

**Independent Auditors' Report
and Related Financial Statements**

For the Year Ended October 31, 2013

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

**Teed & Associates, PLLC
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NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

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Teed & Associates, PLLC

Certified Public Accountants

Established 1992

Member, American Institute of Certified Public Accountants

Member, West Virginia Society of Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Nicholas Community Action Partnership Inc., West Virginia (a nonprofit organization), which comprise the statement of financial position as of October 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

To The Board of Directors
Nicholas Community Action Partnership, Inc.
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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.

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 Nicholas Community Action Partnership Inc., West Virginia, as of October 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Auditing Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial

To The Board of Directors
Nicholas Community Action Partnership, Inc.
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statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2014, on our consideration of Nicholas Community Action Partnership Inc., West Virginia'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 Nicholas Community Action Partnership Inc., West Virginia's internal control over financial reporting and compliance.

Reed & Associates, PLLC

Charleston, West Virginia
June 19, 2014

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Statement of Financial Position

October 31, 2013

	<u>2013</u>	<u>2012</u>
ASSETS:		
Current assets:		
Cash	\$ 121,486	\$ 163,473
Investments	286,424	285,666
Accounts receivable for reimbursable program expenditures	160,482	232,404
Prepaid assets	<u>40,760</u>	<u>44,431</u>
Total current assets	<u>609,152</u>	<u>725,974</u>
Fixed assets:		
Buildings and fixtures net	153,431	163,632
Land	<u>383,760</u>	<u>383,760</u>
Total capital assets	<u>537,191</u>	<u>547,392</u>
Total assets	<u>\$ 1,146,343</u>	<u>\$ 1,273,366</u>
LIABILITIES AND NET ASSETS:		
Current liabilities		
Accounts payable	\$ 24,455	\$ 68,826
Refundable advances	-	42,487
Accrued wages	<u>30,188</u>	<u>87,889</u>
Total current liabilities	<u>54,643</u>	<u>199,202</u>
Long-term liabilities		
Accrued compensated absences	85,983	87,344
Notes payable less current	<u>275,866</u>	<u>301,305</u>
Total long-term liabilities	<u>361,849</u>	<u>388,649</u>
Net assets:		
Unrestricted	<u>729,850</u>	<u>685,515</u>
Total net assets	<u>729,850</u>	<u>685,515</u>
Total liabilities and net assets	<u>\$ 1,146,343</u>	<u>\$ 1,273,366</u>

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

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Statement of Activities

For the Year Ended October 31, 2013

	<u>2013</u>	<u>2012</u>
REVENUE:		
Grant revenue		
Federal	\$ 1,195,257	\$ 1,418,026
State	1,214,389	912,378
Local	5,000	-
In-kind	215,593	187,191
Program income	340,188	250,801
Interest income	925	2,791
Other income	<u>2,602</u>	<u>173,565</u>
Total revenue	<u>2,973,955</u>	<u>2,944,752</u>
EXPENSES:		
Salaries	1,434,943	1,429,656
Fringe benefits	284,255	375,127
In-kind	215,593	187,191
Contracted services	3,787	6,261
Equipment	4,720	1,177
Food purchases	204,804	196,098
Indirect cost	291,219	366,306
Insurance	81,181	30,853
Materials and supplies	78,701	85,831
Interest	7,655	11,326
Program costs	139,499	59,435
Professional fees	10,000	11,495
Rentals	4,200	4,200
Travel	44,668	30,815
Utilities	50,833	50,192
Vehicle	23,210	34,153
Repairs and maintenance	38,153	10,830
Depreciation	5,452	5,748
Miscellaneous	<u>6,748</u>	<u>19,101</u>
Total expenses	<u>2,929,620</u>	<u>2,915,795</u>
Change in net assets	44,335	28,957
Net assets at beginning of year	<u>685,515</u>	<u>656,558</u>
Net assets at end of year	<u>\$ 729,850</u>	<u>\$ 685,515</u>

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

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Statement of Cash Flows

For the Year Ended October 31, 2013

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers	\$ 3,047,866	\$ 2,944,752
Cash paid to suppliers and contractual	<u>(3,070,088)</u>	<u>(2,806,219)</u>
Net cash provided (used) by operating activities	<u>(22,222)</u>	<u>138,533</u>
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(25,439)	(19,474)
Disposal of property and equipment	<u>4,750</u>	<u>-</u>
Net cash (used) by financing activities	<u>(20,690)</u>	<u>(19,474)</u>
Cash flows from investing activities:		
Purchase of investment.	-	(2,737)
Interest earned	<u>925</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>925</u>	<u>(2,737)</u>
Net increase (decrease) in cash and equivalents	(41,986)	116,322
Cash and equivalents, beginning	<u>163,472</u>	<u>47,151</u>
Cash and equivalents, ending	<u>\$ 121,486</u>	<u>\$ 163,473</u>
<u>Reconciliation of operating income:</u>		
Operating income	\$ 43,410	\$ 28,957
Adjustments:		
Depreciation and amortization	5,452	11,035
(Increase) decrease in accounts receivable	71,922	36,515
(Increase) decrease in prepaid expenses	3,671	9,144
(Increase) decrease in investments	(757)	-
Increase (decrease) in payroll liabilities	(57,701)	11,331
Increase (decrease) in accounts payable	(86,857)	(1,634)
Increase (decrease) in refundable advances	-	42,487
Increase (decrease) in compensated absences	<u>(1,361)</u>	<u>698</u>
Total adjustments	<u>(65,631)</u>	<u>109,576</u>
Net cash provided by operating activities	<u>\$ (22,222)</u>	<u>\$ 138,533</u>

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

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Notes to the Financial Statements

For the Year Ended October 31, 2013

NOTE 1. DESCRIPTION OF ORGANIZATION

Nicholas Community Action Partnership, Inc. (NCAP) is a non-profit organization organized to carry out community action programs in Nicholas County, West Virginia, which are generally funded by grants from local, state, and federal government agencies. Such grants usually require compliance with prescribed grant conditions and other special requirements, including the furnishing of certain amounts of cash and non-cash contributions. NCAP provides services designed to combat problems of poverty and to seek the elimination or reduction of conditions of poverty.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Reporting

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when the obligation is incurred.

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 the reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

Cash includes deposits with financial institutions in operating accounts. All program receipts and disbursements are deposited and disbursed from a consolidated operating account.

Investments

Investments consist of certificates of deposit with local financial institutions with original maturities in excess of ninety days. Investments are carried at cost which approximates fair value.

Property and Equipment

Land, buildings, and fixtures are stated at cost or fair value based on appraisal at the date of donation. Depreciation has been provided over the estimated useful lives of the buildings and fixtures which range from 5 to 40 years, using the straight-line method. NCAP expenses capital assets purchased with grant monies where title to such assets remains with the grantor agency.

Grants and Contract Support

NCAP recognizes revenue from its cost reimbursable grants as these costs are incurred. Grant funds are received based on requests for reimbursement from the applicable agency and a liability for refundable advances is recorded when grant advances exceed costs incurred. Similarly, a receivable is recognized when costs exceed the grant advances to the extent that funding is available for reimbursement.

In-Kind Contributions

In-kind contributions for volunteer services related to the Head Start Program are provided by qualified volunteers and are recognized as revenues and expenses in the year rendered based upon rates established by the Department of Labor. Revenue and the related expense for donated transportation, facility use, materials, and supplies are recorded at fair market value in the years received.

Net Asset Classification

Net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted Net Assets – Unrestricted net assets that are not subject to donor-imposed stipulations.
- Temporarily and Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met either by actions of Nicholas Community Action Partnership, Inc. and/or the passage of time.

Income Taxes

NCAP is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to taxes on income derived from its exempt activities. NCAP is classified as an organization that is not a private foundation under Section 509(a)(2). NCAP is generally no longer subject to examination by taxing authorities for years prior to 2009.

Interfund Activity

All interfund transactions of support to/from programs and due to/from program balances are eliminated in the accompanying financial statements.

Subsequent Events

The date to which events occurring after October 31, 2013, have been evaluated for possible adjustment to or disclosure in the financial statements is June 19, 2014, which is the date the financial statements were available to be issued.

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at October 31, 2013, was \$121,486.

NOTE 4. INVESTMENTS

Investments, valued at fair market value as of October 31, 2013, are summarized as follows:

Investments at market value	<u>\$ 286,424</u>
Total investments	<u>\$ 286,424</u>

NOTE 5. ALLOCATION OF INDIRECT COSTS

NCAP allocates certain administrative costs to the various programs based upon the ratio of each program's direct costs to total direct costs, excluding capital expenditures and certain food purchases. Allocated administrative costs for the years ended October 31, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Salaries	\$ 159,174	\$ 208,155
Fringe benefits	50,665	67,634
Contracted services	22,947	27,782
Telephone and utilities	12,610	13,525
Travel	3,559	11,091
Office supplies	9,058	6,347
Interest	4,797	6,475
Program costs	-	85
Depreciation	4,749	5,286
Other	<u>23,660</u>	<u>19,926</u>
Total allocated indirect costs	<u>\$ 291,219</u>	<u>\$ 366,306</u>

NOTE 6. IN-KIND CONTRIBUTIONS AND GRANT MATCHING REQUIREMENTS

NCAP receives donated services from non-qualified persons in order to meet matching requirements of certain programs. These services do not meet the criteria for reporting revenue and related expenses in these financial statements under U.S. generally accepted accounting principles. The value of these services as estimated by management amounted to \$36,077 and \$32,553, for the years ended October 31, 2013 and 2012, respectively.

NOTE 7. RETIREMENT PLAN

NCAP sponsors a defined contribution 401(k) retirement plan for all employees who meet the eligibility requirements of the plan. NCAP matches 50 percent of employee contributions up to 6.0 percent of compensation. Employer contributions for the years ended October 31, 2013 and 2012, were \$17,026 and \$14,847, respectively.

NOTE 8. PROPERTY AND EQUIPMENT

As described in Note 2, significant items of property and equipment have been funded from governmental and other grant proceeds. These grantors have residual interests in the property. The following summarizes assets identifiable to those grantors at October 31, 2013.

	Totals <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Totals <u>June 30, 2013</u>
Nondepreciable capital assets:				
Land	\$ 383,760	\$ -	\$ -	\$ 383,760
Total nondepreciable	<u>383,760</u>	<u>-</u>	<u>-</u>	<u>383,760</u>
Capital assets being depreciated:				
Buildings and equipment	346,240	-	-	346,240
Total capital assets being depreciated	<u>346,240</u>	<u>-</u>	<u>-</u>	<u>346,240</u>
Less accumulated depreciation for:				
Buildings and equipment	182,608	10,201	-	192,809
Total accumulated depreciation	<u>182,608</u>	<u>10,201</u>	<u>-</u>	<u>192,809</u>
Total capital assets being depreciated, net	<u>\$ 547,392</u>	<u>\$ (10,201)</u>	<u>\$ -</u>	<u>\$ 537,191</u>

NOTE 9. LONG-TERM DEBT

Long-term debt consists of a note payable to a bank, due in monthly installments of \$3,160, including interest, with a final payment due on July 15, 2022. The note bears interest at a fixed rate of 4.25 percent. The note payable is secured by buildings and land. Interest paid for the fiscal years ended October 31, 2013 and 2012, was \$12,743 and \$17,801, respectively, including amounts comprising indirect costs. Maturities of long-term debt are as follows for the years ended October 31st:

<u>October 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 26,597	\$ 11,210	\$ 37,807
2015	27,750	10,058	37,807
2016	28,952	8,855	37,807
2017	30,207	7,600	37,807
2018	31,516	6,291	37,807
2019 - 2023	<u>130,843</u>	<u>9,745</u>	<u>140,588</u>
Totals	<u>\$ 275,866</u>	<u>\$ 53,759</u>	<u>\$ 329,625</u>

SUPPLEMENTARY INFORMATION

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Activity by Program

For the Year Ended October 31, 2013

REVENUES:	Head Start	CSBG	Non Weatherization	Weatherization
Grant revenue				
Federal	\$ 817,986	\$ 254,971	\$ -	\$ -
State	-	-	-	-
Local	-	-	-	-
In-kind	215,593	-	-	-
Program income	137,130	-	-	132,494
Interest income	-	-	-	-
Other income	1,500	-	-	-
Total revenue	<u>1,172,209</u>	<u>254,971</u>	<u>-</u>	<u>132,494</u>
EXPENSES:				
Salaries	585,576	66,132	98	62,854
Fringe benefits	145,928	19,652	(404)	18,956
In-kind	215,593	-	-	-
Contracted services	-	1,118	-	1,911
Equipment	-	-	665	4,054
Food purchases	21,490	138	-	-
Indirect cost	105,893	15,516	234	17,576
Insurance	27,921	2,223	-	10,594
Materials and supplies	10,789	5,108	15	23,066
Interest	1,151	-	-	2,858
Program costs	21,682	9,461	1	4,581
Professional fees	-	10,000	-	-
Rentals	2,450	-	-	-
Travel	15,565	828	-	909
Utilities	16,926	1,195	-	8,026
Vehicle	1,077	-	-	6,058
Repairs and maintenance	12,963	-	-	-
Depreciation	1,074	-	1,245	-
Miscellaneous	969	5,424	-	108
Total expenses	<u>1,187,048</u>	<u>136,793</u>	<u>1,856</u>	<u>161,552</u>
Change in net assets	(14,840)	118,178	(1,856)	(29,059)
Net assets at beginning of year	-	-	(594)	-
Support from other programs	14,840	(49,129)	-	29,059
Net assets at end of year	<u>\$ -</u>	<u>\$ 69,049</u>	<u>\$ (2,450)</u>	<u>\$ -</u>

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Activity by Program – Continued

For the Year Ended October 31, 2013

REVENUES:	Title III B	Title III D	Title III C	Title III E	Right from the Start
Grant revenue					
Federal	\$ 32,898	\$ 669	\$ 63,425	\$ 12,037	\$ -
State	12,938	-	157,099	-	-
Local	-	-	-	-	-
In-kind	-	-	-	-	-
Program income	-	-	49,515	187	2,028
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenue	<u>45,836</u>	<u>669</u>	<u>270,039</u>	<u>12,224</u>	<u>2,028</u>
EXPENSES:					
Salaries	28,711	438	92,038	10,423	1,673
Fringe benefits	3,231	48	12,946	1,159	490
In-kind	-	-	-	-	-
Contracted services	-	-	-	-	-
Equipment	-	-	-	-	-
Food purchases	-	-	183,165	-	-
Indirect cost	5,881	107	44,839	1,462	501
Insurance	1,404	10	14,845	367	55
Materials and supplies	-	-	22,656	-	734
Interest	-	-	2,590	-	-
Program costs	54	169	5,175	-	-
Professional fees	-	-	-	-	-
Rentals	-	-	-	-	-
Travel	2,264	209	2,629	-	713
Utilities	1,802	-	18,775	-	437
Vehicle	10,585	-	5,491	-	-
Repairs and maintenance	-	-	3,557	-	-
Depreciation	-	-	2,418	-	-
Miscellaneous	23	-	222	-	-
Total expenses	<u>53,956</u>	<u>981</u>	<u>411,346</u>	<u>13,411</u>	<u>4,603</u>
Change in net assets	(8,119)	(312)	(141,307)	(1,187)	(2,575)
Net assets at beginning of year	-	-	-	-	-
Support from other programs	<u>8,119</u>	<u>312</u>	<u>141,307</u>	<u>2,151</u>	<u>2,575</u>
Net assets at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 965</u>	<u>\$ -</u>

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Activity by Program – Continued

For the Year Ended October 31, 2013

REVENUES:	Emergency Food and Shelter	LIFE	Medicaid	Lighthouse	FAIR
Grant revenue					
Federal	\$ 6,084	\$ -	\$ 4,000	\$ -	\$ -
State	-	366,662	456,881	168,456	39,588
Local	-	-	-	-	-
In-kind	-	-	-	-	-
Program income	-	3,583	2,409	8,114	3,692
Interest income	-	-	146	-	-
Other income	-	-	34	-	-
Total revenue	<u>6,084</u>	<u>370,246</u>	<u>463,471</u>	<u>176,570</u>	<u>43,281</u>
EXPENSES:					
Salaries	-	153,193	266,119	105,196	35,482
Fringe benefits	-	24,001	32,594	12,984	4,993
In-kind	-	-	-	-	-
Contracted services	-	-	-	-	-
Equipment	-	-	-	-	-
Food purchases	-	-	11	-	-
Indirect cost	545	27,494	42,497	15,572	5,242
Insurance	-	11,132	7,826	3,095	984
Materials and supplies	-	1,914	9,231	680	914
Interest	-	-	672	-	-
Program costs	5,992	4,036	80,281	914	1,177
Professional fees	-	-	-	-	-
Rentals	-	-	-	-	-
Travel	-	5,782	10,336	4,420	-
Utilities	-	-	2,811	-	-
Vehicle	-	-	-	-	-
Repairs and maintenance	-	-	3,426	-	-
Depreciation	-	-	714	-	-
Miscellaneous	-	-	-	-	1
Total expenses	<u>6,537</u>	<u>227,552</u>	<u>456,516</u>	<u>142,862</u>	<u>48,793</u>
Change in net assets	(453)	142,694	6,955	33,708	(5,513)
Net assets at beginning of year	-	-	468,253	-	2,226
Support from other programs	<u>453</u>	<u>(146,692)</u>	<u>(7,746)</u>	<u>-</u>	<u>1,632</u>
Net assets at end of year	<u>\$ -</u>	<u>\$ (3,998)</u>	<u>\$ 467,462</u>	<u>\$ 33,708</u>	<u>\$ (1,655)</u>

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Activity by Program – Continued

For the Year Ended October 31, 2013

REVENUES:	Community Participation	WV Housing CHDO	Market Place	General	Totals All Programs
Grant revenue					
Federal	\$ -	\$ -	\$ 3,187	\$ -	\$ 1,195,257
State	12,764	-	-	-	1,214,389
Local	-	-	-	5,000	5,000
In-kind	-	-	-	-	215,593
Program income	-	747	-	289	340,188
Interest income	-	-	-	779	925
Other income	-	-	-	1,068	2,602
Total revenue	<u>12,764</u>	<u>747</u>	<u>3,187</u>	<u>7,136</u>	<u>2,973,955</u>
EXPENSES:					
Salaries	-	1,209	2,047	23,752	1,434,943
Fringe benefits	-	386	228	7,063	284,255
In-kind	-	-	-	-	215,593
Contracted services	-	-	-	759	3,787
Equipment	-	-	-	-	4,720
Food purchases	-	-	-	-	204,804
Indirect cost	916	324	347	6,271	291,219
Insurance	-	19	35	671	81,181
Materials and supplies	-	-	490	3,104	78,701
Interest	-	-	-	384	7,655
Program costs	5,264	-	-	713	139,499
Professional fees	-	-	-	-	10,000
Rentals	-	-	-	1,750	4,200
Travel	-	1,012	-	-	44,668
Utilities	-	-	40	821	50,833
Vehicle	-	-	-	-	23,210
Repairs and maintenance	7,500	-	-	10,707	38,153
Depreciation	-	-	-	-	5,452
Miscellaneous	-	-	-	-	6,747
Total expenses	<u>13,681</u>	<u>2,950</u>	<u>3,187</u>	<u>55,996</u>	<u>2,929,619</u>
Change in net assets	(916)	(2,203)	-	(48,860)	44,335
Net assets at beginning of year	-	-	-	215,630	685,515
Support from other programs	916	2,203	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,770</u>	<u>\$ 729,850</u>

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Assets Acquired with Grant Funding – Unaudited

October 31, 2013

<u>Program & Description</u>	<u>Purchase Date</u>	<u>Purchase Price</u>	<u>Program Total</u>
Head Start:			
1995 GMC Bus	6/1/1995	\$ 33,431	
1995 GMC Bus	6/1/1995	33,431	
1999 GMC Bus	5/25/1999	34,759	
2000 GMC Bus	5/17/2000	35,943	
2000 GMC Bus	5/17/2000	35,943	
2007 1-C Bus	5/19/2006	52,595	
2007 1-C Bus	5/19/2006	52,595	
1995 Modular - Summersville	1995	56,000 #	
1995 Modular - Mt. Lookout	1995	56,000 #	
1995 Modular - Dixie	1995	56,000 #	
1996 Modular - Panther Ck. - 50%	1996	<u>40,000 #</u>	
Head Start total			\$ 486,697
CSBG:			
Sharp - 355N - Copier	6/1/2006	\$ 7,668	
2008 Chevrolet Equinox	11/06/2007	21,281	
Konica Minolta Copier	4/15/2010	6,008	
2011 1-C Bus	9/30/2010	74,105	
2011 1-C Bus	9/30/2010	<u>74,105</u>	
CSBG total			\$ 183,167
Weatherization:			
2001 Dodge Box Truck	5/8/2001	\$ 22,908 *	
2001 Dodge Truck	5/8/2001	15,555 *	
2008 Chevy Box Truck	11/30/2007	27,570	
Krendl Machine	01/02/2008	<u>6,297</u>	
Weatherization total			\$ 72,330
Senior Programs:			
2000 Dodge Van	10/28/1999	\$ 23,080	
2000 Dodge Mini-Van	7/5/2000	23,800	
2003 Chevy Van	1/31/2003	22,492	
2004 Chevy Van	11/24/2003	22,000	
2009 Dodge Journey	06/26/2008	23,417	
2009 Dodge Journey	06/26/2008	23,417	
2008 Ford Ranger 4x4 Hot/Cold Truck	08/19/2008	34,753	
Sharp Copier - MX - M450N	10/14/2008	7,771	
2009 Chevy Traverse	9/18/2009	26,970	
2008 Jeep Patriot	10/27/2009	11,056	
Modular - Panther Ck. - 50%	1996	<u>40,000 #</u>	
Senior Programs total			\$ 258,756
Total assets acquired with grant funding		<u>\$ 1,000,950</u>	<u>\$ 1,000,950</u>

* The amount for the vehicle was estimated by management using similar purchases as a reference.

The amount for the modular was estimated by management using similar purchases as a reference.

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited)

Community Service Block Grant

For Program Year Ended December 31, 2012

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
Federal Income	\$ 219,829	\$ 219,829	\$ -
TOTAL REVENUE	<u>\$ 219,829</u>	<u>\$ 219,829</u>	<u>\$ -</u>
Salaries/Wages	76,735	76,735	-
Fringe Benefits	26,724	26,724	-
Equipment	-	-	-
Other	8,765	8,765	-
Materials & Supplies	3,043	3,043	-
Program Costs	73,199	73,199	-
Travel	727	727	-
Utilities/Telephone	-	-	-
Contractual	10,325	10,325	-
Indirect Costs	20,311	20,311	-
TOTAL EXPENDITURES	<u>\$ 219,829</u>	<u>\$ 219,829</u>	<u>\$ -</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

F.A.I.R.

For Program Year Ended June 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
State Income	\$ 37,924	\$ 40,803	\$ (2,879)
Project Income	4,500	2,693	1,808
Overserve	<u>-</u>	<u>816</u>	<u>(816)</u>
TOTAL REVENUE	<u>\$ 42,424</u>	<u>\$ 44,312</u>	<u>\$ (1,888)</u>
Salaries/Wages	\$ 32,000	\$ 34,753	\$ (2,753)
Fringe Benefits	5,124	5,990	(866)
Travel	-	21	(21)
Office Supplies	-	-	-
Disposable Supplies	-	-	-
Employment Testing	-	-	-
Audit	-	-	-
Indirect Costs	<u>5,300</u>	<u>5,181</u>	<u>119</u>
TOTAL EXPENDITURES	<u>\$ 42,424</u>	<u>\$ 45,945</u>	<u>\$ (3,521)</u>
Excess of expenses over reven			<u>\$ (1,633)</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

Lighthouse

For Program Year Ended June 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
State Income	\$ 157,563	\$ 154,684	\$ 2,879
Project Income	12,500	7,910	4,590
Over Serve	-	-	-
TOTAL REVENUE	\$ 170,063	\$ 162,594	\$ 7,469
Salaries/Wages	\$ 125,000	\$ 93,219	\$ 31,781
Fringe Benefits	19,805	14,086	5,719
Travel	2,000	3,385	(1,385)
Office Supplies	1,000	1,761	(761)
Disposable Supplies	1,000	1,202	(202)
Indirect Costs	21,258	15,204	6,054
TOTAL EXPENDITURES	\$ 170,063	\$ 128,856	\$ 41,207
Excess of revenue over expenses			<u>\$ 33,738</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

Title III B and D

For Program Year Ended September 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
Federal Income	\$ 34,892	\$ 33,779	\$ 1,113
State Income	16,000	16,000	-
Support from LIFE	-	-	-
TOTAL REVENUE	<u>\$ 50,892</u>	<u>\$ 49,779</u>	<u>\$ 1,113</u>
Salaries/Wages	\$ 30,046	\$ 29,791	\$ 255
Fringe Benefits	5,378	4,772	606
Local Travel	1,197	2,284	(1,087)
Telephone	1,400	1,802	(402)
Vehicle Maintenance	2,200	4,449	(2,249)
Vehicle Operation	4,500	7,962	(3,462)
Program Costs	859	130	729
Indirect Costs	5,312	6,486	(1,174)
TOTAL EXPENDITURES	<u>\$ 50,892</u>	<u>\$ 57,677</u>	<u>\$ (6,785)</u>
Excess expenses over revenue			<u>\$ (7,898)</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

Title III-C (One)

For Program Year Ended September 30, 2013

	BUDGET	ACTUAL	UNDER/(OVER)
Federal Income	\$ 30,833	\$ 30,833	\$ -
State Income	64,399	64,399	-
Project Income	25,000	31,751	(6,751)
Overserve Meals	-	661	(661)
Support from Life	49,334	49,334	-
TOTAL REVENUE	\$ 169,566	\$ 176,979	\$ (7,413)
Salaries/Wages	\$ 35,000	\$ 32,776	\$ 2,224
Fringe Benefits	4,300	5,810	(1,510)
Disposable Supplies	6,000	3,412	2,588
Rent	2,000	961	1,039
Telephone	1,100	1,117	(17)
Utilities	7,000	7,392	(392)
Depreciation	1,200	1,057	143
Bldg.Repairs/Maint.	2,000	2,038	(38)
Program Costs	5,266	2,889	2,377
Insurance-Liability	2,500	3,091	(591)
Insurance - Flood	1,200	1,237	(37)
Food Purchases	76,000	74,663	1,337
Indirect Costs	26,000	16,979	9,021
TOTAL EXPENDITURES	\$ 169,566	\$ 153,421	\$ 16,145
Excess of revenue over expenses			<u>\$ 23,557</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

Title III-C (Two)

For Program Year Ended September 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
Federal Income	\$ 33,240	\$ 33,240	\$ -
State Income	92,700	92,700	-
Project Income	10,000	13,659	(3,659)
Support from LIFE	84,108	84,108	-
Overserve Meals	-	3,366	(3,366)
TOTAL REVENUE	<u>\$ 220,048</u>	<u>\$ 227,073</u>	<u>\$ (7,025)</u>
Salaries/Wages	\$ 49,000	\$ 58,768	\$ (9,768)
Fringe Benefits	7,650	10,168	(2,518)
Disposable Supplies	15,000	17,797	(2,797)
Rent	2,000	1,397	603
Telephone	1,200	1,524	(324)
Utilities	8,700	10,215	(1,515)
Depreciation	1,600	1,586	14
Bldg.Repairs/Maint.	2,198	2,535	(337)
Vehicle Maintenance	-	1,408	(1,408)
Vehicle Operation	1,000	2,729	(1,729)
Vehicle Insurance	-	-	-
Program Costs	1,000	3,313	(2,313)
Insurance-Liability	2,500	3,592	(1,092)
Insurance-Flood	1,200	1,237	(37)
Food Purchases	105,000	110,371	(5,371)
Indirect Costs	22,000	28,201	(6,201)
TOTAL EXPENDITURES	<u>\$ 220,048</u>	<u>\$ 254,841</u>	<u>\$ (34,793)</u>
Excess of expenses over revenue			<u>\$ (27,768)</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

Title III-E

For Program Year Ended September 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
Federal Income	\$ 12,037	\$ 12,037	\$ -
Program Income	-	187	(187)
Support from Life	<u>5,000</u>	<u>5,000</u>	<u>-</u>
TOTAL REVENUE	<u>\$ 17,037</u>	<u>\$ 17,224</u>	<u>\$ (187)</u>
Salaries/Wages	\$ 13,500	\$ 10,592	\$ 2,908
Fringe Benefits	2,400	1,570	830
Indirect Costs	<u>1,137</u>	<u>1,547</u>	<u>(410)</u>
TOTAL EXPENDITURES	<u>\$ 17,037</u>	<u>\$ 13,709</u>	<u>\$ 3,328</u>
Excess of revenue over expenses			<u>\$ 3,515</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

LIFE

For Program Year Ended June 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
State Income	\$ 202,736	\$ 202,736	\$ -
TOTAL REVENUE	<u>\$ 202,736</u>	<u>\$ 202,736</u>	<u>\$ -</u>
Salaries	\$ 24,981	\$ 24,981	\$ -
Fringe Benefits	5,742	5,742	-
Vehicle Insurance	6,000	6,000	-
Indirect Costs	4,590	4,590	-
Support to Senior Programs	161,423	161,423	-
TOTAL EXPENDITURES	<u>\$ 202,736</u>	<u>\$ 202,736</u>	<u>\$ -</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

Community Partnership Project

For Program Year Ended June 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
State Income	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ -</u>
TOTAL REVENUE	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ -</u>
Senior CPP	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ -</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Revenues and Expenses Compared to Budget (Unaudited) – Continued

TITLE III-D

For Program Year Ended September 30, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNDER/(OVER)</u>
Federal Income	\$ 1,994	\$ 881	\$ 1,113
State Income	400	400	-
TOTAL REVENUE	<u>\$ 2,394</u>	<u>\$ 1,281</u>	<u>\$ 1,113</u>
Salaries/Wages	\$ 1,055	\$ 888	\$ 167
Fringe Benefits	168	123	45
Program Costs	859	92	767
Indirect Costs	312	178	134
TOTAL EXPENDITURES	<u>\$ 2,394</u>	<u>\$ 1,281</u>	<u>\$ 1,113</u>

See Independent Auditor's Report.

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended October 31, 2013

Programs	Federal CFDA#	Agency or Pass Through Number	Federal Expenditures
MAJOR PROGRAMS:			
Head Start			
Department of Health & Human Services (Direct Assistance)	93.600	N/A	\$ <u>808,120</u>
Total Major Programs			<u>808,120</u>
OTHER PROGRAMS:			
Community Services Block Grant			
Office of Economic Opportunity	93.569	121-8031-07-025B	185,922
Weatherization			
Office of Economic Opportunity	81.042	121-8038-30-025-13	36,266
Title III-C			
Appalachian Area Agency on Aging	93.045	N/A	63,425
Title III-B			
Appalachian Area Agency on Aging	93.044	N/A	32,898
Title III-D			
Appalachian Area Agency on Aging	93.046	N/A	669
Title III-E			
Appalachian Area Agency on Aging	93.052	N/A	12,037
S.H.I.P.			
Bureau of Senior Services	93.779	N/A	4,000
Marketplace Consumer Assis. Prog.			
Bureau of Senior Services	93.525	N/A	3,187
Weatherization			
Office of Economic Opportunity	93.568	N/A	78,010
FEMA			
Federal Emergency Mang. Agency	83.523	N/A	6,087
Child & Adult Food Care			
WV Department of Education	10.553	N/A	<u>9,865</u>
Total Other Programs			<u>432,366</u>
Total Federal Expenditures			<u>\$ 1,240,486</u>

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

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended October 31, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Nicholas Community Action Partnership, Inc., West Virginia and is prepared on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the 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.

**REPORTS ON INTERNAL CONTROL AND ON
COMPLIANCE AND OTHER MATTERS**

Teed & Associates, PLLC

Certified Public Accountants

Established 1992

Member, American Institute of Certified Public Accountants
Member, West Virginia Society of Certified Public Accountants
Member, Tennessee Society of Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Nicholas Community Action Partnership, Inc., West Virginia (a nonprofit organization), which comprise the statement of financial position as of October 31, 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 June 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nicholas Community Action Partnership, Inc., West Virginia'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 Nicholas Community Action Partnership, Inc., West Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that

To The Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia
Page 2

there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Reed & Associates, P.C.

Charleston, West Virginia
June 19, 2014

Teed & Associates, PLLC

Certified Public Accountants

Established 1992

Member, American Institute of Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *OMB CIRCULAR A-133*

To the Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Nicholas Community Action Partnership, Inc., West Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Nicholas Community Action Partnership, Inc., West Virginia's major federal programs for the year ended October 31, 2013. Nicholas Community Action Partnership, Inc., West Virginia'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 Nicholas Community Action Partnership, Inc., West Virginia'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

To The Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia
Page 2

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 Nicholas Community Action Partnership, Inc., West Virginia'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 Nicholas Community Action Partnership, Inc., West Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, Nicholas Community Action Partnership, Inc., West Virginia 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 October 31, 2013.

Report on Internal Control Over Compliance

Management of Nicholas Community Action Partnership, Inc., West Virginia 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 Nicholas Community Action Partnership, Inc., West Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Nicholas Community Action Partnership, Inc., West Virginia'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

To The Board of Directors
Nicholas Community Action Partnership, Inc.
Summersville, West Virginia
Page 3

timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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.

Teed & Associates, P.C.

Charleston, West Virginia
June 19, 2014

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Findings and Questioned Costs

For the Year Ended October 31, 2013

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued; Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes No

Non compliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)? Yes None Reported

Type of auditors’ report issued on compliance for major programs; Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start

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

Auditee qualified as a low-risk auditee? Yes No

NICHOLAS COMMUNITY ACTION PARTNERSHIP, INC.

Schedule of Findings and Questioned Costs – Continued

For the Year Ended October 31, 2013

Section II – Financial Statement Findings

There are no findings or questioned costs reported.

Section III – Federal Award Findings and Questioned Costs

There are no findings or questioned costs reported.

Section IV – Corrective Action Plan

None required.

Section V – Summary Schedule of Prior Audit Findings

<u>Number</u>	<u>Title</u>	<u>Resolution</u>
2012-1	Financial Reporting	Issue Resolved