



**KENNEBEC VALLEY  
COMMUNITY ACTION PROGRAM  
AND AFFILIATE**

Required Schedules under the *Maine Uniform  
Accounting and Auditing Practices for  
Community Agencies*  
September 30, 2018

# KENNEBEC VALLEY COMMUNITY ACTION PROGRAM AND AFFILIATE

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

To the Board of Directors of  
Kennebec Valley Community Action Program and Affiliate

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 consolidated financial statements of Kennebec Valley Community Action Program and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2018, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and we have issued our report thereon dated June 28, 2019.

**Internal Control Over Financial Reporting**

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

*One River, CPAs*

June 28, 2019



**INDEPENDENT AUDITORS' 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 and Affiliate

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

We have audited Kennebec Valley Community Action Program and Affiliate's (the Organization) 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 the Organization's major Department agreements for the year ended September 30, 2018. The Organization's major Department agreements are identified in the summary of auditors' 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 state department agreements.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization'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 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 the Organization'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 the Organization's compliance.

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

In our opinion, Kennebec Valley Community Action Program and Affiliate 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, 2018.

## **Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 the Organization'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 deficiencies, significant deficiencies or material weaknesses. 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 Department Agreements Required by *Maine Uniform Accounting and Auditing Practices for Community Agencies***

We have audited the consolidated financial statements of Kennebec Valley Community Action Program and Affiliate as of and for the year ended September 30, 2018, and we have issued our report thereon dated June 28, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 MAAP. Accordingly, this report is not suitable for any other purpose.

*One River, CPAs*

June 28, 2019

**Kennebec Valley Community Action Program  
Schedule of Expenditures of Department Agreements  
Year Ended September 30, 2018**

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-19-4014A	\$ 1,344,316	07/01/18 - 06/30/20	KV Van Transportation - Low Income/Child V	Interim	\$ 38,522	23,165	61,687	-	-
DHHS-CFS	CFS-19-4004C	78,801	07/01/18 - 09/30/18	KV Van Transportation - Child Welfare	Final	-	60,744	60,744	-	-
DHHS-CFS	CFS-18-4004C	191,559	07/01/17 - 06/30/18	KV Van Transportation - Low Income	Final	130,616	-	130,616	-	-
DHHS-CFS	CFS-18-4004C	413,839	07/01/17 - 06/30/18	KV Van Transportation - Child Welfare	Final	-	274,106	274,106	-	-
DHHS-CFS	CFS-19-1406	245,464	07/01/18 - 06/30/19	State Head Start	Interim	8,712	55,634	64,346	-	-
DHHS-CFS	CFS-17-1406A	482,885	07/01/16 - 06/30/18	State Head Start	Final	52,273	142,475	194,748	-	-
DHHS-CFS	CFS-18-7004B	98,319	10/01/17 - 09/30/18	CSBG - South End Teen Center	Final	97,819	-	97,819	-	-
DHHS-CFS	CFS-18-7004B	16,243	10/01/17 - 09/30/18	CSBG - Families in Transition	Final	16,243	-	16,243	-	-
DHHS-CFS	CFS-18-7004B	84,788	10/01/17 - 09/30/18	CSBG - Family School Based/Community Ed	Final	77,523	-	77,523	-	-
DHHS-CFS	CFS-18-7004B	26,959	10/01/17 - 09/30/18	CSBG - Community Initiatives/H&P	Final	26,959	-	26,959	-	-
DHHS-CFS	CFS-18-7004B	44,920	10/01/17 - 09/30/18	CSBG - Community Assessment/Training	Final	44,920	-	44,920	-	-
DHHS-CFS	CFS-18-7004B	131,241	10/01/17 - 09/30/18	CSBG - Poverty Initiative	Final	131,741	-	131,741	-	-
DHHS-CFS	FP-18-448	-	10/01/17 - 09/30/18	Child & Adult Care Food Program	Final	168,131	-	168,131	-	-
DHHS-CFS	COM-17-114	149,250	04/01/17 - 03/31/19	Youth Outreach	Interim	53,517	-	53,517	-	-
DHHS-CFS	COM-18-4429	-	11/01/17 - 06/30/18	Youth Outreach	Final	4,925	-	4,925	-	-
DHHS-CFS	COM-18-4429	7,705	07/01/18 - 06/30/19	Youth Outreach	Interim	200	-	200	-	-
DHHS-ADS	ADS-19-5872	-	07/01/18 - 06/30/19	KV Van Transportation Disability Services	Interim	-	315	315	-	-
DHHS-ADS	ADS-18-5872	-	07/01/17 - 06/30/18	KV Van Transportation Disability Services	Final	-	1,750	1,750	-	-
<b>Subtotal Maine DHHS</b>						<b>852,101</b>	<b>558,189</b>	<b>1,410,290</b>	<b>-</b>	<b>-</b>
Maine DHHS Indirect:										
Maine Children's Trust	MCT-19-1600	153,000	07/01/18 - 06/30/19	CAN - Kennebec County	Interim	-	35,276	35,276	-	-
Maine Children's Trust	MCT-19-1600	153,000	07/01/18 - 06/30/19	CAN - Somerset County	Interim	-	36,220	36,220	-	-
Maine Children's Trust		174,000	07/01/17 - 06/30/18	CAN - Kennebec County	Final	35,122	70,376	105,498	-	-
Maine Children's Trust		174,000	07/01/17 - 06/30/18	CAN - Somerset County	Final	38,002	84,130	122,132	-	-
Maine Children's Trust	MCT-17-113	1,078,695	10/01/17 - 09/30/18	Home Visiting	Final	827,736	122,956	950,692	-	-
<b>Subtotal Maine DHHS Indirect</b>						<b>900,860</b>	<b>348,958</b>	<b>1,249,818</b>	<b>-</b>	<b>-</b>
Maine DOT:										
MaineDOT	CSN 37367; PIN 019526.00, 019352.00, 020779.00, 020777.03	279,616	04/27/17 - 04/30/24	Enhanced Mobility of Seniors and Individuals with Disabilities	Final	226,114	27,962	254,076	19,761	273,837
MaineDOT	CSN 39506; PIN 020787.57; 020789.50	525,770	07/01/18 - 06/30/19	Admin/Operating	Interim	133,284	26,303	159,587	61,817	221,404
MaineDOT	CSN 39090; PIN 020789.00, 020773.00	6,566	07/01/17 - 06/30/18	Admin/Operating/Capital	Final	6,566	-	6,566	2,561	9,127
MaineDOT	CSN 38050; PIN 020787.44, 020789.10, 020773.02, 020773.03	616,520	07/01/17 - 06/30/18	Admin/Operating/Capital	Final	374,011	62,041	436,052	252,132	688,184
<b>Subtotal Maine DOT</b>						<b>739,975</b>	<b>116,306</b>	<b>856,281</b>	<b>336,271</b>	<b>1,192,552</b>
<b>Total</b>						<b>\$ 2,492,936</b>	<b>1,023,453</b>	<b>3,516,389</b>	<b>336,271</b>	<b>1,192,552</b>

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



**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM AND AFFILIATE  
NOTES TO SCHEDULE OF EXPENDITURES  
OF DEPARTMENT AGREEMENTS  
Year Ended September 30, 2018**

**NOTE 1 - MAJOR AGREEMENTS**

The Organization expended \$3,516,389 in Department agreements. Of these total expenditures, 55% were tested as major agreements. Major agreements are identified in the summary of auditors' results section of the schedule of findings and questioned costs.

**NOTE 2 - UNIFORM GUIDANCE AUDIT**

The Organization was required to have an audit in accordance with the Uniform Guidance for the year ended September 30, 2018. 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 June 28, 2019.

**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2018**

**Section I – Summary of Auditors’ Results**

**Consolidated financial statements**

Type of auditors’ 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 consolidated financial statements noted?	No

**State Agreements**

Internal Control over programs tested:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for programs tested	Unmodified
Any audit findings disclosed that are required to be reported in accordance with MAAP regulations?	No
Identification of program tested and service:	

CFS-18-4004C	KV Van Transportation
CFS-18-7004B	CSBG
FP-18-448	CACFP
MCT-17-113	Home Visiting

**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
Year Ended September 30, 2018**

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

NONE

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

NONE

**Section IV – Status of Prior Year Findings**

NONE