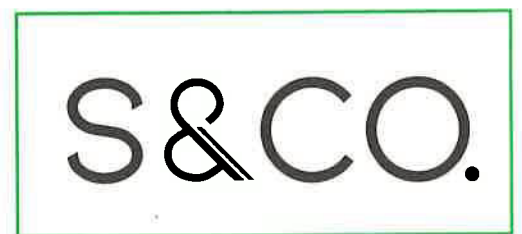


AUDIT REPORT AND FINANCIAL STATEMENTS
OF
**COMMUNITY ACTION OF SOUTH EASTERN
WEST VIRGINIA, INC.**
(A Non-Profit Organization)
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018



SOMERVILLE & COMPANY^{PLLC}

CPAs & CONSULTANTS

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

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COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Action of South Eastern West Virginia, Inc.
Bluefield, West Virginia

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Community Action of South Eastern West Virginia, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of August 31, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Action of South Eastern West Virginia, Inc. as of August 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Consolidated Financial Statements

The consolidated financial statements of Community Action of South Eastern West Virginia, Inc. as of August 31, 2018, were audited by other auditors whose report dated April 17, 2019, expressed an unmodified opinion on those statements.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The schedule of state grant receipts and expenditures is presented for purposes of additional analysis as required by *West Virginia Code 12-4-14*, and is not a required part of the consolidated financial statements. The schedules of grant support, revenue, and expenses compared to grant budgets (Non-GAAP basis) are presented for purposes of additional analysis, and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 April 15, 2020, on our consideration of Community Action of South Eastern West Virginia, Inc.'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Action of South Eastern West Virginia, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action of South Eastern West Virginia, Inc.'s internal control over financial reporting and compliance.

Somerville & Company, P.L.L.C.

Huntington, West Virginia
April 15, 2020

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets		
Cash and cash equivalents	\$ 1,494,974	\$ 1,370,678
Accounts receivable	662,635	678,879
Inventory	<u>39,151</u>	<u>23,687</u>
Total Current Assets	2,196,760	2,073,244
Property and Equipment, net	3,755,613	3,686,141
Other Assets		
Prepaid expenses	<u>8,896</u>	<u>17,740</u>
Total Assets	<u>\$ 5,961,269</u>	<u>\$ 5,777,125</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 485,535	\$ 656,396
Accrued liabilities	89,037	17,861
Current portion of long-term debt	114,009	112,800
Accrued leave	<u>632,537</u>	<u>584,154</u>
Total Current Liabilities	<u>1,321,118</u>	<u>1,371,211</u>
Long-term Liabilities		
Long-term debt, less current portion	380,513	442,896
Other post-employment benefits	<u>2,367,472</u>	<u>2,330,360</u>
Total Long-term Liabilities	<u>2,747,985</u>	<u>2,773,256</u>
Total Liabilities	<u>4,069,103</u>	<u>4,144,467</u>
Net Assets		
Without donor restrictions		
Unrestricted - undesignated	<u>1,892,166</u>	<u>1,632,658</u>
Total Net Assets	<u>1,892,166</u>	<u>1,632,658</u>
Total Liabilities and Net Assets	<u>\$ 5,961,269</u>	<u>\$ 5,777,125</u>

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

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the years ended August 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Support		
Grants and reimbursement contracts	\$ 8,481,094	\$ 7,926,339
State and local grants	1,168,207	1,185,959
Fee for service	667,297	881,048
Other income	1,230,956	1,206,889
In-kind contributions	<u>1,521,050</u>	<u>942,831</u>
 Total Support	 <u>13,068,604</u>	 <u>12,143,066</u>
Expenses		
Program Services		
Head Start, Early Head Start, and Early Head Start		
Child Care Partnership	6,270,400	5,915,472
Weatherization	1,110,283	1,011,094
Commission on Aging	1,273,526	1,115,850
Right From The Start Program	504,131	445,023
Family Day Care Food Program	701,161	467,713
Housing	388,474	384,313
Competitive Abstinence Education	518,449	440,908
Nutrition	330,938	311,921
Property Management Services	151,415	212,376
Community Services Block Grant	382,594	474,497
Family Stabilization	423,700	328,598
Home Visitation	338,233	349,739
Right From The Start DCC Agency	329,714	463,516
Other	<u>7,087</u>	<u>-</u>
 Total Program Services	 <u>12,730,105</u>	 <u>11,921,020</u>
Supporting Services		
Management and general	<u>41,879</u>	<u>351,049</u>
 Total Supporting Services	 <u>41,879</u>	 <u>351,049</u>
 Total Expenses	 <u>12,771,984</u>	 <u>12,272,069</u>
Net Increase (Decrease)	296,620	(129,003)
Change in other post-employment benefits (OPEB)	<u>(37,112)</u>	<u>708,905</u>
Change in Net Assets	259,508	579,902
Net Assets at Beginning of Year	<u>1,632,658</u>	<u>1,052,756</u>
Net Assets at End of Year	<u>\$ 1,892,166</u>	<u>\$ 1,632,658</u>

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

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended August 31, 2019 and 2018

Program Services						
	Head Start, Early Head Start, and Early Head Start Child Care <u>Partnership</u>	<u>Weatherization</u>	Commission on <u>Aging</u>	Right From The Start <u>Program</u>	Family Day Care Food <u>Program</u>	<u>Housing</u>
Salaries and wages	\$ 2,702,548	\$ 332,243	\$ 631,720	\$ 274,592	\$ 55,668	\$ 47,221
Fringe benefits	710,893	100,874	124,777	63,473	13,476	12,276
Total Salaries and Related Expenses	3,413,441	433,117	756,497	338,065	69,144	59,497
Construction related cost	300,074	115,136	-	-	-	72,015
Food and disposable products	161,820	-	11	-	-	-
In-kind expenses	1,299,212	-	-	-	-	-
Interest	9,947	-	14,803	-	-	22,500
Materials	-	396,040	-	-	-	5,945
Miscellaneous program costs	18,737	-	2,705	23,751	775	58,381
Postage and supplies	119,366	17,509	10,390	17,714	12,050	1,927
Printing and copying	28,119	4,229	6,327	8,481	59	2,676
Professional fees	2,097	-	-	-	-	1,103
Provider meals	(150)	-	-	-	587,023	-
Repair and maintenance	58,580	19,416	18,104	423	3,868	68,204
Space cost	66,925	19,925	15,281	24,519	3,772	2,126
Telephone and utilities	169,521	8,582	39,944	16,705	1,921	56,773
Training and development	55,097	-	2,363	11,508	5,288	1,984
Travel	54,274	2,840	5,347	16,551	7,730	3,086
Vehicle related costs	96,718	31,222	38,972	1,498	288	24,482
Total Program Expenses Before Depreciation and Allocation of Indirect Cost	5,853,778	1,048,016	910,744	459,215	691,918	380,699
Depreciation	-	-	263,013	-	-	-
Allocation of Indirect Cost	416,622	62,267	99,769	44,916	9,243	7,775
Total Expenses	\$ 6,270,400	\$ 1,110,283	\$ 1,273,526	\$ 504,131	\$ 701,161	\$ 388,474

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

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended August 31, 2019 and 2018

Program Services						
	Competitive Abstinence Education	Nutrition	Property Management Services	Community Services Block Grant	Family Stabilization	Home Visitation
Salaries and wages	\$ 258,947	\$ 109,607	\$ -	\$ 201,030	\$ 98,989	\$ 181,463
Fringe benefits	71,477	25,379	-	53,262	23,731	47,876
Total Salaries and Related Expenses	330,424	134,986	-	254,292	122,720	229,339
Construction related cost	17,000	2,113	-	-	-	18,483
Food and disposable products	-	131,832	-	-	19,655	-
In-kind expenses	16,020	-	-	-	102,663	-
Interest	-	-	-	-	-	-
Materials	-	-	-	-	-	-
Miscellaneous program costs	33,192	400	6,306	13,608	86,939	3,747
Postage and supplies	30,306	4,566	1,750	7,488	18,973	8,749
Printing and copying	2,975	-	-	2,373	-	1,032
Professional fees	-	-	-	767	-	-
Provider meals	-	-	-	-	-	-
Repair and maintenance	439	14,997	61,747	11,562	17,525	1,197
Space cost	8,961	7,082	2,859	16,147	9,740	10,715
Telephone and utilities	6,188	6,704	72,801	15,567	13,764	8,088
Training and development	6,333	955	-	6,708	1,044	15,259
Travel	21,618	1,472	-	15,624	9,985	10,512
Vehicle related costs	1,150	8,578	5,952	2,198	1,227	863
Total Program Expenses Before Depreciation and Allocation of Indirect Cost	474,606	313,685	151,415	346,334	404,235	307,984
Depreciation	-	-	-	-	6,840	-
Allocation of Indirect Cost	43,843	17,253	-	36,260	12,625	30,249
Total Expenses	\$ 518,449	\$ 330,938	\$ 151,415	\$ 382,594	\$ 423,700	\$ 338,233

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

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended August 31, 2019 and 2018

	Program Services			Supporting Services		Total August 31 2019	Total August 31, 2018
	Right From The Start DCC Agency	Other	Sub- Total	Management and General			
Salaries and wages	\$ 77,200	\$ -	\$ 4,971,228	\$ 556,641	\$ 5,527,869	\$ 5,394,685	
Fringe benefits	19,048	-	1,266,542	152,970	1,419,512	1,407,965	
Total Salaries and Related Expenses	96,248	-	6,237,770	709,611	6,947,381	6,802,650	
Construction related cost	-	-	524,821	65,556	590,377	445,059	
Food and disposable products	-	-	313,318	505	313,823	303,298	
In-kind expenses	-	-	1,417,895	-	1,417,895	942,831	
Interest	-	-	47,250	(17,563)	29,687	34,522	
Materials	-	-	401,985	384	402,369	376,543	
Miscellaneous program costs	182,067	-	430,608	(48,112)	382,496	399,212	
Postage and supplies	5,574	-	256,362	21,251	277,613	338,008	
Printing and copying	4,043	-	60,314	8,526	68,840	72,910	
Professional fees	-	-	3,967	239	4,206	105,499	
Provider meals	-	-	586,873	-	586,873	405,014	
Repair and maintenance	1,290	-	277,352	28,093	305,445	337,486	
Space cost	20,879	-	208,931	26,613	235,544	476,433	
Telephone and utilities	2,276	-	418,834	24,911	443,745	446,619	
Training and development	297	-	106,836	1,866	108,702	113,615	
Travel	4,123	-	153,162	3,634	156,796	147,420	
Vehicle related costs	393	-	213,541	16,798	230,339	247,038	
Total Program Expenses Before Depreciation and Allocation of Indirect Cost	317,190	-	11,659,819	842,312	12,502,131	11,994,157	
Depreciation	-	-	269,853	-	269,853	277,912	
Allocation of Indirect Cost	12,524	7,087	800,433	(800,433)	-	-	
Total Expenses	\$ 329,714	\$ 7,087	\$ 12,730,105	\$ 41,879	\$ 12,771,984	\$ 12,272,069	

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

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC..
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended August 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 259,508	\$ 579,902
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	269,853	277,912
(Increase) Decrease in assets		
Accounts receivable	16,244	225,030
Inventory	(15,464)	-
Prepaid expenses	8,844	(8,327)
Increase (Decrease) in liabilities		
Accounts payable	(506,805)	113,941
Accrued liabilities	407,120	(243,562)
Accrued leave	48,383	(177,519)
Other post-employment benefits	37,112	(708,905)
Total adjustments	<u>265,287</u>	<u>(521,430)</u>
Net Cash Provided By Operating Activities	524,795	58,472
Cash Flows From Investing Activities		
Acquisition of property and equipment	(339,325)	(191,762)
Disposition of property and equipment	-	120,716
Net Cash Used In Investing Activities	<u>(339,325)</u>	<u>(71,046)</u>
Cash Flows From Financing Activities		
Payments of long-term debt	(61,174)	(108,677)
Net Increase (Decrease) in Cash and Cash Equivalents	124,296	(121,251)
Cash and Cash Equivalents at Beginning of Year	<u>1,370,678</u>	<u>1,491,929</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,494,974</u>	<u>\$ 1,370,678</u>
Supplemental Information:		
Cash paid for interest	<u>\$ 29,687</u>	<u>\$ 34,522</u>

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

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

1. Nature of activities and summary of significant accounting policies:

A. Nature of activities:

Community Action of South Eastern West Virginia, Inc. (CASEWW) is a private, not-for-profit organization that serves the economically disadvantaged citizens of Mercer County, Summers County, and Monroe County of West Virginia. CASEWW is governed by a volunteer Board of Directors that is tripartite in nature in that; 1/3 of the members are elected or appointed government officials, 1/3 are from the low-income sector, and 1/3 are from the private sector. All of CASEWW's programs are geared towards helping the low-income, elderly, and handicapped achieve greater self-sufficiency.

B. Basis of presentation and accounting and financial statement presentation:

CASEWW's consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America on an accrual basis. Consequently, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

CASEWW is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. At August 31, 2019 and 2018, the Organization only had net assets without donor restrictions and did not have any net assets with donor restrictions.

C. Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, demand deposits, and money market funds. For purposes of the Statement of Cash Flows, CASEWW considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

Cash is held in banks located in West Virginia and is insured by the Federal Deposit Insurance Commission (FDIC) up to \$250,000 per financial institution.

D. Grants receivable and concentration of credit risk:

Receivables are stated at face amount with no allowance for doubtful accounts. An allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

E. Inventories:

Inventory is comprised of material supplies for the Weatherization program, stated at cost using a perpetual inventory system and homes held for sale, built from Community Housing Development Organization (CHDO) funding, stated at their historical cost.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

1. Nature of activities and summary of significant accounting policies (Continued):

F. Principles of consolidation:

The consolidated financial statements include the accounts of CASEWV and its subsidiary, Property Management Services, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

G. Property and equipment:

Property and equipment consist of items with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated property and equipment are recorded at fair value at date of donation. The costs of normal maintenance and repairs that do not materially add to the value of an asset or its life are expensed.

The property and equipment acquired is owned by CASEWV while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, retain a reversionary interest in the equipment purchased with grant funds; therefore, its disposition, as well as the ownership of any sale proceeds therefrom, is subject to funding source regulations.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

	<u>Range of Lives</u>
Buildings and improvements	10 - 30 Years
Furniture and equipment	3 - 10 Years
Vehicles	5 Years

H. Accrued liabilities:

Accrued liabilities consist of accrued payroll and payroll taxes.

I. Unearned revenue:

Unearned revenue consists of amounts received which have not been used for their intended purpose.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

1. Nature of activities and summary of significant accounting policies (Continued):

J. Revenues:

Program Income

Contributions received are recorded as net assets without restrictions or net assets with restrictions depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to net assets without restrictions upon satisfaction of the time or purpose restrictions.

Gifts of land, buildings, equipment, and other long-lived assets are also reported as net assets without restrictions, unless subject to time restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with restrictions as net assets without restrictions are reported when the long-lived assets are placed in service.

Grants and Reimbursement Contracts

The funds from various funding sources are recognized as revenue in the accounting period in which they are earned. Any uncollected funds from the current or prior periods are reported as accounts receivable.

K. In-kind contributions:

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 that are recognized are valued at the estimated cost that would be incurred by CASEWW to purchase similar services. Donated space is valued at the estimated fair rental value.

L. Supporting services:

Supporting services are costs for activities not directly related to the purpose for which CASEWW exists. Supporting service expenses are broadly categorized as management and general-purpose expenses that have not been identified as, or allocated to, program service expenses.

M. Expenses:

Expenditures for goods, services, and materials are recognized when incurred.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 August 31, 2019 and 2018

1. Nature of activities and summary of significant accounting policies (Continued):

N. Functional expense and cost allocation:

The costs of providing program and other activities have been listed on a function basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among program and management and general expenses. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Utilities	Square footage
Property maintenance	Square footage
Insurance	Square footage
Depreciation	Occupied space

O. Income taxes:

CASEWW 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. As of August 31, 2019, tax years ending on or after August 31, 2016 remain subject to examination.

P. Net assets:

CASEWW presents its net assets and all balances and transactions based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CASEWW and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of CASEWW. These net assets may be used at the discretion of CASEWW's management and Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CASEWW or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Q. Comparative data:

The amounts shown for the year ended August 31, 2018 in the accompanying consolidated financial statements are included to provide a basis for comparison with the year ended August 31, 2019 and present summarized totals only. Accordingly, the August 31, 2018 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with CASEWW's consolidated financial statements for the year ended August 31, 2018, from which the summarized information was derived.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

1. Nature of activities and summary of significant accounting policies (Continued):

R. Donated services, space, and other:

Donated hourly services are valued at the federally established minimum wage or in accordance with *FASB Accounting Standards Codification 605-10-15-3, Contributions Received*. These services are recorded at fair market value. Donated space is valued at the estimated fair rental value. Other donations are valued at the estimated fair market value at the date of receipt.

S. Use of estimates:

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

T. Accounting for uncertain tax positions:

CASEWV follows the provisions of Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, relating to unrecognized tax benefits. This standard requires an entity to recognize a liability for tax positions when there is a 50% or greater likelihood that the position will not be sustained upon examination. CASEWV is liable for taxes to the extent of any unrelated business income as defined by IRS regulations. CASEWV believes that it has not engaged in any activity that would generate unrelated business income as defined by IRS regulations and that it is more likely than not that this position would be sustained upon examination. As such, there were no liabilities recorded for uncertain tax positions as of August 31, 2019 and 2018.

U. Adoption of accounting pronouncement:

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets without restrictions and net assets with restrictions. The ASU will also require changes in the way certain information is aggregated and reported by CASEWV, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for CASEWV's year ended August 31, 2019 and thereafter and must be applied on a retrospective basis. CASEWV adopted the ASU effective September 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements of net assets or changes in net assets.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

2. Liquidity and availability:

Financial assets available for general expenditure, that is, without donor restrictions limiting their use within one year of the Statement of Financial Position date, consist of the following at August 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,494,974	\$ 1,370,678
Accounts receivable	<u>662,635</u>	<u>678,879</u>
 Total	 <u>\$ 2,157,609</u>	 <u>\$ 2,049,557</u>

As part of CASEWV's liquidity management plan, cash in excess of daily requirements is invested in money market funds, short-term investments, and long-term investments.

The grant funds received from the Department of Health and Human Services Office of Head Start are required to be held in a separate bank account.

3. Accounts receivable:

The balance of accounts receivable at August 31, 2019 is to be received in less than one year. Accounts receivable consist of the following at August 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Grants receivable	\$ 610,657	\$ 589,501
Fee for service receivable	55,801	84,101
Other receivables	<u>(3,823)</u>	<u>5,277</u>
 Total accounts receivable	 <u>\$ 662,635</u>	 <u>\$ 678,879</u>

4. Property and equipment, net:

Property and equipment at August 31, 2019 and 2018, consists of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ 776,530	\$ 732,484
Building	5,011,702	4,827,120
Vehicles and equipment	2,218,892	2,389,195
Construction in progress	<u>281,000</u>	<u>-</u>
	8,288,124	7,948,799
Less accumulated depreciation	<u>4,532,511</u>	<u>4,262,658</u>
	<u>\$ 3,755,613</u>	<u>\$ 3,686,141</u>

Depreciation expense amounted to \$269,853 and \$277,912 for the years ended August 31, 2019 and 2018, respectively.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

5. Line of credit:

CASEWV has a \$100,000 operating line of credit arrangement with Branch Banking and Trust Corporation (BB&T). The credit line is secured by a "Security Agreement" made January 30, 2009 with an interest rate that fluctuates with changes in the prime rate.

6. Long-term debt:

The following is a summary of long-term debt at August 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Note payable to Branch Banking & Trust, payable in monthly installments of \$4,782 including interest at 5.19%, due September 26, 2024, secured by building.	\$ 255,866	\$ 295,086
Note payable to Branch Banking & Trust, payable in monthly installments of \$3,784 including interest at 4.24%, due January 28, 2024, secured by buildings.	169,194	164,783
Note payable to Branch Banking & Trust, payable in monthly installments of \$1,945 including interest at 5.875%, due January 28, 2021, secured by building.	31,528	50,324
Note payable to Branch Banking & Trust, payable in monthly installments of \$817 including interest at 5.875%, due January 23, 2024, secured by building.	<u>37,934</u>	<u>45,503</u>
	494,522	555,696
Less current portion	<u>(114,009)</u>	<u>(112,800)</u>
Long-term portion	<u>\$ 380,513</u>	<u>\$ 442,896</u>

Scheduled maturities of indebtedness for each of the next five years and thereafter are as follows:

2020	\$ 114,009
2021	105,947
2022	101,277
2023	109,149
2024	64,140
Thereafter	<u>-</u>
Total	<u>\$ 494,522</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

7. Retirement plans:

CASEWW has adopted a defined contribution annuity for its employees qualified under Section 403(b) of the Internal Revenue Code. The plan covers all full-time employees of CASEWW who have completed one year of service. The contributions to the plan are discretionary and are determined each year. For the years ended August 31, 2019 and 2018, CASEWW contributed \$154,518 and \$105,623, respectively to the Section 403(b) plan.

CASEWW has also adopted a Section 457(b) deferred compensation plan for a select group of management employees. CASEWW's contributions to the plan are discretionary and determined each year. For the years ended August 31, 2019 and 2018, CASEWW contributed \$29,641 and \$28,360, respectively, to the Section 457(b) plan.

8. Other post-employment benefits (OPEB):

CASEWW participates in the West Virginia Retiree Health Benefits Trust Fund (RHBT), a cost-sharing, multiple-employer defined benefit 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.

Annual OPEB Cost: CASEWW's annual OPEB cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of the sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. However, the preparation of any estimate of future post-retirement costs requires consideration of a broad array of complex social and economic events. Future changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drug options, changes in the investment rate of return, and other matters increase the level of uncertainty of such estimates. As such, the estimate of post-retirement program costs contains considerable uncertainty and variability and actual experience may vary significantly from the current estimated obligation.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

8. Other post-employment benefits (OBEB) (Continued):

The following table shows CASEWW's annual contribution amounts to the Plan and net OPEB obligations as of August 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Contributions made in current year	\$ <u>226,920</u>	\$ <u>225,498</u>
Net OPEB obligation	\$ <u>2,367,472</u>	\$ <u>2,330,360</u>

An actuarial valuation report for PEIA is prepared annually in accordance with standards set forth by the Governmental Accounting Standards Board (GASB) to determine the unfunded portion of each participant's future liability. During the fiscal year ended August 31, 2018, PEIA adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. CASEWW's consolidated financial statements are prepared in accordance with standards set forth by the Financial Accounting Standards Board (FASB). Information valuing the liability in accordance with FASB standards is not available. Based on the GASB valuation, CASEWW's unfunded liability at year end was \$2,367,472. Management believes that the differences in the basis are immaterial to the consolidated financial statements. CASEWW paid \$226,920 to PEIA during the year ended August 31, 2019. CASEWW's required annual contribution amount for the year ended August 31, 2019, was \$226,920.

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.

The PEIA Finance Board members voted to cap the state subsidy for PEIA retiree coverage for employees hired before 2010 at current levels, with no more than 3% growth a year. By doing this, the employer is no longer exposed to ever increasing trends in healthcare costs, significantly reducing future retiree premium subsidy costs.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

9. In-kind contributions:

CASEWW receives services and time from a variety of businesses and individuals throughout the area it serves. The contributions were recorded, in accordance with grant agreements, in the accompanying consolidated financial statements. At August 31, 2019 and 2018, the value of the items recorded amounted to \$1,521,050 (approximately \$1,417,083 in donated services and \$103,967 in donated time) and \$942,831 (approximately \$876,833 in donated services and \$65,998 in donated time), respectively.

10. Concentrations of credit risk:

The agency maintains several cash accounts, balances as such are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In addition, CASEWW has an agreement with a financial institution to sweep funds from a checking account into repurchase agreements. The funds are swept daily and secured by various securities.

CASEWW received approximately 70% of its support for the year from the federal government in the form of grants and cost reimbursement programs.

Accounts receivable are principally with grantor agencies.

11. Commitments and contingencies:

CASEWW'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. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

12. Related party transactions and common control:

CASEWW is the managing partner and has a 1% interest in the Kennedy Center Limited Partnership with the authority to manage and control the partnership. This partnership was formed for the purpose of acquiring and renovating real estate and personal property to provide multifamily residential housing for low-income tenants.

CASEWW is the managing partner and has a 1% interest in the Hinton Center Limited Partnership. This partnership was formed for the purpose of acquiring and renovating real estate and personal property to provide multifamily residential housing for low-income tenants.

For the years ended August 31, 2019 and 2018, CASEWW expensed \$29,992 and \$29,480, respectively, in loan payments as a result of CASEWW being the guarantor on the loans for the Kennedy and Hinton Centers.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2019 and 2018

13. Community Housing Development Organization (CHDO):

CASEWW receives grant funds from the U.S. Department of Housing and Urban Development, under the HOME Investment Partnership Program (HOME), whereas, CASEWW has been recognized as a Community Housing Development Organization (CHDO). As a CHDO, CASEWW may use HOME funds to construct single-family dwellings that are then sold to eligible participants below fair market value.

14. Correction of errors related to comparative year:

The accompanying consolidated financial statements for the year ended August 31, 2018 have been restated to correct an error (assets understated). The effect of the restatement was to increase fixed assets by \$59,078, increase accumulated depreciation by \$3,653, and increase net assets by \$55,425.

The accompanying consolidated financial statements for the year ended August 31, 2018 have been restated to correct an error (current liabilities overstated, long-term liabilities understated). The effect of the restatement was to increase long-term debt by \$310,347 and decrease current portion of long-term debt by \$310,347.

15. Reclassifications:

Certain amounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year consolidated financial statements.

16. Subsequent events:

CASEWW has evaluated all subsequent events through April 15, 2020, the date the consolidated financial statements were available to be issued.

In early 2020, the World Health Organization declared the COVID-19 (Coronavirus) outbreak to be a pandemic. The U.S. Government's response to the pandemic included significant limitations on many aspects of Americans' daily lives, including personal mobility and closures of many public facilities. These limitations have caused significant disruption to workflow for U.S. companies and have also negatively impacted the financial markets in the U.S. and around the globe. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 outbreak on CASEWW. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19. CASEWW has not made any adjustments to these consolidated financial statements as a result of this uncertainty.

SUPPLEMENTARY INFORMATION

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended August 31, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Federal Awards			
U.S. Department of Health and Human Services			
Head Start	93.600	N/A	\$ 4,468,989
Pass-Through - Appalachian Area Agency on Aging Aging Cluster			
Special Programs for the Aging - Title III, Part B			
Grants for Supportive Services and Senior Centers	93.044	21538-06	76,984
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	N/A	157,911
Total Aging Cluster			<u>234,895</u>
Special Programs for the Aging - Title III, Part D			
Disease Prevention and Health Promotion Services	93.043	21538-06	15,119
National Family Caregiver Support - Title III, Part E	93.052	21538-06	58,655
Pass-Through - West Virginia Department of Health and Human Services			
Medical Assistance Program	93.778	G190343, G200179	252,065
Affordable Care Act (ACA) Abstinence Education Program	93.235	G190646	120,491
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	G180639, G190732	337,796
Pass-Through - Mission West Virginia			
Teen Pregnancy Prevention Program	93.297	N/A	294,095
Competitive Abstinence Education (CAE)	93.060	90SR0010-01-00 / 02-00, 90SR0036	103,863
Pass-Through - West Virginia Bureau of Senior Services			
Special Programs for the Aging - Title IV and Title II Discretionary Projects	93.048	MIPPA1947	2,000
Pass-Through - Governor's Office of Economic Opportunity			
Community Services Block Grant	93.569	18CSBG-D12 / DTD4 / F04 19CSBG-D05 / DTD4 / F04	400,179
Low-Income Home Energy Assistance	93.568	DHHRWX1403	<u>711,520</u>
Total U.S. Department of Health and Human Services			<u>6,999,667</u>
U.S. Department of Energy			
Pass-Through - Governor's Office of Economic Opportunity			
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1803, DOEWX1903	<u>299,205</u>
Total U.S. Department of Energy			<u>299,205</u>
U.S. Department of Agriculture			
Pass-Through - West Virginia Department of Education			
Child and Adult Care Food Program	10.558	N/A	<u>926,210</u>
Total U.S. Department of Agriculture			<u>926,210</u>
U.S. Department of Housing and Urban Development			
Pass-Through - West Virginia Development Office - CAD			
Emergency Solutions Grant Program	14.231	ESG19CASE	<u>130,386</u>
Total U.S. Department of Housing and Urban Development			<u>130,386</u>
U.S. Department of Homeland Security			
Pass-Through - United Way			
Emergency Food and Shelter National Board Program	97.024	N/A	<u>3,000</u>
Total U.S. Department of Homeland Security			<u>3,000</u>
Total Federal Awards			<u>\$ 8,358,468</u>

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

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended August 31, 2019

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community Action of South Eastern West Virginia, Inc. (CASEWV) under programs of the federal government for the year ended August 31, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CASEWV, it is not intended to and does not present the financial position, changes in net position, or cash flows of CASEWV.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CASEWV has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENSES COMPARED TO GRANT BUDGETS
 (NON-GAAP BASIS)
 HEAD START / EARLY HEAD START - 03CH9410-05-00
 GRANT PERIOD MAY 1, 2018 TO APRIL 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Support and Revenue			
Federal revenue	\$ 3,617,198	\$ 3,617,198	\$ -
Other revenue	-	157,787	157,787
In-kind revenue	<u>904,301</u>	<u>1,034,332</u>	<u>130,031</u>
Total Support and Revenue	<u>4,521,499</u>	<u>4,809,317</u>	<u>287,818</u>
Expenses			
Salaries and wages	2,033,611	2,198,743	165,132
Fringe benefits	625,773	596,758	(29,015)
Travel	101,689	46,872	(54,817)
Contractual	22,000	12,797	(9,203)
Equipment	-	36,814	36,814
Supplies	69,226	91,512	22,286
Indirect cost	341,083	341,083	-
Other	<u>423,816</u>	<u>450,406</u>	<u>26,590</u>
Total Program Expenses	<u>3,617,198</u>	<u>3,774,985</u>	<u>157,787</u>
In-kind expenses	<u>904,301</u>	<u>1,034,332</u>	<u>130,031</u>
Total Expenses	<u>4,521,499</u>	<u>4,809,317</u>	<u>287,818</u>
Revenues Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENSES COMPARED TO GRANT BUDGETS
(NON-GAAP BASIS)
HEAD START / EARLY HEAD START - 03CH9410-06-00
GRANT PERIOD MAY 1, 2019 TO JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Support and Revenue			
Federal revenue	\$ 552,428	\$ 552,428	\$ -
Other revenue	-	1,058	1,058
In-kind revenue	<u>138,108</u>	<u>122,590</u>	<u>(15,518)</u>
Total Support and Revenue	<u>690,536</u>	<u>676,076</u>	<u>(14,460)</u>
 Expenses			
Salaries and wages	309,337	326,654	17,317
Fringe benefits	103,980	83,377	(20,603)
Travel	5,183	7,307	2,124
Contractual	3,667	2,097	(1,570)
Supplies	15,913	9,287	(6,626)
Indirect cost	53,896	53,477	(419)
Other	<u>60,452</u>	<u>71,287</u>	<u>10,835</u>
Total Program Expenses	552,428	553,486	1,058
In-kind expenses	<u>138,108</u>	<u>122,590</u>	<u>(15,518)</u>
Total Expenses	<u>690,536</u>	<u>676,076</u>	<u>(14,460)</u>
Revenues Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENSES COMPARED TO GRANT BUDGETS
(NON-GAAP BASIS)
EARLY HEAD START - CHILD CARE PARTNERSHIP - 03HP0004-04-00
GRANT PERIOD JULY 1, 2018 TO JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Support and Revenue			
Revenue	\$ 895,127	\$ 895,127	\$ -
In-kind revenue	223,782	243,806	20,024
 Total Support and Revenue	 <u>1,118,909</u>	 <u>1,138,933</u>	 <u>20,024</u>
 Expenses			
Wages	298,441	347,218	48,777
Fringe	87,935	72,564	(15,371)
Audit	2,500	2,072	(428)
Contracted services	346,000	336,000	(10,000)
Local travel	4,000	4,514	514
Non-local travel	4,000	-	(4,000)
Telephone	1,000	2,758	1,758
Utilities	1,000	3,844	2,844
Supplies	20,437	354	(20,083)
Classroom supplies/client services	34,000	55,184	21,184
Food	1,000	1,333	333
Insurance	3,032	1,311	(1,721)
Training	20,722	7,551	(13,171)
Subscription/membership dues	-	87	87
Licenses and fees	-	57	57
Building maintenance	-	1,485	1,485
Parent services	5,000	546	(4,454)
Advertising	3,677	289	(3,388)
Depreciation expense	600	-	(600)
Indirect cost	50,383	50,383	-
Space cost transfers	11,400	7,577	(3,823)
 Total Program Expenses	 895,127	 895,127	 -
 In-kind expenses	 223,782	 243,806	 20,024
 Total Expenses	 <u>1,118,909</u>	 <u>1,138,933</u>	 <u>20,024</u>
 Revenues Over (Under) Expenses	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENSES COMPARED TO GRANT BUDGETS
 (NON-GAAP BASIS)
 COMMUNITY SERVICE BLOCK GRANT - 18CSBG-F04
 GRANT PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Support and Revenue			
Federal revenue	\$ 415,019	\$ 415,019	\$ -
Total Support and Revenue	<u>415,019</u>	<u>415,019</u>	<u>-</u>
Expenses			
Salaries and wages	229,911	230,346	435
Fringe benefits	58,700	58,409	(291)
Audit	1,500	1,611	111
Local travel	2,442	4,202	1,760
Non-local travel	2,750	1,041	(1,709)
Telephone	12,600	16,498	3,898
Postage	100	154	54
Supplies	5,077	5,226	149
Copier cost	2,600	2,779	179
Insurance	2,118	1,535	(583)
Subscription/membership dues	3,850	2,350	(1,500)
Equipment/maintenance	6,925	6,925	-
Crisis intervention	14,033	14,033	-
Indirect costs	38,115	38,235	120
Space cost transfers	34,298	31,675	(2,623)
Total Expenses	<u>415,019</u>	<u>415,019</u>	<u>-</u>
Revenues Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENSES COMPARED TO GRANT BUDGETS
(NON-GAAP BASIS)
WEATHERIZATION PROGRAM DHHR - DHHRWX1703
GRANT PERIOD OCTOBER 1, 2017 TO DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Support and Revenue			
Federal revenue	\$ 559,512	\$ 559,512	\$ -
Total Support and Revenue	<u>559,512</u>	<u>559,512</u>	<u>-</u>
Expenses			
Wages	198,789	198,789	-
Fringe	99,703	99,703	-
Audit	968	968	-
Labor	27,960	27,960	-
Local travel	684	684	-
Non-local travel	731	731	-
Space cost	5,376	5,376	-
Telephone	3,123	3,123	-
Utilities	756	756	-
Supplies	6,753	6,753	-
Copier cost	2,645	2,645	-
Gasoline	8,820	8,820	-
Vehicle maintenance	5,849	5,849	-
Insurance	4,749	4,749	-
Equipment/maintenance	2,235	2,235	-
Vehicle purchase	34,005	34,005	-
Tool purchase and maintenance	5,347	5,347	-
Materials	107,982	107,982	-
Indirect	38,891	38,891	-
Space cost transfers	4,146	4,146	-
Total Expenses	<u>559,512</u>	<u>559,512</u>	<u>-</u>
Revenues Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENSES COMPARED TO GRANT BUDGETS
(NON-GAAP BASIS)
WEATHERIZATION PROGRAM DOE - DOEWX1803
GRANT PERIOD JULY 1, 2018 TO JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Support and Revenue			
Federal	\$ 300,128	\$ 300,128	\$ -
Total Support and Revenue	<u>300,128</u>	<u>300,128</u>	<u>-</u>
Expenses			
Wages	104,351	101,066	(3,285)
Fringe	35,975	39,260	3,285
Audit	471	471	-
Labor	-	11,750	11,750
Local travel	500	93	(407)
Non-local travel	500	560	60
Space cost	6,630	5,562	(1,068)
Telephone	3,840	2,836	(1,004)
Utilities	2,070	1,871	(199)
Supplies	5,500	7,182	1,682
Copier cost	2,595	2,009	(586)
Gasoline	8,000	6,994	(1,006)
Vehicle maintenance	6,187	5,875	(312)
Insurance	3,842	3,847	5
Building maintenance	-	163	163
Tool purchase and maintenance	4,925	10,316	5,391
Materials	88,040	76,290	(11,750)
Indirect	18,299	18,425	126
Space cost transfers	8,403	5,558	(2,845)
Total Expenses	<u>300,128</u>	<u>300,128</u>	<u>-</u>
Revenues Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
 TITLE III-B SERVICES - 21938-06
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>III-B</u>
Support and Revenue	
State grant award	\$ 14,346
Expenses	
Wages	7,438
Fringe	1,277
Audit	33
Non-local travel	40
Telephone	401
Utilities	30
Supplies	35
Gasoline	1,595
Vehicle maintenance	1,396
Insurance	926
Indirect	1,175
Total Expenses	<u>14,346</u>
Revenues Over (Under) Expenses	<u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
TITLE III-D MEDICAL MANAGEMENT - 21938-06
FOR THE YEAR ENDED JUNE 30, 2019

	<u>III-D</u>
Support and Revenue	
State grant award	<u>\$ 1,165</u>
Expenses	
Wages	968
Fringe	108
Indirect	<u>89</u>
Total Expenses	<u>1,165</u>
Revenues Over (Under) Expenses	<u><u>\$ -</u></u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
 TITLE III-E - 21938-06
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>III-E</u>
Support and Revenue	
State grant award	<u>\$ 26,193</u>
Expenses	
Wages	18,202
Fringe	3,439
Audit	62
Telephone	829
Utilities	177
Supplies	233
Insurance	58
Training	16
Building maintenance	19
Indirect	2,918
Building maintenance transfers	<u>240</u>
Total Expenses	<u>26,193</u>
Revenues Over (Under) Expenses	<u><u>\$ -</u></u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019

	<u>C-1</u> <u>Congregate</u>	<u>C-2</u> <u>Home-Delivered</u>
Support and Revenue		
State grant award	<u>\$ 45,793</u>	<u>\$ 95,110</u>
Expenses		
Wages	23,081	26,216
Fringe	4,353	6,672
Audit	142	230
Contracted services	-	726
Local travel	232	260
Non-local travel	144	46
Telephone	284	328
Utilities	521	1,991
Supplies	1,278	986
Food	4,453	41,417
Disposable products	1,334	6,710
Gasoline	-	1,332
Vehicle maintenance	-	481
Insurance	211	1,193
Training	227	185
Application fees	136	-
Licenses and fees	-	43
Equipment/maintenance	1,202	184
Building maintenance	940	113
Equipment purchase	2,048	-
Indirect	3,552	4,733
Space cost transfers	<u>1,655</u>	<u>1,264</u>
Total Expenses	<u>45,793</u>	<u>95,110</u>
Revenues Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
 LIFE PROGRAM - 21805-06
 FOR THE YEAR ENDED JUNE 30, 2019

	LIFE
Support and Revenue	
State grant award	\$ 197,109
Expenses	
Wages	66,503
Fringes	18,410
Audit	303
Local travel	500
Telephone	8,156
Utilities	17,845
Postage	800
Supplies	2,450
Copier cost	3,000
Gasoline	6,197
Insurance	2,100
Building maintenance	6,773
Equipment purchase	6,000
Interest expense	15,600
Depreciation expense	31,399
Indirect	11,073
- Total Expenses	197,109
Revenues Over (Under) Expenses	\$ -

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
IN-HOME SERVICES - IHI948
FOR THE YEAR ENDED JUNE 30, 2019

	<u>In-Home Lighthouse</u>	<u>In-Home Fair</u>	<u>In-Home Data Entry</u>
Support and Revenue			
State grant award	\$ 253,140	\$ 95,711	\$ 5,000
Expenses			
Wages	188,807	69,065	3,594
Fringe	28,268	11,913	831
Audit	538	217	-
Telephone	150	-	-
Utilities	3,860	4,113	-
Supplies	-	286	-
Training	54	-	-
Building maintenance	2,801	-	-
Indirect	28,662	10,117	575
Total Expenses	<u>253,140</u>	<u>95,711</u>	<u>5,000</u>
Revenues Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
 RIGHT FROM THE START PROGRAM - G190343
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Right From The Start Program</u>
Support and Revenue	
State grant award	<u>\$ 254,112</u>
Expenses	
Wages	136,235
Fringe	31,440
Audit	518
Local travel	2,757
Non-local travel	3,383
Space cost	7,079
Telephone	3,873
Utilities	4,460
Supplies	9,048
Copier cost	4,785
Insurance	694
Training	2,940
DCC training reimbursement	2,540
Building maintenance	174
Other expenses	1,978
Outreach	11,628
Indirect	21,865
Travel transfers	648
Space cost transfers	<u>8,067</u>
Total Expenses	<u>254,112</u>
Revenues Over (Under) Expenses	<u><u>\$ -</u></u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
 JUSTICE REINVESTMENT - G190185
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Justice Reinvestment</u>
Support and Revenue	
State grant award	<u>\$ 236,305</u>
Expenses	
Wages	58,141
Fringe	15,025
Contractual	57,794
Audit	146
Supplies	1,426
Classroom supplies/client services	12,336
Furnishings	7,666
Local travel	6,466
Space cost	600
Telephone	4,477
Utilities	9,308
Food	17,362
Insurance	1,041
Training	1,097
Building maintenance	16,061
Advertising	604
Depreciation expense	6,840
Space cost transfers	9,163
Building maintenance transfers	1,501
Indirect	<u>9,251</u>
Total Expenses	<u>236,305</u>
Revenues Over (Under) Expenses	<u><u>\$ -</u></u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF PROGRAM REVENUE AND EXPENSES - AAA
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Pass-Through Grantor	Appalachian Agency on Aging	Appalachian Agency on Aging	Appalachian Agency on Aging	Appalachian Agency on Aging	Appalachian Agency on Aging
Program Title	Title III-B Senior Citizens	Title III-C-1 Nutrition	Title III-C-2 Nutrition	Title III-D In-Home Services	Title III-E Family Caregiver
Program Dates	10/1/17-9/30/18	10/1/17-9/30/18	10/1/17-9/30/18	10/1/17-9/30/18	10/1/17-9/30/18
Federal CFDA Number	93.044	93.045	93.045	93.042	93.052
Support and Revenue					
Grant revenue - Federal	\$ 58,236	\$ 48,774	\$ 126,540	\$ 6,601	\$ 36,696
Grant revenue - State	14,346	46,024	95,426	1,165	25,163
Other revenue	502	-	-	-	-
Total Support and Revenue	73,084	94,798	221,966	7,766	61,859
Expenses					
Wages	38,009	35,411	58,898	5,136	42,286
Fringe	6,001	7,859	14,183	517	7,857
Audit	293	553	949	146	155
Contracted services	-	711	192	-	-
Travel	100	311	284	-	-
Telephone and utilities	2,391	1,524	958	-	-
Supplies and copier	469	1,880	1,987	1,345	-
Food and disposable products	-	18,646	112,317	-	-
Gasoline and vehicle maintenance	11,355	-	6,873	-	-
Insurance	1,164	672	673	-	-
Training/application fees	-	99	201	-	-
Equipment maintenance	-	11,167	3,064	-	-
Building maintenance	-	190	14	-	-
Indirect	4,841	3,657	9,750	622	5,516
Space cost transfers	8,461	12,098	11,567	-	6,045
Building maintenance transfers	-	20	56	-	-
Total Expenses	73,084	94,798	221,966	7,766	61,859
Revenues Over (Under) Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

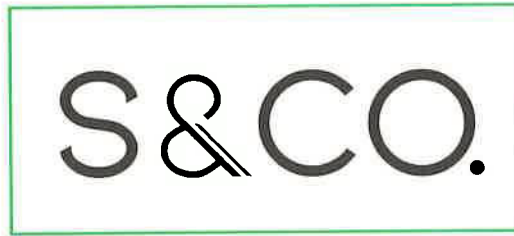
COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF SALARIES AND WAGES, FRINGES, AND INDIRECT COST CHARGED
 FOR THE YEAR ENDED AUGUST 31, 2019

	<u>Salaries and Wages</u>	<u>Fringes</u>	<u>Indirect Cost Charged</u>
Head Start	\$ 2,228,776	\$ 606,736	\$ 365,147
Early Head Start Child Care Partnership	348,623	71,814	51,475
Early Head Start Home Visitation	181,463	47,876	30,249
Community Services Block Grant	204,126	53,262	36,260
Senior Nutrition	109,607	25,379	17,253
Weatherization	303,638	100,874	62,267
Family Day Care	55,668	13,476	9,243
Commission on Aging	631,717	130,202	99,769
Right From The Start	274,592	63,473	44,916
Other programs	348,391	94,378	56,468
Agency programs	<u>217,147</u>	<u>60,195</u>	<u>27,386</u>
 Total Expenses	 <u>\$ 4,903,748</u>	 <u>\$ 1,267,665</u>	 <u>\$ 800,433</u>

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF INDIRECT COST
 FOR THE YEAR ENDED AUGUST 31, 2019

	Indirect Cost
Expenses	
Wages	\$ 480,629
Fringe	141,319
Contracted services	65,256
Local travel	1,084
Non-local travel	124
Space cost	260
Telephone	7,911
Utilities	3,849
Postage	2,311
Supplies	11,034
Food	15
Copier Cost	8,520
Gasoline	985
Vehicle maintenance	1,834
Insurance	5,193
Training	420
Subscription/membership dues	1,358
Licenses and fees	275
Building maintenance	4,128
Community awareness	1,050
Notes payable expense	29,748
Interest expense	6,551
Travel transfers	196
Space cost transfers	26,255
Building maintenance transfers	128
	\$ 800,433
Total Expenses	\$ 800,433

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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**

Board of Directors
Community Action of South Eastern West Virginia, Inc.
Bluefield, 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 consolidated financial statements of Community Action of South Eastern West Virginia, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Community Action of South Eastern West Virginia, Inc.'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action of South Eastern West Virginia, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Action of South Eastern West Virginia, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 Community Action of South Eastern West Virginia, Inc.'s consolidated 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

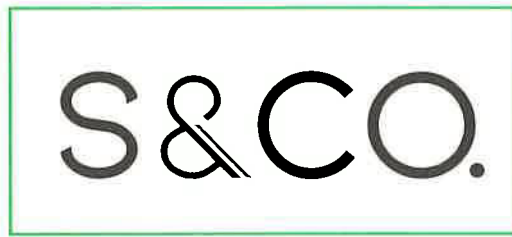
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed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

Somerville & Company, P.L.L.C.

Huntington, West Virginia

April 15, 2020

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Community Action of South Eastern West Virginia, Inc.
Bluefield, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Community Action of South Eastern West Virginia, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action of South Eastern West Virginia, Inc.'s major federal programs for the year ended August 31, 2019. Community Action of South Eastern West Virginia, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Community Action of South Eastern West Virginia, Inc.'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action of South Eastern West Virginia, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Action of South Eastern West Virginia, Inc.'s compliance.



Opinion on Each Major Federal Program

In our opinion, Community Action of South Eastern West Virginia, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control over Compliance

Management of Community Action of South Eastern West Virginia, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action of South Eastern West Virginia, Inc.'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action of South Eastern West Virginia, Inc.'s internal control over compliance.

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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Someneth & Company, P.L.L.C.

Huntington, West Virginia

April 15, 2020

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended August 31, 2019

1. SUMMARY OF AUDITORS' RESULTS

	<u>YES</u>	<u>NO</u>
CONSOLIDATED FINANCIAL STATEMENTS		
Type of auditors' report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	_____	_____ X _____
Significant deficiencies identified?	_____	_____ None Reported _____
Noncompliance material to consolidated financial statements noted?	_____	_____ X _____
FEDERAL AWARDS		
Internal control over major programs:		
Material weakness(es) identified?	_____	_____ X _____
Significant deficiencies identified?	_____	_____ None Reported _____
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	_____	_____ X _____
Major Programs:		
U.S. Department of Health and Human Services CFDA 93.600 – Head Start		
Dollar threshold used to distinguish between type A and type B programs:	_____ \$ 750,000 _____	
Auditee qualified as low-risk auditee?	_____ X _____	_____ _____

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended August 31, 2019

2. FINDINGS –FINANCIAL STATEMENT AUDIT

None noted

3. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None noted

COMMUNITY ACTION OF SOUTH EASTERN WEST VIRGINIA, INC.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended August 31, 2019

There are no findings from prior years that require an update in this report.