expenditures above are for the period July 1, 2013 through September 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, 2014**

<b>BUDGET CATEGORY</b>	<b>Final Approved Budget</b>	<b>Current Fiscal Period Expenditures</b>	<b>Questioned Costs</b>
<b>ADMINISTRATION</b>			
Operating/supplies	\$ 15,465	\$ 8,355	\$ -
Total Administration	15,465	8,355	-
<b>FINANCIAL AUDIT</b>	452	-	-
<b>DIRECT SERVICES</b>			
Program support	75,608	76,800	-
Program operations	198,351	47,105	-
Health and safety	18,500	42,951	-
Total Direct Services	292,459	166,856	-
<b>LIABILITY INSURANCE</b>	932	514	-
Total	<u>\$ 309,308</u>	<u>\$ 175,725</u>	<u>\$ -</u>

**NOTE:** The contract period for the Weatherization (LIHEAP) Program is July 1, 2012 through December 31, 2013. The expenditures above are for the period July 1, 2013 through December 31, 2013. The budget shown is for the entire contract period.

**COMMUNITY ACTION, INC.**  
**BUDGET COMPARISON STATEMENT**  
**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**  
**WEATHERIZATION CONTRACT #C000055947 (LIHEAP)**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<b><u>Final Approved Budget</u></b>	<b><u>Current Fiscal Period Expenditures</u></b>	<b><u>Questioned Costs</u></b>
<b>ADMINISTRATION</b>			
Personnel	\$ 6,500	\$ 4,248	\$ -
Operating/supplies	24,168	12,954	-
Office equipment	1,050	-	-
Total Administration	<u>31,718</u>	<u>17,202</u>	<u>-</u>
<b>FINANCIAL AUDIT</b>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<b>DIRECT SERVICES</b>			
Program support	237,672	70,734	-
Program operations	319,117	210,986	-
Total Direct Services	<u>556,789</u>	<u>281,720</u>	<u>-</u>
<b>HEALTH AND SAFETY</b>	<u>40,401</u>	<u>-</u>	<u>-</u>
<b>LIABILITY INSURANCE</b>	<u>2,450</u>	<u>457</u>	<u>-</u>
Total	<u><u>\$ 634,358</u></u>	<u><u>\$ 302,379</u></u>	<u><u>\$ -</u></u>

**NOTE:** The contract period for the Low Income Home Energy Assistance Program is July 1, 2013 through June 30, 2016. The expenditures above are for the period October 1, 2013 through June 30, 2014.

**COMMUNITY ACTION, INC.**  
**BUDGET COMPARISON STATEMENT**  
**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**  
**WEATHERIZATION CONTRACT #C000053015 (DOE)**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<b>Final Approved Budget</b>	<b>Current Fiscal Period Expenditures</b>	<b>Questioned Costs</b>
<b>ADMINISTRATION</b>			
Personnel	\$ 153	\$ -	\$ -
Operating/supplies	6,393	-	-
Office equipment	-	-	-
Total Administration	<u>6,546</u>	<u>-</u>	<u>-</u>
<b>FINANCIAL AUDIT</b>	<u>819</u>	<u>-</u>	<u>-</u>
<b>DIRECT SERVICES</b>			
Program support	38,768	4,498	-
Program operations	37,160	5,821	-
Health and safety	<u>7,000</u>	<u>1,686</u>	<u>-</u>
Total Direct Services	<u>82,928</u>	<u>12,005</u>	<u>-</u>
<b>LIABILITY INSURANCE</b>	<u>381</u>	<u>-</u>	<u>-</u>
<b>TRAINING/TECH. ASST.</b>	<u>3,140</u>	<u>2,910</u>	<u>-</u>
Total	<u><u>\$ 93,814</u></u>	<u><u>\$ 14,915</u></u>	<u><u>\$ -</u></u>

**NOTE:** The contract period for the Weatherization (DOE) Program is July 1, 2012 through September 30, 2013. The expenditures above are for the period July 1, 2013 through September 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 #C000055947 (DOE)  
 YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<b>Final Approved Budget</b>	<b>Current Fiscal Period Expenditures</b>	<b>Questioned Costs</b>
<b>ADMINISTRATION</b>			
Personnel	\$ 1,000	\$ 611	\$ -
Operating/supplies	2,017	2,356	-
Contracted services	25	75	-
Total Administration	<u>3,042</u>	<u>3,042</u>	<u>-</u>
<b>FINANCIAL AUDIT</b>	<u>125</u>	<u>125</u>	<u>-</u>
<b>DIRECT SERVICES</b>			
Program support	23,505	31,683	-
Program operations	23,352	15,174	-
Total Direct Services	<u>46,857</u>	<u>46,857</u>	<u>-</u>
<b>HEALTH AND SAFETY</b>	<u>1,700</u>	<u>1,700</u>	<u>-</u>
<b>LIABILITY INSURANCE</b>	<u>300</u>	<u>300</u>	<u>-</u>
Total	<u><u>\$ 52,024</u></u>	<u><u>\$ 52,024</u></u>	<u><u>\$ -</u></u>

**NOTE:** The contract period for the Weatherization (DOE) Program is July 1, 2013 through June 30, 2016. The expenditures above are for the period July 1, 2013 through June 30, 2014.

**COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
DEPARTMENT OF EDUCATION - ADULT EDUCATION PROGRAMS  
CONTRACT #59-14-0011 AND #41-14-0011  
YEAR ENDED JUNE 30, 2014**

	<b>Adult Education Programs</b>	
	<b>Adult Literacy Programs</b>	
	<b>Act 143 59-14-0011</b>	<b>Section 231 41-14-0011</b>
<b>REVENUE</b>		
Grant income	\$ 75,000	\$ 70,890
<b>EXPENSES</b>		
Salaries	45,303	40,363
Benefits	11,095	9,680
Professional and technical fees	6,667	7,726
Purchased property services	8,061	8,196
Other purchased services	3,153	3,493
Supplies	721	1,432
	75,000	70,890
<b>Due to Funding Source</b>	\$ -	\$ -

**COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
RETIRED AND SENIOR VOLUNTEER PROGRAM  
CONTRACT #13SRAPA009  
YEAR ENDED JUNE 30, 2014**

**REVENUE**

Grant income		\$ 62,347
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**VOLUNTEER SUPPORT EXPENSES**

Salaries and wages	\$ 39,388	
Fringe benefits	4,819	
Travel	5,525	
Supplies	1,301	
Other volunteer support costs	7,200	
Audit	<u>418</u>	
 Total Volunteer Support Expenses		 <u>58,651</u>

**VOLUNTEER COSTS**

Volunteer recognition	1,089	
Insurance	2,008	
Volunteer Mileage	<u>599</u>	
 Total Volunteer Costs		 <u>3,696</u>

Total Program		62,347
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<b>Due to (from) Funding Source</b>	<u>\$ -</u>	<u>\$ -</u>
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**NOTE:** The program contract period is from July 1, 2013 through June 30, 2016. 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**

<b>County: Jefferson</b>	<b>Year Ended</b>	<b>June 30, 2014</b>
	<u><b>Reported</b></u>	<u><b>Actual</b></u>
<b>SERVICE DATA</b>		
Expenditures:		
Group I Clients	\$ 1,489,696	\$ 1,489,696
Group II Clients	<u>150,969</u>	<u>150,969</u>
Total Expenditures	<u>1,640,665</u>	<u>1,640,665</u>
<b>ALLOCATION DATA</b>		
Revenues:		
Department of Public Welfare	1,640,659	1,640,659
Interest Income	<u>5</u>	<u>5</u>
Total Revenues	<u>1,640,664</u>	<u>1,640,664</u>
Funds Expended:		
Operating Costs	1,303,242	1,303,242
Administrative Costs	<u>337,423</u>	<u>337,423</u>
Excess Revenues over Expenditures	<u>\$ (1)</u>	<u>\$ (1)</u>

**COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
HOMELESS ASSISTANCE PROGRAM  
CONTRACT #SAP 159000  
YEAR ENDED JUNE 30, 2014**

**SOURCES OF FUNDING**

DPW allocation	\$ 29,664
Interest earned	4
	<u>4</u>
Total HAP Funding	<u>29,668</u>

<b>EXPENSES</b>	Administration	Case Management	Rental Assistance	Total
Personnel	\$ 103	\$ 17,047	\$ -	\$ 17,150
Operating	2,863	1,657	-	4,520
Purchased Services	-	-	7,998	7,998
Subtotal	\$ 2,966	\$ 18,704	\$ 7,998	29,668
Total HAP Expenses				<u>29,668</u>
Total Unexpected Funds				\$ -

**COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
SUPPORTIVE HOUSING PROGRAM -  
HOUSING FOR HOMELESS AND DISABLED PERSONS  
CONTRACT #PA0310B3E021104  
YEAR ENDED JUNE 30, 2014**

	<b>Budget</b>	<b>Actual</b>
<b>REVENUE</b>		
Grant income	\$ 86,567	\$ 27,293
<b>EXPENSES</b>		
Administrative	4,015	205
Leasing	58,718	16,861
Supportive services	23,834	10,227
Total Expenses	86,567	27,293
<b>Due to Funding Source</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTE:** The Supportive Housing Program #PA0310B3E021104 contract period is December 1, 2012, through November 30, 2013. The expenditures above are for the period July 1, 2013 through November 30, 2013. The budget is for the entire contract period.

**COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
SUPPORTIVE HOUSING PROGRAM -  
HOUSING FOR HOMELESS AND DISABLED PERSONS  
CONTRACT #PA0310L3E021205  
YEAR ENDED JUNE 30, 2014**

	<b>Budget</b>	<b>Actual</b>
<b>REVENUE</b>		
Grant income	\$ 91,868	\$ 58,347
<b>EXPENSES</b>		
Administrative	5,706	4,223
Leasing	62,662	33,323
Supportive services	23,500	20,801
	91,868	58,347
<b>Due to Funding Source</b>	\$ -	\$ -

**NOTE:** The Supportive Housing Program #PA0310L3E021205 contract period is December 1, 2013 through November 30, 2014. The expenditures above are for the period December 1, 2013, through June 30, 2014. The budget is for the entire contract period.

**COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
SUPPORTIVE HOUSING PROGRAM -  
TRANSITIONAL HOUSING  
CONTRACT #PA0320B3E021104  
YEAR ENDED JUNE 30, 2014**

	<b>Budget</b>	<b>Actual</b>
<b>REVENUE</b>		
Grant income	\$ 67,165	\$ 7,442
<b>EXPENSES</b>		
Administrative	3,185	-
Leasing	7,026	736
Direct operating	16,667	2,345
Supportive services	40,287	4,360
Total Expenses	67,165	7,441
<b>Due to Funding Source</b>	<b>\$ -</b>	<b>\$ -</b>

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

**COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
SUPPORTIVE HOUSING PROGRAM -  
TRANSITIONAL HOUSING  
CONTRACT #PA0320L3E021205  
YEAR ENDED JUNE 30, 2014**

	<b>Budget</b>	<b>Actual</b>
<b>REVENUE</b>		
Grant income	\$ 67,602	\$ 66,872
<b>EXPENSES</b>		
Administrative	4,422	4,422
Leasing	7,020	6,290
Direct operating	16,246	16,246
Supportive services	39,914	39,914
Total Expenses	67,602	66,872
<b>Due to Funding Source</b>	\$ -	\$ -

**NOTE:** The Supportive Housing Program #PA0320L3E021205 contract period is September 1, 2013 through August 31, 2014. The expenditures above are for the period September 1, 2013, through June 30, 2014. 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 #2013-2015-VF05-24299 CLEARFIELD**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<b>Approved Budget</b>	<b>Reported Costs</b>	<b>Questioned Costs</b>
Personnel	\$ 28,136	\$ 22,771	\$ -
Employee benefits	6,631	4,689	-
Travel	1,175	466	-
Supplies / operating	12,851	8,560	-
	<u>\$ 48,793</u>	<u>\$ 36,486</u>	<u>\$ -</u>

**NOTE:** The Crime Victim Assistance Subgrant - Clearfield contract period is from July 1, 2013 through June 30, 2015.

**COMMUNITY ACTION, INC.**  
**SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH**  
**FUNDING RECONCILIATION FOR CRIME VICTIM ASSISTANCE**  
**SUBGRANT #2013-2015-VF05-24278 JEFFERSON**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
Personnel	\$ 18,008	\$ 15,374	\$ -
Employee benefits	6,456	5,123	-
Travel	525	160	-
Supplies/operating	<u>6,989</u>	<u>5,582</u>	<u>-</u>
	<u>\$ 31,978</u>	<u>\$ 26,239</u>	<u>\$ -</u>

**NOTE:** The Crime Victim Assistance Subgrant - Jefferson contract period is from July 1, 2013 through June 30, 2015.



**COMMUNITY ACTION, INC.**  
**SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH**  
**TITLE XX PCADV CONTRACT #5233**  
**YEAR ENDED JUNE 30, 2014**

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
TITLE XX					
Personnel					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	-	-	-	-	-
Operations:					
Advertising	50	-	-	50	-
Equipment Maintenance	128	128	128	-	-
Food	1,100	490	490	610	-
Memberships	25	-	-	25	-
Professional Fees	6,036	6,639	6,639	(603)	-
Staff Development	100	100	100	-	-
Supplies	3,200	3,200	3,200	-	-
Travel	5,640	5,722	5,722	(82)	-
Total Operations	16,279	16,279	16,279	-	-
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 WITH**  
**ACT 44 PCADV CONTRACT #5233**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<b>Allowable Costs Per Audit</b>				
	<b>Approved Budget</b>	<b>Reported Costs</b>	<b>Total</b>	<b>(Over) Under Budget</b>	<b>Questioned Costs</b>
<b>ACT 44</b>					
Personnel					
Salaries	\$ 78,390	\$ 78,390	\$ 78,390	\$ -	\$ -
Benefits	22,874	22,874	22,874	-	-
Total Personnel	101,264	101,264	101,264	-	-
Operations:					
Equipment Maintenance	1,100	653	653	447	-
Food	1,300	-	-	1,300	-
Insurance	3,000	3,252	3,252	(252)	-
Maintenance	3,000	3,184	3,184	(184)	-
Printing	900	770	770	130	-
Professional Fees	54,973	57,477	57,477	(2,504)	-
Rent	9,899	10,434	10,434	(535)	-
Staff Development	600	528	528	72	-
Supplies	13,684	12,290	12,290	1,394	-
Telephone	9,000	9,763	9,763	(763)	-
Travel	1,800	1,766	1,766	34	-
Utilities	9,590	8,729	8,729	861	-
Total Operations	108,846	108,846	108,846	-	-
Total	\$ 210,110	\$ 210,110	\$ 210,110	\$ -	\$ -

**COMMUNITY ACTION, INC.**  
**SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH**  
**FVPS PCADV CONTRACT #5233**  
**YEAR ENDED JUNE 30, 2014**

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
FVPS					
Personnel					
Salaries	\$ 68,210	\$ 68,210	\$ 68,210	\$ -	\$ -
Benefits	18,229	18,229	18,229	-	-
Total Personnel	86,439	86,439	86,439	-	-
Operations:					
Maintenance	50	50	50	-	-
Postage	1,257	1,339	1,339	(82)	-
Printing	924	924	924	-	-
Professional Fees	10,497	10,415	10,415	82	-
Total Operations	12,728	12,728	12,728	-	-
Total	\$ 99,167	\$ 99,167	\$ 99,167	\$ -	\$ -

**COMMUNITY ACTION, INC.**  
**SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH**  
**SSBG RELOCATION PCADV CONTRACT #5233**  
**YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<b>Allowable Costs Per Audit</b>				
	<b>Approved Budget</b>	<b>Reported Costs</b>	<b>Total</b>	<b>(Over) Under Budget</b>	<b>Questioned Costs</b>
SSBG RELOCATION					
Operational relocation expense	\$ 10,492	\$ 10,492	\$ 10,492	\$ -	\$ -
Program totals	10,492	10,492	10,492	-	-

**COMMUNITY ACTION, INC.  
 SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH  
 ACT 222 PCADV CONTRACT #5233  
 YEAR ENDED JUNE 30, 2014**

<b>BUDGET CATEGORY</b>	<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>
ACT 222 OPERATIONS					
Supplies	<u>\$ 1,089</u>	<u>\$ 1,089</u>	<u>\$ 1,089</u>	<u>\$ -</u>	<u>\$ -</u>
Program totals	<u><u>1,089</u></u>	<u><u>1,089</u></u>	<u><u>1,089</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**COMMUNITY ACTION, INC.  
 COMBINED SCHEDULE OF BUDGETED, REPORTED, AND  
 ALLOWABLE COSTS WITH FUNDING RECONCILIATION  
 PCADV CONTRACT #5233  
 YEAR ENDED JUNE 30, 2014**

	Approved Budget	Reported Costs	Allowable Costs Per Audit		
			Total	(Over) Under Budget	Questioned Costs
<b>BUDGET CATEGORIES</b>					
<b>TITLE XX</b>					
Operations	\$ 16,279	\$ 16,279	\$ 16,279	\$ -	\$ -
<b>ACT 44</b>					
Personnel	101,264	101,264	101,264	-	-
Operations	108,846	108,846	108,846	-	-
<b>ACT 222</b>					
Operations	1,089	1,089	1,089	-	-
<b>FVPS</b>					
Personnel	86,439	86,439	86,439	-	-
Operations	12,728	12,728	12,728	-	-
<b>SSBG RELOCATION</b>					
Operations	10,492	10,492	10,492	-	-
	<b>\$ 337,137</b>	<b>\$ 337,137</b>	<b>\$ 337,137</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUNDING RECONCILIATION</b>					
Approved contract received as of June 30, 2014				330,436	
Approved contract receivable at June 30, 2014				6,701	
					337,137
<b>Allowable Costs</b>					
Approved				337,137	
Questioned				-	
					337,137
Due to (from) PCADV					\$ -

**COMMUNITY ACTION, INC.  
 SCHEDULE OF REVENUES  
 PCADV CONTRACT #5233  
 YEAR ENDED JUNE 30, 2014**

Received during:		
July	\$	-
August		52,086
September		26,043
October		69,290
November		27,913
December		-
January		56,044
February		28,131
March		28,131
April		28,131
May		-
June		<u>28,131</u>
		<u>343,900</u>
Receivable at June 30:		<u>6,701</u>
Total		<u><u>\$ 350,601</u></u>

**COMMUNITY ACTION, INC.  
 BUDGET COMPARISON STATEMENT  
 DEPARTMENT OF PUBLIC WELFARE  
 WORK READY PROGRAM #4100057947  
 YEAR ENDED JUNE 30, 2014**

	<b>Approved Budget</b>	<b>Contract Period Expenditures</b>	<b>Questioned Costs</b>
<b>Administration</b>			
Personnel	\$ 4,195	\$ 384	\$ -
Operating Expenses	10,259	866	-
Total Administration	<u>14,454</u>	<u>1,250</u>	<u>-</u>
<b>PROGRAM COSTS</b>			
Personnel	91,509	18,293	-
Equipment and Supplies	1,400	293	-
Operating Expenses	21,470	3,881	-
Other Expenses	8,054	1,153	-
Subcontracted Expenses	6,849	-	-
Support Services	800	-	-
Total Program Costs	<u>130,082</u>	<u>23,620</u>	<u>-</u>
	<u><u>\$ 144,536</u></u>	<u><u>\$ 24,870</u></u>	<u><u>\$ -</u></u>

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



**COMMUNITY ACTION, INC.  
 BUDGET COMPARISON STATEMENT  
 DEPARTMENT OF PUBLIC WELFARE  
 WORK READY PROGRAM #4100064833  
 YEAR ENDED JUNE 30, 2014**

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
<b>Administration</b>			
Personnel	\$ 6,869	\$ 3,387	\$ -
Operating Expenses	<u>7,585</u>	<u>9,301</u>	<u>-</u>
Total Administration	<u>14,454</u>	<u>12,688</u>	<u>-</u>
<b>PROGRAM COSTS</b>			
Personnel	97,557	61,183	-
Equipment and Supplies	1,400	726	-
Operating Expenses	18,496	16,081	-
Other Expenses	<u>12,629</u>	<u>1,438</u>	<u>-</u>
Total Program Costs	<u>130,082</u>	<u>79,428</u>	<u>-</u>
	<u>\$ 144,536</u>	<u>\$ 92,116</u>	<u>\$ -</u>

**NOTE:** The Work Ready contact period is from October 1, 2013, through September 30, 2014. The expenditures above are for the period October 1, 2013, through June 30, 2014. The budget is for the entire contract period.

**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**

October 16, 2014

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, 2014, 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 October 16, 2014.

**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. 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.

### **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.



WESSEL & COMPANY  
Certified Public Accountants

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

October 16, 2014

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, 2014. 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, 2014.

### **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.



WESSEL & COMPANY  
Certified Public Accountants

COMMUNITY ACTION, INC.  
SCHEDULE OF FINDING AND QUESTIONED COSTS  
JUNE 30, 2014

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Community Action, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on internal control over financial reporting.
3. No instances of noncompliance material to the financial statements of Community Action, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the report on internal control over compliance.
5. The auditor's report on compliance for the major federal award programs for Community Action, Inc. expresses an unqualified opinion.
6. The audit disclosed no audit findings relating to major programs that the auditor is required to report.
7. The programs tested as major programs included:

<u>Federal Agency</u>	<u>CFDA #</u>
US Department of Health and Human Services:	
Low-Income Home Energy Assistance Program	93.568
Community Services Block Grant	93.569
Medical Assistance	93.778

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Community Action, Inc. was not determined to be a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

COMMUNITY ACTION, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2014

**FINDINGS – MAJOR FEDERAL AWARDS PROGRAM**

**2013-01 – Weatherization Checklists**

***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.

***Current Status:***

This finding was resolved in the current year.



COMMUNITY ACTION, INC.

CORRECTIVE ACTION PLAN

JUNE 30, 2014

NONE NECESSARY

COMMUNITY ACTION, INC.  
POST-AUDIT CONFERENCE  
JUNE 30, 2014

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

Date: September 24, 2014

Time: 3:22 P.M.

Place: Community Action, Inc. offices



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Signature of Auditor



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Signature of Director