

Kennebec Valley Community Action Program

Waterville, Maine

Required Schedule Under the *Maine
Uniform Accounting and Auditing
Practices for Community Agencies*

Year Ended September 30, 2023



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Kennebec Valley Community Action Program

Required Schedule Under the *Maine Uniform Accounting and Auditing Practices for Community Agencies*

Year Ended September 30, 2023

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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*

Board of Directors
Kennebec Valley Community Action Program
Waterville, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Subsidiaries, which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, 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 30, 2024. The financial statements of Cony Village, LLC and KVCAP Real Estate Development, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those entities.

Report on 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”) as a basis for designing 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 of 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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. 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 Kennebec Valley Community Action Program's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kennebec Valley Community Action Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

April 30, 2024
Madison, Wisconsin

Independent Auditor’s Report on Compliance for Each Major Department Agreement and on Internal Control over Compliance in Accordance with Maine Uniform Accounting and Auditing Practices for Community Agencies and Report on Schedule of Expenditures of Department Agreements

Board of Directors
Kennebec Valley Community Action Program
Waterville, Maine

Report on Compliance for Each Major Department Agreement

Opinion on Each Major Department Agreement

We have audited Kennebec Valley Community Action Program’s (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP), and with the requirements in the Contract Compliance Riders of the Agency’s agreements with the Maine Department of Health and Human Services and the Maine Department of Transportation (the “Department”) 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Department Agreement

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of MAAP. Our responsibilities under those standards and MAAP are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Kennebec Valley Community Action Program and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Department agreement. Our audit does not provide a legal determination of Kennebec Valley Community Action Program’s compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Kennebec Valley Community Action Program’s Department agreements.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kennebec Valley Community Action Program's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and MAAP will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kennebec Valley Community Action Program's compliance with the requirements of each major Department agreement as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and MAAP, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Kennebec Valley Community Action Program's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kennebec Valley Community Action Program's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Kennebec Valley Community Action Program's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 MAAP

We have audited the financial statements of Kennebec Valley Community Action Program as of and for the year ended September 30, 2023, and have issued our report thereon, dated April 30, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed 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 MAAP 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.



Wipfli LLP

April 30, 2024
Madison, Wisconsin

KENNEBEC VALLEY COMMUNITY ACTION PROGRAM

Schedule of Expenditures of Department Agreements

Year Ended September 30, 2023

Department/ Office	Agreement Number	Agreement Amount	Agreement Period	Agreement Services	Agreement Status	Federal Expenses	State Expenses	Total Department Expenses	DOT Only Local Share Expenses	DOT Only Total Agreement/Match Expenses
Maine DHHS:										
DHHS-CDC	COM-22-6008	137,840	01/01/22-12/31/22	Social Supports	Final	\$ 23,438	\$ -	\$ 23,438	\$ -	\$ -
DHHS-CFS	CFS-23-7004	488,942	10/01/22-09/30/23	CSBG	Final	471,353	-	471,353	-	-
DHHS-CFS	CFS-24-4014	701,559	07/01/23-06/30/24	KV Van Transportation - Low Income/Child Welfare	Interim	35,227	45,201	80,428	-	-
DHHS-CFS	CFS-23-4014A	701,559	07/01/22-06/30/23	KV Van Transportation - Low Income/Child Welfare	Final	141,408	142,179	283,587	-	-
DHHS-CFS	CFS-24-1406	496,702	07/01/23-06/30/25	State Head Start	Interim	10,624	39,852	50,476	-	-
DHHS-CFS	CFS-22-1406A	490,928	07/01/21-06/30/23	State Head Start	Final	38,108	140,858	178,966	-	-
DHHS-OFI	OFI-24-403	490,000	07/01/23-06/30/25	Whole Families	Interim	71,222	-	71,222	-	-
DHHS-OFI	OFI-22-403	522,390	07/01/21-06/30/23	Whole Families	Final	217,021	-	217,021	-	-
Subtotal Maine DHHS						\$ 1,008,401	\$ 368,090	\$ 1,376,491	\$ -	\$ -
Maine DHHS Indirect:										
Maine Children's Trust	Sub CFS-23-1600A	153,000	07/01/23-06/30/24	CAN - Kennebec County	Interim	\$ -	\$ 115,790	\$ 115,790	\$ -	\$ -
Maine Children's Trust	Sub CFS-23-1600A	153,000	07/01/23-06/30/24	CAN - Somerset County	Interim	-	113,047	113,047	-	-
Maine Children's Trust	Sub CFS-23-1600	153,000	07/01/22-06/30/23	CAN - Kennebec County	Final	-	33,718	33,718	-	-
Maine Children's Trust	Sub CFS-23-1600	153,000	07/01/22-06/30/23	CAN - Somerset County	Final	-	31,329	31,329	-	-
Maine Children's Trust	Sub CDO-23-4230	2,291,246	10/01/22-09/30/24	Home Visiting	Interim	692,686	190,937	883,623	-	-
Maine Children's Trust	Sub CDO-23-4230	87,200	10/01/22-09/30/24	American Rescue Plan	Interim	58,030	-	58,030	-	-
Maine Children's Trust	Sub CDO-23-4230	711,578	10/01/22-09/30/24	Family First	Interim	117,667	117,668	235,335	-	-
Maine Children's Trust	None	5,000	10/01/22-09/30/23	Front Porch - Somerset County	Final	5,000	-	5,000	-	-
Maine Children's Trust	None	5,000	10/01/22-09/30/23	Front Porch - Kennebec County	Final	5,000	-	5,000	-	-
Alfond Youth Center	CFS-23-2115	33,442	10/01/22-09/30/23	Teen Center TANF	Final	33,442	-	33,442	-	-
University of Maine System	UMS06-6383230-20-60100-6482653	106,500	10/01/22-12/31/23	Maine Apprenticeship Program / MRQ PDN	Interim	-	76,849	76,849	-	-
Subtotal Maine DHHS Indirect						\$ 911,825	\$ 679,338	\$ 1,591,163	\$ -	\$ -
Maine DOT:										
DOT	CSN 43892	1,085,000	05/01/22-12/31/24	Formula Grant - FTA CRRSAA Act	Interim	\$ 626,276	\$ -	\$ 626,276	\$ -	\$ 626,276
DOT	CSN 44070	500,000	07/01/22-12/31/23	Formula Grant - FTA American Rescue Plan	Final	383,743	-	383,743	-	383,743
DOT	CSN 45375	34,100	07/01/23-06/30/25	Enhanced Mobility - Micro Transit	Interim	10,335	-	10,335	-	10,335
DOT	CSN 43919	399,750	05/13/22-05/13/28	Bus and Bus Facilities - Vehicle Purchase	Final	319,800	71,700	391,500	8,250	399,750
DOT	CSN 43358	3,799	06/01/21-12/31/22	Formula Grant - RTAP	Final	275	-	275	-	275
DOT	CSN 44566	1,200	11/10/22-12/31/22	Formula Grant - RTAP	Final	1,200	-	1,200	-	1,200
DOT	CSN 44706	2,400	01/01/23-04/30/23	Formula Grant - RTAP	Final	2,400	-	2,400	-	2,400
DOT	CSN 45405	600	07/01/23-12/31/23	Formula Grant - RTAP	Final	600	-	600	-	600
Total						\$ 3,264,855	\$ 1,119,128	\$ 4,383,983	\$ 8,250	\$ 1,424,579

Notes

Percentage of DHHS department expenditures tested as major in current year in relation to total department expenditures - 39.7%.

Percentage of DOT department expenditures tested as major in current year in relation to total department expenditures - 0.0%.

The Schedule of Expenditures of Department Agreements of Kennebec Valley Community Action Program (KVCAP) was prepared for the purpose of complying with the *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP), issued by the Maine Department of Health and Human Services (the "Department"). This schedule is a presentation of grant revenues, expenditures, and balances of KVCAP's agreements with the Department, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States, and is not intended to be a complete presentation of KVCAP's revenues and expenses.

Disclosures:

Is your Agency required to have a Federal Single Audit? **Yes**

Kennebec Valley Community Action Program

Schedule of Findings and Questioned Costs

Year Ended September 30, 2023

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?	None reported
Noncompliance material to financial statements noted?	No

State Agreements

Internal Control over agreements tested:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for agreements tested	Unmodified
Any audit findings disclosed that are required to be reported in accordance with MAAP regulations?	No

Identification of agreement tested:

Name of Agreement:

Department of Health and Human Services:

- Home Visiting – CDO-23-4230

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

Findings: None

Questioned Costs: None

Section III - Findings and Questioned Costs for State Agreements

Findings: None

Questioned Costs: None

Summary Schedule of Prior Year Findings - None