



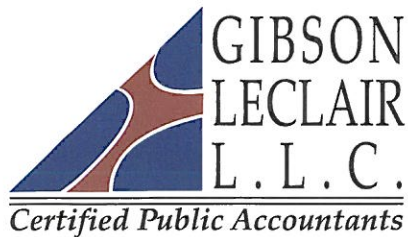
**Reports Required by  
*Maine Uniform Accounting and Auditing  
Practices For Community Agencies***

**Year Ended September 30, 2013**

**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Reports Required by *Maine Uniform Accounting and Auditing Practices***  
***for Community Agencies***  
**Year Ended September 30, 2013**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
DEPARTMENT AGREEMENT AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE *MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES FOR  
COMMUNITY AGENCIES***

To the Board of Directors of  
Kennebec Valley Community Action Program

**Report on Compliance for Each Major Department Agreement**

We have audited Kennebec Valley Community Action Program's compliance with the types of compliance requirements described in the *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP), and with the requirements identified in the Contract Compliance Riders that could have a direct and material effect on each of Kennebec Valley Community Action Program's major Department agreements for the year ended September 30, 2013. Kennebec Valley Community Action Program's major Department agreements 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 Department agreements.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Kennebec Valley Community Action Program's major Department agreements 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 *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP). Those standards and MAAP 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 Department agreement 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 Department agreement. 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  
DEPARTMENT AGREEMENT AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES FOR  
COMMUNITY AGENCIES, CONTINUED**

***Opinion on Each Major Department Agreement***

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 Department agreements 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 types of requirements that could have a direct and material effect on each major Department agreement to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Department agreement and to test and report on internal control over compliance in accordance with MAAP, 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 Department agreement 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 Department agreement 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 Department agreement 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.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
DEPARTMENT AGREEMENT AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE *MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES FOR  
COMMUNITY AGENCIES*, CONTINUED**

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 MAAP. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Department Agreements Required by *Maine Uniform Accounting and Auditing Practices for Community Agencies***

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 department agreements is presented for purposes of additional analysis as required by *Maine Uniform Accounting and Auditing Practices for Community Agencies* 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 department agreements is fairly stated in all material respects in relation to the financial statements as a whole.



Augusta, Maine  
February 25, 2014

**Kennebec Valley Community Action Program  
Schedule of Expenditures of Department Agreements  
Year Ended September 30, 2013**

Department/ Office	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenses	State Expenses	Total Department Expenses	DOT Only Local Share Expenses	DOT Only Total Agreement/Match Expenses
Maine DHHS:										
DHHS-CFS	CFS-13-4004A	\$ 191,560	10/1/12-9/30/13	KV Van Transportation - Regular	Final	\$ 156,524	-	156,524	-	-
DHHS-CFS	CFS-13-4004A	250,000	10/1/12-9/30/13	KV Van Transportation - Special	Final	-	245,692	245,692	-	-
DHHS-CFS	CFS-13-1406	71,154	10/1/12-6/30/13	State Head Start	Final	-	71,154	71,154	-	-
DHHS-CFS	CFS-14-1406	71,154	7/1/13-6/30/14	State Head Start	Interim	-	31,082	31,082	-	-
DHHS-CFS	CFS-13-7004Q	82,826	10/1/12-9/30/13	CSBG - Employment Services	Final	82,826	-	82,826	-	-
DHHS-CFS	CFS-13-7004Q	88,045	10/1/12-9/30/13	CSBG - South End Teen Center	Final	88,045	-	88,045	-	-
DHHS-CFS	CFS-13-7004Q	20,006	10/1/12-9/30/13	CSBG - Families in Transition	Final	20,006	-	20,006	-	-
DHHS-CFS	CFS-13-7004Q	79,750	10/1/12-9/30/13	CSBG - Family Enrichment Council	Final	79,750	-	79,750	-	-
DHHS-CFS	CFS-13-7004Q	42,860	10/1/12-9/30/13	CSBG - Community Initiatives/H&P	Final	42,860	-	42,860	-	-
DHHS-CFS	CFS-13-7004Q	38,174	10/1/12-9/30/13	CSBG - Community Assessment/Training	Final	38,174	-	38,174	-	-
DHHS-CFS	CFS-13-7004Q	21,764	10/1/12-9/30/13	CSBG - Housing & Energy Services	Final	21,764	-	21,764	-	-
DHHS-CFS	CFS-13-7004Q	8,900	10/1/12-9/30/13	CSBG - Skowhegan Child Care	Final	8,900	-	8,900	-	-
DHHS-CFS	CFS-13-1619A	1,169,875	7/1/12-9/29/13	Home Visiting	Final	855,677	49,291	904,968	-	-
DHHS-CFS	CDC-14-1514	999,900	9/30/13-9/29/14	Home Visiting	Interim	3,711	-	3,711	-	-
DHHS-CFS	FP-13-448	-	10/1/12-9/30/13	Child & Adult Care Food Program	Final	125,422	-	125,422	-	-
DHHS-CFS	CFS-13-602A	28,970	10/1/12-9/30/13	Child Nutrition Discretionary Grants Limited Availability	Final	28,970	-	28,970	-	-
DHHS-ADS	DS2-13-139A	26,109	7/1/12-6/30/13	KV Van Transportation	Final	-	16,047	16,047	-	-
DHHS-ADS	ADS-14-5872	26,109	7/1/13-6/30/14	KV Van Transportation	Interim	-	5,974	5,974	-	-
Subtotal Maine DHHS						1,552,629	419,240	1,971,869	-	-
Maine DOT:										
MaineDOT	CSN 31244; PIN 6442.00	106,302	2/1/13-2/13/16	Transit Vehicle Purchase	Interim	106,302	-	106,302	26,576	132,878
MaineDOT	CSN 30292; PIN 016263.10/018058.00	5,000	7/1/12-6/30/13	RTAP	Final	-	-	-	-	-
MaineDOT	CSN 32114; PIN 018058.00/017834.00/019537.00	20,000	7/1/13-6/30/14	RTAP	Final	20,000	-	20,000	-	20,000
MaineDOT	CSN 29286; PIN 017278.00/017278.01	373,619	7/1/11-6/30/13	Admin/Operating/Capital	Final	50,717	541	51,258	71,326	122,584
MaineDOT	CSN 30790; PIN 019681.00	374,163	7/1/12-12/31/13	Admin/Operating/Capital	Interim	322,212	42,322	364,534	188,789	553,323
MaineDOT	CSN 29030; PIN 016278.02	9,138	7/1/12-6/30/13	Admin/Operating/Capital	Final	9,138	-	9,138	9,138	18,276
Subtotal Maine DOT						508,369	42,863	551,232	295,829	847,061
<b>Total</b>						<b>\$ 2,060,998</b>	<b>462,103</b>	<b>2,523,101</b>	<b>295,829</b>	<b>847,061</b>

*See accompanying notes to schedule of expenditures of department agreements.*

**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Notes to Schedule of Expenditures of Department Agreements**  
**Year Ended September 30, 2013**

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**MAJOR AGREEMENTS**

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The Organization expended \$2,523,101 in Department agreements. Of these expenditures, 77% were tested as major agreements. Major agreements are identified in the summary of auditor's results section of the schedule of findings and questioned costs.

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**FEDERAL CIRCULAR A-133 AUDIT**

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The Organization was required to have a Federal Circular A-133 audit for the year ended September 30, 2013. The report issued on compliance was unmodified and did not disclose any instances of noncompliance, material weaknesses or significant deficiencies. The separate report was dated February 25, 2014.

**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 State Agreements**

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 MAAP regulations?	No
Identification of major programs:	

**Agreement Number**

CFS-13-1619A/CFS-14-1514  
CSN 31244; PIN 6442.00  
CSN 29286; PIN 017278.00/017278.01  
CSN 30790; PIN 019681.00  
CSN 29030; PIN 016278.02  
CFS-13-7004Q  
FP-13-448

**Agreement Service**

Home Visiting  
Transit Vehicle Purchase  
Admin/Operating/Capital  
Admin/Operating/Capital  
Admin/Operating/Capital  
Community Services Block Grant  
Child & Adult Care Food Program

Auditee qualified as low-risk auditee?	No
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**Section II - Findings Required to be Reported under Government Auditing Standards**

NONE

**Section III - Findings and Questioned Costs for Major Department Agreements**

NONE



**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Status of Prior Year Findings**  
**Year Ended September 30, 2013**

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**Finding #2012-1 – Reporting (Repeat Finding)**  
**Agreement - CFS-12-1406A, State Head Start**

**Criteria –**

*Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP)* requires community agencies receiving Department funding to submit various financial and programmatic reports within specific timelines (depending on the reporting schedules contained in the agreements).

**Condition Found, Effects and Recommendations –**

For Agreement CFS-12-1406A, one quarterly performance measures report was filed beyond its due date. Late reporting could result in the delay of grant receipts from the funding source. We recommend the Organization review its procedures that track contract report due dates and filings, so that all required reports are filed prior to the due date.

**Questioned Costs –**

None

**Management Response –**

The late filing of the State Head Start quarterly performance report (due 4/15/2012) was an unfortunate oversight. When realized (4/20/2012), the department's Office Manager contacted the state contract officer by phone and email indicating the report had been completed and copies were then filed accordingly. Responsibility for reporting on this contract has since been reassigned to the department's Grants and Information Coordinator to assure all reporting deadlines are met.

**Status –**

Resolved. For the year ended September 30, 2013, the major Department agreements' reporting requirements were met. In addition, the State of Maine Department of Health & Human Services has issued their examination report for the year ended and September 30, 2012 and considers the year to be closed.

**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Status of Prior Year Findings, Continued**  
**Year Ended September 30, 2013**

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**Finding #2012-2 – Eligibility**

**Agreement – CFS-12-4004A, KV Van Transportation**

**Criteria –**

Eligibility requirements over this agreement include the verification of income of the individuals who receive services.

**Condition Found, Effects and Recommendations –**

During our testing of 40 client files out of 227 served under this KV Van Transportation agreement, we noted that in 2 of the 40 files tested, income eligibility was not verified before providing services to the clients. One of the two clients was later determined to be over income and not eligible for services. We recommend that controls over the income eligibility verification process be strengthened to ensure ineligible clients are served.

**Questioned Costs –**

For the client determined to be over income, the Organization billed and received reimbursement for transportation services provided from December 1-15, 2011 under Agreement CFS-12-4004A in the amount of \$64.

**Management Response –**

The program will review and clarify the process for both initial income eligibility determination during the fiscal year and redetermination for clients whose service carries over between fiscal years. In both cases cited, the clients were sent redetermination applications that were not returned in a timely manner and services were not canceled prior to the start of the new contract period. While the current system is sound in ensuring that new services are not started without appropriate income verification, systems will be enhanced to monitor the status of redeterminations to ensure that either applications are received in a timely manner or services to the consumer are discontinued. While this process has previously been assigned to several different staff members, the process of redetermination will be assigned to one specific staff member with designated time lines to ensure accuracy and accountability.

**Status –**

Resolved. For the year ended September 30, 2013, the major Department agreements' eligibility requirements were met. In addition, the State of Maine Department of Health & Human Services has issued their examination report for the year ended and September 30, 2012 and considers the year to be closed.