

**COMMUNITY ACTION, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2012**

COMMUNITY ACTION, INC.

**- TABLE OF CONTENTS -**

	<u>Page</u>
Independent Auditors' Report	1,2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
<b>Supplemental Information</b>	
Schedule of Expenditures of Federal Awards	15-17
Note to Schedule of Expenditures of Federal Awards	18
<b>Budget Comparison Statements</b>	
<b>Department of Community and Economic Development:</b>	
Community Services Block Grant #C000047190	19
Community Services Block Grant #C000052445	20
Weatherization Contract #C000050260 (LIHEAP)	21
Weatherization Contract #C000050260 (LIHEAP)	22
Weatherization Contract #C000050260 (DOE)	23
Weatherization ARRA Contract #C000046254	24
<b>Schedule of Revenue and Expenses</b>	
<b>Department of Education:</b>	
Adult Education Programs - Contract #059-12-0011 and #41-12-0011	25

COMMUNITY ACTION, INC.

- TABLE OF CONTENTS -  
(CONTINUED)

	<u>Page</u>
Homelessness Prevention and Rapid Re-Housing Program Contract #C000046139	26
New Choices/Career Development – Grant Agreement #200	27
Retired and Senior Volunteer Program Contract #10SRAPA010	28
Medical Assistance Transportation Program Contract #SAP 159000	29
Human Services Development Fund	30
Homeless Assistance Program Contract #SAP 159000	31
Supportive Housing Program Contract #PA0320B3E021003	32
Supportive Housing Program Contract #PA0320B3E020802	33
Housing For Homeless and Disabled Persons Program – Contract #PA0310B3E021003	34
Housing For Homeless and Disabled Persons Program – Contract #PA0310B3E020802	35
Local Education and Resource Network	36
<b>Schedule of Budgeted, Reported, and Allowable Costs:</b>	
Crime Victim Assistance Subgrant #2011/2012-VF-05-22249 – Clearfield	37
Crime Victim Assistance Subgrant #2011/2012-VF-05-22248 – Jefferson	38
Title XX PCADV Contract #5233	39
ACT 44 PCADV Contract #5233	40
ACT 66 PCADV Contract #5233	41
FVPS PCADV Contract #5233	42

COMMUNITY ACTION, INC.

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

	<u>Page</u>
TANF Relocation PCADV Contract #5233	43
Combined Schedule of Budgeted, Reported, and Allowable Costs with Funding Reconciliation PCADV Contract #5233	44
Schedule of Revenues – PCADV Contract #5233	45
<b>Department of Public Welfare:</b>	
Work Ready Program – Inspiritec	46
Work Ready Program #4100057947	47
<b>Jefferson and Clarion County Child Care Information Services – Contracts #DC11 169208:</b>	
Combined Recap for the Fiscal Year	48
Low Income and Former TANF	49
TANF Training and Working Service	50
TANF State MOE	51
Food Stamps	52
<b>Single Audit Reports:</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53,54
Report on Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance in Accordance With OMB Circular A-133	55,56
Independent Accountants’ Report on Applying Agreed-Upon Procedures	57,58
Schedule of Findings and Questioned Costs	59,60
Post-Audit Conference	61

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of Community Action, Inc., (a non-profit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Community Action, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit guidelines issued by the Pennsylvania Department of Public Welfare; and audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action, Inc., as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2012, on our consideration of Community Action, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Community Action, Inc., taken as whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*," and the schedules on pages 19 through 52, presented for purposes of supplemental analysis, are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Sarp & Company*

Sarp & Company  
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania  
December 6, 2012

COMMUNITY ACTION, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2012

Assets:

Cash	\$ 894,329
Grants receivable	505,886
Other accounts receivable	123,485
Investments	46,251
Inventory	14,331
Prepaid expenses	52,917
Property and equipment, net	<u>498,981</u>

Total Assets \$ 2,136,180

Liabilities:

Accounts payable	288,094
Accrued and withheld taxes	15,057
Accrued salaries	133,090
Deferred revenue	34,985
Accrued expenses	30,984
Security deposit	<u>675</u>

Total Liabilities 502,885

Net Assets:

Unrestricted	1,557,979
Temporarily restricted	\$ <u>75,316</u>

Total Net Assets 1,633,295

Total Liabilities and Net Assets \$ 2,136,180

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

COMMUNITY ACTION, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

Changes in Unrestricted Net Assets:

Contributed support and earned revenue:

Government grants	\$ 6,118,340
Contributions	132,117
In-kind contributions	45,787
Special events	1,540

Other revenue:

Program service fees	121,737
Information technology sales	5,970
Investment income (Loss)	6,325
Rental income - housing	52,885
Miscellaneous income	34,283
Gain on disposal of fixed asset	43,040

6,562,024

Net assets released from restrictions

1,870

\$ 6,563,894

Expenses and Losses:

Operating:

Program services	5,714,225
Management and general	716,177
Fundraising	7,619

Total expenses and losses

6,438,021

Increase in unrestricted net assets

125,873

Changes in Temporarily Restricted Net Assets:

Contributions	\$ 14,706
Net assets released from restrictions	<u>(1,870)</u>

Increase (Decrease) in temporarily restricted net assets

12,836

Increase (Decrease) in net assets

138,709

Net assets at beginning of year

1,494,586

Net assets at end of year

\$ 1,633,295

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



COMMUNITY ACTION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2012

	Program Services	Management and General	Fundraising	Total
Payroll and Benefits:				
Salaries	\$ 1,163,818	\$ 509,860	\$ 3,355	\$ 1,677,033
Employee benefits	269,899	61,630	517	332,046
Payroll taxes	87,239	38,551	255	126,045
	<u>1,520,956</u>	<u>610,041</u>	<u>4,127</u>	<u>2,135,124</u>
Operating:				
Travel	48,014	12,322	31	60,367
Software	-	20	-	20
Equipment maintenance and rental	4,013	-	-	4,013
Small equipment and tools	30,519	-	-	30,519
Supplies	32,558	146	-	32,704
Space costs	88,656	6,695	155	95,506
Telephone	32,590	6,726	112	39,428
Postage	16,681	1,688	33	18,402
Printing	13,138	1,169	661	14,968
Licenses and registration	1,655	2,038	-	3,693
Insurance	30,689	1,544	28	32,261
Auto expenses	17,972	-	-	17,972
Information technology	5,818	30,174	137	36,129
Advertising and publications	11,072	610	-	11,682
Registration and memberships	3,163	2,602	-	5,765
Training and technical assistance	3,313	-	-	3,313
Administrative fees	5,988	-	-	5,988
Volunteer recognition	8,447	-	-	8,447
Contracted services	43,634	28,682	2	72,318
Snow removal	355	-	-	355
Utilities	26,089	-	-	26,089
Meetings	1,304	1,028	-	2,332
Food and meals	1,039	1	-	1,040
Building repairs and maintenance	3,625	-	-	3,625
Miscellaneous	2,016	188	-	2,204
Property taxes	2,876	-	-	2,876
Depreciation	15,589	-	-	15,589
Bad debt expense	270	-	-	270
Consumer Assistance:				
Child care fees	1,387,423	1	-	1,387,424
Food and meals	20,216	-	-	20,216
Weatherization services	633,529	-	-	633,529
Housing assistance	116,936	-	-	116,936
Client travel and assistance	1,484,166	-	-	1,484,166
Other consumer support	11,437	-	-	11,437
Funds returned	17,448	-	-	17,448
In-Kind expenses	45,787	-	-	45,787
Fiscal Services	-	2,176	2,278	4,454
Human Resources Services	-	8,326	55	8,381
Federal Taxes	20,466	-	-	20,466
Loss on Disposal	4,778	-	-	4,778
	<u>4,193,269</u>	<u>106,136</u>	<u>3,492</u>	<u>4,302,897</u>
Total Operating	<u>4,193,269</u>	<u>106,136</u>	<u>3,492</u>	<u>4,302,897</u>
Total Functional Expenses	<u>\$ 5,714,225</u>	<u>\$ 716,177</u>	<u>\$ 7,619</u>	<u>\$ 6,438,021</u>

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

COMMUNITY ACTION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012

Operating Activities:	
Increase (Decrease) in Net Assets	\$ 138,709
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	\$ 46,935
Unrealized (Gain) Loss on Investments	(2,268)
(Increase) Decrease in Grant Receivables	28,251
(Increase) Decrease in Accounts Receivable	(18,022)
(Increase) Decrease in Inventory	(9,878)
(Increase) Decrease in Prepaid Expenses	(5,166)
Increase (Decrease) in Accounts Payable	(303,199)
Increase (Decrease) in Accrued Expense	(875)
Increase (Decrease) in Security Deposit	(560)
Increase (Decrease) in Accrued and Withheld Taxes	7,268
Increase (Decrease) in Accrued Salaries	(12,804)
Increase (Decrease) in Deferred Revenue	(57,590)
	<hr/>
Total Adjustments	(327,908)
	<hr/>
Net Cash Provided by Operating Activities	(189,199)
Cash Flows from Investing Activities:	
Purchase of Fixed Assets	\$ (86,349)
Disposal of Fixed Assets	68,411
	<hr/>
Net Cash Provided by (Used in) Investing Activities	(17,938)
	<hr/>
Increase in Cash and Cash Equivalents	(207,137)
Cash at Beginning of Year	1,101,466
	<hr/>
Cash at End of Year	<u>\$ 894,329</u>

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

COMMUNITY ACTION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

Income Taxes

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

Inventory

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

Property and Equipment

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

## NOTE 1: (CONTINUED)

### Cash and Cash Equivalents

For purposes of the statement of cash flows, Community Action, Inc., considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. There were no instruments considered to be cash equivalents at June 30, 2012.

### Allowance for Doubtful Accounts

No allowance for doubtful accounts is provided at June 30, 2012, 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, 2012.

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

**NOTE 1: (CONTINUED)**

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Date of Management's Review

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

**NOTE 2: GRANTS RECEIVABLE**

CSBG	\$ 90,166
Medical Transportation	103,305
Work Ready	27,374
RSVP	5,886
Weatherization (DOE)	66,226
Weatherization (LIHEAP)	1,096
HSDf	5,995
Crossroads	15,630
Stewart-McKinney	7,010
HFHADP-Disabled Housing	7,736
Weatherization (ARRA)	2,696
Victims of Crime Act	18,655
NCCD	9,786
CCIS-Low Income	100,051
CCIS-Former TANF	18,042
CCIS-TANF	13,698
Adult Literacy	12,534
Total	<u>\$505,886</u>

**NOTE 3: PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

Land	\$ 34,965
Buildings and Improvements	580,472
Equipment	287,371
	<u>902,808</u>
Less: Accumulated Depreciation	(403,827)
Property and Equipment	<u>\$ 498,981</u>

Depreciation expense for the year is \$46,935, which includes \$31,346 allocated to cost pools.

**NOTE 3: (CONTINUED)**

Community Action, Inc., also uses property and equipment, in its operations, that is not capitalized and depreciated because it was purchased with funds from federal and state grants. As June 30, 2012, the total cost of property and equipment not capitalized is \$246,812.

**NOTE 4: DONATED SERVICES AND MATERIALS**

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

Adult Literacy classroom space	\$ 22,650
LEARN meeting space	3,750
LEARN travel	169
Food and program supplies	266
Donated technology	18,952
	<u>\$ 45,787</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 50,814 hours of time, and volunteers supporting the Early Care and Education provided approximately 392 hours of time.

**NOTE 5: INVESTMENTS**

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

	<u>Cost</u>	<u>Fair Value</u>
544 Shares Exxon Mobil Corporation	<u>\$21,675</u>	<u>\$46,251</u>

An unrealized gain of \$2,268 was recognized for the year ended June 30, 2012.

Components of net investment income include:

Dividend income	\$ 1,077
Interest income on interest bearing cash	2,980
Unrealized holding gain	2,268
	<u>\$ 6,325</u>

**NOTE 6: INCOME TAXES**

Community Action, Inc., is required to pay federal income taxes on profits earned by its information technology activities, an unrelated business. These activities had a profit of \$95,752 for the year ended June 30, 2012, thus the organization recognized \$20,466 in federal unrelated business income tax.

**NOTE 7: THIRD PARTY REIMBURSEMENT ARRANGEMENTS**

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

**NOTE 8: MATCH REQUIREMENTS**

Community Action, Inc., is required to raise and spend (within the community) a percentage or a fixed dollar amount of certain program contracts. Community Action, Inc., fulfilled its obligation for each program for the year ended June 30, 2012, as follows:

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

ADULT EDUCATION (SECTION 231) SUBGRANT #041-12-0011 – 25 percent; \$25,000 met with in-kind classroom space, volunteer services, and local community funds.

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

SUPPORTIVE HOUSING #PA0320B3E020802 and #PA0320B3E021003 – 20 percent of all direct operating services and 25 percent of all supportive services; match met with grant funds and local community funds.

LOCAL EDUCATION AND RESOURCE NETWORK – 10 percent requirement (or \$11,111) met with in-kind and cash contributions.

HOUSING FOR HOMELESS AND DISABLED PERSONS #PA0310B3E020802 and #PA0310B3E01003 – 25 percent supportive services match; met with grant funds and local community funds.

#### **NOTE 9: OPERATING LEASE COMMITMENTS**

Community Action, Inc., has several operating lease agreements in effect as of the year ended June 30, 2012, for the lease of office space and other facilities. These lease agreements have various expiration dates with some continuing in effect on a month-to-month basis. Lease amounts range from \$50 per month to \$1,910 per month, depending on the facility.

Community Action, Inc., has several operating lease agreements in effect as of the year ended June 30, 2012, for the lease of office equipment. At the conclusion of these leases the equipment reverts to the lessor.

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

<u>Year Ended June 30,</u>	<u>Equipment</u>	<u>Facilities</u>
2013	\$3,886	\$ 9,058
2014	2,076	4,400
2015	2,076	-
2016	519	-
	<u>\$8,557</u>	<u>\$13,458</u>

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



**NOTE 9: (CONTINUED)**

For the year ending June 30, 2012, lease expenses for Facilities and Equipment was \$66,807 and \$4,013, respectively.

**NOTE 10: REVOLVING LINE OF CREDIT**

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

A \$500,000 line of credit with an original date of August 18, 2009, bearing interest at 3.75 percent per annum and expiring on February 28, 2013. As of June 30, 2012, there was no outstanding balance owed.

**NOTE 11: FUNCTIONAL COSTING**

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

**NOTE 12: CONCENTRATIONS OF CREDIT RISK OF FINANCIAL INSTRUMENTS**

Demand deposits in banks are financial instruments of the depositor. The depositor has the contracted right to receive this currency on demand. Community Action, Inc., has cash deposits in five accounts with two financial institutions. One of the cash accounts represents investments in government securities, which is not covered by FDIC insurance. The other deposits are insured up to \$250,000 per institution. The balance, which was not covered by FDIC insurance at June 30, 2012, was \$897,831 which is collateralized through a repurchasing agreement between Community Action, Inc., and the financial institution.

**NOTE 13: RESTRICTED NET ASSETS**

Temporarily restricted assets at June 30, 2012, are available for the following purposes:

Contributions available for Crossroads program	\$33,840
Contributions available for client services	33,454
Contributions available for Friends for Food	8,022
	<u>\$75,316</u>

**NOTE 14: SIMPLE PLAN**

Effective July 1, 2000, a Simple IRA retirement plan was adopted. To be eligible, employees must have received at least \$5,000 in compensation from Community Action, Inc., during any two calendar years preceding the current calendar year and reasonably expect to earn at least \$5,000 during the current calendar year. Employee contributions will be matched dollar-for-dollar by employer contributions of

**NOTE 14: (CONTINUED)**

not less than one percent and not more than three percent of employee's annual salary. Maximum salary reductions are \$11,500 for calendar year 2012. For employees age 50 or older, the limit is \$14,000. For the year ending June 30, 2012, employer contributions were \$27,461.

**NOTE 15: ACCRUED COMPENSATED ABSENCES**

Employees earn compensated time off based on hours worked. Employees are permitted to carry over from one calendar year to the next a maximum of seventy five (75) hours. Community Action, Inc., accrues these compensated absences at current pay rates. At June 30, 2012, these accrued compensated absences were \$75,078.

**NOTE 16: SUPPLEMENTAL DISCLOSURES – PCADV**

Interfund Borrowings

The lending of PCADV Contract Funds is prohibited by legal restrictions imposed by the Commonwealth of Pennsylvania and has not occurred during the year ended June 30, 2012.

Match Requirements

Community Action, Inc., is required by PCADV to raise monies within the community and spend amounts in excess of 20 percent of the contract. For the year ended June 30, 2012, Community Action, Inc., raised and spent match monies totaling approximately 29 percent of the contract to fulfill its obligation.

Domestic Violence Budget

For the year ended June 30, 2012, total domestic violence expenditures for Community Action, Inc., expenditures for domestic violence was \$441,146.

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, 2012.

**SUPPLEMENTAL INFORMATION**

COMMUNITY ACTION, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>	<u>Grant Payments Received</u>
<u>U. S. Department of Health and Human Services</u>				
Passed through the Pennsylvania Department of Community and Economic Development (DCED):				
Community Services Block Grant <sup>(1)(3)</sup>	93.569	C000052445	\$ 90,166	\$ -
Community Services Block Grant <sup>(1)(3)</sup>	93.569	C000047190	170,411	188,610
Low-Income Home Energy Assistance (LIHEAP):				
WX-LIHEAP (10/11) <sup>(1)</sup>	93.568	C000050260	16,288	20,254
WX-LIHEAP (11/12) <sup>(1)</sup>	93.568	C000050260	82,277	81,181
Passed through the Pennsylvania Department of Public Welfare (DPW):				
Temporary Assistance for Needy Families (TANF)(11/12)	93.558	4100057947	82,152	63,627
Temporary Assistance for Needy Families (TANF)(10/11)	93.558	4100044838	31,361	31,361
Passed through the Clarion County Commissioners:				
Child Care and Development <sup>(1)(2)</sup>	93.596	DC11-169208	227,312	229,092
Child Care and Development Funds (CCDF) Matching Grant <sup>(1)(2)</sup>	93.575	DC11-169208	615,738	550,129
Social Services Block Grant (SSBG) <sup>(1)</sup>	93.667	DC11-169208	127,204	91,250
Child Care Development Block Grant - ARRA <sup>(1)(2)</sup>	93.713	DC11-169208	42,509	42,847
Temporary Assistance for Needy Families (TANF)	93.558	DC11-169208	9,573	8,089
Passed through the Pennsylvania Coalition Against Domestic Violence (PCADV):				
Social Services Block Grant (SSBG)(11/12) <sup>(1)</sup>	93.667	52-33	16,279	16,279
Family Violence Prevention Services (FVPS)(11/12)	93.671	52-33	102,154	102,154
Temporary Assistance for Needy Families (TANF)(11/12)	93.558	52-33	11,992	11,992
Passed through the NW Regional Key-NW Institute of Research:				
Early Care and Education Grant (ECE) <sup>(1)(2)</sup>	93.575		100,023	100,000
Passed through the Jefferson County Commissioners:				
Medical Assistance Transportation Program (MATP) (11/12) <sup>(1)</sup>	93.778	SAP 159000	860,840	871,684
Medical Assistance Transportation Program (MATP) (10/11) <sup>(1)</sup>	93.778	SAP 159000	-	124,294
Total U. S. Department of Health and Human Services			<u>2,586,279</u>	<u>2,532,843</u>
<u>U. S. Department of Education</u>				
Passed Through the Pennsylvania Department of Education:				
Adult Education Section 231	84.002	04-12-0011	<u>75,000</u>	<u>62,500</u>
Total U. S. Department of Education			<u>\$ 75,000</u>	<u>\$ 62,500</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>	<u>Grant Payments Received</u>
<u>U. S. Department of Energy</u>				
Passed Through the Pennsylvania Department of Economic and Community Development (DCED):				
Weatherization Assistance for Low Income Persons:				
WX-DOE (10/11) <sup>(1)</sup>	81.042	C000050260	\$ -	\$ 11,621
WX-DOE (11/12) <sup>(1)</sup>	81.042	C000050260	66,226	-
WX-DOE - ARRA <sup>(1)</sup>	81.042	C000046254	<u>855,244</u>	<u>766,500</u>
Total U.S. Department of Energy			<u>921,470</u>	<u>778,121</u>
<u>U. S. Department of Justice</u>				
Passed through the Pennsylvania Commission on Crime and Delinquency:				
Crime Victim Assistance	16.575	2011-2012-VF-05-22248	32,657	23,298
Crime Victim Assistance	16.575	2011-2012-VF-05-22249	<u>43,688</u>	<u>34,392</u>
Total U. S. Department of Justice			<u>76,345</u>	<u>57,690</u>
<u>U. S. Department of Agriculture</u>				
Passed through the Pennsylvania Department of Public Welfare (DPW):				
State Administered Matching Grants for the Supplemental Nutrition Assistance Nutrition Assistance Program	10.561	DC-11-169208	<u>38,129</u>	<u>35,602</u>
Total U. S. Department of Agriculture			<u>38,129</u>	<u>35,602</u>
<u>U. S. Department of Housing and Urban Development (HUD)</u>				
Transitional Housing	14.235	PA0320B3E021003	\$ 56,215	\$ 49,205
Transitional Housing	14.235	PA0320B3E020802	3,363	5,921
Housing for Homeless and Disabled Persons	14.235	PA0310B3E021003	44,733	36,997
Housing for Homeless and Disabled Persons	14.235	PA0310B3E020802	30,890	32,812

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012  
(CONTINUED)

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>	<u>Grant Payments Received</u>
Passed Through the Pennsylvania Department of Economic and Community Development (DCED):				
Passed through the Jefferson County Commissioners:				
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	C000046139	\$ 72,779	\$ 86,425
Total U. S. Department of Housing and Urban Development			<u>207,980</u>	<u>211,360</u>
<u>Corporation for National and Community Service</u>				
Retired senior and volunteer Program - RSVP	94.002	10SRAPA010	59,563	56,247
Total Corporation for National and Community Service			<u>59,563</u>	<u>56,247</u>
Total Schedule of Federal Awards			<u>\$ 3,964,766</u>	<u>\$ 3,734,363</u>

Legend:

- (1) Major Program
- (2) CCDF Cluster Programs
- (3) CSBG Cluster Programs

Calculation of 50% Rule

Programs Selected:

Weatherization Assistance for Low-Income Persons <sup>(1)</sup>	81.042	66,226
Weatherization Assistance for Low-Income Persons - ARRA <sup>(1)</sup>	81.042	855,244
CCDF Cluster:		
Child Care and Development <sup>(1)(2)</sup>	93.596	615,738
Child Care and Development Funds (CCDF) Matching Grant <sup>(1)(2)</sup>	93.575	100,023
Early Care and Education Grant (ECE) <sup>(1)(2)</sup>	93.575	227,312
Child Care and Development Block Grant - ARRA <sup>(1)(2)</sup>	93.713	42,509
Housing for Homeless & Disabled Persons Program(1)	14.235	30,890
Housing for Homeless & Disabled Persons Program(1)	14.235	44,733
Transitional Housing(1)	14.235	3,363
Transitional Housing(1)	14.235	56,215

Total Programs Selected	<u>\$ 2,042,253</u>
Total Schedule of Federal Awards	<u>\$ 3,964,766</u>
Percentage Tested	<u>51.51%</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2012

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Action, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States of Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
COMMUNITY SERVICES BLOCK GRANT #C000047190  
YEAR ENDED JUNE 30, 2012

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
<b>BUDGET CATEGORY</b>			
<b>OPERATING COSTS</b>			
Salaries and fringes	\$ 436,984	\$ 135,187	\$ -
Consumable supplies	2,350	621	-
Travel	24,000	5,649	-
Advertising	1,000	115	-
Office equipment	1,800	-	-
Space costs	10,000	3,148	-
Audit	6,500	-	-
	<u>482,634</u>	<u>144,720</u>	<u>-</u>
Total Operating Costs			
<b>RELATED COSTS</b>			
Professional services	3,000	2,200	-
Insurance	2,400	760	-
Other	73,391	22,731	-
	<u>78,791</u>	<u>25,691</u>	<u>-</u>
Total Related Costs			
Total	<u>\$ 561,425</u>	<u>\$ 170,411</u>	<u>\$ -</u>

**NOTE:** The Community Services Block Grant Program contract period is from January 1, 2010 through September 30, 2012. The expenditures above are for the period July 1, 2011 through June 30, 2012.



COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
COMMUNITY SERVICES BLOCK GRANT #C000052445  
YEAR ENDED JUNE 30, 2012

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Costs</u>
<b>BUDGET CATEGORY</b>			
<b>OPERATING COSTS</b>			
Salaries and fringes	\$ 200,777	\$ 68,439	\$ -
Consumable supplies	975	73	-
Travel	12,300	4,553	-
Advertising	450	385	-
Office equipment	400	-	-
Space costs	5,500	1,375	-
Audit	3,100	2,583	-
	<hr/>	<hr/>	<hr/>
Total Operating Costs	223,502	77,408	-
<b>RELATED COSTS</b>			
Professional services	2,500	-	-
Insurance	1,350	263	-
Other	42,648	12,495	-
	<hr/>	<hr/>	<hr/>
Total Related Costs	46,498	12,758	-
	<hr/>	<hr/>	<hr/>
Total	\$ 270,000	\$ 90,166	\$ -

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

COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
WEATHERIZATION CONTRACT #C000050260 (LIHEAP)  
YEAR ENDED JUNE 30, 2012

	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Cost</u>
<b>BUDGET CATEGORY</b>			
<b>I. ADMINISTRATION</b>			
a. Personnel	\$ 4,700	\$ 140	\$ -
b. Operating/supplies	5,410	869	-
c. Office equipment	40	51	-
Total Administration	<u>10,150</u>	<u>1,060</u>	<u>-</u>
<b>II. FINANCIAL AUDIT</b>	1,342	1,258	-
<b>III. DIRECT SERVICES</b>			
a. Program support	34,112	8,158	-
b. Program operations	156,936	71,294	-
c. Health and safety	-	-	-
Total Direct Services	<u>191,048</u>	<u>79,452</u>	<u>-</u>
<b>IV. LIABILITY INSURANCE</b>	<u>467</u>	<u>507</u>	<u>-</u>
Total	<u>\$ 203,007</u>	<u>\$ 82,277</u>	<u>\$ -</u>

**NOTE:** The contract period for the Low Income Home Energy Assistance Program is July 1, 2010 through September 30, 2013. The expenditures above are for the period July 1, 2011 through June 30, 2012. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
WEATHERIZATION CONTRACT #C000050260 (LIHEAP)  
YEAR ENDED JUNE 30, 2012

	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Cost</u>
<b>BUDGET CATEGORY</b>			
<b>I. ADMINISTRATION</b>			
a. Personnel	\$ 1,552	\$ 2,809	\$ -
b. Operating/supplies	6,423	-	-
c. Office equipment	150	-	-
	<hr/>	<hr/>	<hr/>
Total Administration	8,125	2,809	-
<b>II. FINANCIAL AUDIT</b>	1,342	-	-
<b>III. DIRECT SERVICES</b>			
a. Program support	43,091	35	-
b. Program operations	167,663	13,444	-
c. Health and safety	-	-	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	210,754	13,479	-
<b>IV. LIABILITY INSURANCE</b>	<hr/> 1,512	<hr/> -	<hr/> -
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 221,733</u>	<u>\$ 16,288</u>	<u>\$ -</u>

**NOTE:** The contract period for the Low Income Home Energy Assistance Program is July 1, 2010 through September 30, 2013. The expenditures above are for the period July 1, 2011 through June 30, 2012. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
WEATHERIZATION CONTRACT #C000050260 (DOE)  
YEAR ENDED JUNE 30, 2012

	<u>Final Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
<b>BUDGET CATEGORY</b>			
<b>I. ADMINISTRATION</b>			
a. Personnel	\$ 2,350	\$ 2,432	\$ -
b. Operating/supplies	3,831	3,758	-
c. Office equipment	60	51	-
	<hr/>	<hr/>	<hr/>
Total Administration	6,241	6,241	-
<b>II. FINANCIAL AUDIT</b>			
	778	404	-
<b>III. DIRECT SERVICES</b>			
a. Program support	51,123	18,108	-
b. Program operations	25,965	28,691	-
c. Health and safety	11,520	6,659	-
	<hr/>	<hr/>	<hr/>
Total Direct Services	88,608	53,458	-
<b>IV. LIABILITY INSURANCE</b>			
	1,140	523	-
<b>V. TRAINING/TECH. ASST.</b>			
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 102,367</u>	<u>\$ 66,226</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
WEATHERIZATION ARRA CONTRACT #C000046254  
YEAR ENDED JUNE 30, 2012

<b>BUDGET CATEGORY</b>	<u>Final Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
<b>I. ADMINISTRATION</b>			
a. Personnel	\$ 45,011	\$ 21,862	\$ -
b. Operating/supplies	115,751	32,377	-
c. Office equipment	3,160	3,710	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Administration	163,922	57,949	-
<b>II. FINANCIAL AUDIT</b>	10,273	-	-
<b>III. DIRECT SERVICES</b>			
a. Program support	503,600	208,047	-
b. Program operations	1,159,635	378,644	-
c. Vehicle/Major Equipment	21,791	-	-
d. Health and safety	744,000	200,445	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Services	2,429,026	787,136	-
<b>IV. LIABILITY INSURANCE</b>	11,767	4,129	-
<b>V. TRAINING/TECH. ASST.</b>	<u>22,089</u>	<u>6,030</u>	<u>-</u>
Total	<u>\$ 2,637,077</u>	<u>\$ 855,244</u>	<u>\$ -</u>

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

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
DEPARTMENT OF EDUCATION - ADULT EDUCATION PROGRAMS  
CONTRACT #059-12-0011 AND #41-12-0011  
YEAR ENDED JUNE 30, 2012

	Adult Education Programs	
	Adult Literacy Programs	
	Act 143 #059-12-0011	Section 231 #041-12-0011
<b>REVENUE</b>		
Grant income	\$ 68,784	\$ 75,000
<b>EXPENSES</b>		
Salaries	38,695	38,838
Benefits	10,711	8,260
Professional and technical services	2,378	8,175
Purchased property services	12,765	15,144
Other purchased services	3,368	3,958
Supplies	867	625
	68,784	75,000
Due to Funding Source	\$ -	\$ -

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM  
CONTRACT #C000046139  
YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>
<b>REVENUE</b>		
Grant income	\$ <u>177,861</u>	\$ <u>86,425</u>
 <b>EXPENSES</b>		
Financial Assistance	78,355	35,757
Housing Relocation and Stabilization Services	80,560	30,248
Data Collection and Evaluation	14,500	6,396
Administration	4,446	378
	<u>177,861</u>	<u>72,779</u>
 Subtotal	 \$ <u>-</u>	 \$ 13,646
Prior year Due to (from) Funding Source		<u>(13,646)</u>
Due to (from) Funding Source		<u>\$ -</u>

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

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
DEPARTMENT OF LABOR - NEW CHOICES/CAREER DEVELOPMENT  
GRANT AGREEMENT #200  
YEAR ENDED JUNE 30, 2012

**REVENUE**

Grant income	\$ 20,970
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**EXPENSES**

Salaries	10,383
Benefits	2,303
Travel	296
Communications	899
Occupancy	3,034
Office Supplies	624
Testing and Instruction Materials	544
Outreach/Marketing	868
Other Supportive Services	2,019

20,970

Due to Funding Source

\$ -



COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
RETIRED AND SENIOR VOLUNTEER PROGRAM  
CONTRACT #10SRAPA010  
YEAR ENDED JUNE 30, 2012

**REVENUE**

Grant income	\$ 59,563
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**VOLUNTEER SUPPORT EXPENSES**

Salaries and wages	\$35,512
Fringe benefits	5,108
Travel	4,385
Supplies	1,539
Other volunteer support costs	7,697
Audit	<u>408</u>

Total Volunteer Support Expenses	<u>54,649</u>
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**VOLUNTEER COSTS**

Volunteer recognition	2,985
Insurance	<u>1,929</u>

Total Volunteer Costs	<u>4,914</u>
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Total Program	<u>59,563</u>
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Due to (from) Funding Source	<u>\$ -</u>
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**NOTE:** The program contract period is from April 1, 2010 through June 30, 2013. The expenditures above are for the period July 1, 2011 through June 30, 2012. 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, 2012

	<u>Reported</u>	<u>Actual</u>
<b>SERVICE DATA</b>		
Expenditures:		
Group I clients	\$ 1,753,702	\$ 1,753,702
Group II clients	61,268	61,268
Total Expenditures	<u>1,814,970</u>	<u>1,814,970</u>
Summary of Trips:		
Total trips	68,110	68,110
Total clients	1,719	1,719
Total Passenger Trips	<u>69,829</u>	<u>69,829</u>
<b>ALLOCATION DATA</b>		
Revenues:		
Department of Public Welfare	1,814,860	1,814,860
Interest income	110	110
Total Revenues	<u>1,814,970</u>	<u>1,814,970</u>
Funds Expended:		
Operating costs	1,483,876	1,483,876
Administrative costs	331,094	331,094
Total Funds Expended	<u>1,814,970</u>	<u>1,814,970</u>
Excess Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
HUMAN SERVICES DEVELOPMENT FUND  
YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>
<b>REVENUE</b>		
Pennsylvania Department of Public Welfare	<u>\$ 5,995</u>	<u>\$ 5,995</u>
 <b>EXPENDITURES</b>		
Categorical:		
Homeless assistance	<u>5,995</u>	<u>5,995</u>
Total Expenditures	<u>5,995</u>	<u>5,995</u>
Excess of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
HOMELESS ASSISTANCE PROGRAM  
CONTRACT # SAP 159000  
YEAR ENDED JUNE 30, 2012

**I. SOURCES OF FUNDING**

DPW allocation	\$ 32,960
Interest earned	1
 Total HAP Funding	 <u><u>32,961</u></u>

**II. EXPENSES**

	<u>Case Management</u>	<u>Rental Assistance</u>	<u>Total</u>
On behalf of clients	\$ -	\$ 9,588	9,588
Personnel	9,307	7,977	17,284
Operating	1,504	1,289	2,793
 Subtotal	 <u><u>\$ 10,811</u></u>	 <u><u>\$ 18,854</u></u>	 <u><u>29,665</u></u>
 County Administration			 3,296
 Total HAP Expenses			 <u><u>32,961</u></u>
 Total Unexpended Funds			 <u><u>\$ -</u></u>

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
SUPPORTIVE HOUSING PROGRAM  
CONTRACT #PA0320B3E021003  
YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>
<b>REVENUE</b>		
Grant income	\$ <u>67,165</u>	\$ <u>56,215</u>
 <b>EXPENSES</b>		
Administration	3,185	3,185
Leasing	7,026	6,290
Direct operating	16,667	12,799
Supportive services	40,287	33,941
	<u>67,165</u>	<u>56,215</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

**NOTE:** The Supportive Housing Program #PA0320B3E021003 contract period is September 1, 2011 through August 31, 2012. The expenditures above are for the period September 1, 2011 through June 30, 2012. The budget is for the entire contract period 2011 - 2012.

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
SUPPORTIVE HOUSING PROGRAM  
CONTRACT #PA0320B3E020802  
YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>
<b>REVENUE</b>		
Grant income	\$ <u>67,165</u>	\$ <u>3,363</u>
 <b>EXPENSES</b>		
Administration	3,185	-
Leasing	7,026	736
Direct operating	16,667	603
Supportive services	40,287	2,024
	<u>67,165</u>	<u>3,363</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

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

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
HOUSING FOR HOMELESS AND DISABLED PERSONS PROGRAM  
CONTRACT #PA0310B3E021003  
YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>
<b>REVENUE</b>		
Grant income	\$ <u>86,567</u>	\$ <u>44,733</u>
 <b>EXPENSES</b>		
Administration	4,015	2,329
Leasing	58,718	29,049
Supportive services	23,834	13,355
	<u>86,567</u>	<u>44,733</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

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

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUE AND EXPENSES  
HOUSING FOR HOMELESS AND DISABLED PERSONS PROGRAM  
CONTRACT #PA0310B3E020802  
YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>
<b>REVENUE</b>		
Grant income	\$ <u>86,567</u>	\$ <u>30,890</u>
 <b>EXPENSES</b>		
Administration	4,015	1,160
Leasing	58,718	24,157
Supportive services	23,834	5,573
	<u>86,567</u>	<u>30,890</u>
Due to Funding Source	<u>\$ -</u>	<u>\$ -</u>

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



COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF PUBLIC WELFARE  
LOCAL EDUCATION AND RESOURCE NETWORK  
YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>YTD % Expended</u>
<b>PERSONNEL</b>			
Salaries and wages	\$ 52,475	\$ 52,715	100%
Fringe benefits	15,921	15,891	100%
	<u>68,396</u>	<u>68,606</u>	<u>100%</u>
<b>OPERATING</b>			
Occupancy	2,412	2,453	102%
Telephone	1,980	2,044	103%
Advertising	2,344	1,924	82%
Printing	1,770	1,839	104%
Postage	600	598	100%
Supplies	10,344	10,370	100%
	<u>19,450</u>	<u>19,228</u>	<u>99%</u>
Travel	7,009	7,014	100%
Training	1,175	1,175	100%
Audit	472	472	100%
Insurance	462	460	100%
Computer services	3,036	3,068	101%
	<u>12,154</u>	<u>12,189</u>	<u>100%</u>
Total Operating	<u>12,154</u>	<u>12,189</u>	<u>100%</u>
Totals	<u>\$ 100,000</u>	<u>\$ 100,023</u>	<u>100%</u>

**NOTE:** The actual expenditures above include the use of \$23 of interest income.

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

<b>BUDGET CATEGORY</b>	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
Personnel	\$ 51,539	\$ 22,792	\$ -
Employee benefits	15,404	4,281	-
Travel	2,498	583	-
Supplies/operating	24,950	12,754	-
Other	5,280	3,278	-
	<u>\$ 99,671</u>	<u>\$ 43,688</u>	<u>\$ -</u>

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

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

<b>BUDGET CATEGORY</b>	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Questioned Costs</u>
Personnel	\$ 32,063	\$ 16,414	\$ -
Employee benefits	11,784	5,396	-
Travel	1,106	420	-
Supplies/operating	16,650	8,498	-
Other	3,240	1,929	-
	<u>\$ 64,843</u>	<u>\$ 32,657</u>	<u>\$ -</u>

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

COMMUNITY ACTION, INC.  
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS  
TITLE XX PCADV CONTRACT #5233  
YEAR ENDED JUNE 30, 2012

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<u>TITLE XX</u>					
Personnel:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	-	-	-	-	-
Operations:					
Advertising	275	275	275	-	-
Equipment maintenance	155	146	146	9	-
Maintenance	2,000	2,014	2,014	(14)	-
Postage	590	649	649	(59)	-
Printing	150	153	153	(3)	-
Professional Fees	13,059	12,992	12,992	67	-
Staff Development	50	50	50	-	-
Total Operations	16,279	16,279	16,279	-	-
Total	\$ 16,279	\$ 16,279	\$ 16,279	\$ -	\$ -

COMMUNITY ACTION, INC.  
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS  
ACT 44 PCADV CONTRACT #5233  
YEAR ENDED JUNE 30, 2012

	<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>
<b>BUDGET CATEGORY</b>					
<u>ACT 44</u>					
Personnel:					
Salaries	\$ 117,214	\$ 117,214	\$ 117,214	\$ -	\$ -
Benefits	36,561	36,561	36,561	-	-
Total Personnel	<u>153,775</u>	<u>153,775</u>	<u>153,775</u>	<u>\$ -</u>	<u>\$ -</u>
Operations:					
Food	860	896	896	\$ (36)	\$ -
Printing	260	286	286	\$ (26)	\$ -
Professional Fees	6,673	6,542	6,542	\$ 131	\$ -
Rent	6,500	6,569	6,569	\$ (69)	\$ -
Telephone	7,425	7,425	7,425	\$ -	\$ -
Total Operations	<u>21,718</u>	<u>21,718</u>	<u>21,718</u>	<u>\$ -</u>	<u>\$ -</u>
Program Totals	<u>\$ 175,493</u>	<u>\$ 175,493</u>	<u>\$ 175,493</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.  
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS  
ACT 66 PCADV CONTRACT #5233  
YEAR ENDED JUNE 30, 2012

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<u>ACT 66</u>					
Personnel:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	-	-	-	-	-
Operations:					
Travel	5,495	5,495	5,495	-	-
Total Operations	5,495	5,495	5,495	-	-
Program Totals	\$ 5,495	\$ 5,495	\$ 5,495	\$ -	\$ -

COMMUNITY ACTION, INC.  
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS  
FVPS PCADV CONTRACT #5233  
YEAR ENDED JUNE 30, 2012

BUDGET CATEGORY	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<u>FVPS</u>					
Personnel:					
Salaries	\$ 62,219	\$ 62,219	\$ 62,219	\$ -	\$ -
Benefits	19,165	19,165	19,165	-	-
Total personnel	81,384	81,384	81,384	-	-
Operations:					
Food	144	144	144	-	-
Insurance	1,908	1,908	1,908	-	-
Postage	25	28	28	(3)	-
Printing	90	90	90	-	-
Professional Fees	4,083	3,743	3,743	340	-
Supplies	3,855	4,082	4,082	(227)	-
Travel	4,775	5,106	5,106	(331)	-
Utilities	5,890	5,669	5,669	221	-
Total operations	20,770	20,770	20,770	-	-
Program totals	\$ 102,154	\$ 102,154	\$ 102,154	\$ -	\$ -

COMMUNITY ACTION, INC.  
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS  
TANF RELOCATION PCADV CONTRACT #5233  
YEAR ENDED JUNE 30, 2012

	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<b>BUDGET CATEGORY</b>					
<u>TANF RELOCATION</u>					
Operations relocation expense	\$ 11,992	\$ 11,992	\$ 11,992	\$ -	\$ -
Program totals	\$ 11,992	\$ 11,992	\$ 11,992	\$ -	\$ -



**COMMUNITY ACTION, INC.**  
**COMBINED SCHEDULE OF BUDGETED, REPORTED AND**  
**ALLOWABLE COSTS WITH FUNDING RECONCILIATION**  
**PCADV CONTRACT #5233**  
**YEAR ENDED JUNE 30, 2012**

	Allowable Costs Per Audit				
	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
<b>BUDGET CATEGORIES</b>					
<b>Title XX</b>					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	16,279	16,279	16,279	-	-
<b>Act 44</b>					
Personnel	153,775	153,775	153,775	-	-
Operations	21,718	21,718	21,718	-	-
<b>Act 66</b>					
Personnel	-	-	-	-	-
Operations	5,495	5,495	5,495	-	-
<b>FVPS</b>					
Personnel	81,384	81,384	81,384	-	-
Operations	20,770	20,770	20,770	-	-
<b>TANF RELOCATION</b>					
Operations	11,992	11,992	11,992	-	-
	<u>\$ 311,413</u>	<u>\$ 311,413</u>	<u>\$ 311,413</u>	<u>\$ -</u>	<u>\$ -</u>

**FUNDING RECONCILIATION**

Approved contract received as of June 30, 2012	\$ 295,783	
Approved contract receivable at June 30, 2012	15,630	
	\$ 311,413	
<b>Allowable costs:</b>		
Approved	311,413	
Questioned	-	
	311,413	
Due to (from) PCADV		\$ -

COMMUNITY ACTION, INC.  
SCHEDULE OF REVENUES  
PCADV CONTRACT #5233  
YEAR ENDED JUNE 30, 2012

Received during:		
July	\$	-
August		77,478
September		-
October		15,047
November		25,826
December		25,826
January		25,826
February		25,826
March		17,346
April		25,826
May		26,669
June	\$	<u>30,113</u>
Receivable at June 30:		
September		<u>15,630</u>
 Total		 <u>\$311,413</u>

COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF PUBLIC WELFARE  
WORK READY PROGRAM - INSPIRITEC  
YEAR ENDED JUNE 30, 2012

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
<b>ADMINISTRATION</b>			
Personnel	\$ 6,393	\$ 1,712	\$ -
Operating Expenses	7,310	1,692	-
	<u>13,703</u>	<u>3,404</u>	<u>-</u>
<b>PROGRAM COSTS</b>			
Personnel	84,422	20,752	-
Equipment and Supplies	1,000	85	-
Operating Expenses	18,281	4,978	-
Other Expenses	3,500	546	-
Support Services	16,120	40	-
	<u>123,323</u>	<u>26,401</u>	<u>-</u>
<b>WORK EXPERIENCE WAGES</b>	2,132	1,332	-
<b>WC/UC/FICA FOR PAID WORK EXPERIENCE</b>	320	224	-
<b>SUBSIDIZED WORK WAGES</b>	3,199	-	-
<b>SPECIAL ALLOWANCES</b>	1,859	-	-
	<u>\$ 144,536</u>	<u>\$ 31,361</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.  
BUDGET COMPARISON STATEMENT  
DEPARTMENT OF PUBLIC WELFARE  
WORK READY PROGRAM #4100057947  
YEAR ENDED JUNE 30, 2012

	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
<b>ADMINISTRATION</b>			
Personnel	\$ 6,393	\$ 5,686	\$ -
Operating Expenses	7,310	8,017	-
	<u>13,703</u>	<u>13,703</u>	<u>-</u>
Total Administration			
<b>PROGRAM COSTS</b>			
Personnel	84,422	53,839	-
Equipment and Supplies	1,000	994	-
Operating Expenses	18,281	10,824	-
Other Expenses	3,500	1,585	-
Subcontracted Expenses	-	125	-
Support Services	16,120	-	-
	<u>123,323</u>	<u>67,367</u>	<u>-</u>
Total Program Costs			
<b>WORK EXPERIENCE WAGES</b>	2,132	924	-
<b>WC/UC/FICA FOR PAID WORK EXPERIENCE</b>	320	158	-
<b>SUBSIDIZED WORK WAGES</b>	3,199	-	-
<b>SPECIAL ALLOWANCES</b>	1,859	-	-
	<u>\$ 144,536</u>	<u>\$ 82,152</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.  
COMBINED RECAP FOR THE FISCAL YEAR  
DEPARTMENT OF PUBLIC WELFARE  
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES  
CONTRACT #DC11 169208  
YEAR ENDED JUNE 30, 2012

	<u>Low Income/ Former TANF</u>	<u>TANF Training</u>	<u>State MOE</u>	<u>Food Stamps</u>	<u>Total</u>
<b>REVENUE</b>					
DPW Funds	\$ 1,479,799	\$ 53,222	\$ 25,615	\$ 76,990	\$ 1,635,626
Interest	115	4	2	6	127
Client Overpayment Recovery	4,193	-	-	-	4,193
 Total Revenue	 <u>1,484,107</u>	 <u>53,226</u>	 <u>25,617</u>	 <u>76,996</u>	 <u>1,639,946</u>
<b>EXPENDITURES</b>					
Final Report Totals	1,469,140	53,498	25,148	74,712	1,622,498
 Total Expenditures	 <u>1,469,140</u>	 <u>53,498</u>	 <u>25,148</u>	 <u>74,712</u>	 <u>1,622,498</u>
 Total Due to (from) DPW	 <u>\$ 14,967</u>	 <u>\$ (272)</u>	 <u>\$ 469</u>	 <u>\$ 2,284</u>	 <u>\$ 17,448</u>

COMMUNITY ACTION, INC.  
RECAP FOR THE FISCAL YEAR  
LOW INCOME AND FORMER TANF  
DEPARTMENT OF PUBLIC WELFARE  
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES  
CONTRACT #DC11 169208  
YEAR ENDED JUNE 30, 2012

	<u>Low Income</u>		<u>Former TANF</u>		<u>Total</u>
	<u>Admin/FSS</u>	<u>Service</u>	<u>Admin/FSS</u>	<u>Service</u>	
<b>REVENUE</b>					
DPW Funds	\$ 178,412	\$ 1,081,377	\$ 32,616	\$ 187,394	\$ 1,479,799
Interest	-	98	-	17	115
Client Overpayment Recovery	-	4,183	-	10	4,193
Total Revenue	<u>178,412</u>	<u>1,085,658</u>	<u>32,616</u>	<u>187,421</u>	<u>1,484,107</u>
<b>EXPENDITURES</b>					
Final Report Totals	166,286	1,083,411	32,465	186,978	1,469,140
Total Expenditures	<u>166,286</u>	<u>1,083,411</u>	<u>32,465</u>	<u>186,978</u>	<u>1,469,140</u>
Total Due to (from) DPW	<u>\$ 12,126</u>	<u>\$ 2,247</u>	<u>\$ 151</u>	<u>\$ 443</u>	<u>\$ 14,967</u>

COMMUNITY ACTION, INC.  
RECAP FOR THE FISCAL YEAR  
TANF TRAINING AND WORKING SERVICE  
DEPARTMENT OF PUBLIC WELFARE  
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES  
CONTRACT #DC11 169208  
YEAR ENDED JUNE 30, 2012

	<u>TANF</u> <u>FSS</u>	<u>TANF Service</u>		<u>TANF</u> <u>Total</u>
		<u>Training</u>	<u>Working</u>	
<b>REVENUE</b>				
DPW Funds	\$ 10,975	\$ 28,747	\$ 13,500	\$ 53,222
Interest	-	3	1	4
Total Revenue	<u>10,975</u>	<u>28,750</u>	<u>13,501</u>	<u>53,226</u>
<b>EXPENDITURES</b>				
Final Report Totals	11,280	27,368	14,850	53,498
Total Expenditures	<u>11,280</u>	<u>27,368</u>	<u>14,850</u>	<u>53,498</u>
Total Due to (from) DPW	<u>\$ (305)</u>	<u>\$ 1,382</u>	<u>\$ (1,349)</u>	<u>\$ (272)</u>

COMMUNITY ACTION, INC.  
RECAP FOR THE FISCAL YEAR  
TANF STATE MOE  
DEPARTMENT OF PUBLIC WELFARE  
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES  
CONTRACT #DC11 169208  
YEAR ENDED JUNE 30, 2012

	State MOE/GA FSS	Service		State MOE/GA Total
		State MOE	Genl Assist/ WS2	
<b>REVENUE</b>				
DPW Funds	\$ 6,807	\$ 18,808	\$ -	\$ 25,615
Interest	-	2	-	2
Total Revenue	<u>6,807</u>	<u>18,810</u>	<u>-</u>	<u>25,617</u>
<b>EXPENDITURES</b>				
Final Report Totals	6,996	18,152	-	25,148
Total Expenditures	<u>6,996</u>	<u>18,152</u>	<u>-</u>	<u>25,148</u>
Total Due to (from) DPW	<u>\$ (189)</u>	<u>\$ 658</u>	<u>\$ -</u>	<u>\$ 469</u>



COMMUNITY ACTION, INC.  
RECAP FOR THE FISCAL YEAR  
FOOD STAMPS  
DEPARTMENT OF PUBLIC WELFARE  
JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES  
CONTRACT #DC11 169208  
YEAR ENDED JUNE 30, 2012

	<u>Food Stamps</u>		<u>Total</u>
	<u>FSS</u>	<u>Service</u>	
<b>REVENUE</b>			
DPW Funds	\$ 17,636	\$ 59,354	\$ 76,990
Interest	-	6	6
 Total Revenue	<u>17,636</u>	<u>59,360</u>	<u>76,996</u>
 <b>EXPENDITURES</b>			
Final Report Totals	18,127	56,585	74,712
 Total Expenditures	<u>18,127</u>	<u>56,585</u>	<u>74,712</u>
 Total Due to (from) DPW	<u>\$ (491)</u>	<u>\$ 2,775</u>	<u>\$ 2,284</u>

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Fax: 724-834-5969

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

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

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

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

We have audited the financial statements of Community Action, Inc., (a non-profit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit guidelines issued by the Pennsylvania Department of Public Welfare; and guidelines issued by the Pennsylvania Coalition Against Domestic Violence.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Community Action, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Community Action, Inc.'s internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Community Action, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Sarp & Company  
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania  
December 6, 2012

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

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

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

### Compliance

We have audited the compliance of Community Action, Inc., (a non-profit) organization) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Community Action, Inc.'s, major federal programs for the year ended June 30, 2012. Community Action, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Action, Inc.'s management. Our responsibility is to express an opinion on Community Action, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; audit guidelines issued by the Pennsylvania Department of Public Welfare; and guidelines issued by the Pennsylvania Coalition Against Domestic Violence. Those standards, the OMB Circular A-133, and other audit guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Community Action, Inc.'s compliance with those requirements.

In our opinion, Community Action, Inc., complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

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

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

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

This report is intended solely for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Sarp & Company  
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania  
December 6, 2012

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Greensburg, PA 15601  
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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

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

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

The procedures and associated findings are as follows:

- a) We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DPW for fiscal year ended June 30, 2012, have been accurately compiled and reflect the audited books and records of Community Action, Inc. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DPW Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Page Number</u>	<u>Referenced Schedule</u>
Medical Assistance Transportation Program	29	Revenue and Expenses
Human Services Development Fund	30	Revenue and Expenses
Homeless Assistance Program	31	Revenue and Expenses
Local Education and Research Network	36	Expenditure Report

PCADV – Contract # 5233	39	Budgeted, Reported and Allowable Costs – Title XX
	40	Budgeted, Reported and Allowable Costs – Act 44
	41	Budgeted, Reported and Allowable Costs – Act 66
	42	Budgeted, Reported, and Allowable Costs – FVPS
	43	Budgeted, Reported, and Allowable Costs – TANF Relocation
	45	Schedule of Revenues
Work Ready Program – Inspiritec	46	Budget Comparison Statement
Work Ready Program	47	Budget Comparison Statement
Child Care Information Services	48	Combined Recap for the Fiscal Year
	49	Recap for the Fiscal Year - Low Income and Former TANF
	50	Recap for the Fiscal Year - TANF Training and Working Service
	51	Recap for the Fiscal Year - TANF State MOE
	52	Recap for the Fiscal Year - Food Stamps

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

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



Sarp & Company  
CERTIFIED PUBLIC ACCOUNTANTS

Greensburg, Pennsylvania  
December 6, 2012

COMMUNITY ACTION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

**Section I-Summary of Auditors' Results**

Financial Statements:

Type of Auditors' Report issued: Unqualified

Internal Control over Financial Reporting:

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

Noncompliance material to the Financial Statements noted? No

Federal Awards:

Internal Controls over Major Programs:

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

Type of auditors report issued on compliance For major programs: Unqualified

Any audit findings disclosed that are required To be reported in accordance with section 501(a) of OMB Circular A-133? No

Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.235	Supportive Housing Program
81.042	Weatherization Assistance for Low-Income Persons
CCDF Cluster	
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.575	Child Care and Development Block Grant
93.713	ARRA – Child Care and Development Block Grant

Dollar Threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? Yes



COMMUNITY ACTION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

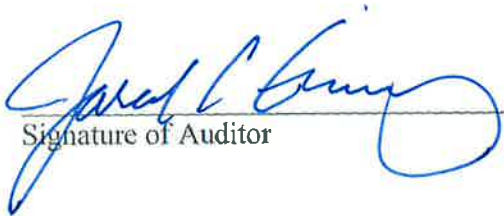
COMMUNITY ACTION, INC.  
POST-AUDIT CONFERENCE  
JUNE 30, 2012

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

Date: November 15, 2012

Time: 12:08 p.m.

Place: Community Action, Inc. Board Meeting

  
Signature of Auditor

  
Signature of Director