

COMMUNITY ACTION, INC.

**AUDIT REPORT
BASIC FINANCIAL STATEMENTS AND
SINGLE AUDIT REPORT PACKAGE**

YEARS ENDED JUNE 30, 2019 AND 2018



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

COMMUNITY ACTION, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Action, Inc.
105 Grace Way
Punxsutawney, Pennsylvania 15979

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

The financial statements of Community Action, Inc., as of June 30, 2018, and for the year then ended were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated October 10, 2018.

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. Those standards 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.



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Board of Directors
Community Action, Inc.
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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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Community Action, Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal and Pennsylvania Department of Human Services – Funded Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and is not a required part of the 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 November 12, 2019, on our consideration of Community Action, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action, Inc. internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC

Pittsburgh, Pennsylvania
November 12, 2019

COMMUNITY ACTION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

<u>Assets</u>	2019	2018
Current Assets:		
Cash and cash equivalents	\$ 817,860	\$ 949,359
Grants receivable	394,060	331,972
Other receivable	537,676	369,010
Investments	45,675	47,252
Inventory	4,314	4,193
Prepaid expenses	67,718	56,189
Total Current Assets	1,867,303	1,757,975
Fixed Assets:		
Property and equipment - Net of accumulated depreciation	537,656	576,819
Total Assets	\$ 2,404,959	\$ 2,334,794
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	\$ 150,549	\$ 152,327
Accrued benefits and withheld taxes	66,964	42,738
Accrued salaries	150,010	172,261
Deferred revenue	42,900	36,570
Accrued expenses	28,613	33,200
Security deposits	385	485
Total Current Liabilities	439,421	437,581
Total Liabilities	439,421	437,581
Net Assets:		
Without donor restrictions	1,893,569	1,838,244
With donor restrictions	71,969	58,969
Total Net Assets	1,965,538	1,897,213
Total Liabilities and Net Assets	\$ 2,404,959	\$ 2,334,794

The accompanying notes are an integral part of the financial statements.

COMMUNITY ACTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
<u>Public Support and Revenue</u>			
Public Support:			
Grant income	\$ 1,931,171	\$ -	\$ 1,931,171
Contributions	108,098	13,602	121,700
Contributions, in-kind	103,408	-	103,408
Special events	<u>1,661</u>	<u>-</u>	<u>1,661</u>
Total Public Support	2,144,338	13,602	2,157,940
Revenue:		-	-
Service income	2,029,409	-	2,029,409
Information technology services	174,994	-	174,994
Investment income (loss)	230	-	230
Housing income	28,722	-	28,722
Miscellaneous income	42,028	-	42,028
Released from restrictions	<u>602</u>	<u>(602)</u>	<u>-</u>
Total Revenue	<u>2,275,985</u>	<u>(602)</u>	<u>2,275,383</u>
Total Public Support and Revenue	<u>4,420,323</u>	<u>13,000</u>	<u>4,433,323</u>
Expenses:			
Operating:			
Program services	3,777,277	-	3,777,277
Fundraising	<u>10,747</u>	<u>-</u>	<u>10,747</u>
Total Operating	3,788,024	-	3,788,024
Supporting Services:			
General and Administrative	<u>576,974</u>	<u>-</u>	<u>576,974</u>
Total Supporting Services	<u>576,974</u>	<u>-</u>	<u>576,974</u>
Total Expenses	<u>4,364,998</u>	<u>-</u>	<u>4,364,998</u>
Increase (Decrease) in Net Assets	55,325	13,000	68,325
Net Assets, Beginning of Year	<u>1,838,244</u>	<u>58,969</u>	<u>1,897,213</u>
Net Assets, End of Year	<u>\$ 1,893,569</u>	<u>\$ 71,969</u>	<u>\$ 1,965,538</u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY ACTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
<u>Public Support and Revenue</u>			
Public Support:			
Grant income	\$ 2,025,940	\$ -	\$ 2,025,940
Contributions	90,471	29,854	120,325
Contributions, in-kind	107,339	-	107,339
Special events	<u>5,760</u>	<u>-</u>	<u>5,760</u>
Total Public Support	<u>2,229,510</u>	<u>29,854</u>	<u>2,259,364</u>
Revenue:			
Service income	2,157,270	-	2,157,270
Information technology services	297,789	-	297,789
Investment income (loss)	4,166	-	4,166
Housing income	55,404	-	55,404
Miscellaneous income	26,360	-	26,360
Release from restriction	<u>39,289</u>	<u>(39,289)</u>	<u>-</u>
Total Revenue	<u>2,580,278</u>	<u>(39,289)</u>	<u>2,540,989</u>
Total Public Support and Revenue	<u>4,809,788</u>	<u>(9,435)</u>	<u>4,800,353</u>
Expenses:			
Operating:			
Program services	3,906,948	-	3,906,948
Fundraising	<u>9,782</u>	<u>-</u>	<u>9,782</u>
Total Operating	<u>3,916,730</u>	<u>-</u>	<u>3,916,730</u>
Supporting Services:			
Management and general	<u>754,752</u>	<u>-</u>	<u>754,752</u>
Total Supporting Services	<u>754,752</u>	<u>-</u>	<u>754,752</u>
Total Expenses	<u>4,671,482</u>	<u>-</u>	<u>4,671,482</u>
Increase (Decrease) in Net Assets	138,306	(9,435)	128,871
Net Assets, Beginning of Year	<u>1,699,938</u>	<u>68,404</u>	<u>1,768,342</u>
Net Assets, End of Year	<u>\$ 1,838,244</u>	<u>\$ 58,969</u>	<u>\$ 1,897,213</u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,075,499	\$ 398,268	\$ 5,807	\$ 1,479,574
Fringe benefits	222,483	56,438	851	279,772
Payroll taxes	81,311	28,338	433	110,082
Total Personnel Costs	1,379,293	483,044	7,091	1,869,428
Travel	36,084	3,162	-	39,246
Software	4,050	-	-	4,050
Equipment maintenance and rental	2,616	-	-	2,616
Small equipment and tools	996	-	-	996
Supplies	30,968	1,184	-	32,152
Space costs	72,953	7,154	240	80,347
Telephone	45,947	6,493	240	52,680
Postage	5,389	1	31	5,421
Printing	3,884	21	498	4,403
Licenses and registration	847	4,945	-	5,792
Insurance	29,979	1,746	33	31,758
Auto expenses	7,017	-	-	7,017
Information technology	-	8,500	175	8,675
Advertising and publication	2,024	250	-	2,274
Registration and memberships	8,864	1,337	-	10,201
Training and technical assistance	1,095	-	-	1,095
Administrative fees	7,204	-	-	7,204
Volunteer recognition	7,280	-	-	7,280
Contracted services	98,352	27,484	475	126,311
Utilities	27,082	-	-	27,082
Meetings	435	566	-	1,001
Food and meals	3,347	-	-	3,347
Building repairs and maintenance	1,362	-	-	1,362
Miscellaneous	5,603	-	-	5,603
Property taxes	82	-	-	82
Depreciation	13,580	-	-	13,580
Consumer assistance:				
Food and meals	2,911	-	-	2,911
Weatherization services	695,068	-	-	695,068
Client travel and assistance	1,068,144	-	-	1,068,144
Housing assistance	96,103	-	-	96,103
Other consumer support	15,310	-	-	15,310
Payroll fees	-	10	-	10
In-Kind expenses	103,408	-	-	103,408
Fiscal services	-	9,569	1,817	11,386
Human resources services	-	5,771	147	5,918
Federal taxes	-	15,737	-	15,737
Total	\$ 3,777,277	\$ 576,974	\$ 10,747	\$ 4,364,998

The accompanying notes are an integral part of the financial statements.

COMMUNITY ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,086,972	\$ 531,108	\$ 4,159	\$ 1,622,239
Fringe benefits	219,827	60,545	534	280,906
Payroll taxes	<u>81,677</u>	<u>38,402</u>	<u>312</u>	<u>120,391</u>
 Total Personnel Costs	 <u>1,388,476</u>	 <u>630,055</u>	 <u>5,005</u>	 <u>2,023,536</u>
 Travel	 33,106	 7,731	 72	 40,909
Software	3,759	877	-	4,636
Equipment maintenance and rental	3,147	-	-	3,147
Small equipment and tools	4,454	-	-	4,454
Supplies	35,578	1,346	9	36,933
Space costs	83,082	8,145	201	91,428
Telephone	49,323	8,658	126	58,107
Postage	5,948	13	26	5,987
Printing	4,026	40	583	4,649
Licenses and registration	944	5,970	-	6,914
Insurance	30,958	1,638	22	32,618
Auto expenses	5,035	-	-	5,035
Information technology	300	13,068	147	13,515
Advertising and publication	2,788	-	-	2,788
Registration and memberships	8,915	2,135	-	11,050
Training and technical assistance	840	-	-	840
Interest	75	-	-	75
Administrative fees	7,579	125	-	7,704
Volunteer recognition	6,107	-	-	6,107
Contracted services	73,277	33,539	361	107,177
Snow removal	125	-	-	125
Utilities	28,964	-	-	28,964
Meetings	344	2,565	-	2,909
Food and meals	1,844	-	-	1,844
Building repairs and maintenance	9,934	-	-	9,934
Miscellaneous	8,928	73	-	9,001
Property taxes	1,250	-	-	1,250
Depreciation	14,538	-	-	14,538
Bad debt expense	3,042	-	-	3,042
Consumer assistance:				-
Food and meals	8,404	-	-	8,404
Weatherization services	666,674	-	-	666,674
Housing assistance	103,743	-	-	103,743
Client travel and assistance	1,169,470	-	-	1,169,470
Other consumer support	17,921	-	-	17,921
Fundraising distributions	-	-	1,644	1,644
Project support	4,095	8	-	4,103
In-Kind expenses	107,339	-	-	107,339
Fiscal services	-	8,113	1,493	9,606
Human resources services	-	2,969	93	3,062
Federal taxes	<u>12,616</u>	<u>27,684</u>	<u>-</u>	<u>40,300</u>
Total	<u>\$ 3,906,948</u>	<u>\$ 754,752</u>	<u>\$ 9,782</u>	<u>\$ 4,671,482</u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY ACTION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities:		
Change in net assets	<u>\$ 68,325</u>	<u>\$ 128,871</u>
Adjustments to reconcile change in net assets to Net Cash Provided by (Used In) Operating Activities		
Depreciation	26,298	28,439
Unrealized loss/(gain) on investments	1,577	(2,916)
(Gain) on sale of fixed assets	1,046	(12,318)
Change in assets and liabilities:		
Grants receivable	(62,088)	(66,572)
Other receivables	(168,666)	358,697
Inventory	(121)	370
Prepaid expenses	(11,529)	7,761
Accounts payable	(1,778)	21,695
Accrued benefits and withheld taxes	24,226	30,899
Accrued salaries	(22,251)	10,450
Deferred revenues	6,330	(34,901)
Accrued Expenses	(17,305)	-
Security deposits	<u>(100)</u>	<u>(295)</u>
Total Adjustments	<u>(224,361)</u>	<u>341,309</u>
Net Cash Provided by (Used In) Operating Activities	<u>(156,036)</u>	<u>470,180</u>
Cash Flows from Financing Activities:		
Proceeds from sale of fixed assets	<u>24,537</u>	<u>25,561</u>
Net Cash Used by Financing Activities	<u>24,537</u>	<u>25,561</u>
Increase (Decrease) in Cash and Cash Equivalents	(131,499)	495,741
Cash and Cash Equivalents, Beginning of the Year	<u>949,359</u>	<u>453,618</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 817,860</u>	<u>\$ 949,359</u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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, 2019 and 2018, Community Action, Inc. incurred no tax penalty or interest costs. With certain exceptions, the federal income tax returns of Community Action, Inc. for 2016, 2017, and 2018 are subject to examination by the IRS, generally for three (3) 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 \$5,000 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

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

donated or acquired assets are placed in services as instructed by the donor. Community Action, Inc. reclassifies net assets with donor restrictions to net assets without donor restrictions 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 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 (3) months or less to be cash equivalents. There were no instruments considered to be cash equivalents at June 30, 2019 and 2018.

Allowance for Doubtful Receivables

No allowance for doubtful accounts was provided as of June 30, 2019 and 2018, 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 net assets without donor restrictions 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:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets that are subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2017. The Organization implemented this standard for the year 2018-2019.

In February 2016, the FASB issued ASU 2016-2, Leases (Topic 842). The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The guidance aims to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The standard is effective for fiscal years beginning after December 15, 2020 and should be applied on a retrospective basis in the year it is first applied. The Organization is evaluating the impact the adoption of this standard will have on the financial statements beginning in fiscal year 2022.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This guidance replaces the three existing classes of net assets for not-for-profit entities with two classes, net assets with donor restrictions and net assets without donor restrictions. The guidance also requires enhanced disclosures about governing board designations and appropriations, composition of net assets with donor restrictions and other qualitative and quantitative information regarding liquid resources and the availability of financial assets. The standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early adoption is permitted, and the standard is required to be applied on a retrospective basis in the year of adoption. The Organization implemented this standard for the year 2018-2019.

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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 (5) accounts with two (2) financial institutions. One (1) 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, 2019 and 2018, was \$637,528 and \$803,483, 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Capacity Building	\$ 3,664	\$ 4,347
Crossroads - PCADV	38,275	39,104
CSBG	81,275	109,410
HFHADP - Disabled Housing	9,222	6,779
Homeless Assistance	4,837	3,500
Seneca Highlands IU	15,000	-
Continuum of Care	8,434	6,967
Work Ready Program	58,776	41,070
Victims of Crime Act	61,964	17,287
Weatherization (DOE)	96,562	93,604
Weatherization (LIHEAP)	<u>16,051</u>	<u>9,904</u>
 Total	 <u>\$ 394,060</u>	 <u>\$ 331,972</u>

NOTE 5: INVESTMENTS

The fair values of marketable equity securities are based on quoted market prices. Investments as of June 30, 2019 and 2018, are composed of the following:

	<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>
596 Shares Exxon Mobil Corporation	\$ 24,883	\$ 45,675
	<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>
571 Shares Exxon Mobil Corporation	\$ 23,839	\$ 47,252

An unrealized gain/(loss) of \$(1,577) and \$2,916 was recognized for the year ended June 30, 2019 and 2018, respectively.

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5: INVESTMENTS (CONTINUED)

Components of net investment income include:

	<u>2019</u>	<u>2018</u>
Interest income on interest bearing cash	\$ 1,807	\$ 1,250
Unrealized holding gain/(loss)	<u>(1,577)</u>	<u>2,916</u>
Total net investment income	<u>\$ 230</u>	<u>\$ 4,166</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 (3) 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, 2019 and 2018:

	<u>Fair Value Measurements at Reporting Date</u>			
	<u>June 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity Securities	<u>\$ 45,675</u>	<u>\$ 45,675</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Fair Value Measurements at</u>			
	<u>June 30, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity Securities	<u>\$ 47,252</u>	<u>\$ 47,252</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 54,565	\$ 62,765
Buildings and Improvements	758,394	775,839
Equipment	<u>203,310</u>	<u>202,877</u>
Property and Equipment before Depreciation	1,016,269	1,041,481
Less Accumulated Depreciation	<u>(478,613)</u>	<u>(464,662)</u>
Total Property and Equipment	<u>\$ 537,656</u>	<u>\$ 576,819</u>

Depreciation expense for the years ending June 30, 2019 and 2018, is \$26,298 and \$28,439, which includes \$12,718 and \$13,901 allocated to cost pools, respectively.

NOTE 8: RESTRICTED NET ASSETS

	<u>2019</u>	<u>2018</u>
Contributions available for Crossroads program	\$ 33,647	\$ 29,730
Contributions available for Client Services	24,678	21,700
Contributions available for Friends for Food	8,489	5,929
Contributions available for Veterans donations	1,008	1,610
Contributions available for Horatio Street	<u>4,147</u>	<u>-</u>
Total Restricted Net Assets	<u>\$ 71,969</u>	<u>\$ 58,969</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 5.50 percent per annum and expiring on April 30, 2019. As of June 30, 2019 and 2018, 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, 2019 and 2018, these accrued compensated absences were \$59,679 and \$62,016, respectively. Compensated absences are included with accrued benefits and withheld taxes on the statement of financial position.

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 11: OPERATING LEASE COMMITMENTS

Community Action, Inc. has several operating lease agreements in effect as of the year ended June 30, 2019, 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, 2019, 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>
2020	\$ 4,209	\$ 9,537
2021	3,483	-
2022	3,483	-
2023	<u>290</u>	<u>-</u>
	<u>\$ 11,465</u>	<u>\$ 9,537</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, 2019 and 2018, lease expenses for Facilities and Equipment was \$52,385 and \$54,646, 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, 2019 and 2018, consist of the following at fair market value at the date of donation:

	<u>2019</u>	<u>2018</u>
Adult Literacy classroom space	\$ 28,865	\$ 14,360
Food and program supplies	26,227	25,702
Donated services	30,776	31,772
Donated volunteer recognition	<u>17,540</u>	<u>35,505</u>
Total Donated Services and Materials Recognized as Revenue and Expense	<u>\$ 103,408</u>	<u>\$ 107,339</u>

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 12: DONATED SERVICES AND MATERIALS (CONTINUED)

Additionally, Community Action, Inc. receives a significant amount of contributed time that does not meet the two (2) 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 37,011 and 38,538 hours of time as of June 30, 2019 and 2018.

NOTE 13: CONCENTRATIONS

Community Action, Inc. received approximately twenty-three percent (23%) of its total revenue from three (3) grant programs and twenty-one percent (21%) of its total revenue from three (3) grant programs for the years ended June 30, 2019 and 2018, 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 \$75,940 and \$121,785 for the years ended June 30, 2019 and 2018, thus the organization incurred \$15,737 and \$40,300 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 more than three percent (3%) of employee's annual salary. Maximum salary reductions are \$12,500 for calendar year 2019. For employees age fifty (50) or older, the limit is \$15,500. For the years ending June 30, 2019 and 2018, employer contributions were \$32,174 and \$36,282, respectively.

NOTE 17: SUPPLEMENTAL DISCLOSURES

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, 2019.

Match Requirements

Community Action, Inc., is required by PCADV to raise monies within the community and spend amounts in excess of twenty percent (20%) of the contract. For the year ended June 30, 2019, Community Action, Inc., raised and spent match monies totaling approximately thirty percent (30%) of the contract to fulfill its obligation.

COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 17: SUPPLEMENTAL DISCLOSURES (CONTINUED)

Domestic Violence Budget

For the year ended June 30, 2019, total domestic violence expenditures by Community Action, Inc. for domestic violence was \$567,805.

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 \$750,000 during the year ended June 30, 2019.

Cost Allocation Plan

A cost pool collection and allocation system is utilized to distribute indirect costs. Indirect expenses are pooled according to function and allocated monthly to projects and activities. Allocated expenses are based on actual monthly expenses. The Cost Allocation Plan complies with Organization Standard 8.12.

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, 2019 and 2018.

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: LIQUIDITY AND AVAILABILITY

Community Action, Inc. regularly monitors liquidity required to meet its operating need and other commitments. Community Action, Inc. has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, and a line of credit.

COMMUNITY ACTION, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019 AND 2018

NOTE 19: LIQUIDITY AND AVAILABILITY (CONTINUED)

As of June 30, 2019, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash and Cash Equivalents	\$ 817,860
Less: Restricted Cash	(71,969)
Grants Receivable	394,060
Other Receivable	<u>537,676</u>
Financial Assets Available	1,677,627
Available Line of Credit	<u>500,000</u>
Total Sources of Liquidity Available of June 30, 2019	 <u>\$ 2,177,627</u>

Community Action, Inc. has a goal to maintain financial assets, which consist of cash and short term investments, on hand to meet 60 days of normal operating expenses which are on average approximately \$320,968.

Community Action, Inc. invests cash in excess of daily requirements in money market fund accounts.

In the event of an unanticipated liquidity need, Community Action, Inc. has an available line of credit in the amount of \$500,000, which could be drawn upon.

NOTE 20: SUBSEQUENT EVENTS

Subsequent events were evaluated through November 12, 2019, which is the date the financial statements were available to be issued. Based upon this evaluation, no additional events subsequent to June 30, 2019 were required to be recorded or disclosed in the financial statements.

SUPPLEMENTARY INFORMATION



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of 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, 2019, 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 #000066937	23	Budget Comparison Statement
Block Grant #000066937	24	Budget Comparison Statement
Block Discretionary Grant #000066937	25	Budget Comparison Statement
Block Discretionary Grant #000066937	26	Budget Comparison Statement
Low Income Home Energy Assistance Program (LIHEAP) – Grant #61719	27	Budget Comparison Statement
Low Income Home Energy Assistance Program (LIHEAP) – Grant #61719	28	Budget Comparison Statement
DOE – Grant #C000066423	29	Budget Comparison Statement
Adult Education Program – Contract	30	Revenue and Expenses
Retired and Senior Volunteer Program – Contract #16SRAP011	31	Revenue and Expenses
Medical Assistance Transportation Program #SAP159000	32	Revenue and Expenses



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<u>Program Name</u>	<u>Page Number</u>	<u>Referenced Schedule/Exhibit</u>
Homeless Assistance Program -Contact #SAP 159000	33	Revenue and Expenses
Supportive Housing Program Housing for Homeless and Disabled Persons – Contract PA0310L3E011609	34	Budget to Actual Report
Supportive Housing Program Housing for Homeless and Disables Persons – Contract PA0310L3011609	35	Budget to Actual Report
Supportive Housing Program – Traditional Housing – Contract PA0320L3E011710	36	Budget to Actual Report
Supportive Housing Program – Traditional Housing – Contract PA0320L3E011609	37	Budget to Actual Report
Crime Victim Assistance – Subgrant #26605	38	Schedule of Budgeted, Reported, and Allowable Costs
Crime Victim Assistance – Subgrant #29020	39	Schedule of Budgeted, Reported, and Allowable Costs
Crime Victim Assistance – Subgrant #29021	40	Schedule of Budgeted, Reported, and Allowable Costs
PCADV – Contract #6011-2019	41	Budgeted, Reported and Allowable Costs – Title XX
PCADV – Contract #6011-2019	42	Budgeted, Reported and Allowable Costs – Act 44
PCADV – Contract #6011-2019	43	Budgeted, Reported and Allowable Costs – FVPS
PCADV – Contract #6011-2019	44	Budgeted, Reported and Allowable Costs – SSBG Relocation
PCADV – Contract #6011-2019	45	Budgeted, Reported and Allowable Costs – Act 222
PCADV – Contract #6011-2019	46	Combined Budgeted, Reported, and Allowable Costs – Funding Reconciliation
PCADV – Contract #6011-2019	47	Schedule of Revenues
Work Ready Program – Contract #4100064833	48	Budget Comparison Statement
Work Ready Program – Contract #4100064833	49	Budget Comparison Statement
Work Ready Program – Contract #4100083330	50	Budget Comparison Statement



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- (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.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. Accordingly, we do not express such an opinion or conclusion. 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.

Pittsburgh, Pennsylvania
November 12, 2019

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT #C000066937
YEAR ENDED JUNE 30, 2019

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
BUDGET CATEGORY			
OPERATING COSTS			
Salaries and Fringes	\$ 217,238	\$ 74,697	\$ -
Consumable Supplies	376	214	-
Travel	2,101	331	-
Space Costs	9,269	2,988	-
Audit	<u>2,433</u>	<u>-</u>	<u>-</u>
Total Operating Costs	<u>231,417</u>	<u>78,230</u>	<u>-</u>
RELATED COSTS			
Professional Services	3,799	3,749	-
Insurance	<u>650</u>	<u>195</u>	<u>-</u>
Total Related Costs	<u>4,449</u>	<u>3,944</u>	<u>-</u>
OTHER COSTS			
Other	<u>14,134</u>	<u>3,971</u>	<u>-</u>
Total Other Costs	<u>14,134</u>	<u>3,971</u>	<u>-</u>
Total	<u>\$ 250,000</u>	<u>\$ 86,145</u>	<u>\$ -</u>

NOTE: The Community Services Block Grant Program contract period is from January 1, 2018 through December 31, 2018. The expenditures above are for the period July 1, 2018 through December 31, 2018.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT #C000066937
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
OPERATING COSTS			
Salaries and Fringes	\$ 104,709	\$ 121,673	\$ -
Consumable Supplies	189	384	-
Travel	350	652	-
Space Costs	6,141	6,942	-
Audit	2,400	2,018	-
Total Operating Costs	<u>113,789</u>	<u>131,669</u>	<u>-</u>
RELATED COSTS			
Insurance	<u>829</u>	<u>561</u>	<u>-</u>
Total Related Costs	<u>829</u>	<u>561</u>	<u>-</u>
OTHER COSTS			
Other	<u>10,382</u>	<u>11,253</u>	<u>-</u>
Total Other Costs	<u>10,382</u>	<u>11,253</u>	<u>-</u>
Total	<u><u>\$ 125,000</u></u>	<u><u>\$ 143,483</u></u>	<u><u>\$ -</u></u>

NOTE: The Community Services Block Grant Program contract period is from January 1, 2019 through December 31, 2019. The expenditures above are for the period January 1, 2019 through June 30, 2019.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES DISCRETIONARY BLOCK GRANT #C000066937
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	Approved Budget	Contract Period Expenditures	Questioned Costs
OPERATING COSTS			
Salaries and Fringes	\$ 10,190	\$ 4,681	\$ -
Training & Technial Assistance	8,873	2,694	-
Supplies	232	232	-
Space Costs	417	232	-
Audit	22	-	-
Total Operating Costs	19,734	7,839	-
RELATED COSTS			
Insurance	34	20	-
Total Related Costs	34	20	-
OTHER COSTS			
Other	919	390	-
Total Other Costs	919	390	-
Total	\$ 20,687	\$ 8,249	\$ -

NOTE: The Community Services Block Discretionary Grant Program contract period is from January 1, 2018 through December 31, 2018. The expenditures above are for the period July 1, 2018 through December 31, 2018.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES DISCRETIONARY BLOCK GRANT #C000066937
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
OPERATING COSTS			
Salaries and Fringes	\$ 1,600	\$ 1,848	\$ -
Training & Technical Assistance	1,750	1,816	-
Space Costs	20	-	-
Audit	20	-	-
Total Operating Costs	<u>3,390</u>	<u>3,664</u>	<u>-</u>
RELATED COSTS			
Professional Services/Consultants	<u>11,580</u>	<u>-</u>	<u>-</u>
	<u>11,580</u>	<u>-</u>	<u>-</u>
OTHER COSTS			
Other	<u>30</u>	<u>-</u>	<u>-</u>
Total Other Costs	<u>30</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,000</u>	<u>\$ 3,664</u>	<u>\$ -</u>

NOTE: The Community Services Block Discretionary Grant Program contract period is from January 1, 2019 through September 30, 2019. The expenditures above are for the period January 1, 2019 through June 30, 2019.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000061719 (LIHEAP)
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	Final Approved Budget	Current Fiscal Period Expenditures	Questioned Costs
ADMINISTRATION			
Personnel	\$ 2,012	\$ 176	\$ -
Operating/supplies	6,023	432	-
Total Administration	8,035	608	-
FINANCIAL AUDIT	1,901	-	-
DIRECT SERVICES			
Program support	67,629	2,064	-
Program operations	364,638	4,017	-
Total Direct Services	432,267	6,081	-
HEALTH AND SAFETY	335	335	-
LIABILITY INSURANCE	669	16	-
Total	<u>\$ 443,207</u>	<u>\$ 7,040</u>	<u>\$ -</u>

NOTE: The contract period for the Weatherization (LIHEAP) Program is October 1, 2015 through September 30, 2020. The expenditures and budget above are for the period July 1, 2018 through September 30, 2019.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000061719 (LIHEAP)
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	Final Approved Budget	Current Fiscal Period Expenditures	Questioned Costs
ADMINISTRATION			
Personnel	\$ 751	\$ 551	\$ -
Operating/supplies	<u>8,901</u>	<u>6,941</u>	<u>-</u>
Total Administration	<u>9,652</u>	<u>7,492</u>	<u>-</u>
FINANCIAL AUDIT	<u>944</u>	<u>944</u>	<u>-</u>
DIRECT SERVICES			
Program support	101,566	89,317	-
Program operations	<u>370,316</u>	<u>345,853</u>	<u>-</u>
Total Direct Services	<u>471,882</u>	<u>435,170</u>	<u>-</u>
HEALTH AND SAFETY	<u>4,500</u>	<u>-</u>	<u>-</u>
LIABILITY INSURANCE	<u>1,406</u>	<u>1,136</u>	<u>-</u>
Total	<u>\$ 488,384</u>	<u>\$ 444,742</u>	<u>\$ -</u>

NOTE: The contract period for the Low Income Home Energy Assistance Program is October 1, 2015 through September 30, 2020. The expenditures and budget above are for the period October 1, 2018 through June 30, 2019.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000066423 (DOE)
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	Final Approved Budget	Current Fiscal Period Expenditures	Questioned Costs
ADMINISTRATION			
Personnel	\$ 1,885	\$ 1,112	\$ -
Operating/supplies	15,800	10,187	-
Insurance	-	3	-
Total Administration	<u>17,685</u>	<u>11,302</u>	<u>-</u>
FINANCIAL AUDIT	<u>1,257</u>	<u>1,257</u>	<u>-</u>
DIRECT SERVICES			
Program support	129,115	117,605	-
Program operations	161,000	142,421	-
Total Direct Services	<u>290,115</u>	<u>260,026</u>	<u>-</u>
HEALTH AND SAFETY	<u>35,000</u>	<u>33,385</u>	<u>-</u>
LIABILITY INSURANCE	<u>3,000</u>	<u>2,638</u>	<u>-</u>
Total	<u>\$ 347,057</u>	<u>\$ 308,608</u>	<u>\$ -</u>

NOTE: The contract period for the Weatherization (DOE) Program is July 1, 2017 through June 30, 2022. The expenditures and budget above are for the period July 1, 2018 through June 30, 2019.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
DEPARTMENT OF EDUCATION - ADULT EDUCATION PROGRAMS
YEAR ENDED JUNE 30, 2019

	<u>Adult Education Programs</u>	
	<u>Adult Literacy Programs</u>	
	<u>Act 143</u>	<u>Section 231</u>
REVENUE		
Grant income	<u>\$ 30,000</u>	<u>\$ 43,500</u>
EXPENSES		
Salaries	18,839	28,729
Benefits	5,433	7,940
Purchased property services	1,893	2,331
Other purchased services	1,681	2,518
Supplies	<u>2,154</u>	<u>1,982</u>
	<u>30,000</u>	<u>43,500</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
RETIRED AND SENIOR VOLUNTEER PROGRAM
CONTRACT #16SRAPA011
YEAR ENDED JUNE 30, 2019**

REVENUE

Grant income	\$ 61,347
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VOLUNTEER SUPPORT EXPENSES

Salaries and wages	\$ 35,031	
Fringe benefits	9,824	
Travel	5,193	
Other volunteer support costs	8,459	
Contractual & Consultant Services	<u>556</u>	
 Total Volunteer Support Expenses		 <u>59,063</u>

VOLUNTEER COSTS

Insurance	<u>2,284</u>	
 Total Volunteer Costs		 <u>2,284</u>
 Total Program		 <u>61,347</u>

Due to (from) Funding Source	<u><u>\$ -</u></u>
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NOTE: The program contract period is from July 1, 2018 through June 30, 2019. 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, 2019

County: Jefferson	Year Ended	June 30, 2019
	<u>Reported</u>	<u>Actual</u>
SERVICE DATA		
Expenditures:		
Group I Clients	\$ 1,156	\$ 1,156
Total Expenditures	<u>1,156</u>	<u>1,156</u>
Omit Summary of Trips		
ALLOCATION DATA		
Revenues:		
Department of Human Services		
Jefferson County Commissioners	<u>1,477,004</u>	<u>1,477,004</u>
Total Revenues	1,477,004	1,477,004
Funds Expended:		
Operating Costs	1,067,075	1,067,075
Administrative Costs	<u>409,929</u>	<u>409,929</u>
Excess Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>
Indirect Cost Rate %	N/A	

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOMELESS ASSISTANCE PROGRAM
CONTRACT #SAP 159000
YEAR ENDED JUNE 30, 2019

SOURCES OF FUNDING

HHS allocation	\$ 29,664
Interest earned	<u>10</u>
Total HAP Funding	<u>29,674</u>

EXPENSES	<u>Administration</u>	<u>Case Management</u>	<u>Rental Assistance</u>	<u>Total</u>
Personnel	\$ -	\$ 15,353	\$ -	\$ 15,353
Operating	<u>2,966</u>	<u>2,107</u>	<u>9,248</u>	<u>14,321</u>
Subtotal	<u>\$ 2,966</u>	<u>\$ 17,460</u>	<u>\$ 9,248</u>	<u>29,674</u>
Total HAP Expenses				<u>29,674</u>
Total Unexpected Funds				<u>\$ -</u>

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM -
HOUSING FOR HOMELESS AND DISABLED PERSONS
CONTRACT #PA0310L3E011609
YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	<u>\$ 91,812</u>	<u>\$ 37,136</u>
EXPENSES		
Administrative	5,633	2,126
Leasing	63,771	24,221
Supportive services	<u>22,408</u>	<u>10,789</u>
Total Expenses	<u>91,812</u>	<u>37,136</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

NOTE: The Supportive Housing Program #PA0310L3E011609 contract period is December 1, 2017, through November 30, 2018. The expenditures above are for the period July 1, 2018 through November 30, 2018. 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 #PA0310L3E011710
YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	<u>\$ 93,725</u>	<u>\$ 59,215</u>
EXPENSES		
Administrative	5,633	5,633
Leasing	65,684	41,295
Supportive services	<u>22,408</u>	<u>12,287</u>
	<u>93,725</u>	<u>59,215</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

NOTE: The Supportive Housing Program #PA0310L3E011710 contract period is December 1, 2018 through November 30, 2019. The expenditures above are for the period December 1, 2018 through June 30, 2019. The budget is for the entire contract period.

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM -
TRANSITIONAL HOUSING
CONTRACT #PA0320L3E011710
YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	<u>\$ 66,101</u>	<u>\$ 54,269</u>
EXPENSES		
Administrative	4,324	4,324
Leasing	7,020	6,290
Direct operating	14,843	12,347
Supportive services	<u>39,914</u>	<u>31,308</u>
Total Expenses	<u>66,101</u>	<u>54,269</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

NOTE: The Supportive Housing Program #PA0320L3E011710 contract period is September 1, 2018, through August 31, 2019. The expenditures above are for the period September 1, 2018 through June 30, 2019. The budget is for the entire contract period.

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM -
TRANSITIONAL HOUSING
CONTRACT #PA0320L3E011609
YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Grant income	\$ 66,101	\$ 9,008
EXPENSES		
Administrative	\$ 4,324	-
Leasing	7,020	730
Direct operating	14,843	1,649
Supportive services	39,914	6,629
Total Expenses	66,101	9,008
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

NOTE: The Supportive Housing Program #PA0320L3E011609 contract period is September 1, 2017 through August 31, 2018. The expenditures above are for the period July 1, 2018, through August 31, 2018. 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 #26605
YEAR ENDED JUNE 30, 2019

	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
BUDGET CATEGORY			
Personnel	\$ 302,776	\$ 123,405	\$ -
Employee benefits	97,667	33,095	-
Travel	6,240	2,621	-
Supplies / operating	<u>51,200</u>	<u>16,544</u>	<u>-</u>
	<u>\$ 457,883</u>	<u>\$ 175,665</u>	<u>\$ -</u>

NOTE: The Crime Victim Assistance Subgrant - contract period is from July 1, 2016 through June 30, 2019. The expenditures above are for the period July 1, 2018 through June 30, 2019.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
FUNDING RECONCILIATION FOR CRIME VICTIM ASSISTANCE
SUBGRANT #29020
YEAR ENDED JUNE 30, 2019

	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
BUDGET CATEGORY			
Personnel	\$ 86,744	\$ -	\$ -
Employee benefits	30,681	-	-
Travel	1,417	-	-
Supplies / operating	<u>14,962</u>	<u>-</u>	<u>-</u>
	<u>\$ 133,804</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE: The Crime Victim Assistance Subgrant - contract period is from April 1, 2019 through September 30, 2021. The expenditures above are for the period April 1, 2019 through June 30, 2019.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
FUNDING RECONCILIATION FOR CRIME VICTIM ASSISTANCE
SUBGRANT #29021
YEAR ENDED JUNE 30, 2019

	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
BUDGET CATEGORY			
Personnel	\$ 41,603	\$ 383	\$ -
Employee benefits	17,125	58	-
Travel	872	-	-
Supplies / operating	<u>5,907</u>	<u>5</u>	<u>-</u>
	<u>\$ 65,507</u>	<u>\$ 446</u>	<u>\$ -</u>

NOTE: The Crime Victim Assistance Subgrant - contract period is from April 1, 2019 through September 30, 2021. The expenditures above are for the period April 1, 2019 through June 30, 2019.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
TITLE XX PCADV CONTRACT #6011-2019
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
TITLE XX					
Personnel					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations:					
Communications	\$ 500	\$ 500	\$ 500	\$ -	\$ -
Professional Fees	15,504	15,504	15,504	-	-
Supplies	25	25	25	-	-
Utilities	250	250	250	-	-
Total Operations	16,279	16,279	16,279	-	-
Total	\$ 16,279	\$ 16,279	\$ 16,279	\$ -	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
ACT 44 PCADV CONTRACT #6011-2019
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
ACT 44					
Personnel					
Salaries	\$ 115,956	\$ 115,969	\$ 115,969	\$ (13)	\$ -
Benefits	26,782	26,769	26,769	13	-
Total Personnel	\$ 142,738	\$ 142,738	\$ 142,738	\$ -	\$ -
Operations:					
Communications	\$ 5,902	\$ 5,404	\$ 5,404	\$ 498	\$ -
Professional Fees	68,906	53,994	53,994	14,912	-
Supplies	9,210	9,330	9,330	(120)	-
Travel	4,078	4,485	4,485	(407)	-
Utilities	5,600	4,947	4,947	653	-
Total Operations	93,696	78,160	78,160	15,536	-
Total	\$ 236,434	\$ 220,898	\$ 220,898	\$ 15,536	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
FVPS PCADV CONTRACT #6011-2019
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	<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>
FVPS					
Personnel					
Salaries	\$ 41,037	\$ 41,037	\$ 41,037	\$ -	\$ -
Benefits	7,015	7,015	7,015	-	-
Total Personnel	48,052	48,052	48,052	-	-
Operations:					
Advertising	182	181	181	1	-
Communications	5,579	5,719	5,719	(140)	-
Food	3,258	3,347	3,347	(89)	-
Insurance	3,600	3,516	3,516	84	-
Maintenance	1,380	1,518	1,518	(138)	-
Postage	334	349	349	(15)	-
Printing	540	594	594	(54)	-
Professional Fees	12,914	13,910	13,910	(996)	-
Rent	16,319	14,393	14,393	1,926	-
Staff Development	225	225	225	-	-
Supplies	5,830	5,830	5,830	-	-
Travel	2,973	3,270	3,270	(297)	-
Utilities	5,199	5,185	5,185	14	-
Total Operations	58,333	58,038	58,038	295	-
Total	\$ 106,385	\$ 106,090	\$ 106,090	\$ 295	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
SSBG RELOCATION PCADV CONTRACT #6011-2019
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	<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>
SSBG RELOCATION					
Operational relocation expense	<u>\$ 10,492</u>	<u>\$ 10,492</u>	<u>\$10,492</u>	<u>\$ -</u>	<u>\$ -</u>
Program totals	<u>\$ 10,492</u>	<u>\$ 10,492</u>	<u>\$10,492</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH
ACT 222 PCADV CONTRACT #6011-2019
YEAR ENDED JUNE 30, 2019

BUDGET CATEGORY	<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					
Communications	\$ 500	\$ 500	\$ 500	\$ -	\$ -
Professional Fees	439	439	439	-	-
Utilities	150	150	150	-	-
	<u>1,089</u>	<u>1,089</u>	<u>1,089</u>	<u>-</u>	<u>-</u>
Program totals	<u>\$ 1,089</u>	<u>\$ 1,089</u>	<u>\$ 1,089</u>	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY ACTION, INC.
COMBINED SCHEDULE OF BUDGETED, REPORTED, AND
ALLOWABLE COSTS WITH FUNDING RECONCILIATION
PCADV CONTRACT #6011-2019
YEAR ENDED JUNE 30, 2019**

	Approved Budget	Reported Costs	Total	Allowable Costs Per Audit	
				(Over) Under Budget	Questioned Costs
BUDGET CATEGORIES					
TITLE XX					
Operations	\$ 16,279	\$ 16,279	\$ 16,279	\$ -	\$ -
ACT 44					
Personnel	142,738	142,738	142,738	-	-
Operations	93,696	78,160	78,160	15,536	-
ACT 222					
Operations	1,089	1,089	1,089	-	-
FVPS					
Personnel	48,052	48,052	48,052	-	-
Operations	58,333	58,038	58,038	295	-
SSBG RELOCATION					
Operations	10,492	10,492	10,492	-	-
	<u>\$ 370,679</u>	<u>\$ 354,848</u>	<u>\$ 354,848</u>	<u>\$ 15,831</u>	<u>\$ -</u>
FUNDING RECONCILIATION					
Approved contract received as of June 30, 2019				322,339	
Approved contract receivable at June 30, 2019				<u>32,509</u>	
					354,848
Allowable Costs					
Approved				322,309	
Questioned				<u>-</u>	
					<u>322,309</u>
Due to (from) PCADV					<u>\$ 32,509</u>

**COMMUNITY ACTION, INC.
SCHEDULE OF REVENUES
PCADV CONTRACT #6011-2019
YEAR ENDED JUNE 30, 2019**

Received during:

July	\$	-
August		61,780
September		-
October		30,890
November		21,921
December		57,993
January		33,238
February		24,950
March		26,894
April		40,983
May		23,690
June		-

\$ 322,339

Receivable at June 30:

32,509

Total

\$ 354,848

**COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF PUBLIC WELFARE
WORK READY PROGRAM #4100064833
YEAR ENDED JUNE 30, 2019**

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
Administration			
Personnel	\$ 186	\$ 65	\$ -
Operating Expenses	<u>3,427</u>	<u>1,323</u>	<u>-</u>
Total Administration	<u>3,613</u>	<u>1,388</u>	<u>-</u>
PROGRAM COSTS			
Personnel	23,189	22,914	-
Equipment and Supplies	200	45	-
Operating Expenses	6,172	4,202	-
Other Expenses	<u>2,960</u>	<u>-</u>	<u>-</u>
Total Program Costs	<u>32,521</u>	<u>27,161</u>	<u>-</u>
	<u><u>\$ 36,134</u></u>	<u><u>\$ 28,549</u></u>	<u><u>\$ -</u></u>

NOTE: The Work Ready contact period is from October 1, 2018, through December 31, 2018. The expenditures above are for the period October 1, 2018 through December 31, 2018. 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, 2019**

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
Administration			
Personnel	\$ 4,685	\$ 162	\$ -
Operating Expenses	<u>9,768</u>	<u>1,482</u>	<u>-</u>
Total Administration	<u>14,453</u>	<u>1,644</u>	<u>-</u>
PROGRAM COSTS			
Personnel	104,647	22,673	-
Equipment and Supplies	2,311	202	-
Operating Expenses	18,125	4,050	-
Other Expenses	<u>5,000</u>	<u>291</u>	<u>-</u>
Total Program Costs	<u>130,083</u>	<u>27,216</u>	<u>-</u>
	<u>\$ 144,536</u>	<u>\$ 28,860</u>	<u>\$ -</u>

NOTE: The Work Ready contact period is from October 1, 2017, through September 30, 2018. The expenditures above are for the period July 1, 2018 through September 30, 2018. The budget is for the entire contract period.

**COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF PUBLIC WELFARE
WORK READY PROGRAM #4100083330
YEAR ENDED JUNE 30, 2019**

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
Administration			
Personnel	\$ 578	\$ 148	\$ -
Operating Expenses	<u>10,262</u>	<u>3,867</u>	<u>-</u>
Total Administration	<u>10,840</u>	<u>4,015</u>	<u>-</u>
PROGRAM COSTS			
Personnel	69,204	47,096	-
Equipment and Supplies	500	41	-
Operating Expenses	12,860	4,802	-
Other Expenses	<u>14,998</u>	<u>2,822</u>	<u>-</u>
Total Program Costs	<u>97,562</u>	<u>54,761</u>	<u>-</u>
	<u><u>\$ 108,402</u></u>	<u><u>\$ 58,776</u></u>	<u><u>\$ -</u></u>

NOTE: The Work Ready contact period is from January 1, 2019, through September 30, 2019. The expenditures above are for the period January 1, 2019 through June 30, 2019. The budget is for the entire contract period.

SINGLE AUDIT REPORTS

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019
 (Page 1 of 2)

Grantor Program Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Period Beginning/ Ending Dates	Program or Award Amount	Total Received For the Year	Accrued or (Deferred) Revenue at 7/1/2018	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 6/30/2019
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT										
Transitional Housing	D	14.267	PA0320L3E011609	09/01/17-08/31/18	\$ 66,101	\$ 15,975	\$ 6,967	\$ 9,008	\$ 9,008	\$ -
Housing for Homeless and Disabled Persons	D	14.267	PA0310L3E011609	12/01/17-11/30/18	91,812	43,915	6,779	37,136	37,136	-
Transitional Housing	D	14.267	PA0320L3E011710	09/01/18-08/31/19	66,101	45,047	-	54,269	54,269	9,222
Housing for Homeless and Disabled Persons	D	14.267	PA0310L3E011710	12/01/18-11/30/19	93,725	50,781	-	59,215	59,215	8,434
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						155,718	13,746	159,628	159,628	17,656
U.S. DEPARTMENT OF JUSTICE										
Passed Through the Pennsylvania Commission on Crime and Delinquency:										
Crime Victim Assistance	D	16.575	2015/2016-VF-05-26605	07/01/16-06/30/19	457,883	131,363	17,287	175,593	175,593	61,517
Crime Victim Assistance - Clearfield County	D	16.575	2017/2018-VF-05-29020	04/01/19-09/30/21	133,804	-	-	-	-	-
Crime Victim Assistance - Jefferson County	D	16.575	2016/2017/2018-VF-05-29021	04/01/19-09/30/21	65,507	-	-	446	446	446
TOTAL U.S. DEPARTMENT OF JUSTICE						131,363	17,287	176,039	176,039	61,963
U.S. DEPARTMENT OF EDUCATION										
Passed Through the Pennsylvania Department of Education:										
Adult Education Section 231	I	84.002	FA-064-17-001	07/01/17-06/30/18	-	65	(65)	-	-	-
Passed through Seneca Highlands	I	84.002	N/A	07/01/18-06/30/19	52,500	28,500	-	43,500	43,500	15,000
TOTAL U.S. DEPARTMENT OF EDUCATION						28,565	(65)	43,500	43,500	15,000
U.S. DEPARTMENT OF ENERGY										
Passed Through the Pennsylvania Department of Community and Economic Development:										
Weatherization Assistance for Low-Income Persons:										
WX-DOE 18/19	I	81.042	C000066423	07/01/17-06/30/22	347,057	212,046	-	308,608	308,608	96,562
WX-DOE 17/18	I	81.042	C000066423	07/01/17-06/30/22	313,800	93,604	93,604	-	-	-
TOTAL U.S. DEPARTMENT OF ENERGY						305,650	93,604	308,608	308,608	96,562
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed Through the Pennsylvania Department of Community and Economic Development:										
Community Services Block Grant 2018	I	93.569	C000066937	01/01/18-12/31/18	250,000	188,040	109,410	78,630	78,630	-
Community Services Block Discretionary Grant 2018	I	93.569	C000066937	01/01/18-12/31/18	20,687	12,596	4,347	8,249	8,249	-
Community Services Block Grant 2019	I	93.569	C000066937	01/01/19-12/31/19	62,500	62,208	-	143,483	143,483	81,275
Community Services Block Discretionary Grant 2019	I	93.569	C000066937	01/01/19-09/30/19	15,000	-	-	3,664	3,664	3,664
						262,844	113,757	234,026	234,026	84,939
Low-Income Home Energy Assistance Program 18/19	I	93.568	C000061719	10/01/15-09/30/20	488,384	428,691	-	444,742	444,742	16,051
Low-Income Home Energy Assistance Program 17/18	I	93.568	C000061719	10/01/15-09/30/20	443,207	15,849	9,904	5,945	5,945	-
						444,540	9,904	450,687	450,687	16,051
Passed Through the Pennsylvania Department of Human Services:										
Work Ready 18/19	I	93.558	4100083330	01/01/19 - 09/30/19	108,402	-	-	58,776	58,776	58,776
Work Ready 18/19	I	93.558	4100064833	10/01/18 - 12/31/18	36,134	28,301	-	28,301	28,301	-
Work Ready 17/18	I	93.558	4100064833	10/01/17-09/30/18	144,536	69,606	41,070	28,536	28,536	-
						97,907	41,070	115,613	115,613	58,776
Medical Assistance Transportation Program	I	93.778	159000	07/1/18-06/30/19	1,477,186	738,593	-	738,593	738,593	-
						738,593	-	738,593	738,593	-
Passed Through the Pennsylvania Coalition Against Domestic Violence (PCADV):										
Social Services Block Grant 17/18	I	93.667	6011-2018	07/01/17-06/30/18	16,279	1,726	1,726	-	-	-
Social Services Block Grant 17/18	I	93.667	6011-2018	07/01/17-06/30/18	10,492	1,112	1,112	-	-	-
Social Services Block Grant 18/19	I	93.667	6011-2018	07/01/18-06/30/19	16,279	16,279	-	16,279	16,279	-
Social Services Block Grant 18/19	I	93.667	6011-2018	07/01/18-06/30/19	10,492	10,492	-	10,492	10,492	-
						29,609	2,838	26,771	26,771	-
Family Violence Prevention Services 17/18	I	93.671	6011-2018	07/01/17-06/30/18	106,385	11,090	11,090	-	-	-
Family Violence Prevention Services 18/19	I	93.671	6011-2018	07/01/18-06/30/19	106,385	100,308	-	106,090	106,090	5,782
						111,398	11,090	106,090	106,090	5,782
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						1,684,891	178,659	1,671,780	1,671,780	165,548

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019
 (Page 2 of 2)

Grantor Program Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Period Beginning/ Ending Dates	Program or Award Amount	Total Received For the Year	Accrued or (Deferred) Revenue at 7/1/2018	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 6/30/2019
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</u>										
Retired Senior and Volunteer Program - RSVP	D	94.002	16SRAPA011	07/01/16-06/30/19	61,347	61,347	-	61,347	61,347	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE						61,347	-	61,347	61,347	-
TOTAL FEDERAL ASSISTANCE					\$ 5,061,985	\$ 2,367,534	\$ 303,231	\$ 2,420,902	\$ 2,420,902	\$ 356,729

Source Code: I - Indirect D - Direct

NOTE: Community Action, Inc. did not provide federal funds to subrecipients during the year ended June 30, 2019.

COMMUNITY ACTION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

NOTE 1: 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: INDIRECT COST RATE

For the year ended June 30, 2019, Community Action, Inc. did not elect to use the ten percent (10%) de minimus indirect cost rate as allowed in the Uniform Guidance, section 414.

NOTE 3: AMOUNTS PASSED TO SUBRECIPIENTS

Community Action, Inc. did not provide federal awards to subrecipients during the year ended June 30, 2019.

NOTE 4: FEDERAL CASH RECEIVED

Community Action, Inc. has reported cash that was returned to the granting agencies on the Schedule of Federal Awards as a negative cash receipt.

NOTE 5: MAJOR PROGRAM DETERMINATION

The major federal award programs selected for testing as determined by the auditor on a risk-based approach are as follows:

Programs	CFDA #	Expenditures
Low-Income Home Energy Assistance Program	93.568	\$ 450,687
Weatherization Assistance for Low-Income Persons	81.042	<u>308,608</u>
Total federal awards selected for testing		<u>759,295</u>
Total federal program awards		<u>\$2,420,902</u>
Percentage of total federal expenditures		31%



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal and DHS Program

We have audited Community Action, Inc.'s compliance with the types of compliance requirements described in the *OMB 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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of COMMUNITY ACTION, INC.'s major federal and DHS 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; the audit requirements of *Title 2 U.S. Code of Federal Regulations part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Pennsylvania Department of Human Services Single Audit Supplement*. Those standards, Uniform Guidance and the Pennsylvania Department of Human Services Single Audit Supplement 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 or DHS 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 and DHS program. However, our audit does not provide a legal determination of COMMUNITY ACTION, INC.'s compliance.

Opinion on Each Major Federal and DHS 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 and DHS programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.



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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 and DHS 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 and DHS program and to test and report on internal control over compliance in accordance with Uniform Guidance and the Pennsylvania Department of Human Services Single Audit Supplements 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 or DHS 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 or DHS 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 or DHS 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 Uniform Guidance and DHS Single Audit Supplement. Accordingly, this report is not suitable for any other purpose.



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Report on Schedule of Expenditures of Federal Awards Required By Uniform Guidance

We have audited the financial statements of COMMUNITY ACTION, INC. as of and for the year ended June 30, 2019, and the related notes to the financial statements. We issued our report thereon dated November 12, 2019 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Pittsburgh, Pennsylvania
November 12, 2019



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 12, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action, Inc., 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., 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.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Community Action, Inc.
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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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Pittsburgh, Pennsylvania
November 12, 2019

COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified not considered to be material weaknesses?
___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified not considered to be material weaknesses?
___ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with
2 CFR 200.516(a) ___ yes X no

Identification of major programs:

CFDA Number(s)	Name of Program or Cluster
93.568	Low-Income Home Energy Assistance Program
81.042	Weatherization Assistance for Low-Income Persons

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ___ yes X no

COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Section II – Findings Relating to the Financial Statements Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

No matters were reported.

Section III – Federal and Pennsylvania Department of Human Services Awards Findings and Questioned Costs.

No matters were reported.

COMMUNITY ACTION, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

Status of Prior Audit Findings

None

COMMUNITY ACTION, INC.
POST-AUDIT CONFERENCE
JUNE 30, 2019

This memo will serve as written notification that a post-audit conference was held between Community Action, Inc. and Zelenkofske Axelrod, LLC.

Date: October 29, 2019

Time: 2:00 PM

Place: Community Action, Inc. and Zelenkofske Axelrod, LLC offices.



Signature of Auditor



Signature of Director