

FINANCIAL STATEMENTS

MID-KANSAS COMMUNITY ACTION PROGRAM, INC.
AUGUSTA, KANSAS

FOR THE YEAR ENDED JUNE 30, 2018

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

MID-KANSAS COMMUNITY ACTION PROGRAM, INC.
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Mid-Kansas Community Action Program, Inc.
Augusta, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of Mid-Kansas Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 financial statements referred to above, present fairly, in all material respects, the financial position of Mid-Kansas Community Action Program, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by 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 the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2018, on our consideration of Mid-Kansas Community Action Program, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Kansas Community Action Program, Inc.'s internal control over financial reporting and compliance.

McBride, Lock & Associates, LLC
Kansas City, Missouri
October 9, 2018

MID-KANSAS COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: NATURE OF ACTIVITY

Mid-Kansas Community Action Program, Inc. (the organization) is a non-profit corporation which serves economically and socially disadvantaged persons in Barber, Butler, Chase, Clark, Comanche, Cowley, Edwards, Greenwood, Harper, Harvey, Kingman, Kiowa, Marion, Pawnee, Pratt, Reno, Rice, Stafford and Sumner counties in Kansas. The Organization provides services in the following areas:

- a. **Support Services**, whereby clients receive a variety of temporary assistance in areas such as housing and transportation costs, employment services, dental care, and adult education.
- b. **Housing**, whereby the Organization provides low-income housing.
- c. **Community Services**, whereby the Organization can offer case management services and employee training.

The Organization receives funding primarily through government grants and rental revenue.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. **Basis of Accounting:** The financial statements of Mid-Kansas Community Action Program, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Assets are recorded at cost when purchased, or in the case of gifts, at fair value at the date of the gift.
- b. **Cash and Cash Equivalents:** The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization had no cash equivalents at June 30, 2018.
- c. **Income Tax Status:** Mid-Kansas Community Action Program, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is also exempt from state income taxes under the laws of the State of Kansas. The organization has not been classified as a private foundation.

As required by FASB ASC No. 740, *Income Taxes*, the organization evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing organization's continued qualification as a tax-exempt organization and whether there is unrelated business income activities conducted that would be taxable. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The organization is no longer subject to United States federal or state examinations by tax authorities for the year before 2015. During the fiscal year ending June 30, 2018, the organization did not recognize any interest or penalties associated with any positions.

- d. **Expense Allocation:** The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses.
- e. **Property and Equipment:** During the fiscal year, the Organization changed its threshold for capitalizing property and equipment from \$2,500 to \$5,000. Property and equipment are stated at cost, if purchased and at fair value at the date of donation, if donated. Such items acquired under grant from Federal and State sources are considered to be owned by the Organization while used in the programs for which they are purchased or in the programs authorized in the future. Property and equipment purchased or donated to the Organization are depreciated based on estimated useful lives using the straight-line method as follows:

Equipment	5-10 Years
Vehicles	5 Years
Building	40 Years

- f. **Net Assets:** The Organization’s net assets are classified as follows:

Unrestricted Net Assets – Those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions are included as well as resources derived from gifts and contributions. These resources are used at the discretion of the governing board to meet current expenses for any purpose.

Temporarily Restricted Net Assets – Those net assets whose use by the Organization has been limited by donors to later periods of time or after specified dates or to specified purposes.

- g. **Contributions:** Contributions received are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions. If a restriction is satisfied in the same period the contribution is received, the contribution is reported as unrestricted.
- h. **Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- i. **Concentration of Risk:** The organization is supported primarily through grants from federal, state, and local governments. Historically, a significant portion of grants were provided by a few major grantors, including the U.S. Department of Health and Human Services and the U.S. Department of Housing and Urban Development. It is always considered reasonably possible that grantors or donors might be lost in the near term. In addition, the organization’s ability to generate resources via grants is primarily dependent upon the economic health and prosperity of the Federal government and the State of Kansas. As a result, there is the potential that an economic downturn or changes in federal and state policy or priorities could result in a decrease in contributions and grants. This in turn could potentially negatively impact the organization’s ability to provide the same level of high quality service that they currently provide to its program participants.

j. Fair Value of Financial Instruments: Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1: Assets or liabilities that are valued based on unadjusted quoted prices in active markets that are accessible at measurement date.
- Level 2: Assets or liabilities that are valued based on inputs other than quoted prices that are observable, including quoted prices for similar assets or liabilities and other pricing models (which use observable inputs).
- Level 3: Assets or liabilities that are valued based on unobservable inputs, including the reporting entity's own analysis of the underlying economic data that market participants would factor into the pricing of the asset or liability.

The organization's significant financial instruments are cash, short-term and long-term liabilities. For these financial instruments, level 1 of the fair value hierarchy is used.

NOTE 3: LIQUIDITY AND AVAILABILITY

Financial assets without donor or other restrictions limiting their use that are available for general expenditures within one year of the Statement of Financial Position date consist of the following:

Financial Assets:	
Cash	\$ 173,584
Accounts Receivable	31,031
Contributions Receivable	<u>277</u>
Total Financial Assets	\$ 204,892
Less amount unavailable for general expenditure within one year due to:	
Donor imposed restrictions:	
Restricted by donor with purpose restrictions	<u>(54,284)</u>
Financial Assets Available for General Expenditures	<u><u>\$ 150,608</u></u>

The organization is substantially supported by government grants. It is expected that the majority of the organization's operations in the coming year and beyond will be funded by these grants. The organization receives some restricted contributions which must be used for a particular purpose and therefore are may not be available for general expenditure within one year. The negative position of unrestricted net assets on the Statement of Financial Position is largely due to the presence of loan programs which, if the terms of the programs are continued to be met until the release date, will not require repayment.

NOTE 3: DEPOSITS

As of June 30, 2018, the carrying amount of the organization's deposits was \$192,441. The bank balance was covered entirely by FDIC depository insurance.

NOTE 4: PROPERTY AND EQUIPMENT

	<u>6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2018</u>
Other Property and Equipment				
Buildings	\$ 1,622,230	\$ -	\$ 49,103	\$ 1,573,127
Vehicles	132,435	-	-	132,435
Total Other Property and Equipment	<u>1,754,665</u>	<u>-</u>	<u>49,103</u>	<u>1,705,562</u>
Accumulated Depreciation				
Building	(658,807)	(49,440)	12,583	(695,664)
Vehicles	<u>(94,758)</u>	<u>(12,787)</u>	<u>-</u>	<u>(107,545)</u>
Total Accumulated Depreciation	<u>(753,565)</u>	<u>(62,227)</u>	<u>12,583</u>	<u>(803,209)</u>
Net Property and Equipment	<u>\$ 1,001,100</u>	<u>\$ (62,227)</u>	<u>\$ 36,520</u>	<u>\$ 902,353</u>

Certain buildings owned by the Organization are collateral for notes payable. See Note 10 for further discussion.

NOTE 5: COMPENSATED ABSENCES

Vacation and sick leave benefits accumulate based on position and experience. The liability for compensated absences of \$9,052 has been recorded as an accrued liability as of June 30, 2018.

NOTE 6: CONTINGENCIES

The Organization participates in various grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

On February 28, 2011, the Organization relinquished the Head Start Program. As part of the relinquishment various assets purchased with Head Start funds were returned to the federal agency. The Organization has recorded an accrued liability of \$85,948 related to the costs associated with the relinquishment.

NOTE 7: EMPLOYEE BENEFIT PLAN

The organization maintains a SIMPLE IRA employee benefit plan for the benefit of its employees. Employees are eligible to participate in the plan after they have completed two years of employment with the organization. Contributions to the plan consist of employee pre-tax salary deferrals and employer contributions of 3% of gross salary for participating employees. For the year ended June 30, 2018, the organization contributed \$2,111 to the plan.

NOTE 8: RESERVE ACCOUNTS

Reserve accounts liability consists of \$21,765 of funds required to be set aside by the terms of loan agreements for rental housing. These reserve funds may be used for paying the costs of repairs and/or improvements to the properties. The organization also recognized \$3,450 of customer deposits on rental properties under reserve accounts.

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets consist of contributions received to be used for a specific purpose. As of June 30, 2018, net assets were restricted for the following purposes:

<u>Fund</u>	<u>Amount</u>
Harvey County	\$ 1,675
Amerigroup	1,830
Fidelity Charity	1,108
Bright Future Families	13,882
United Way of El Dorado	25,112
KidzFest	1,347
Thrive!	9,052
City of Augusta	<u>278</u>
Total	<u>\$ 54,284</u>

NOTE 10: NOTES PAYABLE

4.125% note payable, due in monthly installments of \$1,725 including interest, through July 19, 2035. Secured by Augusta, Kansas Building. 253,600

The Organization has entered into various CHDO grant loan agreements to construct rental homes. The loan agreements contain an interest rate of 3.0%. If the compliance requirements of the program are maintained throughout the term of the notes, no payment is required. The terms of the notes require payments of 25 percent of the annual cash flow when the debt service coverage ratio (DCR) exceeds 1.25 percent for any year during the term of the mortgage. Any balance due at the termination of the mortgage shall be forgiven and the property lien will be released. The DCR is determined by dividing the net operation income (NOI) by the annual debt service required by the first mortgage. NOI is net income minus operating costs. CHDO grant loans outstanding as of June 30, 2018 were as follows:

CHDO No. M-96-SG-20-0100-22 maturing September 2019, secured by Madison, Kansas House.	100,393
CHDO No. M-01-SG-20-0100-22 maturing June 2022, secured by Strong City, Cassoday, and Eureka, Kansas Houses.	296,370
CHDO No. CH-02-22 maturing May 2024, secured by Severy, Kansas House	140,000
CHDO No. CH-04-22 maturing February 2027 and May 2026, secured by Arkansas City and Cassoday, Kansas Houses, respectively.	189,000
CHDO No. CH-05-22 maturing February 2027, secured by two Atlanta, Kansas Houses.	227,000
Total Notes Payable	<u>\$ 1,206,363</u>

Interest expense for the year ended June 30, 2018 was \$10,687.

NOTE 10: NOTES PAYABLE (continued)

Future scheduled maturities of long-term debt are as follows:

Years Ending June 30:	
2019	10,434
2020	111,266
2021	11,330
2022	308,176
2023	12,303
Thereafter	<u>752,854</u>
	<u>\$1,206,363</u>

NOTE 11: LEASING OPERATIONS

The Organization leases low-income housing units and commercial property under one year operating leases. As of June 30, 2018, accumulated depreciation for rental properties was \$695,664.

NOTE 12: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 30, 2018, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**MID-KANSAS COMMUNITY ACTION PROGRAM, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Mid-Kansas Community Action Program, Inc. for the year ended June 30, 2018. The information in this 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note B: Summary of Significant Accounting Policies

Expenditures are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Mid-Kansas Community Action Program, Inc. has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

Note C: Grants to Subrecipients

There were no federal funds passed through to sub-recipients during the fiscal year.

Note D: Loan and Loan Guarantees

As of June 30, 2018, the organization had a balance of \$952,763 outstanding on federal loan programs (see Note 10 to the Financial Statements for detail on these balances).

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
Mid-Kansas Community Action Program, Inc.

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 Mid-Kansas Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 October 9, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid-Kansas Community Action Program, 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Kansas Community Action Program’s internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-Kansas 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 Mid-Kansas Community Action Program, Inc.'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.

McBride, Lock & Associates, LLC
Kansas City, Missouri
October 9, 2018

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

To the Board of Directors of
Mid-Kansas Community Action Program, Inc.

Report on Compliance for Each Major Federal Program

We have audited Mid-Kansas Community Action Program, 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 Mid-Kansas Community Action Program, Inc.'s major federal programs for the year ended June 30, 2018. The organization'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 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 Mid-Kansas Community Action Program, 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 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about Mid-Kansas Community Action Program, 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 Mid-Kansas Community Action Program, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Mid-Kansas Community Action Program, 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 June 30, 2018.

Report on Internal Control Over Compliance

Management of Mid-Kansas Community Action Program, 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 Mid-Kansas Community Action Program, 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 Mid-Kansas Community Action Program, 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 requirement of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McBride, Lock & Associates, LLC
Kansas City, Missouri
October 9, 2018

MID-KANSAS COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified: Yes X No
- Significant deficiency(ies) identified not considered to be material weaknesses? Yes X None reported
3. Noncompliance material to financial statements noted? Yes X No

Federal Awards

4. Internal control over major programs:
- Material weakness(es) identified: Yes X No
- Significant deficiency(ies) identified not considered to be material weaknesses? Yes X None reported
5. Type of auditors’ report issued on Compliance for major programs? Unmodified
6. Any findings disclosed that are required to be reported in accordance with Uniform Guidance section 200.516? Yes X No
7. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.569	Community Services Block Grant

MID-KANSAS COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018
(Continued)

8. Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000
9. Auditee qualified as a low-risk auditee? X Yes No

Section II – Financial Statement Findings:

There were no matters reported.

Section III – Federal Award Findings and Questioned Costs:

There were no findings or questioned costs.

MID-KANSAS COMMUNITY ACTION PROGRAM, INC.
STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

There were no prior year findings or questioned costs.