

**KENNEBEC VALLEY COMMUNITY ACTION  
PROGRAM**

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

**Year Ended September 30, 2013**

**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Reports Required by *Government Auditing Standards***  
**and OMB Circular A-133**  
**Year Ended September 30, 2013**

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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, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2014.

**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 the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

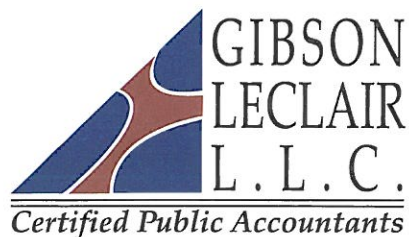
**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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. Clain, LLC*

Augusta, Maine  
February 25, 2014





**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 Kennebec Valley Community Action Program's major federal programs for the year ended September 30, 2013. 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 the 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 its major federal programs for the year ended September 30, 2013.

**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 its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs 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, 2013, and have issued our report thereon dated February 25, 2014, 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 T. Clair, LLC*

Augusta, Maine  
February 25, 2014



**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2013**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>CFDA number</b>	<b>Award number</b>	<b>Award term</b>	<b>Federal expenditures</b>
U.S. Department of Health and Human Services:				
Direct Awards:				
Head Start	93.600	01CH1119/48	09/01/13-08/31/14	\$ 274,556
Head Start	93.600	01CH1119/47	09/01/12-08/31/13	2,680,678
Subtotal U.S. Department of Health and Human Services CFDA 93.600				2,955,234
Pass-through State Department of Health and Human Services:				
Community Services Block Grant	93.569	CFS-13-7004Q	10/01/12-09/30/13	382,325
Social Services Block Grant/KV Van Regular	93.667	CFS-13-4004A	10/01/12-09/30/13	156,524
ACA Maternal, Infant, & Early Childhood Home Visiting Program	93.505	CDC-14-1514	09/30/13-09/29/14	3,711
ACA Maternal, Infant, & Early Childhood Home Visiting Program	93.505	CFS-13-1619A	07/01/12-09/29/13	855,677
Subtotal U.S. Dept. of Health and Human Services/State DHHS CFDA 93.505				859,388
Subtotal U.S. Department of Health and Human Services/State DHHS				1,398,237
Pass-through Maine State Housing Authority:				
Low-Income Home Energy Assistance/Fuel Assistance	93.568	None	07/01/13-06/30/14	126,952
Low-Income Home Energy Assistance/Weatherization Program	93.568	None	10/01/12-09/30/13	784,003
Low-Income Home Energy Assistance/Weatherization Supplemental	93.568	None	01/01/12-12/31/12	710
Low-Income Home Energy Assistance/Fuel Assistance	93.568	None	07/01/12-06/30/13	374,220
Subtotal U.S. Dept. of Health and Human Services/MSHA CFDA 93.568				1,285,885
Pass-through State Department of Judicial Branch :				
Grants to States for Access & Visitation Programs	93.597	CT20120905-1030	09/15/12-09/30/13	3,000
Grants to States for Access & Visitation Programs	93.597	CT20120905-1026	09/15/12-09/30/13	5,000
Grants to States for Access & Visitation Programs	93.597	CT20120905-1031	09/15/12-09/30/13	2,600
Grants to States for Access & Visitation Programs	93.597	CTE20110414-5048	04/15/11-10/15/12	2,600
Grants to States for Access & Visitation Programs	93.597	CTE20110414-5036	04/15/11-10/15/12	1,619
Grants to States for Access & Visitation Programs	93.597	CTE20110414-5047	04/15/11-10/15/12	2,886
Subtotal U.S. Dept. of Health and Human Services/ State Judicial Branch CFDA 93.597				17,705
Pass-through Western Maine Community Action:				
Agreement to Support Navigators in Federally-facilitated & State Partnership Exchanges	93.750	1 NAVCA130019-01-00	08/15/13-08/14/14	3,299
Total U.S. Department of Health and Human Services				5,660,360
U.S. Department of Energy:				
Pass-through Maine State Housing Authority:				
Weatherization Assistance for Low-Income Persons	81.042	None	04/01/12-05/31/13	325,393
Total U.S. Department of Energy				325,393
U.S. Department of Agriculture:				
Pass-through State Department of Health and Human Services:				
Child & Adult Care Food Program	10.558	FP-13-448	10/01/12-09/30/13	125,422
Child Nutrition Discretionary Grants Limited Availability	10.579	CFS-13-602A	10/01/12-09/30/13	28,970
Subtotal U.S. Department of Agriculture/State DHHS				154,392
Pass-through State Department of Agriculture, Conservation & Forestry:				
Emergency Food Assistance Program (Administrative Costs)	10.568	CT01A20130429*3496	01/01/13-12/31/13	11,830
Emergency Food Assistance Program (Administrative Costs)	10.568	CT01A20120518*5007	01/01/12-12/31/12	5,452
Subtotal U.S. Department of Agriculture/State DACF CFDA 10.568				17,282
Pass-through Western Maine Community Action:				
Rural Community Development Initiative	10.446	None	01/01/13-06/30/14	12,404
Rural Community Development Initiative	10.446	None	01/01/12-06/30/13	13,552
Subtotal U.S. Department of Agriculture/WMCA CFDA 10.446				25,956
Total U.S. Department of Agriculture				197,630
U.S. Department of Housing & Urban Development:				
Pass-through Maine Department of Economic & Community Development:				
Community Development Block Grants - Neighborhood Stabilization	14.228	None	07/01/09-09/30/2013	5,820
Community Development Block Grants - Town of Rockland	14.228	None	07/01/12-Open	282,105
Community Development Block Grants - Town of Rockland	14.228	None	07/01/11-Open	80,782
Subtotal U.S. Department of HUD/Maine DECD CFDA 14.228				368,707
Pass-through Maine State Housing Authority:				
Home Investment Partnerships Program/Home Rehabilitation	14.239	None	01/01/13-12/31/13	15,240
Home Investment Partnerships Program/Home Rehabilitation	14.239	None	03/15/10-12/31/12	89,146
Home Investment Partnerships Program/Home Rehabilitation LS	14.239	None	03/15/10-12/31/12	172
Home Investment Partnerships Program/Home Rehabilitation	14.239	None	03/15/10-12/31/12	5,378
Subtotal U.S. Department of HUD/MSHA CFDA 14.239				109,936
Total U.S. Department of Housing & Urban Development				478,643



**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Schedule of Expenditures of Federal Awards, Continued**  
**Year Ended September 30, 2013**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>CFDA number</b>	<b>Award number</b>	<b>Award term</b>	<b>Federal expenditures</b>
U.S. Department of Transportation:				
Pass-through Maine Department of Transportation:				
Formula Grants for Rural Areas	20.509	CSN32114	07/01/13-06/30/14	20,000
Formula Grants for Rural Areas	20.509	CSN30790	07/01/12-12/31/13	322,212
Formula Grants for Rural Areas	20.509	CSN29286	07/01/11-06/30/13	50,717
Formula Grants for Rural Areas	20.509	CSN29030	07/01/11-06/30/13	9,138
Subtotal U.S. DOT/Maine DOT CFDA 20.509				402,067
Federal Transit - Capital Investment Grants	20.500	CSN31244	02/13/13-02/13/16	32,338
Capital Assistance Program for Elderly Persons & Persons with Disabilities	20.513	CSN31244	02/13/13-02/13/16	44,168
Capital Assistance Program for Elderly Persons & Persons with Disabilities	20.513	CSN31244	02/13/13-02/13/16	29,796
Subtotal U.S. DOT/Maine DOT CFDA 20.513				73,964
Total U.S. Department of Transportation				508,369
U.S. Department of Treasury:				
Pass-through NeighborWorks America:				
NeighborWorks America	21.000	GW03545	10/1/12-9/30/13	26,089
NeighborWorks America MHA Outreach	21.000	None	07/01/13-10/31/13	3,029
NeighborWorks America/Foreclosure Mitigation Counseling	21.000	GW021483	04/01/12-06/30/13	19,966
NeighborWorks America	21.000	GW024262	10/01/12-09/30/13	55,460
NeighborWorks America	21.000	GW030212	09/06/13-Open	15,000
NeighborWorks America/Emergency Homeowners Loan Program	21.000	None	06/17/11-03/30/15	28,785
NeighborWorks America	21.000	GW026840	05/15/13-Open	2,000
Total U.S. Department of Treasury/NeighborWorks America				150,329
<b>Total Expenditures of Federal Awards</b>				<b>\$ 7,320,724</b>

*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, 2013**

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**PURPOSE OF THE SCHEDULE**

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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).

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**SIGNIFICANT ACCOUNTING POLICIES**

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- A. Reporting Entity - The accompanying schedule includes all federal award programs of Kennebec Valley Community Action Program for the fiscal year ended September 30, 2013. 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, property, interest subsidies, insurance or direct appropriations.
  - 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, 2013**

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**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:	

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>10.558</u>	<u>Child &amp; Adult Care Food Program</u>
<u>20.509</u>	<u>Formula Grants for Rural Areas</u>
<u>93.505</u>	<u>ACA Maternal, Infant, &amp; Early Childhood Home Visiting Program</u>
<u>93.569</u>	<u>Community Services Block Grant</u>
<u>93.667</u>	<u>Social Services Block Grant</u>

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

**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Schedule of Findings and Questioned Costs, Continued**  
**Year Ended September 30, 2013**

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**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, 2013**

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None