

COALFIELD COMMUNITY
ACTION PARTNERSHIP, INC.

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
YEARS ENDED APRIL 30, 2013 AND 2012

AND

INDEPENDENT AUDITOR'S REPORTS

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 15
SUPPLEMENTAL INFORMATION	
Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets	17 - 18
Schedules of Grant Support, Revenue and Expenditures Compared to Grant Budgets (Non-GAAP Basis)	19 - 23
Summary Schedule of State Awards	24
Schedule of Expenditures of Federal Awards	25
Notes to the Schedule of Expenditures of Federal Awards	26
Auditee's Summary Schedule of Prior Year Audit Findings	27
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	28 - 29
Independent Auditor's Report on Compliance for Each Major Program and Internal Control over Compliance Required by <i>OMB Circular A-133</i>	30 - 31
Schedule of Findings and Questioned Costs	
Section I - Summary of Auditor's Results	32
Section II - Financial Statement Findings Section	33
Section III - Federal Award Findings and Questioned Costs Section	34

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Coalfield Community Action Partnership, Inc.
Williamson, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Coalfield Community Action Partnership, Inc. (CCAP), which comprise the statements of financial position as of April 30, 2013, and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted out audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCAP as of April 30, 2013, and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters***Other Information***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets, the Schedules of Grant Support, Revenue and Expenditures Compared to Grant Budgets, and the Summary Schedule of State Awards are presented for purposes of additional analysis and are not a required part of the April 30, 2013 basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the April 30, 2013 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the April 30, 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the April 30, 2013 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2014, on our consideration of CCAP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCAP's internal control over financial reporting and compliance.



Charleston, West Virginia
January 8, 2014

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 STATEMENTS OF FINANCIAL POSITION
 APRIL 30, 2013 AND 2012

ASSETS	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 211,568	\$ 660,763
Grants receivable	579,502	537,395
Other receivables	114,769	142,112
Prepaid expenses	<u>25,151</u>	<u>70,766</u>
Total current assets	930,990	1,411,036
Fixed assets		
Property and equipment, net	<u>2,459,960</u>	<u>1,881,866</u>
Total assets	<u><u>\$ 3,390,950</u></u>	<u><u>\$ 3,292,902</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 131,508	\$ 162,685
Accrued salaries and benefits	192,757	201,098
Other post retirement benefits	1,685,621	1,516,064
Accrued retirement payable	83,756	65,085
Accrued annual leave	80,808	84,490
Current maturities of note payable	34,748	17,985
Refundable advances	<u>166,249</u>	<u>364,240</u>
Total current liabilities	2,375,447	2,411,647
Noncurrent liabilities		
Note payable, less current portion	<u>683,464</u>	<u>380,074</u>
Net assets - unrestricted		
Total unrestricted net assets	<u>332,039</u>	<u>501,181</u>
Total liabilities and net assets	<u><u>\$ 3,390,950</u></u>	<u><u>\$ 3,292,902</u></u>

The Accompanying Notes Are An Integral
 Part Of These Financial Statements

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 STATEMENTS OF ACTIVITIES
 YEARS ENDED APRIL 30, 2013 AND 2012

	2013	2012
Changes in unrestricted net assets		
Support and revenue		
Federal direct and pass-through grant revenue	\$ 5,562,368	\$ 4,622,471
American Recovery Reinvestment Act (ARRA) grant revenue	70,211	2,581,558
State grant revenue	1,773,352	1,248,060
In-kind contributions	1,729,572	1,777,402
Food reimbursements	206,048	224,868
Program income	190,673	110,134
Other income	3,606	330,181
Total support and revenue	9,535,830	10,894,674
Expenses		
Salaries and wages	3,413,760	4,161,848
Fringe benefits	1,648,678	1,755,027
In-kind contributions	1,729,578	1,777,402
Consumable supplies	159,732	122,077
Travel	82,391	91,755
Training	83,082	107,900
Vehicles and equipment	18,199	182
Repairs and maintenance	152,131	134,594
Contractual and consultants	63,230	40,927
Telephone and utilities	250,024	220,476
Operating expenses	236,186	776,084
Insurance	83,565	110,110
Occupancy	99,801	110,174
Transportation	135,888	173,662
Meals	353,232	332,527
Indirect costs	554,703	627,854
Depreciation expense	343,142	390,411
Other post retirement benefits (OPEB)	165,984	714,636
Other expenses	131,666	105,622
Total expenses	9,704,972	11,753,268
INCREASE (DECREASE) IN NET ASSETS	(169,142)	(858,594)
Net assets, beginning of year	501,181	1,359,775
Net assets, end of year	\$ 332,039	\$ 501,181

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 STATEMENTS OF CASH FLOWS
 YEARS ENDED APRIL 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (169,142)	\$ (858,594)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	343,142	390,411
(Increase) decrease in operating assets		
Grants receivable	(42,107)	274,303
Other receivables	27,343	(26,001)
Prepaid expenses	45,615	18,689
Increase (decrease) in liabilities		
Accounts payable	(31,177)	33,109
Accrued salaries and benefits	(8,341)	25,505
Other post retirement benefits	169,557	714,636
Accrued retirement payable	18,671	(362,355)
Accrued annual leave	(3,682)	3,833
Refundable advances	(197,991)	204,775
	<u>151,888</u>	<u>418,311</u>
 Cash flows from investing activities		
Purchase of property and equipment	<u>(571,236)</u>	<u>(211,684)</u>
	<u>(571,236)</u>	<u>(211,684)</u>
 Cash flows from financing activities		
Payments on long-term debt	<u>(29,847)</u>	<u>(1,941)</u>
	<u>(29,847)</u>	<u>(1,941)</u>
 Net increase (decrease) in cash and cash equivalents	(449,195)	204,686
 Cash and cash equivalents, beginning of year	<u>660,763</u>	<u>456,077</u>
 Cash and cash equivalents, end of year	<u><u>\$ 211,568</u></u>	<u><u>\$ 660,763</u></u>
 Supplemental Disclosures of Cash Flows Information		
Long-term debt issued for property and equipment	<u><u>\$ 350,000</u></u>	<u><u>\$ 400,000</u></u>
Cash paid for interest	<u><u>\$ 37,778</u></u>	<u><u>\$ 1,344</u></u>

The Accompanying Notes Are An Integral
 Part Of These Financial Statements

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS - Coalfield Community Action Partnership, Inc. (CCAP) is a nonprofit community action agency located in Williamson, West Virginia created to provide services to low income individuals, families and the elderly primarily in Mingo and surrounding counties in West Virginia. During the fiscal years ended April 30, 2013 and 2012 CCAP was also responsible for the Head Start Program in Mingo and McDowell Counties, West Virginia as well as the Weatherization Programs in Boone, McDowell, Kanawha, and Mingo Counties. The organization is funded primarily through grants and other agreements with the federal and state government.

UNRESTRICTED NET ASSETS - Unrestricted net assets are comprised of funds whose use is limited only to the extent that the organization's by-laws limit the activities of the organization. Contributions with donor-imposed restrictions that are met in the same year in which the contribution is recognized are reported as changes in unrestricted net assets.

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 estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

REVENUE RECOGNITION - Contributions and grants with donor imposed conditions are reported as revenue when qualifying expenses have been incurred or other conditions have been met. Cash received but not yet expended for these conditional grants is recorded as refundable advances. Use of this cash is restricted to the purposes of the grant contribution. Unrestricted grants and contributions are recorded as revenue in the period received.

PROPERTY AND EQUIPMENT - Property and equipment with a cost of \$1,000 or more are capitalized at cost and depreciated over the estimated useful lives of the assets. Useful lives are 5 to 7 years for office equipment and vehicles, and 39 years for land improvements, buildings and building renovations. Contributed assets are recorded at estimated fair value at date of donation.

CONTRIBUTED SERVICES AND SPACE - Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. Contributed services which are recognized are valued at the estimated cost that would have been incurred by the Agency to purchase similar services. Donated space is valued at the estimated fair rental value.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRIBUTIONS - Contribution income is recognized in the period in which the Agency received restricted or unrestricted assets or unconditional promises of future donations. Contribution income is classified as increases in unrestricted, temporarily restricted or permanently restricted net assets based on the existence or absence of such restrictions. Unconditional promises to give that are to be collected within one year are recorded at fair value less any reserve for uncollectable promises, as estimated by management. Unconditional promises to give that are collectible in excess of one year are recorded at their discounted net present value and recorded up to the date.

INCOME TAXES - CCAP is a nonprofit corporation classified under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes derived from its nonprofit activities. For the year ended April 30, 2013, management believes that CCAP has no material uncertain tax positions to be accounted for in the financial statements. As of April 30, 2013, tax years ending on or after April 30, 2010 remain subject to examination.

CASH AND CASH EQUIVALENTS - For purposes of the statements of cash flows, the organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

INVENTORY - Inventory is considered immaterial and, therefore, is charged to expense in the period during which it is purchased instead of being recognized as an asset and being expensed as it is used.

ADVERTISING COSTS - Advertising costs are expensed as incurred. Total advertising costs for the years ended April 30, 2013 and 2012 were \$2,072 and \$2,488, respectively.

SUBSEQUENT EVENTS - In preparing these financial statements, CCAP has evaluated events and transactions for potential recognition or disclosure through January 8, 2014, the date the financial statements were issued.

NOTE 2 -- CASH AND CASH EQUIVALENTS

Federal Deposit Insurance Corporation (FDIC) coverage is \$250,000 for accounts. CCAP maintains the cash balance in their account above this amount; however, CCAP also obtains collateral from the bank to secure their deposits. The collateral totaled \$750,000 at April 30, 2013. Therefore, the balance in CCAP's accounts at April 30, 2013 was fully FDIC insured or collateralized.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED APRIL 30, 2013 AND 2012

NOTE 3 -- PROPERTY AND EQUIPMENT

A summary of property and equipment at April 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 162,115	\$ 162,115
Land Improvements	84,878	27,205
Buildings	1,743,638	967,266
Vehicles & equipment	<u>3,443,687</u>	<u>3,356,496</u>
	5,434,318	4,513,082
Less: Accumulated depreciation	<u>(2,974,358)</u>	<u>(2,631,216)</u>
Property and equipment	<u>\$ 2,459,960</u>	<u>\$ 1,881,866</u>

NOTE 4 -- REFUNDABLE ADVANCES

Refundable advances, which consist of grant funds received by CCAP but not yet expended for qualifying expenses, is comprised of the following at April 30, 2013 and 2012:

<u>Description</u>	<u>2013</u>	<u>2012</u>
Board of Education Collaborative Revenue to be used for HeadStart related projects	\$ 117,000	\$ 331,417
Weatherization	-	2,028
Title IIIB	3,751	-
Energy Express	14,647	11,706
In-home care	<u>30,851</u>	<u>19,089</u>
Total	<u>\$ 166,249</u>	<u>\$ 364,240</u>

NOTE 5 -- CONCENTRATIONS OF CREDIT RISK

The organization provides various services to the elderly and low income individuals on a third-party reimbursement basis. The organization bills the various funding sources in accordance with contractual agreements without requiring collateral or any other security. Grants and other receivables have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been set up as the amount is not considered material.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED APRIL 30, 2013 AND 2012

NOTE 6 -- FUNCTIONAL EXPENSES

CCAP incurred expenditures in the conduct of the following programs for the year ended April 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Head Start Program: CCAP provides comprehensive education activities to eligible Pre-Kindergarten students	\$ 6,045,191	\$ 5,938,194
Weatherization Program: CCAP provides services to reduce the energy costs of low-income families, particularly the elderly, people with disabilities, and children, by improving the energy efficiency of their homes.	1,143,400	2,517,299
Title III Programs: This includes programs for older Americans and covers social support activities including case management, transportation, assessments, etc.	299,096	254,185
Child and Adult Care Food Program: This program is funded by the Department of Education and the USDA and provides reimbursement for providing meals and care to children.	178,394	197,434
CSBG program: CCAP provides emergency assistance to low-income, disabled, or elderly individuals and families and supports other agency programs as needed.	311,685	206,381
Personal Care programs: CCAP provides an in-home care program, funded by the Medicaid program that makes personal assistance available to eligible adults	687,553	718,964
Homelessness Prevention and Rapid Re-Housing Program: CCAP provides financial assistance for rent and utilities to individuals in economic crisis.	5,750	182,601
Other programs that benefit children, senior citizens and families:	<u>1,633,953</u>	<u>1,959,483</u>
Total Expenditures	10,305,022	11,974,541
Depreciation expense under GAAP	343,142	390,411
Less: Direct allocation of building depreciation	(21,956)	-
Less: Purchased capitalized assets	<u>(921,236)</u>	<u>(611,684)</u>
Total expenses	<u>\$ 9,704,972</u>	<u>\$ 11,753,268</u>

NOTE 7 -- RETIREMENT PLANS

West Virginia Public Employees Retirement System - CCAP is a participating employer in the West Virginia Public Employees Retirement System (PERS). This is a cost sharing, multi-employer public employee retirement system which covers employees of the state of West Virginia and various other governmental and non-profit entities. Under this plan, all full-time employees contribute 4.5% of their salary and the organization contributes 14.5% of the employee's salary through July 1, 2012. After July 1, 2012 the organization's contribution decreased to 14%. Effective July 1, 2013, employer contribution rates were increased to 14.5%. Trend information showing the progress of the system in accumulating sufficient assets to pay benefits when due is presented in their annual financial report. Copies can be obtained from the State.

West Virginia Retiree Health Benefits Trust Fund - CCAP participates in the West Virginia Retiree Health Benefits Trust Fund (RHBT) to provide certain other post employment benefits (OPEB). RHBT is a cost-sharing, multiple-employer defined benefits post-employment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). RHBT provides medical benefits to eligible retired employees of participating employers. Eligibility is primarily established through participation in certain defined benefit plans. RHBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust, Building 5, Room 1001, 1900 Kanawha Blvd. East, Charleston, West Virginia, 25305-0710.

Funded Status of plans - The funded status of each plan as of the most recent actuarial valuation date, is as follows (total plan assets and accumulated benefit obligation dollar amounts in thousands):

Pension Fund	Total Plan Assets (in thousands)	Accumulated Benefit Obligation (in thousands)	Percentage Funded	Contributions of CCAP		
				2013	2012	2011
PERS	\$4,322,668	\$5,515,252	65%-80%	\$283,911	\$351,432	\$356,686
RHBT	\$472,079	\$3,841,243	<65%	\$174,829	\$177,634	\$148,702

RHBT / OPEB Liability - All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED APRIL 30, 2013 AND 2012

NOTE 7 -- RETIREMENT PLANS (Continued)

Total OPEB expense consists of amounts currently due to fund the “pay as you go” retiree subsidy and additional amounts billed to participating employers for their portion of the overall plan’s Annual Required Contribution (ARC). The “pay as you go” amounts are included with fringe benefits in the accompanying Statement of Activities. The amounts billed from the RHBT for the ARC are not required to be paid by the participating employers. OPEB costs are accrued based upon invoices received from PEIA based upon actuarially determined amounts. In accordance with professional standards, such amounts billed but unpaid are recorded as expenses with a liability for the cumulative amounts billed but unpaid. The annual amount of such ARC billings are identified separately in the Statement of Activities as a non-operating expense. Following is a summary of OPEB expense for the years ended April 30, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Current “pay as you go” amounts	\$ 174,829	\$ 177,634
Amounts billed for the ARC	<u>165,984</u>	<u>714,636</u>
	<u>\$ 340,813</u>	<u>\$ 892,270</u>

At April 30, 2013 and 2012, the liability related to OPEB cost was \$1,685,621 and \$1,516,064. As of the year ended April 30, 2013 there were no retirees receiving these benefits.

The West Virginia Legislature passed legislation to provide alternate funding sources for the RHBT OPEB unfunded liability. In addition, the PEIA Finance Board imposed limits on the retiree subsidy currently provided for PEIA premiums for retirees. Future increases in the subsidy will be limited to no more than 3% per year. These actions are expected to have a material impact on the amounts billed by the RHBT to CCAP in the future, resulting in credits being issued to reduce the recorded OPEB liability.

Other - The organization also sponsors a defined contribution pension plan for those employees who are not eligible to participate in the West Virginia Public Employees Retirement System. Contributions to the plan for 2013 and 2012 were \$9,864 and \$12,237.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED APRIL 30, 2013 AND 2012

NOTE 8 -- DONATED SERVICES AND OTHER

During 2013 and 2012, the organization received donated services from unpaid volunteers, the use of facilities without charge and other donated items. Such amounts have been recorded as revenue and expenses or capitalized assets by the following programs in the accompanying financial statements:

	<u>2013</u>		<u>2012</u>
	<u>Volunteer Labor</u>	<u>Other</u>	<u>Total</u>
Head Start	\$ 546,344	\$ 1,110,399	\$ 1,656,743
Title IIIB	25,023	-	25,023
Title III-C1	9,828	-	9,828
Title III-C2	19,176	628	19,804
Title IIID	3,018	-	3,018
Title IIIE	837	1,585	2,422
Homeless Prevention and Rapid Re-housing	<u>-</u>	<u>12,734</u>	<u>12,734</u>
Total	<u>\$ 604,226</u>	<u>\$ 1,125,346</u>	<u>\$ 1,729,572</u>
Head Start	\$ 535,067	\$ 1,200,297	\$ 1,735,364
Title IIIB	22,036	80	22,116
Title III-C1	760	-	760
Title III-C2	9,452	-	9,452
Title IIID	1,000	-	1,000
Title IIIE	6,460	1,190	7,650
Respite	<u>9</u>	<u>1,051</u>	<u>1,060</u>
Total	<u>\$ 574,784</u>	<u>\$ 1,202,618</u>	<u>\$ 1,777,402</u>

NOTE 9 -- CONTINGENT LIABILITIES

CCAP's programs are generally funded from federal, state, and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, or expenditures which may be disallowed by grantor agencies cannot be determined at this time.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED APRIL 30, 2013 AND 2012

NOTE 10 -- LONG-TERM DEBT

CCAP borrowed \$400,000 in March 2012 from First National Bank in order to finance the purchase of a new office building in Williamson, WV. The debt matures in March of 2027. Monthly payments are \$3,286 including a fixed rate of interest 5.5%. The debt is secured by the land, land improvements and building. Related interest expense was \$21,443 and \$1,344 for the years ended April 30, 2013 and 2012, respectively.

On June 7, 2012, CCAP entered into a loan agreement with First National Bank for \$350,000 in order to finance remodeling costs related to the purchase of the new office building and land. The loan matures on June 7, 2027. Monthly payments of \$2,875 include a 5.5% fixed interest rate. The debt is secured by the land, land improvements and building. Related interest expense was \$15,776 and \$0 for the years ended April 30, 2013 and 2012, respectively.

Following is a summary of long-term debt maturities for the next five years. This summary includes both loan agreements.

<u>Year Ended April 30,</u>	<u>Amount</u>
2014	\$ 34,748
2015	37,362
2016	39,469
2017	41,696
2018	44,047
Thereafter	<u>520,890</u>
	<u>\$ 718,212</u>

NOTE 11 -- OPERATING LEASES

The Organization leases various facilities for its Head Start and Senior programs as well as its corporate office under operating leases expiring in various years through 2021. Total rent expense charged to operations during the fiscal years ended April 30, 2013 and 2012 was \$121,757 and \$110,174, respectively. As of April 30, 2013, the future annual rental commitments are as follows:

<u>Year Ended April 30,</u>	<u>Amount</u>
2014	\$ 45,728
2015	10,400
2016	9,600
2017	6,850
2018	6,250
Thereafter	<u>7,600</u>
	<u>\$ 86,428</u>

SUPPLEMENTAL INFORMATION

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF FEDERAL, STATE AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS
YEAR ENDED APRIL 30, 2013

Federal Grantor	Department of Health and Human Services											Department of Energy	H.U.D.
	West Virginia Bureau of Senior Services					WVSC Metro Area Agency on Aging							
State Grantor	N/A	Title IIIA-1		Title IIIA-2		Title IIIA-3		Title IIIA-4		Title IIIA-5		N/A	N/A
Pass-Through Grantor	N/A	Title IIIA-1		Title IIIA-2		Title IIIA-3		Title IIIA-4		Title IIIA-5		N/A	N/A
Program Title	Head Start/USDA	Title IIIA-1 Senior Citizens	Title IIIA-2 Nutrition Services	Title IIIA-3 Nutrition Services	Title IIIA-4 Preventative Health	Title IIIA-5 Title III Caregiver Abuse	SHIP	CSBG	Weatherization	Weatherization ARRA	Homelessness Prevention	Emergency Solutions	
<u>Support and Revenue</u>													
Federal, including pass-through	\$ 4,164,102	\$ 38,029	\$ 40,306	\$ 92,680	\$ 1,634	\$ 6,112	\$ 4,000	\$ 309,115	\$ 349,996	\$ 532,116	\$ -	\$ 23,164	
ARRA	-	-	-	-	-	-	-	-	-	64,461	5,750	-	
State, including pass-through	472,783	27,172	(380)	27,896	1,096	-	-	-	3,618	-	-	-	
In-kind revenue	1,656,743	25,023	9,822	19,810	3,018	2,422	-	-	-	-	-	12,734	
Food reimbursements	147,267	-	6,027	25,100	-	-	-	-	-	-	-	-	
Program income	6,360	-	834	-	-	-	-	-	399	-	-	-	
Other income	-	-	-	-	-	-	-	-	-	-	-	-	
Total support and revenue	6,447,255	90,224	56,609	165,486	5,748	8,534	4,000	309,115	354,013	596,577	5,750	35,898	
<u>Expenditures</u>													
Salary and wages	2,039,190	32,707	29,463	19,572	-	(528)	2,675	108,743	114,317	265,466	3,189	8,516	
Fringe benefits	1,116,070	9,671	8,349	11,218	-	6,009	846	38,234	82,800	155,910	2,891	2,238	
In-kind contributions	1,656,743	25,023	9,828	19,810	3,018	2,422	-	-	-	-	-	12,734	
Consumable supplies	102,892	338	1,828	6,481	-	-	-	13,285	746	4,457	-	-	
Travel	43,129	2,198	112	88	-	-	-	8,126	-	(821)	-	-	
Training	75,953	-	-	-	1,789	-	-	-	560	(4,666)	-	-	
Vehicles and equipment	24,708	-	-	-	-	-	-	714	-	341	-	-	
Repairs and maintenance	130,187	(20)	438	4,630	-	-	-	53,253	1,389	7,641	-	-	
Consultant/contractual	49,818	563	-	-	-	-	-	7,477	2,766	-	-	-	
Telephone and utilities	175,922	7,016	3,505	1,704	-	-	-	14,053	6,286	10,779	-	-	
Operating expenses	16,617	1,423	-	-	-	-	-	12,078	95,943	69,751	-	11,156	
Insurance	49,805	(1,496)	-	1,026	-	-	-	3,498	8,110	11,251	-	-	
Occupancy	58,594	5,948	1,800	380	-	-	-	2,356	6,824	11,997	-	-	
Transportation	80,594	-	-	5,838	-	-	-	1,574	9,254	25,329	-	-	
Meals	201,376	394	23,380	66,458	-	-	-	-	-	-	-	-	
Other	28,070	524	509	1,351	941	400	-	18,722	260	226	-	60	
Subtotal	5,849,668	84,289	79,212	138,556	5,748	7,903	3,521	286,227	329,255	557,661	6,080	34,704	
Allocation of indirect costs	335,331	5,935	4,776	3,639	-	165	479	18,593	24,516	37,221	(330)	1,194	
Direct allocation of building depreciation	7,459	-	-	-	-	-	-	6,865	242	1,695	-	-	
Total expenditures	6,192,458	90,224	85,988	142,195	5,748	8,068	4,000	311,685	354,013	596,577	5,750	35,898	
Total support and revenue over expenditures	254,797	-	(27,379)	23,291	-	466	-	(2,570)	-	-	-	-	
Direct allocation of building depreciation	7,459	-	-	-	-	-	-	6,865	242	1,695	-	-	
Depreciation expense under GAAP	-	-	-	-	-	-	-	-	-	-	-	-	
Purchased capitalized assets	-	-	-	-	-	-	-	-	-	-	-	-	
Other post retirement benefits (OPEB)	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer in (out)	(253,975)	-	15,223	(15,223)	-	-	-	(1,605)	-	-	-	-	
INCREASE (DECREASE) IN NET ASSETS	8,281	-	(12,156)	8,068	-	466	-	2,690	242	1,695	-	-	
Beginning net assets	-	-	8,928	(18,177)	-	(480)	-	-	-	-	-	-	
Ending net assets	\$ 8,281	\$ -	\$ (3,228)	\$ (10,109)	\$ -	\$ (14)	\$ -	\$ 2,690	\$ 242	\$ 1,695	\$ -	\$ -	

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 SCHEDULE OF FEDERAL, STATE AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS
 YEAR ENDED APRIL 30, 2013

Federal Grantor	N/A		N/A		N/A		N/A	
	West Virginia Office of Economic Opportunity	West Virginia Bureau of Senior Services	West Virginia Bureau of Senior Services	West Virginia Bureau of Senior Services	West Virginia Bureau of Senior Services	West Virginia Bureau of Senior Services	West Virginia Bureau of Senior Services	
State Grantor	N/A		N/A		N/A		N/A	
Pass-Through Grantor	N/A		N/A		N/A		N/A	
Program Title	Weatherization AEP	Weatherization APCO DSM	LIFE	In Home Services	Respite	Lighthouse	Other	Totals
<u>Support and Revenue</u>								
Federal, including pass-through	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,562,568
ARRA	-	-	-	-	-	-	-	70,211
State, including pass-through	125,784	67,026	188,755	613,020	31,091	160,384	55,107	1,773,352
In-kind revenue	-	-	-	-	-	-	-	1,729,572
Food reimbursements	-	-	-	-	-	-	27,654	206,048
Program income	-	-	-	58,922	-	-	124,158	190,673
Other income	-	-	-	-	-	-	3,606	3,606
Total support and revenue	125,784	67,026	188,755	671,942	31,091	160,384	210,525	9,555,830
<u>Expenditures</u>								
Salary and wages	57,206	37,745	71,672	414,707	20,286	101,690	87,144	3,413,760
Fringe benefits	28,588	12,754	43,880	137,467	7,789	30,298	(46,334)	1,648,678
In-kind contributions	-	-	-	-	-	-	-	1,729,578
Consumable supplies	-	-	2,506	8,372	-	861	17,966	159,732
Travel	-	1,227	616	15,682	2,254	6,808	2,972	82,391
Training	-	4,665	450	2,359	-	30	1,228	83,082
Vehicles and equipment	429	-	6,607	2,053	-	-	20,022	108,802
Repairs and maintenance	95	-	8,858	367	-	-	820,325	982,764
Consultant/contractual	-	-	218	-	-	10	(1,432)	63,230
Telephone and utilities	190	-	17,806	10,210	500	2,000	2,028	250,024
Operating expenses	28,592	2,805	302	4,037	139	139	1,784	236,186
Insurance	-	-	8,973	219	-	-	849	83,565
Occupancy	1,862	-	9,694	346	-	-	-	99,801
Transportation	-	2,012	2,025	-	-	-	9,262	135,888
Meals	-	-	(22)	-	-	-	61,646	353,232
Other	-	-	1,298	24,646	25	220	54,414	131,666
Subtotal	116,962	61,208	174,883	620,465	30,993	142,056	1,031,874	9,562,379
Allocation of indirect costs	8,822	5,818	11,179	64,086	3,239	16,318	13,722	554,703
Direct allocation of building depreciation	-	-	2,693	3,002	-	-	-	21,956
Total expenditures	125,784	67,026	188,755	687,553	34,232	158,374	1,045,596	10,139,038
Total support and revenue over expenditures	-	-	-	(15,611)	(3,141)	2,010	(835,071)	(603,208)
Direct allocation of building depreciation	-	-	2,693	3,002	-	-	-	21,956
Depreciation expense under GAAP	-	-	-	-	-	-	(343,142)	(343,142)
Purchased capitalized assets	-	-	-	-	-	-	921,236	921,236
Other post retirement benefits (OPEB)	-	-	-	-	-	-	(165,984)	(165,984)
Transfer in (out)	-	-	-	8	-	(7)	255,579	-
INCREASE (DECREASE) IN NET ASSETS	-	-	2,693	(12,601)	(3,141)	2,003	(167,382)	(169,142)
Beginning net assets	-	-	-	20,436	(401)	(3,338)	494,213	501,181
Ending net assets	\$ -	\$ -	\$ 2,693	\$ 7,835	\$ (3,542)	\$ (1,335)	\$ 326,831	\$ 332,039

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
HEAD START - AWARD NUMBER 03CH077847
GRANT PERIOD MAY 1, 2012 TO APRIL 30, 2013

19

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal/pass-through grant revenue	\$ 4,164,102	\$ 4,164,102	\$ -
In-kind contributions	1,033,682	1,656,743	(623,061)
Program revenue	-	942	(942)
Other revenue	-	-	-
Total support and revenue	<u>5,197,784</u>	<u>5,821,787</u>	<u>(624,003)</u>
Expenses			
Salaries and wages	2,109,756	2,036,623	73,133
Fringe benefits	1,016,340	1,011,979	4,361
In-kind contributions	1,033,682	1,656,743	(623,061)
Consumable supplies	66,500	70,554	(4,054)
Travel	44,591	40,756	3,835
Training	60,000	74,689	(14,689)
Repairs and maintenance	87,000	124,284	(37,284)
Telephone and utilities	152,300	175,009	(22,709)
Operating expenses	16,700	16,616	84
Occupancy	62,000	65,353	(3,353)
Meals	-	54,731	(54,731)
Transportation	60,000	80,857	(20,857)
Vehicles and equipment	8,000	9,604	(1,604)
Contractual	26,300	20,960	5,340
Insurance	46,020	48,476	(2,456)
Indirect costs	386,895	311,603	75,292
Other expenses	21,700	22,950	(1,250)
Total expenses	<u>5,197,784</u>	<u>5,821,787</u>	<u>(624,003)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
 OLDER AMERICANS ACT - TITLE III-B, III-D, AND III-E - GRANT NUMBER 21236
 GRANT PERIOD OCTOBER 1, 2011 TO SEPTEMBER 30, 2012

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal/pass-through grant revenue	\$ 51,285	\$ 51,285	\$ -
State grant revenue	23,960	23,960	-
In-kind contributions	<u>11,352</u>	<u>14,505</u>	<u>(3,153)</u>
Total support and revenue	<u>86,597</u>	<u>89,750</u>	<u>(3,153)</u>
Expenses			
Salaries and wages	10,145	31,979	(21,834)
Fringe benefits	10,746	17,369	(6,623)
In-kind contributions	11,352	14,505	(3,153)
Consumable supplies	944	897	47
Travel	1,311	3,142	(1,831)
Repairs and maintenance	-	65	(65)
Contractual and consultants	-	553	(553)
Telephone and utilities	6,389	6,691	(302)
Operating expenses	578	712	(134)
Occupancy	5,123	5,468	(345)
Meals	-	399	(399)
Indirect costs	1,927	5,781	(3,854)
Other expenses	1,838	2,189	(351)
Priority services- budget only	<u>36,244</u>	<u>-</u>	<u>36,244</u>
Total expenses	<u>86,597</u>	<u>89,750</u>	<u>(3,153)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
 WEATHERIZATION DHHR GRANT - GRANT NUMBER 2011-WX-1002
 GRANT PERIOD JULY 1, 2010 TO JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
State grant revenue	\$ 515,207	\$ 515,207	\$ -
Program revenue	<u>-</u>	<u>399</u>	<u>(399)</u>
Total support and revenue	<u>515,207</u>	<u>515,606</u>	<u>(399)</u>
Expenses			
Salaries and wages	209,281	214,772	(5,491)
Fringe benefits	116,898	111,404	5,494
Consumable Supplies	1,027	1,027	-
Training	596	596	-
Vehicles and equipment	1,389	1,389	-
Repairs and maintenance	5,904	5,963	(59)
Telephone and utilities	9,567	9,518	49
Operating expenses	97,767	98,150	(383)
Insurance	8,110	8,110	-
Occupancy	10,224	10,224	-
Transportation	19,965	19,965	-
Indirect Costs	34,115	34,116	(1)
Other expenses	<u>364</u>	<u>372</u>	<u>(8)</u>
Total expenses	<u>515,207</u>	<u>515,606</u>	<u>(399)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
 ELDER ABUSE - GRANT NUMBER 21233
 GRANT PERIOD OCTOBER 1, 2011 TO SEPTEMBER 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal/pass-through grant revenue	\$ 557	\$ 557	\$ -
Total support and revenue	<u>557</u>	<u>557</u>	<u>-</u>
 Expenses			
Training	357	357	-
Other expenses	<u>200</u>	<u>200</u>	<u>-</u>
Total expenses	<u>557</u>	<u>557</u>	<u>-</u>
 Increase (decrease) in net assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
COMMUNITY SERVICES BLOCK GRANT- GRANT NUMBER 2012-0004
GRANT PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
State Grant Revenue	\$ 255,597	\$ 255,597	\$ -
Total support and revenue	<u>255,597</u>	<u>255,597</u>	<u>-</u>
Expenses			
Salaries and wages	106,082	106,082	-
Fringe benefits	34,101	34,100	1
Consumable supplies	13,153	13,154	(1)
Travel	6,395	6,395	-
Training	500	500	-
Vehicles and equipment	22,323	22,324	(1)
Repairs and maintenance	8,817	8,817	-
Contractual and consultants	744	744	-
Telephone and utilities	12,528	12,528	-
Operating expenses	4,277	4,276	1
Insurance	2,714	2,714	-
Occupancy	8,145	8,145	-
Transportation	1,425	1,425	-
Indirect costs	19,541	19,541	-
Other expenses	<u>14,852</u>	<u>14,852</u>	<u>-</u>
Total expenses	<u>255,597</u>	<u>255,597</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
SUMMARY SCHEDULE OF STATE AWARDS
YEAR ENDED APRIL 30, 2013

Grantor Name/Program Title	Grant/ Fund Account Number	Award Amount	Receivable (Refundable) 4/30/2012	Receipts	Expenditures	Receivable (Refundable) 4/30/2013
WVSC Metro Area Agency on Aging:						
Title IIIB Senior Services	21336	\$ 23,065	\$ -	\$ 23,065	\$ 19,314	\$ (3,751)
Title IIIB Senior Services	21236	23,805	-	2,805	2,805	-
Title IIIC Nutrition Services	N/A	N/A	-	27,516	44,523	17,007
Legislative Initiatives for the Elderly - LIFE	21203	186,246	69,598	89,533	19,935	-
Legislative Initiatives for the Elderly - LIFE	21303	185,670	-	115,066	168,820	53,754
WV Bureau of Senior Services:						
Alzheimer's Respite	21350	37,167	-	31,091	31,091	-
Lighthouse In Home Services	21350	191,584	-	138,612	157,754	19,142
Lighthouse In Home Services	21250	191,584	-	21,772	21,772	-

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED APRIL 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Head Start	93.600	N/A	\$ 4,164,102
Passed-through WVSC Metro Area Agency on Aging			
Aging Cluster			
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	21236, 21336	38,029
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	N/A	132,986
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services	93.043	21236, 21336	1,634
National Family Caregiver Support, Title III, Part E	93.052	21236, 21336	6,112
Elder Abuse	93.041	21233	1,114
Health Benefits/SHIP	93.779	21271, 21371	4,000
Passed- through WV Office of Economic Opportunity			
Low-Income Home Energy Assistance	93.568	2011-WX-1002	349,996
Community Services Block Grant	93.569	2012-0004	185,307
Community Services Block Grant	93.569	2013-0003	79,744
Community Services Block Grant	93.569	2012-0006	44,064
Emergency Solutions Grant	14.231	20837, 21813	23,164
U.S. Department of Housing and Urban Development			
Passed-through WV Office of Economic Opportunity			
Homelessness Prevention and Rapid Re-housing Program	14.257	not available	5,750
U.S. Department of Energy			
Passed-through WV Office of Economic Opportunity			
Weatherization Assistance for Low-Income Persons	81.042	2011-WX-1002	532,116
Weatherization Assistance for Low-Income Persons - ARRA	81.042	2011-1002	64,461
U.S. Department of Agriculture, Food and Nutrition Service			
Passed-through WV Department of Education, Office of Child Nutrition			
Child and Adult Food Care Program	10.558	not available	178,394
Summer Food Service Program	10.559	not available	27,654
Total Expenditures of Federal Awards			\$ 5,838,627

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED APRIL 30, 2013

26

NOTE 1 -- BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of CCAP and is prepared 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 preparation of the financial statements.

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
AUDITEE'S SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED APRIL 30, 2013

27

Program	Findings/Noncompliance	Questioned Cost
---------	------------------------	--------------------

There were no prior year Single Audit findings.

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

Board of Directors
Coalfield Community Action Partnership, Inc.
Williamson, West Virginia

We have audited, 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, the financial statements of Community Action Partnership (CCAP), which comprise the statement of financial position as of April 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 8, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CCAP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CCAP's internal control. Accordingly, we do not express an opinion on the effectiveness of CCAP's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CCAP'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CCAP's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCAP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Seattle & Stalaker, PLLC".

Charleston, West Virginia
January 8, 2014

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

Board of Directors
Coalfield Community Action Partnership Inc.
Williamson, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Coalfield Community Action Partnership's (CCAP's) compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of CCAP's major federal programs for the year ended April 30, 2013. CCAP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CCAP's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CCAP's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CCAP's compliance.

Opinion on Each Major Federal Program

In our opinion, CCAP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2013.

Report on Internal Control Over Compliance

Management of CCAP is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CCAP's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CCAP's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Charleston, West Virginia
January 8, 2014

COALFIELD COMMUNITY ACTION PARTNERSHIP, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED APRIL 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

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

Type of auditor's report issued on compliance for major
programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start
81.042	Weatherization Assistance for Low-Income Persons, including ARRA
93.568	Low-Income Home Energy Assistance
93.569	Community Services Block Grant

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

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

SECTION II

FINANCIAL STATEMENT

FINDINGS SECTION

None

SECTION III

FEDERAL AWARD FINDINGS
AND QUESTIONED COSTS SECTION

None