



February 17, 2016

To Whom It May Concern:

Regarding: Community Action, Inc.
105 Grace Way
Punxsutawney, Pennsylvania 15767

As a result of a recent letter from the Pennsylvania Office of the Budget, Bureau of Audits, it has come to our attention that an error was made with our audit report for the fiscal year ended June 30, 2015. This error has resulted in the need for the audit report to be reissued.

The original report dated October 26, 2015, has been reissued on February 17, 2016, in order to make needed correction. We would like to draw your attention to the Independent Auditor's Report on page 2 to the Emphasis of Matter paragraph. That paragraph states the following:

In our report dated October 26, 2015, we reported on the Schedule of Findings and Questioned Costs that Community Action, Inc. was not determined to be a low-risk auditee. However, this was reported incorrectly as Community Action, Inc. does, in fact, qualify as a low-risk auditee for the year ended June 30, 2015, and has been corrected in the reissued report dated February 17, 2016. Our opinion is not modified with respect to this matter.

The reason for the revision is due to an error on the Schedule of Findings and Questioned Costs (page 57 of the report). Point number 9 under the Audit Results noted that the Organization "was not determined to be a low-risk auditee." This has been revised to note that the Organization "was determined to be a low-risk auditee."

A low-risk auditee is an Organization that has not had any material weaknesses within their federal programs within the last two years of audit. Community Action, Inc. has not had any material weakness findings in the last two (2) years, and therefore the Organization does qualify as a low-risk auditee for the period ending June 30, 2015. This distinction is important as it relates to the amount of federal dollars that are required to be tested. The total amount of federal dollars tested during our audit was correct.

www.wesselcpa.com

Johnstown

215 Main Street, Johnstown, PA 15901
(814) 536-7864 FAX (814) 535-4332

Ebensburg

120 West High Street, Ebensburg, PA 15931
(814) 472-5924 FAX (814) 472-5926

Bedford

100 East Pitt Street, Bedford, PA 15522
(814) 623-1403

We sincerely apologize for any inconvenience this has caused you and your staff. If there are any additional questions regarding this matter, please feel free to call me directly at 814-536-7864.

Very truly yours,

WESSEL & COMPANY
Certified Public Accountants

A handwritten signature in cursive script that reads "Stephanie A. Stohon".

Stephanie A. Stohon, CPA, CBM, CFE, CFF, MAFF
Shareholder

SAS/AJE/aah



REISSUED

FINANCIAL STATEMENTS

June 30, 2015 AND 2014

**COMMUNITY ACTION, INC.
FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
FINANCIAL STATEMENTS	
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Functional Expenses.....	7
Statement of Cash Flows	9
Notes to Financial Statements	10
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	24
Independent Accountants' Report on Applying Agreed-Upon Procedures	25
BUDGET COMPARISON STATEMENTS	
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT:	
Community Services Block Discretionary Grant #C000052902	28
Community Services Block Discretionary Grant #C000057048	29
Community Services Block Grant #C000057048	30
Weatherization Contract #C000055947 (LIHEAP)	31
Weatherization Contract #C000055947 (DOE)	32

**SCHEDULE OF REVENUE AND EXPENSES
DEPARTMENT OF EDUCATION:**

Adult Education Programs - Contract #059-14-0011 and #64-15-0011 33

Retired and Senior Volunteer Program Contract #13SRAPA009..... 34

Medical Assistance Transportation Program Contract #SAP 159000 35

Homeless Assistance Program Contract #SAP 159000..... 36

Supportive Housing Program - Housing for Homeless and Disabled
Persons Program - Contract #PA0310L3E021306..... 37

Supportive Housing Program - Housing for Homeless and Disabled
Persons Program - Contract #PA0310L3E021205..... 38

Supportive Housing Program – Transitional Housing Program -
Contract #PA0320L3E021306..... 39

Supportive Housing Program – Transitional Housing Program -
Contract # PA0320L3E021205..... 40

**SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
PA COALITION AGAINST DOMESTIC VIOLENCE:**

Crime Victim Assistance Subgrant #2013-2015-VF05-24299 - Clearfield 41

Crime Victim Assistance Subgrant #2013-2015-VF05-24278 - Jefferson 42

Title XX PCADV Contract #5233..... 43

Act 44 PCADV Contract #5233 44

FVPS PCADV Contract #5233 45

SSBG Relocation PCADV Contract #5233..... 46

Act 222 PCADV Contract #5233 47

Combined Schedule of Budgeted, Reported, and Allowable Costs with
Funding Reconciliation PCADV Contract #5233 48

Schedule of Revenues - PCADV Contract #5233 49

**BUDGET COMPARISON STATEMENTS
DEPARTMENT OF HUMAN SERVICES:**

Work Ready Program- #4100064833..... 50

SINGLE AUDIT REPORTS:

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards* 52

Independent Auditor's Report on Compliance for Each Major
Program and On Internal Control Over Compliance Required by
OMB Circular A-133 54

Schedule of Findings and Questioned Costs 57

Summary Schedule of Prior Audit Findings 58

Corrective Action Plan 59

INDEPENDENT AUDITOR'S REPORT

October 26, 2015, *Reissued on
February 17, 2016 to include an
Emphasis of Matter paragraph*

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, 2015 and 2014, 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 Human Services; 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, 2015 and 2014, 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.

Emphasis of Matter

In our report dated October 26, 2015, we reported on the Schedule of Findings and Questioned Costs that Community Action, Inc. was not determined to be a low-risk auditee. However, this was reported incorrectly as Community Action, Inc. does, in fact, qualify as a low-risk auditee for the year ended June 30, 2015, and has been corrected in the reissued report dated February 17, 2016. Our opinion is not modified with respect to this matter.

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 28 through 52, 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 26, 2015 (*Reissued on February 17, 2016 to include an Emphasis of Matter paragraph*), 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.



WESSEL & COMPANY
Certified Public Accountants

COMMUNITY ACTION, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2015 AND 2014

	2015	2014
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 921,219	\$ 825,828
Grants receivable	345,533	660,217
Other receivables	222,532	198,309
Investments	45,261	54,770
Inventory	5,206	13,281
Prepaid expenses	41,407	52,153
	1,581,158	1,804,558
Property and equipment - Net of accumulated depreciation	493,133	490,965
	\$ 2,074,291	\$ 2,295,523
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 198,984	\$ 265,076
Accrued benefits and withheld taxes	10,055	7,717
Accrued salaries	136,365	142,157
Deferred revenue	10,594	146,774
Accrued expenses	29,769	27,434
Security deposits	680	680
	386,447	589,838
Total Current Liabilities	386,447	589,838
Total Liabilities	386,447	589,838
Net Assets:		
Unrestricted	1,605,101	1,612,563
Temporarily restricted	82,742	93,121
	1,687,843	1,705,684
Total Net Assets	1,687,843	1,705,684
Total Liabilities and Net Assets	\$ 2,074,290	\$ 2,295,522

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

COMMUNITY ACTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Total 2015
<u>Public Support and Revenue</u>			
Public Support:			
Grant income	\$ 3,585,254	\$ -	\$ 3,585,254
Contributions	141,037	4,848	145,885
Contributions, in-kind	66,250	-	66,250
Special events	1,675	-	1,675
	<u>3,794,216</u>	<u>4,848</u>	<u>3,799,064</u>
Revenue:			
Service income	505,776	-	505,776
Information technology services	153,686	-	153,686
Investment income (loss)	(6,520)	-	(6,520)
Housing income	63,747	-	63,747
Miscellaneous income	10,190	-	10,190
Release from restriction	15,227	(15,227)	-
	<u>742,106</u>	<u>(15,227)</u>	<u>726,879</u>
Total Public Support and Revenue	<u>4,536,322</u>	<u>(10,379)</u>	<u>4,525,943</u>
<u>Expenses</u>			
Operating:			
Program services	3,789,985	-	3,789,985
Fundraising	2,258	-	2,258
	<u>3,792,243</u>	<u>-</u>	<u>3,792,243</u>
Supporting Services:			
Management and general	751,541	-	751,541
	<u>4,543,784</u>	<u>-</u>	<u>4,543,784</u>
Change in Net Assets	(7,462)	(10,379)	(17,841)
Net Assets - Beginning of Year	<u>1,612,563</u>	<u>93,121</u>	<u>1,705,684</u>
Net Assets - End of Year	<u>\$ 1,605,101</u>	<u>\$ 82,742</u>	<u>\$ 1,687,843</u>

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

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2014</u>
<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>3,810,753</u>
 Total Public Support			
	<u>3,782,376</u>	<u>28,377</u>	<u>3,810,753</u>
 Revenue:			
Service income	521,537	-	521,537
Information technology services	140,814	-	140,814
Investment income (loss)	8,731	-	8,731
Housing income	34,331	-	34,331
Miscellaneous income	22,027	-	22,027
	<u>727,440</u>	<u>-</u>	<u>727,440</u>
 Total Revenue			
	<u>727,440</u>	<u>-</u>	<u>727,440</u>
 Total Public Support and Revenue			
	<u>4,509,816</u>	<u>28,377</u>	<u>4,538,193</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>3,792,131</u>
 Total Operating			
	<u>3,792,131</u>	<u>-</u>	<u>3,792,131</u>
 Supporting Services:			
Management and general	729,776	-	729,776
	<u>729,776</u>	<u>-</u>	<u>729,776</u>
 Total Expenses			
	<u>4,521,907</u>	<u>-</u>	<u>4,521,907</u>
 Change in Net Assets			
	(12,091)	28,377	16,286
 Net Assets - Beginning of Year			
	<u>1,624,654</u>	<u>64,744</u>	<u>1,689,398</u>
 Net Assets - End of Year			
	<u>\$ 1,612,563</u>	<u>\$ 93,121</u>	<u>\$ 1,705,684</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, 2015

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,098,667	\$ 540,780	\$ 407	\$ 1,639,854
Fringe Benefits	232,102	77,725	96	309,923
Payroll Taxes	82,930	40,746	30	123,706
Total Personnel Costs	1,413,699	659,251	533	2,073,483
Travel	35,774	8,526	-	44,300
Software	3,063	-	-	3,063
Equipment maintenance and rental	694	-	-	694
Small equipment and tools	4,975	-	-	4,975
Supplies	22,960	174	-	23,134
Space costs	64,960	5,437	21	70,418
Telephone	26,830	5,043	9	31,882
Postage	14,249	533	-	14,782
Printing	13,234	19	601	13,854
Licenses and registration	3,611	3,777	-	7,388
Insurance	36,209	2,245	4	38,458
Auto expenses	9,820	-	-	9,820
Information Technology	5,645	13,878	29	19,552
Advertising and publication	5,220	1,026	-	6,246
Registration and memberships	8,487	770	-	9,257
Training and technical assistance	2,367	-	-	2,367
Administrative fees	6,533	-	-	6,533
Volunteer recognition	7,539	-	-	7,539
Contracted services	150,817	30,984	12	181,813
Snow removal	1,019	-	-	1,019
Utilities	26,479	-	-	26,479
Meetings	2,476	1,108	-	3,584
Food and meals	3,892	-	-	3,892
Building repairs and maintenance	2,629	-	-	2,629
Miscellaneous	3,002	-	-	3,002
Property taxes	1,442	-	-	1,442
Depreciation	10,265	-	-	10,265
Consumer assistance:				
Food and meals	16,822	-	-	16,822
Weatherization services	370,024	-	-	370,024
Housing assistance	216,603	-	-	216,603
Client travel and assistance	1,187,768	-	-	1,187,768
Other consumer support	24,118	-	-	24,118
Funds returned	37,787	-	-	37,787
Project support	3,000	-	-	3,000
In-Kind expenses	38,450	-	-	38,450
Fiscal services	-	11,971	1,034	13,005
Human resources services	-	6,799	15	6,814
Federal taxes	7,523	-	-	7,523
Fines & penalties	-	-	-	-
Total Expenses	\$ 3,789,985	\$ 751,541	\$ 2,258	\$ 4,543,784

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
Total Personnel Costs	1,418,024	619,077	5,117	2,042,218
Travel	37,549	12,182	-	49,731
Software	-	20	-	20
Equipment maintenance 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
Advertising 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
Building repairs and maintenance	2,311	-	-	2,311
Miscellaneous	3,798	-	-	3,798
Property taxes	1,413	-	-	1,413
Depreciation	10,994	-	-	10,994
Consumer assistance:				
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
Total Expenses	\$ 3,783,236	\$ 729,776	\$ 8,895	\$ 4,521,907

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

COMMUNITY ACTION , INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities:		
Change in net assets	\$ (17,841)	\$ 16,286
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,632	42,659
Change in assets and liabilities:		
Unrealized (gain)/loss on investments	9,509	(5,957)
Grants receivable	314,684	(29,122)
Other receivables	(24,223)	(59,379)
Inventory	8,075	6,211
Prepaid expenses	10,746	51,115
Accounts payable	(63,757)	36,444
Accrued benefits and withheld taxes	2,338	(21,345)
Accrued salaries	(5,792)	8,950
Deferred revenues	(136,180)	97,449
Total Adjustments	141,032	127,025
Net Cash Provided By/(Used In) Operating Activities	123,191	143,311
Cash Flows From Investing Activities:		
Purchase of fixed assets	(27,800)	(85,568)
Net Cash (Used In)/Provided By Investing Activities	(27,800)	(85,568)
Net Increase/(Decrease) In Cash and Cash Equivalents	95,391	57,743
Cash and Cash Equivalents - Beginning of Year	825,827	768,084
Cash and Cash Equivalents - End of Year	\$ 921,218	\$ 825,827

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

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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, 2015 and 2014, Community Action, Inc. incurred no tax penalty or interest costs. With certain exceptions, the federal income tax returns of Community Action, Inc. for 2012, 2013, and 2014 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, 2015 and 2014.

Allowance for Doubtful Receivables

No allowance for doubtful accounts was provided as of June 30, 2015 and 2014, 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, 2015 and 2014.

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, 2015 and 2014, was \$700,771 and \$602,133, 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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Adult Literacy – Act 231	\$ ---	\$ 5,663
Crossroads – PCDAV	---	6,701
CSBG	35,479	78,669
CSBG – Discretionary	-	859
HFHADP – Disabled Housing	12,056	11,665
Homeless Assistance Program	---	7,416
HSDf	1,908	2,034
Medical Transportation	126,129	453,198
Stewart McKinney	7,863	7,293
Work Ready Program	39,330	4,367
Victims of Crime Act	30,495	21,363
Weatherization (DOE)	71,680	35,654
Weatherization (LIHEAP)	<u>20,593</u>	<u>25,335</u>
	<u>\$ 345,533</u>	<u>\$ 660,217</u>

NOTE 5 – INVESTMENTS

The fair values of marketable equity securities are based on quoted market prices. Investments as of June 30, 2015 and 2014, are composed of the following:

	2015	
	<u>Cost</u>	<u>Fair Value</u>
544 Shares Exxon Mobil Corporation	\$21,675	\$45,261

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

An unrealized gain of \$(9,509) and \$5,957 was recognized for the year ended June 30, 2015 and 2014, respectively.

Components of net investment income include:

	<u>2015</u>	<u>2014</u>
Dividend income	\$ 1,523	\$ 1,403
Interest income on interest bearing cash	1,466	1,371
Unrealized holding gain/(loss)	<u>(9,509)</u>	<u>5,957</u>
	\$ <u>(6,520)</u>	\$ <u>8,731</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, 2015 and 2014:

	June 30, 2015	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>45,261</u>	\$ <u>45,261</u>	\$ <u>---</u>	\$ <u>---</u>

	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>

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 67,765	\$ 34,965
Buildings and Improvements	647,528	647,528
Equipment	<u>247,073</u>	<u>247,073</u>
	957,366	929,566
Less: Accumulated Depreciation	<u>(464,233)</u>	<u>(438,601)</u>
Total Property and Equipment	<u>\$ 493,133</u>	<u>\$ 490,965</u>

Depreciation expense for the years ending June 30, 2015 and 2014, is \$25,632 and \$42,659, which includes \$15,367 and \$31,664 allocated to cost pools, respectively.

NOTE 8 – RESTRICTED NET ASSETS

Temporarily restricted assets at June 30, 2015 and 2014, are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Contributions available for Crossroads program	\$ 43,570	\$ 51,640
Contributions available for Client Services	33,243	31,895
Contributions available for Friends for Food	<u>5,929</u>	<u>9,586</u>
	\$ <u>82,742</u>	\$ <u>93,121</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 April 30, 2016. As of June 30, 2015 and 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, 2015 and 2014, these accrued compensated absences were \$59,344 and \$67,500, respectively.

NOTE 11 – OPERATING LEASE COMMITMENTS

Community Action, Inc. has several operating lease agreements in effect as of the year ended June 30, 2015, 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, 2015, 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>
2016	\$ 2,076	\$ 1,258
2017	2,076	---
2018	2,076	---
2019	2,076	---
2020	<u>173</u>	<u>---</u>
	<u>\$ 8,477</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, 2015 and 2014, lease expenses for Facilities and Equipment was \$48,719 and \$67,519, 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, 2015 and 2014, consist of the following at fair market value at the date of donation:

	<u>2015</u>	<u>2014</u>
Adult Literacy classroom space	\$ 23,100	\$ 14,235
Food and program supplies	11,005	7,515
Donated technology	3,050	10,052
Donated services	1,294	3,349
Donated land	<u>27,801</u>	<u>---</u>
Total Donated Services and Materials Revenue	\$ 66,250	\$ 35,151
Less: Donated Fixed Asset Contributions	(<u>27,801</u>)	(<u>8,274</u>)
Total Donated Services and Materials Expense	<u>\$ 38,449</u>	<u>\$ 26,877</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 47,055 and 46,079 hours of time as of June 30, 2015 and 2014.

NOTE 13 – CONCENTRATIONS

Community Action, Inc. received approximately forty-two percent (42%) and fifty percent (50%) of its total revenue from two (2) grant programs for the years ended June 30, 2015 and 2014, 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 \$36,717 and \$35,339 for the years ended June 30, 2015 and 2014, thus the organization recognized \$5,508 and \$5,151 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 \$12,500 for calendar year 2015. For employees age fifty (50) or older, the limit is \$15,500. For the year ending June 30, 2015 and 2014, employer contributions were \$28,128 and \$25,897, 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, 2015.

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, 2015, Community Action, Inc., raised and spent match monies totaling approximately twenty-eight (28%) percent of the contract to fulfill its obligation.

Domestic Violence Budget

For the year ended June 30, 2015, total domestic violence expenditures by Community Action, Inc. for domestic violence was \$502,190.

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, 2015.

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, 2015 and 2014.

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 to year end, Community Action, Inc. entered into various contracts to provide services through the Greater Erie Community Action Committee for Workforce Innovation and Opportunity Act totaling over \$150,000 for the period of September 14, 2015 through June 30, 2016.

Subsequent events were considered through October 26, 2015, 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, 2015
 (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 07/01/14	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 06/30/15
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT										
Transitional Housing	D	14.235	PA0320B3L021306	9/1/14-8/31/15	\$ 66,101	\$ 55,671	\$ -	\$ 63,534	\$ 63,534	\$ 7,863
Housing for Homeless and Disabled Persons	D	14.235	PA0310B3L021306	12/1/14-11/30/15	90,507	61,022	-	73,078	73,078	12,056
Transitional Housing	D	14.267	PA0320L3E021205	9/1/13-8/31/14	67,602	8,023	7,293	730	730	-
Housing for Homeless and Disabled Persons	D	14.267	PA0310L3E021205	12/1/13-11/30/14	91,868	45,186	11,665	33,521	33,521	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					169,902	18,958	170,863	170,863	170,863	19,919
U.S. DEPARTMENT OF JUSTICE										
Passed Through the Pennsylvania Commission on Crime and Delinquency:										
Crime Victim Assistance	I	16.575	2013-2015-VF-05-24278	7/1/13-6/30/16	67,079	28,497	3,776	37,414	37,414	12,693
Crime Victim Assistance	I	16.575	2013-2015-VF-05-24299	7/1/13-6/30/16	102,352	59,463	17,587	59,678	59,678	17,802
TOTAL U.S. DEPARTMENT OF JUSTICE					87,960	21,363	97,092	97,092	97,092	30,495
U.S. DEPARTMENT OF EDUCATION										
Passed Through the Pennsylvania Department of Education:										
Adult Education Section 231	I	84.002	041-14-0011	7/1/13-6/30/14	70,890	5,663	5,663	-	-	-
Adult Education Section 231	I	84.002	064-15-0011	7/1/14-6/30/15	75,938	75,938	-	75,938	75,938	-
TOTAL U.S. DEPARTMENT OF EDUCATION					81,601	5,663	5,663	75,938	75,938	-
U.S. DEPARTMENT OF ENERGY										
Passed Through the Pennsylvania Department of Community and Economic Development:										
Weatherization Assistance for Low-Income Persons: WX-DOE (14/15)	I	81.042	C000055947	7/1/13-6/30/16	241,892	189,576	35,654	225,602	225,602	71,680
TOTAL U.S. DEPARTMENT OF ENERGY					189,576	35,654	225,602	225,602	225,602	71,680
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed Through the Pennsylvania Department of Community and Economic Development:										
Community Services Block Grant	I	93.569	C000057048	1/1/14-12/31/16	302,131	234,631	78,669	155,962	155,962	-
Community Services Block Grant	I	93.569	C000057048	1/1/14-12/31/16	187,500	104,435	-	139,914	139,914	35,479
Community Services Discretionary Grant	I	93.569	C000057048	1/1/14-12/31/16	16,600	16,600	859	15,741	15,741	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					355,666	79,528	311,617	311,617	311,617	35,479

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015
 (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 07/01/14	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 06/30/15
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)										
Low-Income Home Energy Assistance Program (13/14)	I	93.568	C000055947	7/1/13-6/30/16	454,358	27,598	25,335	2,263	2,263	-
Low-Income Home Energy Assistance Program (14/15)	I	93.568	C000055947	7/1/13-6/30/16	369,363	260,734	-	281,327	281,327	20,593
					288,332	288,332	25,335	283,590	283,590	20,593
Passed Through the Pennsylvania Department of Human Services:										
Work Ready (13/14)	I	93.558 *	4100064833	10/1/13-9/30/14	144,536	38,528	4,367	34,161	34,161	-
Work Ready (14/15)	I	93.558 *	4100064833	10/1/14-9/30/15	144,536	65,412	-	104,742	104,742	39,330
					103,940	103,940	4,367	138,903	138,903	39,330
Passed Through the Pennsylvania Coalition Against Domestic Violence (PCADV):										
Social Services Block Grant	I	93.667	52-33	7/1/13-6/30/14	26,771	533	533	-	-	-
Social Services Block Grant	I	93.667	52-33	7/1/14-6/30/15	26,771	26,771	-	26,771	26,771	-
					27,304	27,304	533	26,771	26,771	-
Family Violence Prevention Services	I	93.671	52-33	7/1/13-6/30/14	99,167	1,971	1,971	-	-	-
Family Violence Prevention Services	I	93.671	52-33	7/1/14-6/30/15	99,167	99,167	-	99,167	99,167	-
					101,138	101,138	1,971	99,167	99,167	-
Passed Through the Jefferson County Commissioners:										
Medical Assistance Transportation Program	I	93.778 *	SAP 159000	7/1/14-6/30/15	888,061	921,223	213,455	768,377	768,377	60,609
					1,797,603	1,797,603	325,189	1,628,425	1,628,425	156,011
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:										
Retired Senior and Volunteer Program - RSVP	D	94.002	13SRAPA009	7/1/13-6/30/16	63,347	63,347	-	63,347	63,347	-
					62,347	62,347	-	63,347	63,347	-
					\$ 2,388,989	\$ 2,388,989	\$ 406,827	\$ 2,261,267	\$ 2,261,267	\$ 278,105

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, 2015

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 26, 2015

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 Human Services (DHS) and Community Action, Inc., solely to assist you with respect to the financial schedules and exhibits required by the DHS Single Audit Supplement. Community Action, Inc.'s management is responsible for the company's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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 purpose.

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 DHS for fiscal year ended June 30, 2015, 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 DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Page Number</u>	<u>Referenced Schedule/Exhibit</u>
Block Grant	28	Budget Comparison Statement – Discretionary Grant #52902
	29	Budget Comparison Statement – Discretionary Grant #57048
	30	Budget Comparison Statement – Grant #57048
Low Income Home Energy Assistance Program (LIHEAP)	31	Budget Comparison Statement
DOE	32	Budget Comparison Statement
Adult Education Program	33	Revenue and Expenses

Retired and Senior Volunteer Program	34	Revenue and Expenses
Medical Assistance Transportation Program	35	Revenue and Expenses
Homeless Assistance Program	36	Revenue and Expenses
Supportive Housing Program	37	Budget to Actual Report – Contract PA0310L3E021306
	38	Budget to Actual Report – Contract PA0310L3E021205
	39	Budget to Actual Report – Contract PA0320L3E021306
	40	Budget to Actual Report – Contract PA0320L3E021205
Crime Victim Assistance	41	Schedule of Budgeted, Reported and Allowable Costs - Clearfield
	42	Schedule of Budgeted, Reported and Allowable Costs – Jefferson
PCADV – Contract #5233	43	Budgeted, Reported and Allowable Costs – Title XX
	44	Budgeted, Reported and Allowable Costs – Act 44
	45	Budgeted, Reported, and Allowable Costs – FVPS
	46	Budgeted, Reported, and Allowable Costs – SSBG Relocation
	47	Budgeted, Report, and Allowable Costs – Act 222
	48	Combined Budgeted, Reported, and Allowable Costs – Funding Reconciliation
	49	Schedule of Revenues
Work Ready Program	50	Budget Comparison Statement
	51	Budget Comparison Statement

- b) We have inquired of management regarding adjustments to reported revenues or expenditures which were not reflected on the reports submitted to DHS 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.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Community Action, Inc. and the Department of Human Services and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink that reads "Wessel & Company". The signature is written in a cursive, flowing style.

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, 2015**

BUDGET CATEGORY	Approved Budget	Contract Period Expenditures	Questioned Costs
OPERATING COSTS			
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>
RELATED COSTS			
Professional Services	10,804	10,796	-
Insurance	280	170	-
Total Related Costs	<u>11,084</u>	<u>10,966</u>	<u>-</u>
OTHER COSTS			
Other	<u>13,877</u>	<u>7,676</u>	<u>-</u>
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, 2014 through December 31, 2016. The expenditures above are for the period July 1, 2014 December 31, 2014.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES BLOCK DISCRETIONARY GRANT #C000057048
YEAR ENDED JUNE 30, 2015

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
OPERATING COSTS			
Salaries and Fringes	\$ 4,165	\$ 3,492	\$ -
Consumable Supplies	20	15	-
Travel	150	73	-
Advertising	2,380	2,383	-
Space Costs	70	101	-
Audit	10	-	-
Total Operating Costs	<u>6,795</u>	<u>6,064</u>	<u>-</u>
RELATED COSTS			
Insurance	<u>15</u>	<u>12</u>	<u>-</u>
Total Related Costs	<u>15</u>	<u>12</u>	<u>-</u>
OTHER COSTS			
Other	<u>9,790</u>	<u>9,665</u>	<u>-</u>
Total Other Costs	<u>9,790</u>	<u>9,665</u>	<u>-</u>
Total	<u><u>\$ 16,600</u></u>	<u><u>\$ 15,741</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 July 1, 2014 through September 30, 2014.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT #C000057048
YEAR ENDED JUNE 30, 2015

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
OPERATING COSTS			
Salaries and Fringes	\$ 142,525	\$ 108,293	\$ -
Consumable Supplies	1,015	467	-
Travel	4,455	3,159	-
Advertising	160	73	-
Space Costs	8,246	5,313	-
Audit	3,481	3,480	-
Total Operating Costs	<u>159,882</u>	<u>120,785</u>	<u>-</u>
RELATED COSTS			
Professional Services	160	156	-
Insurance	1,130	710	-
Legal	50	-	-
Total Related Costs	<u>1,340</u>	<u>866</u>	<u>-</u>
OTHER COSTS			
Other	<u>26,278</u>	<u>18,263</u>	<u>-</u>
Total Other Costs	<u>26,278</u>	<u>18,263</u>	<u>-</u>
Total	<u><u>\$ 187,500</u></u>	<u><u>\$ 139,914</u></u>	<u><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, 2015 through June 30, 2015.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000055947 (LIHEAP)
YEAR ENDED JUNE 30, 2015

BUDGET CATEGORY	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Costs</u>
ADMINISTRATION			
Personnel	\$ 2,904	\$ 1,886	\$ -
Operating/supplies	14,762	15,990	-
Office equipment	501	291	-
Total Administration	<u>18,167</u>	<u>18,167</u>	<u>-</u>
FINANCIAL AUDIT	<u>4,034</u>	<u>4,034</u>	<u>-</u>
DIRECT SERVICES			
Program support	104,083	54,611	-
Program operations	231,457	204,158	-
Total Direct Services	<u>335,540</u>	<u>258,769</u>	<u>-</u>
HEALTH AND SAFETY	<u>4,500</u>	<u>-</u>	<u>-</u>
LIABILITY INSURANCE	<u>1,100</u>	<u>357</u>	<u>-</u>
Total	<u><u>\$ 363,341</u></u>	<u><u>\$ 281,327</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 July 1, 2014 through June 30, 2015.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000055947 (DOE)
YEAR ENDED JUNE 30, 2015

BUDGET CATEGORY	Final Approved Budget	Current Fiscal Period Expenditures	Questioned Costs
ADMINISTRATION			
Personnel	\$ 5,900	\$ 1,590	\$ -
Operating/supplies	9,307	14,117	-
Tools & Equipment	500	-	-
Total Administration	<u>15,707</u>	<u>15,707</u>	<u>-</u>
FINANCIAL AUDIT	<u>503</u>	<u>503</u>	<u>-</u>
DIRECT SERVICES			
Program support	152,378	127,985	-
Program operations	63,544	72,108	-
Total Direct Services	<u>215,922</u>	<u>200,093</u>	<u>-</u>
HEALTH AND SAFETY	<u>8,500</u>	<u>8,039</u>	<u>-</u>
LIABILITY INSURANCE	<u>1,260</u>	<u>1,260</u>	<u>-</u>
Total	<u><u>\$ 241,892</u></u>	<u><u>\$ 225,602</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, 2014 through June 30, 2015.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
DEPARTMENT OF EDUCATION - ADULT EDUCATION PROGRAMS
CONTRACT #59-14-0011 AND #64-15-0011
YEAR ENDED JUNE 30, 2015

	Adult Education Programs	
	Adult Literacy Programs	
	Act 143 59-14-0011	Section 231 64-15-0011
REVENUE		
Grant income	\$ 75,000	\$ 75,938
EXPENSES		
Salaries	54,047	51,059
Benefits	12,494	13,025
Professional and technical fees	1,670	3,234
Purchased property services	3,167	4,737
Other purchased services	3,386	3,414
Supplies	236	469
	<u>75,000</u>	<u>75,938</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
RETIRED AND SENIOR VOLUNTEER PROGRAM
CONTRACT #13SRAPA009
YEAR ENDED JUNE 30, 2015**

REVENUE

Grant income	\$ 63,347
--------------	-----------

VOLUNTEER SUPPORT EXPENSES

Salaries and wages	\$ 40,036	
Fringe benefits	4,684	
Travel	3,854	
Supplies	496	
Other volunteer support costs	10,826	
Contractual & Consultant Services	<u>383</u>	
 Total Volunteer Support Expenses		 <u>60,279</u>

VOLUNTEER COSTS

Volunteer recognition	1,060	
Insurance	<u>2,008</u>	
 Total Volunteer Costs		 <u>3,068</u>

Total Program	<u>63,347</u>
---------------	---------------

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

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
YEAR ENDED JUNE 30, 2015**

County: Jefferson

	Reported	Actual
SERVICE DATA		
Expenditures:		
Group I Clients	\$ 1,533,449	\$ 1,533,449
Group II Clients	56,693	56,693
Total Expenditures	1,590,142	1,590,142
 ALLOCATION DATA		
Revenues:		
Department of Public Welfare	1,688,251	1,688,251
Interest Income	110	110
Total Revenues	1,688,361	1,688,361
Funds Expended:		
Operating Costs	1,279,180	1,279,180
Administrative Costs	409,181	409,181
	1,688,361	1,688,361
Excess Revenues over Expenditures	\$ -	\$ -

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOMELESS ASSISTANCE PROGRAM
CONTRACT #SAP 159000
YEAR ENDED JUNE 30, 2015**

SOURCES OF FUNDING

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

EXPENSES	Administration	Case Management	Rental Assistance	Total
Personnel	\$ 25	\$ 15,480	\$ -	\$ 15,505
Operating	2,941	3,849	-	6,790
Purchased Services	-	-	7,371	7,371
Subtotal	\$ 2,966	\$ 19,329	\$ 7,371	29,666
Total HAP Expenses				29,666
Total Unexpected Funds				\$ -

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM -
HOUSING FOR HOMELESS AND DISABLED PERSONS
CONTRACT #PA0310L3E021306
YEAR ENDED JUNE 30, 2015**

	Budget	Actual
REVENUE		
Grant income	\$ 90,507	\$ 73,078
EXPENSES		
Administrative	5,706	4,492
Leasing	61,301	45,243
Supportive services	23,500	23,343
Total Expenses	90,507	73,078
Due to Funding Source	\$ -	\$ -

NOTE: The Supportive Housing Program #PA0310B3L021306 contract period is December 1, 2014, through November 30, 2015. The expenditures above are for the period December 1, 2014 through June 30, 2015. 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, 2015**

	Budget	Actual
REVENUE		
Grant income	\$ 91,868	\$ 33,521
EXPENSES		
Administrative	5,706	1,483
Leasing	62,662	29,339
Supportive services	23,500	2,699
	91,868	33,521
Due to Funding Source	\$ -	\$ -

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

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM -
TRANSITIONAL HOUSING
CONTRACT #PA0320L3E021306
YEAR ENDED JUNE 30, 2015**

	Budget	Actual
REVENUE		
Grant income	\$ 66,101	\$ 63,534
EXPENSES		
Administrative	4,324	4,126
Leasing	7,020	6,290
Direct operating	14,843	14,844
Supportive services	39,914	38,274
Total Expenses	66,101	63,534
Due to Funding Source	\$ -	\$ -

NOTE: The Supportive Housing Program #PA0320L3E021306 contract period is September 1, 2014, through August 31, 2015. The expenditures above are for the period September 1, 2014 through June 30, 2015. 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, 2015**

	Budget	Actual
REVENUE		
Grant income	\$ 67,602	\$ 730
EXPENSES		
Administrative	4,422	-
Leasing	7,020	730
Direct operating	16,246	-
Supportive services	39,914	-
Total Expenses	67,602	730
Due to Funding Source	\$ -	\$ -

NOTE: The Supportive Housing Program #PA0320L3E021205 contract period is September 1, 2013 through August 31, 2014. The expenditures above are for the period July 1, 2014, through August 31, 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, 2015

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
Personnel	\$ 59,612	\$ 39,690	\$ -
Employee benefits	14,879	9,212	-
Travel	2,350	341	-
Supplies / operating	<u>25,511</u>	<u>10,435</u>	<u>-</u>
	<u>\$ 102,352</u>	<u>\$ 59,678</u>	<u>\$ -</u>

NOTE: The Crime Victim Assistance Subgrant - Clearfield contract period is from July 1, 2013 through June 30, 2016.

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, 2015

BUDGET CATEGORY	Approved Budget	Reported Costs	Questioned Costs
Personnel	\$ 38,059	\$ 23,055	\$ -
Employee benefits	13,544	7,320	-
Travel	1,421	171	-
Supplies/operating	<u>14,055</u>	<u>6,868</u>	<u>-</u>
	<u>\$ 67,079</u>	<u>\$ 37,414</u>	<u>\$ -</u>

NOTE: The Crime Victim Assistance Subgrant - Jefferson contract period is from July 1, 2013 through June 30, 2016.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
TITLE XX PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2015

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
TITLE XX					
Personnel					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	-	-	-	-	-
Operations:					
Communications	2,113	2,034	2,034	79	-
Food	616	616	616	-	-
Insurance	3,215	3,343	3,343	(128)	-
Postage	1,052	1,052	1,052	-	-
Printing	141	135	135	6	-
Professional Fees	8,142	8,956	8,956	(814)	-
Staff Development	1,000	143	143	857	-
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, 2015

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
ACT 44					
Personnel					
Salaries	\$ 93,898	\$ 93,898	\$ 93,898	\$ -	\$ -
Benefits	27,764	27,764	27,764	-	-
Total Personnel	121,662	121,662	121,662	-	-
Operations:					
Advertising	600	-	-	600	-
Communications	6,959	6,699	6,699	260	-
Food	800	490	490	310	-
Maintenance	4,500	3,921	3,921	579	-
Memberships	100	-	-	100	-
Postage	200	165	165	35	-
Printing	1,000	955	955	45	-
Professional Fees	59,372	64,416	64,416	(5,044)	-
Rent	8,520	8,465	8,465	55	-
Staff Development	600	86	86	514	-
Supplies	1,150	1,060	1,060	90	-
Travel	5,000	4,417	4,417	583	-
Utilities	9,977	8,104	8,104	1,873	-
Total Operations	98,778	98,778	98,778	-	-
Total	\$ 220,440	\$ 220,440	\$ 220,440	\$ -	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
FVPS PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2015

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
FVPS					
Personnel					
Salaries	\$ 39,772	\$ 39,772	\$ 39,772	\$ -	\$ -
Benefits	13,409	13,409	13,409	-	-
Total Personnel	53,181	53,181	53,181	-	-
Operations:					
Maintenance	525	152	152	373	-
Food	484	487	487	(3)	-
Postage	148	148	148	-	-
Professional Fees	36,563	36,933	36,933	(370)	-
Supplies	3,766	3,766	3,766	-	-
Travel	4,500	4,500	4,500	-	-
Total Operations	45,986	45,986	45,986	-	-
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, 2015

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
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, 2015

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
ACT 222					
OPERATIONS					
Food	\$ 2,299	\$ 2,299	\$ 2,299	\$ -	\$ -
Program totals	2,299	2,299	2,299	-	-

**COMMUNITY ACTION, INC.
 COMBINED SCHEDULE OF BUDGETED, REPORTED, AND
 ALLOWABLE COSTS WITH FUNDING RECONCILIATION
 PCADV CONTRACT #5233
 YEAR ENDED JUNE 30, 2015**

	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
BUDGET CATEGORIES					
TITLE XX					
Operations	\$ 16,279	\$ 16,279	\$ 16,279	\$ -	\$ -
ACT 44					
Personnel	121,662	121,662	121,662	-	-
Operations	98,778	98,778	98,778	-	-
ACT 222					
Operations	2,299	2,299	2,299	-	-
FVPS					
Personnel	53,181	53,181	53,181	-	-
Operations	45,986	45,986	45,986	-	-
SSBG RELOCATION					
Operations	10,492	10,492	10,492	-	-
	\$ 348,677	\$ 348,677	\$ 348,677	\$ -	\$ -
FUNDING RECONCILIATION					
Approved contract received as of June 30, 2015				348,677	
Approved contract receivable at June 30, 2015				-	348,677
Allowable Costs					
Approved				348,677	
Questioned				-	348,677
Due to (from) PCADV					\$ -

**COMMUNITY ACTION, INC.
 SCHEDULE OF REVENUES
 PCADV CONTRACT #5233
 YEAR ENDED JUNE 30, 2015**

Received during:

July	\$ 28,131
August	28,131
September	28,131
October	28,131
November	29,368
December	29,368
January	29,368
February	29,368
March	29,368
April	29,368
May	29,368
June	<u>30,577</u>

348,677

Receivable at June 30:

-

Total

\$ 348,677

**COMMUNITY ACTION, INC.
 BUDGET COMPARISON STATEMENT
 DEPARTMENT OF PUBLIC WELFARE
 WORK READY PROGRAM #4100064833
 YEAR ENDED JUNE 30, 2015**

	Approved Budget	Contract Period Expenditures	Questioned Costs
Administration			
Personnel	\$ 4,195	\$ 1,964	\$ -
Operating Expenses	10,259	12,732	-
Total Administration	<u>14,454</u>	<u>14,696</u>	<u>-</u>
PROGRAM COSTS			
Personnel	91,509	23,623	-
Equipment and Supplies	1,400	905	-
Operating Expenses	21,470	15,362	-
Other Expenses	8,054	3,633	-
Subcontractors Expenses	6,849	-	-
Total Program Costs	<u>129,282</u>	<u>43,523</u>	<u>-</u>
	<u><u>\$ 143,736</u></u>	<u><u>\$ 58,219</u></u>	<u><u>\$ -</u></u>

NOTE: The Work Ready contact period is from October 1, 2014, through September 30, 2015. The expenditures above are for the period October 1, 2014 through June 30, 2015. 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, 2015**

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
Administration			
Personnel	\$ 4,014	\$ 623	\$ -
Operating Expenses	<u>10,440</u>	<u>1,136</u>	<u>-</u>
Total Administration	<u>14,454</u>	<u>1,759</u>	<u>-</u>
PROGRAM COSTS			
Personnel	93,136	23,623	-
Equipment and Supplies	1,400	674	-
Operating Expenses	22,917	5,168	-
Other Expenses	<u>12,629</u>	<u>2,943</u>	<u>-</u>
Total Program Costs	<u>130,082</u>	<u>32,408</u>	<u>-</u>
	<u><u>\$ 144,536</u></u>	<u><u>\$ 34,167</u></u>	<u><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 July 1, 2014 through September 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 26, 2015, *Reissued on February 17, 2016 to include an Emphasis of Matter paragraph*

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 Human Services; 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, 2015, 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 26, 2015 (*Reissued on February 17, 2016 to include an Emphasis of Matter paragraph*).

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 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*.

Emphasis of Matter

In our report dated October 26, 2015, we reported on the Schedule of Findings and Questioned Costs that Community Action, Inc. was not determined to be a low-risk auditee. However, this was reported incorrectly as Community Action, Inc. does, in fact, qualify as a low-risk auditee for the year ended June 30, 2015 and has been corrected in the reissued report dated February 17, 2016. Our opinion is not modified with respect to this matter.

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 AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

October 26, 2015, *Reissued on February 17, 2016 to include an Emphasis of Matter paragraph*

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 U.S. Office of Management and Budget (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, 2015. 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, 2015.

Emphasis of Matter

In our report dated October 26, 2015, we reported on the Schedule of Findings and Questioned Costs that Community Action, Inc. was not determined to be a low-risk auditee. However, this was reported incorrectly as Community Action, Inc. does, in fact, qualify as a low-risk auditee for the year ended June 30, 2015 and has been corrected in the reissued report dated February 17, 2016. Our opinion is not modified with respect to this matter.

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 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 FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified 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 unmodified 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:	
Work Ready Grant	93.558
Medical Assistance	93.778

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Community Action, Inc. was 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

NONE

COMMUNITY ACTION, INC.

CORRECTIVE ACTION PLAN

JUNE 30, 2015

NONE NECESSARY

COMMUNITY ACTION, INC.
POST-AUDIT CONFERENCE
JUNE 30, 2015

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

Date: September 11, 2015

Time: 10:00 A.M.

Place: Community Action, Inc. offices



Signature of Auditor



Signature of Director