



**KENNEBEC VALLEY  
COMMUNITY ACTION PROGRAM  
AND AFFILIATE**

Reports Required by *Government Auditing  
Standards* and the Uniform Guidance  
For the Year Ended September 30, 2019

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM AND AFFILIATE  
Reports Required by Government Auditing Standards  
and the Uniform Guidance  
For the Year Ended September 30, 2019

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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, 2019, and the related consolidated statement of activities, statement of functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 20, 2020.

**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 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.

*One River, CPAs*

April 20, 2020



**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 and Affiliate

**Report on Compliance for Each Major Federal Program**

We have audited Kennebec Valley Community Action Program and Affiliate'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 and Affiliate's major federal programs for the year ended September 30, 2019. Kennebec Valley Community Action Program and Affiliate'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 and Affiliate'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 and Affiliate'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 and Affiliate's compliance.

### **Opinion on Each Major Federal Program**

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 federal programs for the year ended September 30, 2019.

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

Management of Kennebec Valley Community Action Program and Affiliate 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 and Affiliate'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 and Affiliate'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the consolidated financial statements of Kennebec Valley Community Action Program and Affiliate as of and for the year ended September 30, 2019, and we have issued our report thereon dated April 20, 2020 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 federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*One River, CPAs*

April 20, 2020

**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2019**

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	01CH011233-01-00	09/01/19-08/31/20	\$ 81,354
Head Start	93.600	01CH2219/05	09/01/18-08/31/19	3,273,074
Head Start/Early Head Start/Child Care Partnership	93.600	01HP000391-01-00	09/01/19-08/31/20	77,846
Head Start/Early Head Start/Child Care Partnership	93.600	01HP0008/04	09/01/18-08/31/19	1,384,068
Head Start/Early Head Start/Child Care Partnership - Round 3	93.600	01HP000179-01-00	03/01/19-02/29/20	177,326
Subtotal U.S. Department of Health and Human Services/Administration for Children and Families				4,993,668
Pass-through State Department of Health & Human Services:				
Community Services Block Grant	93.569	CFS-19-7004B	10/01/18-09/30/19	393,526
Social Services Block Grant/KV Van Low-Income & Child Welfare	93.667	CFS-19-4014A	07/01/18-06/30/20	195,790
Subtotal U.S. Department of Health and Human Services/State DHHS				589,316
TANF Cluster:				
Pass-through State Department of Health & Human Services:				
Temporary Assistance for Needy Families/Youth Outreach	93.558	CFS-19-2110	04/01/19-03/31/20	36,996
Temporary Assistance for Needy Families/Youth Outreach	93.558	COM-17-114	04/01/17-03/31/19	36,906
Temporary Assistance for Needy Families/State Head Start	93.558	CFS-20-1406	07/01/19-06/30/21	17,424
Temporary Assistance for Needy Families/State Head Start	93.558	CFS-19-1406	07/01/18-06/30/19	43,560
Subtotal TANF Cluster: U.S. Department of Health and Human Services/State DHHS				134,886
Pass-through Maine Children's Trust:				
Temporary Assistance for Needy Families/Home Visiting	93.558	MCT-19-1601A	10/1/18-09/30/19	90,520
Subtotal TANF Cluster: U.S. Department of Health and Human Services/Maine Children's Trust				90,520
Pass-through Alford Youth Center:				
Temporary Assistance for Needy Families	93.558	None	07/01/19-06/30/20	5,850
Temporary Assistance for Needy Families	93.558	None	07/01/18-06/30/19	7,505
Subtotal TANF Cluster: U.S. Department of Health and Human Services/Alford Youth Center				13,355
Total TANF Cluster				238,761
Pass-through Maine State Housing Authority:				
Low-Income Home Energy Assistance/Fuel Assistance	93.568	None	07/01/19-08/20/20	109
Low-Income Home Energy Assistance/Fuel Assistance	93.568	None	07/01/18-08/20/20	626,041
Low-Income Home Energy Assistance/Fuel Assistance	93.568	None	07/01/17-08/20/19	191,776
Low-Income Home Energy Assistance/Assurance 16	93.568	None	04/01/19-03/31/20	15,778
Low-Income Home Energy Assistance/Assurance 16	93.568	None	10/01/17-03/31/19	65,140
Low-Income Home Energy Assistance/Weatherization Program	93.568	None	10/01/17-03/31/20	317,039
Low-Income Home Energy Assistance/Weatherization Program	93.568	None	10/01/16-03/31/19	849,738
Subtotal U.S. Department of Health and Human Services/Maine State Housing Authority				2,065,621
Pass-through State Department of Judicial Branch:				
Grants to States for Access & Visitation Programs	93.597	None	10/01/18-09/30/19	10,350
Subtotal U.S. Department of Health and Human Services/State Department of Judicial Branch				10,350
Maternal, Infant, and Early Childhood Home Visiting Cluster:				
Pass-through Maine Children's Trust:				
Maternal, Infant, & Early Childhood Home Visiting Formula Program	93.870	MCT-19-1601A	10/01/18-09/30/19	668,314
Total Maternal, Infant, and Early Childhood Home Visiting Cluster/ U.S. Department of Health and Human Services/Maine Children's Trust				668,314
Total U.S. Department of Health & Human Services				8,566,030
U.S. Department of Energy:				
Pass-through Maine State Housing Authority:				
Weatherization Assistance for Low-Income Persons	81.042	None	04/01/19-03/31/20	179,214
Weatherization Assistance for Low-Income Persons	81.042	None	04/01/18-03/31/19	450,388
Total U.S. Department of Energy				629,602
U.S. Department of Agriculture:				
Pass-through State Department of Education:				
Child & Adult Care Food Program	10.558	FP-19-448	10/01/18-09/30/19	180,943
Total U.S. Department of Agriculture				180,943



**KENNEBEC VALLEY COMMUNITY ACTION PROGRAM**  
**Schedule of Expenditures of Federal Awards, Continued**  
**Year Ended September 30, 2019**

U.S. Department of Transportation:					
Pass-through State Department of Transportation:					
Formula Grants for Rural Areas	20.509	CSN 40891	07/01/19-06/30/20		93,211
Formula Grants for Rural Areas - RTAP	20.509	CSN 39738	08/09/18-10/05/18		2,100
Formula Grants for Rural Areas	20.509	CSN 39506	07/01/18-06/30/19		304,966
Formula Grants for Rural Areas	20.509	CSN 38050	07/01/18-06/30/19		4,000
Subtotal State Department of Transportation					404,277
Transit Services Programs Cluster:					
Pass-through State Department of Transportation:					
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	CSN	07/01/19-06/30/20		40,788
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	CSN 40242	07/01/18-06/30/19		90,000
Total Transit Services Programs Cluster/Subtotal					130,788
State Department of Transportation					130,788
Total U.S. Department of Transportation					535,065
U.S. Department of Justice:					
Pass-through Alford Youth Center:					
Juvenile Mentoring Program	16.726	OJP 2018-43840	02/01/19-12/31/19		2,823
Total U.S. Department of Justice					2,823
U.S. Department of Housing & Urban Development:					
Pass-through State Department of Department of Economic & Community Development/City of Rockland					
Community Development Block Grants/State's Program	14.228	None	06/01/19-05/31/20		72,631
Community Development Block Grants/State's Program	14.228	None	04/01/18-06/01/19		110,838
Total U.S. Department of Housing & Urban Development					183,469
U.S. Department of Treasury:					
Pass-through NeighborWorks America:					
NeighborWorks America/HUD Home Ownership Ed & Counseling	21.000	None	04/01/19-03/31/20		11,251
NeighborWorks America/HUD Home Ownership Ed & Counseling	21.000	None	04/01/18-03/31/19		17,432
NeighborWorks America	21.000	None	10/01/18-Open		122,773
NeighborWorks America	21.000	None	10/01/17-Open		86,896
NeighborWorks America	21.000	None	10/01/16-Open		2,421
Total U.S. Department of Treasury					240,773

**Total Expenditures of Federal Awards**

**\$ 10,338,705**

*See accompanying notes to schedule of expenditures of federal awards.*

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM AND AFFILIATE  
Notes to Schedule of Expenditures of Federal Awards  
September 30, 2019

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**PURPOSE OF THE SCHEDULE**

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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).

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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 and Affiliate for the fiscal year ended September 30, 2019. The reporting entity is defined in the notes to consolidated financial statements of Kennebec Valley Community Action Program and Affiliate.
- 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 and Affiliate 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 and Affiliate's consolidated financial statements.
- D. Indirect Cost Rate – The Organization has not elected to use the 10% de minimis indirect cost rate.

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM AND AFFILIATE  
 Schedule of Findings and Questioned Costs  
 September 30, 2019

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**Section I – Summary of Auditor’s Results**

Consolidated 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 consolidated 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>
93.600	Head Start
93.870	Maternal, Infant, and Early Childhood Home Visiting Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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**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 AND AFFILIATE  
Summary Schedule of Prior Audit Findings  
September 30, 2019

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**Section IV – Prior Year Finding Required and Questioned Costs For Federal Awards**

None