

COMMUNITY ACTION, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2006

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Action, Inc.

We have audited the accompanying statement of financial position of Community Action, Inc. (a non-profit organization) as of June 30, 2006, 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, 2006, 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 October 26, 2006, 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 grants. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITORS' REPORT - continued

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Community Action, Inc. taken as a 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 24 through 54, 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.

Stambaugh Ness, PC

York, Pennsylvania
October 26, 2006

COMMUNITY ACTION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2006

ASSETS

Cash	\$ 566,991	
Grants receivable	289,906	
Other accounts receivable	50,846	
Certificates of deposit	50,000	
Investments	33,222	
Inventory	1,382	
Prepaid expenses	49,983	
Property and equipment, net	<u>688,809</u>	
Total assets		<u><u>\$1,731,139</u></u>

LIABILITIES

Accounts payable	\$ 195,715	
Accrued and withheld payroll taxes	7,070	
Accrued salaries	160,276	
Deferred revenue	96,794	
Accrued expenses	38,968	
Security deposit	<u>2,280</u>	
Total liabilities		\$ 501,103

NET ASSETS

Unrestricted	1,180,576	
Temporarily restricted	<u>49,460</u>	
Total net assets		<u>1,230,036</u>
Total liabilities and net assets		<u><u>\$1,731,139</u></u>

See accompanying notes.

COMMUNITY ACTION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006

CHANGES IN UNRESTRICTED NET ASSETS

Contributed support and earned revenue:		
Government grants	\$4,270,957	
Contributions	114,202	
In-kind contributions	44,837	
Special events	3,036	
Other revenue:		
Program service fees	94,475	
Information technology sales	86,939	
Investment income	9,976	
Rental income - housing	77,167	
Rental income - Careerlink	5,292	
Miscellaneous income	<u>2,526</u>	
	4,709,407	
Net assets released from restrictions	<u>-</u>	
		\$4,709,407
Expenses and losses:		
Operating:		
Program services	4,295,194	
Management and general	364,402	
Fund-raising	<u>1,769</u>	
		4,661,365
Non-operating:		
Loss on sale of asset		762
Loss on conveyance of land		<u>1,350</u>
		4,663,477
Total expenses and losses		<u>4,663,477</u>
Increase in unrestricted net assets		45,930

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS

Contributions	31,512	
Net assets released from restrictions	<u>-</u>	
Increase in temporarily restricted net assets		<u>31,512</u>
Increase in net assets		77,442
NET ASSETS AT BEGINNING OF YEAR		<u>1,152,594</u>
NET ASSETS AT END OF YEAR		<u><u>\$1,230,036</u></u>

See accompanying notes.

COMMUNITY ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2006

	Program Services	Management and General	Fund- raising	Total
PAYROLL AND BENEFITS				
Salaries	\$ 1,056,543	\$ 285,263	\$ 635	\$ 1,342,441
Employee benefits	143,170	13,138	8	156,316
Payroll taxes	80,294	8,630	13	88,937
	<u>1,280,007</u>	<u>307,031</u>	<u>656</u>	<u>1,587,694</u>
OPERATING				
Travel	40,264	6,304	65	46,633
Equipment maintenance and rental	5,542	136	-	5,678
Small equipment and tools	20,161	-	-	20,161
Supplies	49,845	603	7	50,455
Space costs	122,800	3,484	10	126,294
Telephone	51,858	2,648	7	54,513
Postage	20,131	-	-	20,131
Printing	10,200	335	996	11,531
Licenses and registration	388	240	-	628
Insurance	37,976	1,169	3	39,148
Auto expenses	3,305	-	-	3,305
Information technology	65,462	3,733	11	69,206
Advertising and publications	4,466	803	1	5,270
Registration and memberships	3,124	3,732	-	6,856
Training and technical assistance	5,985	-	-	5,985
Administrative fees	6,139	-	-	6,139
Volunteer recognition	6,733	-	-	6,733
Contracted services	5,544	33,226	13	38,783
Snow removal	134	-	-	134
Lawn service	762	-	-	762
Utilities	35,199	-	-	35,199
Meetings	488	907	-	1,395
Food and meals	1,400	-	-	1,400
Building repairs and maintenance	14,465	-	-	14,465
Miscellaneous	1,591	51	-	1,642
Property Taxes	7,236	-	-	7,236
Computer equipment sold	2,209	-	-	2,209
Depreciation	16,453	-	-	16,453
Consumer assistance:				
Child care fees	1,304,675	-	-	1,304,675
Food and meals	231,489	-	-	231,489
Weatherization services	270,453	-	-	270,453
Housing assistance	60,865	-	-	60,865
Client travel and assistance	586,554	-	-	586,554
Other consumer support	20,554	-	-	20,554
Funds returned	737	-	-	737
	<u>3,015,187</u>	<u>57,371</u>	<u>1,113</u>	<u>3,073,671</u>
	<u>\$ 4,295,194</u>	<u>\$ 364,402</u>	<u>\$ 1,769</u>	<u>\$ 4,661,365</u>

See accompanying notes.

COMMUNITY ACTION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006

OPERATING ACTIVITIE

Change in net assets		\$ 77,442
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	30,284	
Unrealized gain on investments	(1,958)	
Loss on sale of asset	762	
Loss on conveyance of land	1,350	
(Increase) decrease in:		
Grants and other accounts receivable	65,246	
Inventory	481	
Prepaid expenses	(11,938)	
Increase (decrease) in:		
Accounts payable	(73,017)	
Accrued and withheld payroll taxes	2,752	
Accrued salaries	10,192	
Grants payable	(19,915)	
Deferred revenue	19,981	
Accrued expenses	3,527	
Security deposit	(630)	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ 104,559

INVESTING ACTIVITIES

Purchase of certificates of deposit		(50,000)
Proceeds from sale of fixed assets		18,810
Purchase of fixed assets		(3,790)
NET CASH USED IN INVESTING ACTIVITIES		<u>(34,980)</u>
NET INCREASE IN CASH		69,579

Cash at beginning of year		<u>497,412</u>
Cash at end of year		<u><u>\$ 566,991</u></u>

See accompanying notes.

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE A - 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 contracts, 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 preparation 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.

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.

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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 cash equivalents at June 30, 2006.

Allowance for Doubtful Accounts

No allowance for doubtful accounts is provided at June 30, 2006, as management believes all outstanding receivables are collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established. Recoveries of previously charged off accounts are recorded when received.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position.

Investment income and realized and unrealized gains (losses) restricted by donors are reported as increases (decreases) in unrestricted net assets if the restrictions are met (either a stipulated time period or a purpose restriction is accomplished) in the reporting period in which the income and gains (losses) are recognized.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of Community Action, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor imposed stipulations that may or will be met either by actions of Community Action, Inc. and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor imposed stipulations that they be maintained permanently by Community Action, Inc. Generally, the donors of these assets permit Community Action, Inc. to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted assets at June 30, 2006.

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.

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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.

NOTE B - GRANTS RECEIVABLE

Food Stamp Outreach	\$ 1,362
Freedom from Smoking	4,936
Homeless Assistance Program	3,264
Victims of Crime Act (VOCA)	10,278
Clean Air for Children - Clarion	355
Adult Literacy	5,592
Medical Transportation	56,557
Title II 04/05	5,669
Human Services Development Fund	2,922
Stewart-McKinney	3,323
CCIS	163,076
Retired and Senior Volunteer Program	2,538
Supported Engagement Program	<u>30,034</u>
	<u>\$289,906</u>

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 53,615	\$ -	\$ 53,615
Buildings and improvements	818,946	194,974	623,972
Equipment	<u>178,954</u>	<u>167,732</u>	<u>11,222</u>
	<u>\$1,051,515</u>	<u>\$362,706</u>	<u>\$688,809</u>

Depreciation expense for the year is \$30,284, which includes \$13,831 allocated to cost pools.

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. At June 30, 2006, the total cost of property and equipment not capitalized is \$238,457.

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE D - 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 - volunteer tutor hours	\$ 334
Adult literacy classroom space	32,430
Early Care and Education meeting space	3,365
Food and program supplies	<u>8,708</u>
	<u>\$44,837</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 57,600 hours of time, and volunteers supporting the Victims of Crime Act program provided approximately 1,700 hours of time.

NOTE E - 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>\$33,222</u>

An unrealized gain of \$1,958 was recognized in 2006.

Components of investment income include:

Dividend income	\$ 664
Interest income	7,354
Unrealized holding gain	<u>1,958</u>
	<u>\$ 9,976</u>

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE F - CERTIFICATES OF DEPOSIT

Community Action, Inc. purchased two certificates of deposit in February 2006 in the amount of \$25,000 each. Both have an interest rate of 4.7% and mature in December 2006.

NOTE G - INCOME TAXES

Community Action, Inc. is required to pay federal income taxes on profits earned by its information technology activities, an unrelated business.

Deferred income taxes reflect the estimated future tax effect of temporary differences between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. The primary component of Community Action, Inc.'s deferred tax asset of \$2,702 at June 30, 2006, is a federal net operating loss carryforward of \$18,016. A valuation allowance of \$2,702, indicates that it is probable this benefit will not be utilized in the future.

Federal net operating losses available to offset future federal taxable income expiring are as follows:

<u>June 30,</u>	
2011	\$ 1,069
2012	10,343
2014	3,048
2015	2,729
2017	92
2018	<u>735</u>
	<u>\$18,016</u>

The current tax expense from information technology operations of \$4,601 is offset by a corresponding decrease in the valuation allowance resulting in a net tax expense of \$0.

NOTE H - THIRD PARTY REIMBURSEMENT ARRANGEMENTS

Community Action, Inc. receives substantial support from third party reimbursement arrangements. Under these third party arrangements, Community Action, Inc. is reimbursed for its actual costs of providing program services. In addition, three programs provided 59% 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.

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE I - 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, 2006, as follows:

PCADV CONTRACT #5233 - 20% of original contract; match met with community donations and VOCA grant

ADULT BASIC EDUCATION SUBGRANT #041-06-0644 - 25%; \$32,430 in-kind classroom space and \$334 in-kind wages

RSVP 701 and 711 SUBGRANT #04SRAPA010 - 30%; match met with \$12,462 in local community donations, fundraising efforts, and county support

SUPPORTIVE HOUSING #PA28B102004 and #PA28B402004 - 25% of all direct operating services and 20% of all supportive services; match met with grant funds and local community funds

EARLY CARE AND EDUCATION GRANT - 25%; \$1,287 in local community funds and \$12,984 in in-kind contributions

VICTIMS OF CRIME ACT - 20%; match met with volunteer hours valued at \$18,484 and staff wages of \$382 paid from local community funds

DOMESTIC VIOLENCE EDUCATION SCHOOL PROJECT SUBGRANTS #2003-DS-14-15360 AND #2004-DS-14-15360-2 - 25%; match met with ACT 44 funding for Domestic Violence Prevention activities

NOTE J - OPERATING LEASE COMMITMENTS

At June 30, 2006, Community Action, Inc. had several lease arrangements requiring payments in excess of one year. Following are the minimum lease payments required in the future:

<u>Year ended</u> <u>June 30,</u>	<u>Equipment</u>	<u>Facilities</u>
2007	\$ 2,571	\$29,362
2008	2,304	20,822
2009	2,304	16,114
2010	2,304	8,057
2011	<u>2,304</u>	<u>-</u>
	<u>\$11,787</u>	<u>\$74,355</u>

Lease expense for facilities and equipment for the year ending June 30, 2006, was \$47,936 and \$4,946, respectively.

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE K - REVOLVING LINE OF CREDIT

Community Action, Inc. has an unsecured \$85,000 revolving line of credit, an unsecured \$20,000 revolving line of credit, and an unsecured \$120,000 revolving line of credit with First Commonwealth Bank. These lines of credit are renewable annually, and there were no outstanding advances on the available lines of credit at June 30, 2006. The interest rate on each loan is the Wall Street Journal prime rate plus .5%, which was 8.75% at June 30, 2006.

NOTE L - 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 M - 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 its cash deposits in three accounts at a single financial institution. One of these accounts represents investments in government securities, which is not covered by FDIC insurance. The other deposits are insured up to \$100,000. The balance of these accounts that was not covered by FDIC insurance at June 30, 2006, was \$583,094 which is collateralized through a repurchasing agreement between Community Action and the financial institution.

NOTE N - RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2006, are available for the following purposes:

Contributions available for RSVP program	\$ 3,507
Contributions available for Crossroads program	33,779
Contributions available for client services	<u>12,174</u>
	<u>\$49,460</u>

NOTE O - 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 not less than one percent and not more than three percent of employee's compensation. Maximum salary reductions are \$10,000 for calendar year 2006. For the year ending June 30, 2006, employer contributions were \$25,441.

COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE P - 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, 2006.

Match Requirements

Community Action, Inc. is required by PCADV to raise monies within the community and spend amounts in excess of 20% of the contract. For the year ended June 30, 2006, Community Action, Inc. raised and spent match monies totaling approximately 25% of the contract to fulfill its obligation.

Domestic Violence Budget

For the year ended June 30, 2006, total domestic violence expenditures for Community Action, Inc. was \$450,908.

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, 2006.

SUPPLEMENTAL INFORMATION

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass Through Grantor/ Program Title	Federal C.F.D.A. Number	Contract Number	Federal Expenditures	Grant Payments Received
U.S. Department of Health and Human Services:				
Passed through Pennsylvania Department of Community and Economic Development:				
Community Services Block Grant				
	93.569	C000003091	\$ 267,856	\$265,262
Low-Income Home Energy Assistance				
	93.568	C000014907	162,134	215,000
	93.568	C000007775	110,440	59,558
Temporary Assistance for Needy Families				
	93.558	C000014797	74,441	56,668
Passed through Pennsylvania Department of Public Welfare:				
Passed through Pennsylvania Coalition Against Domestic Violence:				
Social Services Block Grant				
	93.667	52-33	16,279	16,279
Family Violence Prevention and Services/Grants for Battered Women's Shelters				
	93.671	52-33	107,677	107,677
Temporary Assistance for Needy Families				
	93.558	52-33	13,356	13,356
Passed through Jefferson County Commissioners:				
Medical Assistance Program				
	93.778	SAP159000	375,940	349,356
Passed through Clarion County Commissioners:				
Social Services Block Grant				
	93.667	SAP DC05-169208	144,075	133,403
Child Care Mandatory and Matching Funds of the Child Care and Development Fund				
	93.596	SAP DC05-169208	516,769	516,769
Payments to States for Child Care Assistance				
	93.575	SAP DC05-169208	547,742	395,993
Temporary Assistance for Needy Families				
	93.558	SAP DC05-169208	5,664	5,664

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued
YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass Through Grantor/ Program Title	Federal C.F.D.A. Number	Contract Number	Federal Expenditures	Grant Payments Received
U.S. Department of Health and Human Services:				
Passed through Pennsylvania Department of Public Welfare:				
Passed through PA DPW through NW Regional Key-NW Institute of Research				
Child Care and Development Block Grant	93.575		37,066	37,000
Total U.S. Department of Health and Human Services			2,379,439	2,171,985
U.S. Department of Energy:				
Passed through Pennsylvania Department of Community and Economic Development:				
Weatherization Assistance for Low-Income Persons				
	81.042	C000014907	154,806	153,761
U.S. Department of Justice:				
Passed through Pennsylvania Commission on Crime and Delinquency:				
Crime Victim Assistance				
	16.575	2005-VF-05-15627	75,438	65,103
Domestic Violence Ed School Program				
	16.579	2003-DS-14-15360	21,025	22,500
	16.579	2004-DS-14-15360-2	2,765	5,000
			23,790	27,500
Total U.S. Department of Justice			99,228	92,603
Department of Homeland Security:				
Passed through United Way of America:				
Emergency Food and Shelter National Board Program				
	97.024	24-7218-00	13,202	15,314
Emergency Food and Shelter National Board Program				
	97.024	24-7260-00	15,030	14,971
Total Department of Homeland Security			28,232	30,285

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - continued
YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass Through Grantor/ Program Title	Federal C.F.D.A. Number	Contract Number	Federal Expenditures	Grant Payments Received
U.S. Department of Agriculture:				
Passed through Pennsylvania Department of Agriculture: Passed through Jefferson County Commissioners: Emergency Food Assistance Program (Administrative Costs)	10.568	8-01-33-101	3,744	1,054
Emergency Food Assistance Program (Food Commodities)	10.569	8-01-33-101	48,400	48,400
Passed through Clarion County Commissioners: Emergency Food Assistance Program (Administrative Costs)	10.568	8-01-16-084	4,648	1,668
Emergency Food Assistance Program (Food Commodities)	10.569	8-01-16-084	<u>39,895</u>	<u>39,895</u>
Total U.S. Department of Agriculture			96,687	91,017
U.S. Department of Education:				
Passed through Pennsylvania Department of Education: Adult Education - State Grant Program	84.002	041-066044	67,105	61,513
Corporation for National and Community Service:				
Passed through ACTION Region III State Office: Retired and Senior Volunteer Program	94.002	04SRAPA010	13,380	10,842
	94.002	04SRAPA010	<u>57,440</u>	<u>57,440</u>
Total Corporation for National and Community Service			70,820	68,282
Department of Housing and Urban Development:				
Supportive Housing Program	14.235	PA28B102004	1,191	6,355
	14.235	PA28B402004	<u>43,594</u>	<u>40,271</u>
			44,785	46,626
Total Federal Awards			<u>\$2,941,102</u>	<u>\$2,716,072</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY ACTION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2006

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, 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.

NOTE B - FOOD COMMODITIES

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT #C000003091
YEAR ENDED JUNE 30, 2006

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
OPERATING COSTS			
Salaries and fringes	\$ 605,754	\$ 518,870	\$ -
Consumable supplies	8,350	2,972	-
Travel	24,070	31,353	-
Advertising	2,250	1,930	-
Office equipment	1,800	99	-
Space costs	36,500	34,656	-
Audit	6,545	4,378	-
	<u>685,269</u>	<u>594,258</u>	-
RELATED COSTS			
Professional services	8,049	5,629	-
Insurance	6,050	5,524	-
Other	106,418	182,969	-
	<u>120,517</u>	<u>194,122</u>	-
	<u><u>\$ 805,786</u></u>	<u><u>\$ 788,380</u></u>	<u><u>\$ -</u></u>

NOTE: The Consumer Services Block Grant Program contract period is from July 1, 2003 through September 30, 2006. The expenditures above are for the period July 1, 2003 through June 30, 2006. The approved budget is for the entire contract period 2003 - 2006.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000007775 (LIHEAP)
YEAR ENDED JUNE 30, 2006

BUDGET CATEGORY	<u>Final Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
I. ADMINISTRATION			
a. Personnel	\$ 6,115	\$ -	\$ -
b. Operating/supplies	3,445		
c. Office equipment	27	-	-
Administration total	9,587	-	-
II. FINANCIAL AUDIT	844	-	-
III. DIRECT SERVICES			
a. Program support	72,561	34,270	-
b. Labor	20,759	14,972	-
c. Materials	29,966	16,278	-
d. Vehicle/major equipment	11,373	11,373	-
e. Health and safety	94,244	33,323	-
Direct services total	228,903	110,216	-
IV. LIABILITY INSURANCE	224	224	-
Total	<u>\$ 239,558</u>	<u>\$ 110,440</u>	<u>\$ -</u>

NOTE: The Low Income Home Energy Assistance Program contract period is from July 1, 2004 through September 30, 2005. The expenditures above are for the period July 1, 2005 through September 30, 2005. The final approved budget is for the entire contract year 2004 - 2005. Expenditures for the period July 1, 2004 through June 30, 2005 were \$130,106. The expenditures include the use of \$988 of interest income.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000014907(LIHEAP)
YEAR ENDED JUNE 30, 2006

BUDGET CATEGORY	<u>Final Approved Budget</u>	<u>Current Fiscal Period Expenditures</u>	<u>Questioned Cost</u>
I. ADMINISTRATION			
a. Personnel	\$ 5,759	\$ 893	\$ -
b. Operating/supplies	3,808	6,056	-
c. Office equipment	20	-	-
Administration total	<u>9,587</u>	<u>6,949</u>	-
II. FINANCIAL AUDIT			
	1,529	1,529	-
III. DIRECT SERVICES			
a. Program support	72,752	13,860	-
b. Labor	20,759	260	-
c. Materials	29,966	489	-
d. Health & safety	120,105	137,537	-
Direct services total	<u>243,582</u>	<u>152,146</u>	-
IV. LIABILITY INSURANCE			
	<u>1,860</u>	<u>1,510</u>	-
Total	<u>\$ 256,558</u>	<u>\$ 162,134</u>	<u>\$ -</u>

NOTE: The contract period for the Low Income Home Energy Assistance Program is July 1, 2005 through September 30, 2006. The expenditures above are for the period October 1, 2005 through June 30, 2006. The budget shown is for the entire contract period.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
WEATHERIZATION CONTRACT #C000014907 (DOE)
YEAR ENDED JUNE 30, 2006

	<u>Final Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
BUDGET CATEGORY			
I. ADMINISTRATION			
a. Personnel	\$ 9,237	\$ 8,027	\$ -
b. Operating/supplies	6,109	7,349	-
c. Office equipment	30	-	-
	<u>15,376</u>	<u>15,376</u>	<u>-</u>
Administration total	15,376	15,376	-
II. FINANCIAL AUDIT			
	978	978	-
III. DIRECT SERVICES			
a. Program support	58,785	64,986	-
b. Labor	26,500	21,662	-
c. Materials	33,105	25,562	-
d. Health and safety	13,144	20,369	-
	<u>131,534</u>	<u>132,579</u>	<u>-</u>
Direct services total	131,534	132,579	-
IV. LIABILITY INSURANCE			
	1,393	1,393	-
V. TRAINING/TECH. ASST.			
	<u>4,480</u>	<u>4,480</u>	<u>-</u>
Total	<u>\$ 153,761</u>	<u>\$ 154,806</u>	<u>\$ -</u>

NOTE: The expenditures above include the use of \$1,045 of interest income.

COMMUNITY ACTION, INC.
BUDGET COMPARISON STATEMENT
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
SUPPORTED ENGAGEMENT PROGRAM #C000014797
YEAR ENDED JUNE 30, 2006

BUDGET CATEGORY	<u>Approved Budget</u>	<u>Contract Period Expenditures</u>	<u>Questioned Cost</u>
Regular SE	\$ 141,648	\$ 125,028	\$ -
Food Stamp 50%/50%	3,732	-	-
Post 24 Mo. Work Experience Wages	2,796	-	-
WC/UC/FICA Post 24 Mo. Work Experience	783	-	-
Subsidized work wages	2,535	-	-
Special allowances for eyeglasses, hearing aids, and exams	<u>1,859</u>	<u>484</u>	<u>-</u>
	<u><u>\$ 153,353</u></u>	<u><u>\$ 125,512</u></u>	<u><u>\$ -</u></u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
DEPARTMENT OF EDUCATION
CONTRACT #059-06-6038 AND #041-06-6044
YEAR ENDED JUNE 30, 2006

	Adult Literacy Programs	
	#059-06-6038	#041-06-6044
REVENUE		
Grant income	\$ 47,395	\$ 67,105
 EXPENSES		
Salaries	29,620	42,496
Benefits	6,334	9,875
Professional and technical services	254	695
Purchased property services	1,404	2,274
Other purchased services	8,220	9,515
Supplies	1,563	2,250
	47,395	67,105
Due to funding source	\$ -	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
RETIRED AND SENIOR VOLUNTEER PROGRAM
CONTRACT #04SRAPA010
YEAR ENDED JUNE 30, 2006

REVENUE

Grant income	\$57,440
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EXPENSES

Salaries and wages	\$25,531	
Fringe benefits	4,565	
Travel	3,399	
Supplies	4,622	
Telephone	1,190	
Postage	1,137	
Printing	756	
Insurance	295	
Fiscal services	3,055	
Information Technology	2,538	
Audit	682	
Space	1,286	
Advertising	<u>140</u>	
 Total volunteer support expenses		 <u>49,196</u>

VOLUNTEER COSTS

Insurance	2,330	
Volunteer recognition	4,763	
Recruitment	<u>1,151</u>	
 Total volunteer costs		 <u>8,244</u>
 Total program		 <u><u>\$57,440</u></u>
 Due to funding source		 <u><u>\$ -</u></u>

NOTE: The program contract period is from April 1, 2004 through March 31, 2007. The expenditures above are for the period July 1, 2005 through March 31, 2006. The match was met with local donations and community funds.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
RETIRED AND SENIOR VOLUNTEER PROGRAM
CONTRACT #04SRAPA010
YEAR ENDED JUNE 30, 2006

REVENUE

Grant income	\$ 13,380
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VOLUNTEER SUPPORT EXPENSES

Salaries and wages	\$ 6,907	
Fringe benefits	1,195	
Travel	1,588	
Supplies	196	
Telephone	384	
Postage	456	
Printing	317	
Insurance	80	
Fiscal services	1,197	
Information Technology	371	
Space	<u>439</u>	
 Total volunteer support expenses		 <u>13,130</u>

VOLUNTEER COSTS

Volunteer recognition	225	
Recruitment	<u>25</u>	
 Total volunteer costs		 <u>250</u>
 Total program		 <u><u>\$13,380</u></u>
 Due to funding source		 <u><u>\$ -</u></u>

NOTE: The program contract period is from April 1, 2004 through March 31, 2007.
The expenditures above are for the period April 1, 2006 through June 30, 2006.
The match was met with local donations and community funds.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
FOOD AND SHELTER PROGRAMS
YEAR ENDED JUNE 30, 2006

	Pennsylvania Department of Agriculture		Federal Emergency Management Agency	
	<u>#445037</u>	<u>#445054</u>	<u>#24-7218-00</u>	<u>#24-7260-00</u>
REVENUE				
Grants	\$ 69,275	\$ 83,419	\$ 15,314	\$ 14,971
Interest	155	510	-	59
	<u>69,430</u>	<u>83,929</u>	<u>15,314</u>	<u>15,030</u>
EXPENSES				
Administrative expenses	5,542	6,674	306	531
Shelter assistance	-	-	12,896	14,499
Food assistance	<u>63,888</u>	<u>77,255</u>	<u>-</u>	<u>-</u>
	<u>69,430</u>	<u>83,929</u>	<u>13,202</u>	<u>15,030</u>
Due to funding source	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,112</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAMS, TITLE II
YEAR ENDED JUNE 30, 2006

REVENUE

Grant income	\$ 3,691	
County Commissioner support	<u>1,365</u>	
Total revenue		\$ 5,056

EXPENSES

Personnel:		
Salaries and wages	2,702	
Fringe benefits	<u>651</u>	
Total personnel		3,353
Operating:		
Travel	15	
Space and telephone	610	
Postage	53	
Printing and copying	43	
Insurance	76	
Data processing	193	
Fiscal services	<u>713</u>	
Total operating		<u>1,703</u>
Total expenses		<u>5,056</u>
Due to funding source		<u><u>\$ -</u></u>

NOTE: The emergency food assistance program contract period is from October 2004 through September 2005. The expenditures above are for the period July 1, 2005 through September 30, 2005.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAMS, TITLE II - continued
YEAR ENDED JUNE 30, 2006

REVENUE

Grant income	\$ 8,391	
Total revenue		\$ 8,391

EXPENSES

Personnel:		
Salaries and wages	3,398	
Fringe benefits	<u>783</u>	
Total personnel		4,181
Operating:		
Travel	143	
Supplies	4	
Space and telephone	915	
Postage	308	
Printing and copying	15	
Insurance	104	
Information technology	330	
Fiscal services	1,255	
Contracted services	811	
Audit	<u>325</u>	
Total operating		<u>4,210</u>
Total expenses		<u>8,391</u>
Due to funding source		<u><u>\$ -</u></u>

NOTE: The emergency food assistance program contract period is from October 2005 through September 2006. The expenditures above are for the period October 1, 2005 through June 30, 2006.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
YEAR ENDED JUNE 30, 2006

	Reported	Actual
SERVICE DATA		
Expenditures:		
Group I clients	\$ 796,245	\$ 796,245
Group II clients	8,938	8,938
Total expenditures	\$ 805,183	\$ 805,183
Summary of Trips:		
Total trips	40,819	40,819
Total clients	976	976
Total passenger trips	41,795	41,795
ALLOCATION DATA		
Revenues:		
Department of Public Welfare	\$ 804,805	\$ 804,805
Interest income	378	378
Total revenues	\$ 805,183	\$ 805,183
Funds expended:		
Operating costs	\$ 586,554	\$ 586,554
Administrative costs	218,629	218,629
Total funds expended	\$ 805,183	\$ 805,183
Excess revenues over expenditures	\$ -	\$ -

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HUMAN SERVICES DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>
REVENUE		
Pennsylvania Department of Public Welfare	\$ 17,300	\$ 17,300
 EXPENDITURES		
Categorical:		
Homeless assistance	<u>17,300</u>	<u>17,300</u>
Total expenditures	<u>17,300</u>	<u>17,300</u>
Excess of revenue over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
HOMELESS ASSISTANCE PROGRAM
CONTRACT #SAP159000
YEAR ENDED JUNE 30, 2006

I. SOURCES OF FUNDING

DPW allocation	\$ 42,293
Interest earned	<u>14</u>
Total HAP funding	<u><u>\$ 42,307</u></u>

II. EXPENSES

	<u>Case Management</u>	<u>Rental Assistance</u>	<u>Total</u>
On behalf of clients	\$ -	\$ 10,190	\$ 10,190
Personnel	23,561	-	23,561
Operating	<u>4,645</u>	<u>-</u>	<u>4,645</u>
Subtotal	<u><u>\$ 28,206</u></u>	<u><u>\$ 10,190</u></u>	38,396
County administration			<u>3,911</u>
Total HAP expenses			<u>42,307</u>
Total unexpended funds			<u><u>\$ -</u></u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM
CONTRACT #PA28B102004
YEAR ENDED JUNE 30, 2006

	Budget	Actual
REVENUE		
Grant income	\$ 200,685	\$ 1,190
EXPENSES		
Administration	9,556	-
Leasing	20,268	-
Direct operating	50,000	-
Supportive services	120,861	1,190
	200,685	1,190
Due to funding source	\$ -	\$ -

NOTE: The Supportive Housing Program contract period is September 2, 2002, through September 2, 2005. The expenditures above are for the period July 1, 2005 through September 2, 2005. The final approved budget is for the entire contract period 2002 - 2005.

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUE AND EXPENSES
SUPPORTIVE HOUSING PROGRAM
CONTRACT #PA28B402004
YEAR ENDED JUNE 30, 2006

	Budget	Actual
REVENUE		
Grant income	\$ 133,790	\$ 43,594
 EXPENSES		
Administration	6,371	1,770
Leasing	13,512	6,040
Direct operating	33,333	11,935
Supportive services	80,574	23,849
	133,790	43,594
Due to funding source	\$ -	\$ -

NOTE: The Supportive Housing Program contract period is September 2, 2005 through September 2, 2007. The expenditures above are for the period September 2, 2005 through June 30, 2006. The budget is for the entire contract period 2005 - 2007.

COMMUNITY ACTION, INC.
EXPENDITURE REPORT
DEPARTMENT OF PUBLIC WELFARE
EARLY CARE AND EDUCATION GRANT
YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>YTD % Expended</u>
PERSONNEL			
Salaries and wages	\$ 23,538	\$ 23,821	101 %
Fringe benefits	<u>4,936</u>	<u>4,993</u>	101 %
Total personnel	28,474	28,814	101 %
OPERATING			
Occupancy	1,300	1,208	93 %
Telephone	950	749	79 %
Printing	500	482	96 %
Postage	750	736	98 %
Supplies	600	617	103 %
Travel	2,275	2,306	101 %
Training	30	30	100 %
Audit	396	396	100 %
Insurance/bond	425	403	95 %
Computer support	<u>1,300</u>	<u>1,325</u>	102 %
Total operating	<u>8,526</u>	<u>8,252</u>	97 %
Totals	<u><u>\$ 37,000</u></u>	<u><u>\$ 37,066</u></u>	100 %

NOTE: The actual expenditures above include the use of \$66 of interest income.

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS WITH
FUNDING RECONCILIATION FOR CRIME VICTIM ASSISTANCE
SUBGRANT #2005-VF-05-15627
YEAR ENDED JUNE 30, 2006

	Approved Budget	Reported Costs	Total	(Over) Under Budget	Questioned Costs
BUDGET CATEGORIES					
Personnel	\$41,483	\$46,474	\$46,474	\$ (4,991)	\$ -
Employee benefits	11,557	7,579	7,579	3,978	-
Travel	2,233	2,279	2,279	(46)	-
Supplies/operating	19,808	19,079	19,079	729	-
Other	300	27	27	273	-
	<u>\$75,381</u>	<u>\$75,438</u>	<u>\$75,438</u>	<u>\$ (57)</u>	<u>\$ -</u>

FUNDING RECONCILIATION

Approved contract received as of June 30, 2006					\$ 65,103
Allowable costs:					
Approved			\$75,381		
Questioned			<u>-</u>		
					<u>75,381</u>
Due from funding source					<u>\$ 10,278</u>

NOTE: The expenditures above include the use of \$57 of interest income.

COMMUNITY ACTION, INC.
 SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS WITH
 FUNDING RECONCILIATION FOR DOMESTIC VIOLENCE EDUCATION SCHOOL PROGRAM
 SUBGRANT #2003-DS-14-15360
 YEAR ENDED JUNE 30, 2006

	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
BUDGET CATEGORIES					
Personnel	\$ 17,262	\$ 12,942	\$ 12,942	\$ (1,015)	\$ -
Employee benefits	5,014	3,169	3,169	593	-
Travel	916	1,297	1,297	(632)	-
Supplies/operating	6,628	3,480	3,480	1,093	-
Other	180	137	137	(43)	-
	<u>\$ 30,000</u>	<u>\$ 21,025</u>	<u>\$ 21,025</u>	<u>\$ (4)</u>	<u>\$ -</u>

FUNDING RECONCILIATION

Approved contract received as of June 30, 2006					\$ 30,000
Allowable costs:					
Approved			\$ 30,000		
Questioned			<u>-</u>		
					<u>30,000</u>
Due from funding source					<u>\$ -</u>

NOTE: The Domestic Violence Education School Project contract period runs from January 1,

COMMUNITY ACTION, INC.

SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS WITH
FUNDING RECONCILIATION FOR DOMESTIC VIOLENCE EDUCATION SCHOOL PROGRAM
SUBGRANT #2004-DS-14-15360-2
YEAR ENDED JUNE 30, 2006

	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Total</u>	<u>(Over) Under Budget</u>	<u>Questioned Costs</u>
BUDGET CATEGORIES					
Personnel	\$ 13,445	\$ 1,700	\$ 1,700	\$ 11,745	\$ -
Employee benefits	3,735	401	401	3,334	-
Travel	1,135	367	367	768	-
Supplies/operating	1,595	283	283	1,312	-
Other	90	14	14	76	-
	<u>\$ 20,000</u>	<u>\$ 2,765</u>	<u>\$ 2,765</u>	<u>\$ 17,235</u>	<u>\$ -</u>
FUNDING RECONCILIATION					
Approved contract received as of June 30, 2006					\$ 5,000
Allowable costs:					
Approved			\$ 2,765		
Questioned			<u>-</u>		
					<u>2,765</u>
Deferred revenue					<u>\$ 2,235</u>

NOTE: The Domestic Violence Education School Project contract period runs from April 1, 2006 through March 31, 2007. The expenditures above are for the period April 1, 2006 through June 30, 2006. 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, 2006

	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total Allowable Cost Per Audit</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>BUDGET CATEGORY</u>					
<u>TITLE XX</u>					
Operations:					
Equipment maintenance	\$ 279	\$ 138	\$ 138	\$ 141	\$ -
Maintenance	4,700	4,980	4,980	(280)	-
Rent	6,500	6,612	6,612	(112)	-
Travel	4,800	4,549	4,549	251	-
	<u>16,279</u>	<u>16,279</u>	<u>16,279</u>	<u>-</u>	<u>-</u>
Total operations					
	<u>\$16,279</u>	<u>\$16,279</u>	<u>\$16,279</u>	<u>\$ -</u>	<u>\$ -</u>
Program totals					

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
ACT 44 PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2006

<u>BUDGET CATEGORY</u>	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total Allowable Cost Per Audit</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>ACT 44</u>					
Personnel:					
Salaries	\$ 134,000	\$ 134,000	\$ 134,000	\$ -	\$ -
Benefits	22,500	22,500	22,500	-	-
Total personnel	156,500	156,500	156,500	-	-
Operations:					
Equipment maintenance	4,743	4,743	4,743	-	-
Maintenance	300	50	50	250	-
Safe Homes	2,500	2,500	2,500	-	-
Supplies	5,941	6,054	6,054	(113)	-
Telephone	6,200	6,195	6,195	5	-
Travel	700	669	669	31	-
Utilities	6,130	6,303	6,303	(173)	-
Total operations	26,514	26,514	26,514	-	-
Program totals	<u>\$ 183,014</u>	<u>\$ 183,014</u>	<u>\$ 183,014</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS
FVPS AND TANF RELOCATION PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2006

<u>BUDGET CATEGORY</u>	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total Allowable Cost Per Audit</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>FVPS</u>					
Personnel:					
Salaries	\$ 74,280	\$ 74,280	\$ 74,280	\$ -	\$ -
Benefits	16,553	16,553	16,553	-	-
Total personnel	<u>90,833</u>	<u>90,833</u>	<u>90,833</u>	<u>-</u>	<u>-</u>
Operations:					
Advertising	295	294	294	1	-
Equipment rental	1,790	1,633	1,633	157	-
Food	1,340	1,385	1,385	(45)	-
Insurance	4,300	4,628	4,628	(328)	-
Library	50	36	36	14	-
Memberships	250	48	48	202	-
Postage	1,000	971	971	29	-
Printing	630	599	599	31	-
Contracted services	3,294	3,294	3,294	-	-
Staff development	1,695	1,695	1,695	-	-
Supplies	2,200	2,261	2,261	(61)	-
Total operations	<u>16,844</u>	<u>16,844</u>	<u>16,844</u>	<u>-</u>	<u>-</u>
Program totals	<u>\$ 107,677</u>	<u>\$ 107,677</u>	<u>\$ 107,677</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TANF RELOCATION</u>					
Operations relocation expense	<u>\$ 13,356</u>	<u>\$ 13,356</u>	<u>\$ 13,356</u>	<u>\$ -</u>	<u>\$ -</u>
Program totals	<u>\$ 13,356</u>	<u>\$ 13,356</u>	<u>\$ 13,356</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION, INC.
COMBINED SCHEDULE OF BUDGETED, REPORTED AND
ALLOWABLE COSTS WITH FUNDING RECONCILIATION
PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2006

	<u>Approved Budget</u>	<u>Reported Costs Per Final Invoice</u>	<u>Total Allowable Cost Per Audit</u>	<u>(Over) Under Budget</u>	<u>Questioned</u>
<u>BUDGET CATEGORIES</u>					
Title XX					
Operations	\$ 16,279	\$ 16,279	\$ 16,279	\$ -	\$ -
Act 44					
Personnel	156,500	156,500	156,500	-	-
Operations	26,514	26,514	26,514	-	-
FVPS					
Personnel	90,833	90,833	90,833	-	-
Operations	16,844	16,844	16,844	-	-
TANF RELOCATION					
Operations	<u>13,356</u>	<u>13,356</u>	<u>13,356</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 320,326</u></u>	<u><u>\$ 320,326</u></u>	<u><u>\$ 320,326</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
FUNDING RECONCILIATION					
Approved contract, received as of June 30, 2006					\$ 320,326
Allowable costs:					
Approved costs			\$ 320,326		
Questioned costs			<u>-</u>		<u>320,326</u>
Due to funding source					<u><u>\$ -</u></u>

COMMUNITY ACTION, INC.
SCHEDULE OF REVENUES
PCADV CONTRACT #5233
YEAR ENDED JUNE 30, 2006

Received during:		
July		\$ -
August		53,222
September		26,611
October		26,611
November		-
December		53,222
January		26,611
February		26,611
March		-
April		53,222
May		26,611
June		<u>27,605</u>
Total		<u><u>\$ 320,326</u></u>

COMMUNITY ACTION, INC.
 RECAP FOR THE FISCAL YEAR
 DEPARTMENT OF PUBLIC WELFARE
 JEFFERSON AND CLARION COUNTY CHILD CARE INFORMATION SERVICES
 CONTRACT #SAP DC05 16 9208
 YEAR ENDED JUNE 30, 2006

	Fund A		Fund C		Total
	Admin/FSS	Service	Admin/FSS	Service	
REVENUE					
DPW Funds	\$ 240,008	\$ 1,151,108	\$ 23,242	\$ 151,246	\$ 1,565,604
Interest	-	-	-	-	-
Audit adjustments	-	-	-	-	-
Penalties	-	-	-	-	-
Total revenue	240,008	1,151,108	23,242	151,246	1,565,604
EXPENDITURES					
Final report totals	237,032	1,153,429	23,242	151,246	1,564,949
Total expenditures	237,032	1,153,429	23,242	151,246	1,564,949
Total due DPW	\$ 2,976	\$ (2,321)	\$ -	\$ -	\$ 655

COMMUNITY ACTION, INC.
ADMINISTRATIVE BUDGET REPORT
DEPARTMENT OF PUBLIC WELFARE
JEFFERSON AND CLARION COUNTY CHILD DAY CARE - FUND A
CONTRACT #SAP DC05 16 9208
YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>YTD % Expended</u>
PERSONNEL			
Salaries and wages	\$134,776	\$133,343	99%
Fringe benefits	<u>30,757</u>	<u>29,824</u>	97%
Total personnel	165,533	163,167	99%
OPERATIONS			
Occupancy	10,000	9,499	95%
Communications:			
Telephone	6,514	6,553	101%
Advertising	2,100	2,103	100%
Printing/copying	500	498	100%
Postage	<u>3,664</u>	<u>3,804</u>	104%
Total communications	12,778	12,958	101%
Supplies	3,184	3,183	100%
Travel	4,000	3,994	100%
Audit	10,647	10,647	100%
Other:			
Accounting costs	18,000	18,695	104%
Technology	12,066	11,356	94%
Maintenance/lease	500	519	104%
Insurance/bond	<u>3,300</u>	<u>3,014</u>	91%
Total other	<u>33,866</u>	<u>33,584</u>	99%
Total operations	<u>74,475</u>	<u>73,865</u>	99%
Totals	<u><u>\$240,008</u></u>	<u><u>\$237,032</u></u>	99%

COMMUNITY ACTION, INC.
 ADMINISTRATIVE BUDGET REPORT
 DEPARTMENT OF PUBLIC WELFARE
 JEFFERSON AND CLARION COUNTY CHILD DAY CARE - FUND C
 CONTRACT #SAP DC05 16 9208
 YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>YTD % Expended</u>
PERSONNEL			
Salaries and wages	\$14,216	\$14,216	100%
Fringe benefits	<u>3,554</u>	<u>3,554</u>	100%
Total personnel	17,770	17,770	100%
OPERATIONS			
Communications:			
Telephone	1,236	1,236	100%
Postage	<u>1,236</u>	<u>1,236</u>	100%
Total communications	2,472	2,472	100%
Other:			
Accounting costs	<u>3,000</u>	<u>3,000</u>	100%
Total operations	<u>5,472</u>	<u>5,472</u>	100%
Totals	<u><u>\$23,242</u></u>	<u><u>\$23,242</u></u>	100%



child care management information system

Home | R&R | Provider | Case | Payments | Reports | Correspondence | **Administration**

Funds Home | Funding Streams | Allocations | Available Funds | Waitlist | Pre-Enrollment | MCCA |

Admin/Fam Sup Svcs Budgets

Administration/Family Support Services Budget Detail

Select . . .

Fiscal Year FY 2005-06	Funding Source Low Income (Fund A)	County Clarion	Allocation Amount \$240,008.00	Unallocated Funds \$0.00
----------------------------------	--	--------------------------	--	------------------------------------

Budget Information Detail for Clarion/Jefferson

Administration/Family Support Services Budget

Budget Category	Budget Amount	Expenditures YTD	Last Updated Date
Personnel			
Salaries	\$134,776.00	\$133,342.39	08/18/2006 ☒
Benefits	\$30,757.00	\$29,824.28	08/18/2006 ☒
Personnel SubTotal	\$165,533.00	\$163,166.67	
Occupancy	\$10,000.00	\$9,499.47	08/18/2006 ☒
Communications			
Telephone	\$6,553.00	\$6,552.79	08/18/2006 ☒
Advertising	\$2,104.00	\$2,103.18	08/18/2006 ☒
Printing	\$500.00	\$498.11	08/18/2006 ☒
Postage	\$3,804.00	\$3,803.91	08/18/2006 ☒
Communications SubTotal	\$12,961.00	\$12,957.99	
Supplies	\$3,184.00	\$3,183.19	08/18/2006 ☒
Equipment	\$0.00	\$0.00	06/14/2005 ☒
Travel	\$4,000.00	\$3,993.51	08/18/2006 ☒
Training	\$0.00	\$0.00	06/14/2005 ☒
Audit	\$10,647.00	\$10,646.68	04/17/2006 ☒
Depreciation	\$0.00	\$0.00	06/14/2005 ☒
Other			
Consultants	\$0.00	\$0.00	08/17/2005 ☒
Equipment Rental/Repair	\$0.00	\$0.00	08/17/2005 ☒
Insurance	\$3,098.00	\$3,013.60	08/18/2006 ☒
Interest	\$0.00	\$0.00	06/14/2005 ☒
Maintenance	\$519.00	\$518.85	08/18/2006 ☒
Other	\$18,696.00	\$18,695.37	08/18/2006 ☒
Technical Support	\$11,370.00	\$11,356.39	08/18/2006 ☒
Other SubTotal	\$33,683.00	\$33,584.21	
Indirect Costs	\$0.00	\$0.00	06/14/2005 ☒
Fixed Asset	\$0.00	\$0.00	06/14/2005 ☒
Totals YTD	\$240,008.00	\$237,031.72	

NEW EXPENDITURES TRANSFERS HISTORY RETURN TO SUMMARY



Admin/Fam Sup Svcs Budgets

Administration/Family Support Services Budget Detail

Select . . .

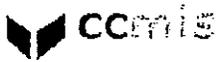
Fiscal Year FY 2005-06	Funding Source Former TANF (Fund C)	County Clarion	Allocation Amount \$23,242.00	Unallocated Funds \$0.00
----------------------------------	---	--------------------------	---	------------------------------------

Budget Information Detail for Clarion/Jefferson

Administration/Family Support Services Budget

Budget Category	Budget Amount	Expenditures YTD	Last Updated Date
Personnel			
Salaries	\$14,216.00	\$14,216.00 ✓	07/19/2006 ☒
Benefits	\$3,554.00	\$3,554.00 ✓	07/19/2006 ☒
Personnel SubTotal	\$17,770.00	\$17,770.00	
Occupancy	\$0.00	\$0.00	06/14/2005 ☒
Communications			
Telephone	\$1,236.00	\$1,236.00 ✓	06/16/2006 ☒
Advertising	\$0.00	\$0.00	06/14/2005 ☒
Printing	\$0.00	\$0.00	06/14/2005 ☒
Postage	\$1,236.00	\$1,236.00	07/19/2006 ☒
Communications SubTotal	\$2,472.00	\$2,472.00	
Supplies	\$0.00	\$0.00	06/14/2005 ☒
Equipment	\$0.00	\$0.00	06/14/2005 ☒
Travel	\$0.00	\$0.00	06/14/2005 ☒
Training	\$0.00	\$0.00	06/14/2005 ☒
Audit	\$0.00	\$0.00	06/14/2005 ☒
Depreciation	\$0.00	\$0.00	06/14/2005 ☒
Other			
Consultants	\$0.00	\$0.00	08/17/2005 ☒
Insurance	\$0.00	\$0.00	06/14/2005 ☒
Interest	\$0.00	\$0.00	06/14/2005 ☒
Maintenance	\$0.00	\$0.00	06/14/2005 ☒
Other	\$3,000.00	\$3,000.00	03/19/2006 ☒
Technical Support	\$0.00	\$0.00	06/14/2005 ☒
Other SubTotal	\$3,000.00	\$3,000.00	
Indirect Costs	\$0.00	\$0.00	06/14/2005 ☒
Fixed Asset	\$0.00	\$0.00	06/14/2005 ☒
Totals YTD	\$23,242.00	\$23,242.00	

NEW ☒ EXPENDITURES TRANSFERS HISTORY RETURN TO SUMMARY



RE417-Payment Recap Report

Funding Fiscal Year: 2005-06

CCIS: CLARION/JEFFERSON

	Expenditures	Overpayments	Total
CLARION/JEFFERSON			
Clarion			
Low income (Fund A) - Regular	\$457,768.49		\$457,768.49
Former TANF (Fund C) - Regular	\$89,312.07		\$89,312.07
Clarion	\$547,080.56		\$547,080.56
Jefferson			
Low income (Fund A) - Regular	\$695,663.94		\$695,663.94
Former TANF (Fund C) - Regular	\$61,933.89		\$61,933.89
Jefferson	\$757,597.83		\$757,597.83
CLARION/JEFFERSON	\$1,304,678.39		\$1,304,678.39

**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.

We have audited the financial statements of Community Action, Inc. (a non-profit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated October 26, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 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*.

**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* - continued**

We noted certain other matters that we reported to management of Community Action, Inc. in a separate letter dated October 26, 2006.

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.

Stambaugh Ness, PC

York, Pennsylvania
October 26, 2006

**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.

Compliance

We have audited the compliance of Community Action, Inc. (a non-profit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. 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 the 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, 2006.

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

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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use 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.

Stambaugh Ness, PC

York, Pennsylvania
October 26, 2006

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

Board of Directors
Community Action, Inc.

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 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 DPW for fiscal year ended June 30, 2006, 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 Program	35	Revenue and Expenses
Human Services Development Fund	36	Revenue and Expenses
Homeless Assistance Program	37	Revenue and Expenses
Early Child Care Education Grant	40	Expenditure Report
PCADV - Contract # 5233	44	Budgeted, Reported and Allowable Costs - Title XX
	45	Budgeted, Reported and Allowable Costs - Act 44
	46	Budgeted, Reported and Allowable Costs - FVPS and TANF Relocation
	48	Schedule of Revenues
Child Care Information Services:	49	Recap for the Fiscal Year (Annual)
	50	Administrative Budget Report - Fund A
	51	Administrative Budget Report - Fund C
	52 - 53	YTD Admin/Family Support Services Expenditures for Fund A and Fund C (screenshot)
	54	Recap Report (Summary)

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

- 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.

Stambaugh Ness, PC

York, Pennsylvania
October 26, 2006

COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2006

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements and supplementary schedule of expenditures of federal awards of Community Action, Inc.
2. No reportable conditions relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Community Action, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Community Action, Inc. expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Community Action, Inc.
7. The programs tested as major programs were the Child Care Mandatory and Matching Funds of the Child Care and Development Fund, C.F.D.A. #93.596; Child Care and Development Block Grant, C.F.D.A. #93.575; and Medical Assistance Program, C.F.D.A. #93.778.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Community Action, Inc. qualified as a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

COMMUNITY ACTION, INC.
POST-AUDIT CONFERENCE
JUNE 30, 2006

This memo will serve as written verification that a post-audit conference was held between the Community Action, Inc. and Stambaugh Ness, PC.

Date: 10/25/06

Time: 6:45 PM

Place: CA, INC OFFICE

M. S. [Signature]
Signature of Auditor

[Signature]
Signature of Director