



**KENNEBEC VALLEY COMMUNITY ACTION
PROGRAM**

**Reports Required by *Government Auditing
Standards* and OMB Circular A-133**

Year Ended September 30, 2015

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Reports Required by *Government Auditing Standards*
and OMB Circular A-133
Year Ended September 30, 2015

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

To the Board of Directors of
Kennebec Valley Community Action Program

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 Kennebec Valley Community Action Program (a Maine nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kennebec Valley Community Action Program'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 Kennebec Valley Community Action Program's internal control. Accordingly, we do not express an opinion on the effectiveness of Kennebec Valley Community Action Program'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 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kennebec Valley Community Action Program'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.

Gibson T. Clark, LLC

Augusta, Maine
March 23, 2016

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

To the Board of Directors of
Kennebec Valley Community Action Program

Report on Compliance for Each Major Federal Program

We have audited Kennebec Valley Community Action Program'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 Kennebec Valley Community Action Program's major federal programs for the year ended September 30, 2015. Kennebec Valley Community Action Program'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 Kennebec Valley Community Action Program's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Kennebec Valley Community Action Program'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 Kennebec Valley Community Action Program's compliance.

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

Opinion on Each Major Federal Program

In our opinion, Kennebec Valley Community Action Program 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 September 30, 2015.

Report on Internal Control Over Compliance

Management of Kennebec Valley Community Action Program 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 Kennebec Valley Community Action Program's internal control over compliance with the 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 Kennebec Valley Community Action Program'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular
A-133**

We have audited the financial statements of Kennebec Valley Community Action Program as of and for the year ended September 30, 2015, and have issued our report thereon dated March 23, 2016, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by OMB Circular A-133 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gibson Jella, LLC

Augusta, Maine
March 23, 2016

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA number	Award number	Award term	Federal expenditures
U.S. Department of Health and Human Services:				
Direct Awards:				
Head Start	93.600	01CH2219/02	09/01/15-08/31/16	\$ 265,151
Head Start	93.600	01CH2219/01	09/01/14-08/31/15	2,686,552
Head Start (Early Head Start/Child Care Partnership)	93.600	01HP0008/01	02/01/15-07/31/16	711,612
Subtotal U.S. Department of Health and Human Services Head Start				3,663,315
Pass-through State Department of Health and Human Services:				
Community Services Block Grant	93.569	CFS-15-7004	10/01/14-09/30/15	389,506
Social Services Block Grant (OCFS Transportation)	93.667	CFS-15-4004D	10/01/14-01/31/16	164,801
ACA Maternal, Infant, & Early Childhood Home Visiting Program	93.505	CDC-15-1514C	09/30/14-03/31/16	876,059
Subtotal U.S. Department of Health and Human Services/State DHHS				1,430,366
Pass-through Maine State Housing Authority:				
Low-Income Home Energy Assistance (Fuel Assistance)	93.568	None	07/01/15-06/30/16	117,204
Low-Income Home Energy Assistance (Fuel Assistance)	93.568	None	07/01/14-07/31/15	449,708
Low-Income Home Energy Assistance (Weatherization Program)	93.568	None	10/01/14-03/31/17	639,713
Low-Income Home Energy Assistance (Weatherization Program)	93.568	None	10/01/13-11/30/14	154,779
Subtotal U.S. Department of Health and Human Services/MSHA Low-Income Home Energy Assistance				1,361,404
Pass-through State Department of Judicial Branch:				
Grants to States for Access & Visitation Programs	93.597	CT40A20140730*426	10/01/14-09/30/15	3,000
Grants to States for Access & Visitation Programs	93.597	CT40A20130802*588	10/01/14-09/30/15	5,000
Grants to States for Access & Visitation Programs	93.597	CT40A20130802*580	10/01/14-09/30/15	2,600
Subtotal U.S. Department Health and Human Services/State Judicial Branch Grants to States for Access/Visitation				10,600
Pass-through Western Maine Community Action:				
PPHF CA to Support Navigators in FF & State Partnership Exchanges	93.750	1 NAVCA150160-01-00	9/16/15-9/15/16	1,000
PPHF CA to Support Navigators in FF & State Partnership Exchanges	93.750	1 NAVCA140119-01-00	9/16/14-9/15/15	39,601
Subtotal U.S. Department of Health and Human Services/WMCA PPHF CA to Support Navigators in FF & State Partnership Exchanges				40,601
Total U.S. Department of Health and Human Services				6,506,286
U.S. Department of Justice:				
Pass-through Boys & Girls Clubs of America/Alfond Youth Center:				
Juvenile Mentoring Program (South End Teen Center)	16.726	OJP-2014-34862	1/13/15-12/31/15	3,825
Total U.S. Department of Justice				3,825
U.S. Department of Energy:				
Pass-through Maine State Housing Authority:				
Weatherization Assistance for Low-Income Persons	81.042	None	04/01/13-03/31/16	307,298
Total U.S. Department of Energy				307,298
U.S. Department of Agriculture:				
Pass-through State Department of Health and Human Services:				
Child & Adult Care Food Program	10.558	FP-15-448	10/01/14-09/30/15	143,158
Subtotal U.S. Department of Agriculture/State DHHS				143,158
Pass-through State Department of Agriculture, Food & Rural Resources:				
Emergency Food Assistance Program (Administrative Costs)	10.568	CT01A20150323*2976	01/01/15-09/30/15	13,575
Emergency Food Assistance Program (Administrative Costs)	10.568	CT01A20140612*4681	01/01/14-12/31/14	7,135
Subtotal U.S. Department of Agriculture/DAFRR EFAP				20,710
Pass-through Western Maine Community Action:				
Rural Community Development Initiative	10.446		09/01/14-02/28/16	5,999
Subtotal U.S. Department of Agriculture/WMCA RCDI				5,999
Total U.S. Department of Agriculture				169,867
U.S. Department of Transportation:				
Pass-through Maine Department of Transportation:				
Formula Grants for Rural Areas (RTAP Scholarship)	20.509	CSN33304	07/01/14-06/30/15	1,334
Formula Grants for Rural Areas	20.509	CSN35120	07/01/15-06/30/16	128,347
Formula Grants for Rural Areas	20.509	CSN34220	01/01/15-12/31/15	4,198
Formula Grants for Rural Areas	20.509	CSN33674	07/01/14-12/31/15	314,033
Subtotal U.S. DOT/Maine DOT Formula Grants for Other than Urbanized Areas				447,912
New Freedom Program	20.521	CSN33739	10/23/14-10/23/17	92,278
Total U.S. Department of Transportation				540,190

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Schedule of Expenditures of Federal Awards, Continued
Year Ended September 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA number	Award number	Award term	Federal expenditures
U.S. Department of Housing & Urban Development:				
Pass-through Maine Department of Economic and Community Development/ City of Rockland:				
Community Development Block Grants/State's Program	14.228	None	12/02/14-06/30/16	212,750
Community Development Block Grants/State's Program	14.228	None	09/01/13-06/30/15	115,047
Subtotal U.S. Department of HUD/Maine DECD/City of Rockland CDBG				327,797
Pass-through Maine State Housing Authority:				
Home Investment Partnerships Program (Home Rehabilitation)	14.239	None	03/01/14-05/31/15	119,722
Subtotal U.S. Department of HUD/MSHA HIPP				119,722
Total U.S. Department of Housing & Urban Development				447,519
U.S. Department of Treasury:				
Pass-through NeighborWorks America:				
NeighborWorks America/Housing Counseling	21.000	None	10/01/14-03/31/16	23,286
NeighborWorks America/Foreclosure Mitigation Counseling	21.000	Round 9	04/08/15-06/30/16	12,025
NeighborWorks America/Foreclosure Mitigation Counseling	21.000	Round 8	05/01/14-06/30/15	7,791
NeighborWorks America	21.000	None	10/01/14-09/30/15	30,925
NeighborWorks America/Emergency Homeowners Loan Program	21.000	None	06/17/11-05/31/15	20,413
NeighborWorks America/Financial Capacity Grant	21.000	GW040017	09/01/14-09/30/15	14,356
Total U.S. Department of Treasury/NeighborWorks America				108,796
Total Expenditures of Federal Awards				\$ 8,083,781

See accompanying notes to schedule of expenditures of federal awards.

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

PURPOSE OF THE SCHEDULE

Office of Management and Budget (OMB) Circular A-133 requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA).

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all federal award programs of Kennebec Valley Community Action Program for the fiscal year ended September 30, 2015. The reporting entity is defined in Notes to Financial Statements of Kennebec Valley Community Action Program.
- B. Basis of Presentation - The information in the accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133.
 - 1. Pursuant to OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, non-cash contributions or donations of property, interest subsidies, insurance, direct appropriations or food commodities.
 - 2. Major Programs - OMB Circular A-133 establishes the levels of expenditures or expenses to be used in defining major federal financial award programs. The major programs for Kennebec Valley Community Action Program have been identified in the attached Schedule of Findings and Questioned Costs - Summary of Auditor's Results.
- C. Basis of Accounting - The information presented in the Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting, which is consistent with the reporting in Kennebec Valley Community Action Program's financial statements.

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Schedule of Findings and Questioned Costs
Year Ended September 30, 2015

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Major Federal Award Programs

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
81.042	Weatherization Assistance for Low-Income Persons
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Findings Required to be Reported under *Government Auditing Standards*

None

Section III - Findings and Questioned Costs for Major Federal Awards

None

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2015

None