



**KENNEBEC VALLEY COMMUNITY
ACTION PROGRAM**

Reports Required by *Government Auditing
Standards* and the Uniform Guidance

For the Year Ended September 30, 2016

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Reports Required by Government Auditing Standards
and the Uniform Guidance
For the Year Ended September 30, 2016

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

To the Board of Directors 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 nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated April 26, 2017.

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 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.

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

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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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry, Fitts, Boulette, & Fitton, CPAs

April 26, 2017



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

To the Board of Directors
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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 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 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.

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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, 2016.

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 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 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Kennebec Valley Community Action Program as of and for the year ended September 30, 2016, and have issued our report thereon dated April 26, 2017, 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 the Uniform Guidance 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.

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.

Perry, Fitts, Boulette, & Fitton, CPAs

April 26, 2017

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2016

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	01CH2219/03	09/01/16-08/31/17	\$ 275,019
Head Start	93.600	01CH2219/02	09/01/15-08/31/16	2,685,132
Early Head Start/Child Care Partnership	93.600	01HP0008/02	08/01/16-07/31/17	125,236
Early Head Start/Child Care Partnership	93.600	01HP0008/01	02/01/15-07/31/16	1,191,304
Subtotal U.S. Department of Health and Human Services Head Start				4,276,691
Pass-through State Department of Health and Human Services:				
Community Services Block Grant	93.569	CFS-16-7004A	10/01/15-09/30/16	393,556
Temporary Assistance for Needy Families/Youth Outreach	93.558	COM-16-114	05/01/16-03/31/17	19,206
Temporary Assistance for Needy Families/KV Van Child Welfare	93.558	CFS-16-4004B	02/01/16-12/31/16	355,995
Social Services Block Grant/KV Van Low-Income	93.667	CFS-16-4004B	02/01/16-12/31/16	146,030
Social Services Block Grant/KV Van Low-Income	93.667	CFS-15-4004D	10/01/14-01/31/16	63,906
ACA Maternal, Infant, & Early Childhood Home Visiting Program	93.505	CDC-15-1514C	09/30/14-03/31/16	159,549
Subtotal U.S. Department of Health and Human Services/State DHHS				1,138,242
Pass-through Maine State Housing Authority:				
Low-Income Home Energy Assistance/Fuel Assistance	93.568	None	07/01/16-06/30/17	126,866
Low-Income Home Energy Assistance/Fuel Assistance	93.568	None	07/01/15-06/30/16	400,411
Low-Income Home Energy Assistance/Weatherization Program	93.568	None	10/01/15-03/31/18	358,057
Low-Income Home Energy Assistance/Weatherization Program	93.568	None	10/01/14-03/31/17	1,068,306
Subtotal U.S. Department of Health and Human Services/MSHA Low-Income Home Energy Assistance				1,953,640
Pass-through State Department of Judicial Branch:				
Grants to States for Access & Visitation Programs	93.597	CT20150915*1098	10/01/15-09/30/16	10,600
Subtotal U.S. Department Health and Human Services/State Judicial Branch Grants to States for Access/Visitation				10,600
Pass-through Maine Children's Trust:				
ACA Maternal, Infant, & Early Childhood Home Visiting Program	93.505	MCT-16-113A	04/01/16-09/30/18	149,237
Temporary Assistance for Needy Families/Home Visiting	93.558	MCT-16-113A	04/01/16-09/30/18	106,634
ACA Maternal, Infant, & Early Childhood Home Visiting Formula Program	93.870	MCT-16-113A	04/01/16-09/30/18	105,572
Subtotal U.S. Department of Health and Human Services/Maine Children's Trust/Home Visiting				361,443
Pass-through Western Maine Community Action:				
PPHF CA to Support Navigators in FF & State Partnership Exchanges	93.332	1 NAVCA150160-01-00	09/02/16-09/01/17	2,593
PPHF CA to Support Navigators in FF & State Partnership Exchanges	93.332	1 NAVCA140119-01-00	09/02/15-09/01/16	39,000
Subtotal U.S. Department of Health and Human Services/WMCA				41,593
PPHF CA to Support Navigators in FF & State Partnership Exchanges				41,593
Total U.S. Department of Health and Human Services				7,782,209
U.S. Department of Justice				
Pass-through Boys & Girls Clubs of America/Alford Youth Center				
Juvenile Mentoring Program - South End Teen Center	16.726	OJP-2015-36390	01/01/16-12/31/16	2,332
Juvenile Mentoring Program - South End Teen Center	16.726	OJP-2014-34862	01/13/15-12/31/15	3,059
Total U.S. Department of Justice				5,391
U.S. Department of Energy:				
Pass-through Maine State Housing Authority:				
Weatherization Assistance for Low-Income Persons	81.042	None	04/01/16-03/31/17	127,101
Weatherization Assistance for Low-Income Persons	81.042	None	04/01/13-04/30/16	357,906
Total U.S. Department of Energy				485,007
U.S. Department of Agriculture:				
Pass-through State Department of Health and Human Services:				
Child & Adult Care Food Program	10.558	FP-16-448	10/01/15-09/30/16	168,812
Subtotal U.S. Department of Agriculture/State DHHS				168,812
Pass-through Western Maine Community Action:				
Rural Community Development Initiative	10.446	None	09/01/14-02/28/16	6,001
Subtotal U.S. Department of Agriculture/WMCA RCDI				6,001
Total U.S. Department of Agriculture				174,813
U.S. Department of Transportation:				
Pass-through Maine Department of Transportation:				
Formula Grants for Rural Areas/RTAP Scholarship	20.509	CSN 36337	07/01/16-06/30/17	1,196
Formula Grants for Rural Areas	20.509	CSN 36591	07/01/16-06/30/17	130,753
Formula Grants for Rural Areas	20.509	CSN 36013	07/01/15-12/31/16	15,000
Formula Grants for Rural Areas	20.509	CSN 35120	07/01/15-06/30/16	297,749
Subtotal U.S. DOT/Maine DOT Formula Grants for Other than Urbanized Areas				444,698
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	CSN 35019	10/06/15-10/06/20	172,231
Total U.S. Department of Transportation				616,929

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Schedule of Expenditures of Federal Awards, Continued
Year Ended September 30, 2016

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	10/01/15-06/30/17	279,568
Total U.S. Department of Housing & Urban Development				279,568
U.S. Department of Treasury:				
Pass-through NeighborWorks America:				
NeighborWorks America/Foreclosure Mitigation Counseling	21.000	Round 10	06/10/16-06/30/17	10,766
NeighborWorks America/Foreclosure Mitigation Counseling	21.000	Round 9	04/08/15-06/30/16	14,826
NeighborWorks America	21.000	None	10/01/15-Open	70,500
NeighborWorks America	21.000	None	10/01/14-Open	18,279
NeighborWorks America	21.000	None	10/01/13-Open	6,051
NeighborWorks America/Financial Capacity Grant	21.000	None	08/15/16-08/15/17	240
Total U.S. Department of Treasury/NeighborWorks America				120,662
Total Expenditures of Federal Awards				\$ 9,464,579

See accompanying notes to schedule of expenditures of federal awards.

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
Notes to Schedule of Expenditures of Federal Awards
September 30, 2016

PURPOSE OF THE SCHEDULE

The Uniform Guidance 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, 2016. The reporting entity is defined in the 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 the Uniform Guidance.
 - 1. Pursuant to the Uniform Guidance, 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 – The Uniform Guidance establishes the level of expenditures or expenses to be used in defining major federal award programs. Major programs for the Kennebec Valley Community Action Program are identified in the summary of auditor's results in the Schedule of Findings and Questioned Costs.
- 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 the Kennebec Valley Community Action Program's financial statements.

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM
 Schedule of Findings and Questioned Costs
 September 30, 2016

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 deficiency identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiency identified?	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 the Uniform Guidance?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.568	Low-Income Home Energy Assistance
81.042	Weatherization Assistance for Low-Income Persons
93.505	Affordable Care Act – Maternal , Infant and Early Childhood Home Visiting Program
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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
September 30, 2016

None