



**Reports Required by *Government Auditing Standards* and the **Uniform Guidance****

**Year Ended August 31, 2019**

**WESTERN MAINE COMMUNITY ACTION, INC.**  
**Reports Required by *Government Auditing Standards***  
**and the Uniform Guidance**  
**Year Ended August 31, 2019**

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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**

To the Board of Directors of  
Western Maine Community Action, 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 Western Maine Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2019, 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 February 6, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Western Maine Community Action, 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 Western Maine Community Action, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Western Maine Community Action, Inc.'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.

**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, CONTINUED**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Western Maine Community Action, Inc.'s financial statements are free of 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Augusta, Maine  
February 6, 2020

**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  
Western Maine Community Action, Inc.

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

We have audited Western Maine Community Action, 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 Western Maine Community Action, Inc.'s major federal programs for the year ended August 31, 2019. Western Maine Community Action, Inc.'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 Western Maine Community Action, 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 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 Western Maine Community Action, 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 the major federal program. However, our audit does not provide a legal determination of Western Maine Community Action, Inc.'s compliance.

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

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

In our opinion, Western Maine Community Action, 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 August 31, 2019.

**Report on Internal Control Over Compliance**

Management of Western Maine Community Action, 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 Western Maine Community Action, 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 Western Maine Community Action, 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE, 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 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 financial statements of Western Maine Community Action, Inc. as of and for the year ended August 31, 2019, and have issued our report thereon dated February 6, 2020, 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 federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Gibson Joel*, LLC

Augusta, Maine  
February 6, 2020

**WESTERN MAINE COMMUNITY ACTION, INC.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2019**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
US Department of Agriculture:				
Direct Awards:				
Rural Housing Preservation Grants	10.443	None	\$ 69,700	-
Subtotal U.S.D.A Direct Awards			69,700	-
Pass-Through Awards:				
Maine Department of Education:				
Child & Adult Care Food Program	10.558	FP-18-480	16,865	-
Child & Adult Care Food Program	10.558	FP-19-480	151,652	-
Subtotal U.S.D.A. Pass-Through MEDOE CACFP			168,517	-
Maine Department of Health and Human Services:				
Special Supplemental Nutrition Program for WIC	10.557	CD3-18-4658A	256,171	-
Special Supplemental Nutrition Program for WIC	10.557	CD3-19-4658A	2,851,862	-
Subtotal U.S.D.A. Pass-Through MEDHHS 10.557			3,108,033	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	CD3-18-4658A	2,000	-
Subtotal U.S.D.A. Pass-Through MEDHHS			3,110,033	-
Maine Department of Agriculture, Conservation and Forestry:				
Commodity Supplemental Food Program	10.565	None	45,963	-
Commodity Supplemental Food Program	10.565	None	97,856	-
Subtotal U.S.D.A Pass-Through Maine DACF and Total Food Distribution Center			143,819	-
Subtotal U.S.D.A. Pass-Through			3,422,369	-
Total U.S. Department of Agriculture			3,492,069	-
U.S. Department of Health And Human Services:				
Direct Awards:				
PPHF Cooperative Agreement to Support Navigators in Federally-Facilitated and State Partnership Exchanges	93.332	NAVCA150260-03-00	3,994	-
PPHF Cooperative Agreement to Support Navigators in Federally-Facilitated and State Partnership Exchanges	93.332	NAVCA180325-01-00	100,319	27,500
Subtotal U.S. DHHS Direct 93.332			104,313	27,500
Pass-Through Awards:				
Maine Department of Health and Human Services:				
Community Services Block Grant	93.569	CFS-18-7009	36,194	-
Community Services Block Grant	93.569	CFS-19-7009B	196,818	-
Subtotal U.S. DHHS Pass-Through MEDHHS CSBG			233,012	-
Maine State Housing Authority:				
Low-Income Home Energy Assistance	93.568	None	956,464	-
Subtotal U.S. DHHS Pass-Through MSHA LiHEAP			956,464	-
Subtotal U.S. DHHS Pass-through Awards			1,189,476	-
Total U.S. Department of Health and Human Services			1,293,788	27,500
U.S. Department of Housing and Urban Development:				
Pass-Through Awards:				
City of Rockland/ Maine Department of Economic and Community Development:				
Community Development Block Grant/State's Program	14.228	None	155,734	-
Total U.S. Department of Housing and Urban Development			155,734	-
US Dept of Energy:				
Pass-Through Awards:				
Maine State Housing Authority:				
Weatherization Assistance for Low-Income Persons	81.042	None	254,011	-
Total U.S. Department of Energy			254,011	-
US Department of Labor:				
Pass-Through Awards:				
Maine DOL/Central Western Maine Workforce Investment Board:				
WIA WIOA Adult Program	17.258	CWMWI-WMCA WIOA PY2017-05	365,557	-
WIA WIOA Adult Program	17.258	CWMWI-WMCA WIOA PY2018-02	123,715	-
Subtotal WIA/WIOA Adult Program			489,272	-
WIA/WIOA Youth Activities	17.259	CWMWI-WMCA WIOA PY2017-05	366,658	-
WIA/WIOA Youth Activities	17.259	CWMWI-WMCA WIOA PY2018-02	89,489	-
Subtotal WIA/WIOA Youth Activities			456,148	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	CWMWI-WMCA WIOA PY2017-05	250,988	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	CWMWI-WMCA WIOA PY2018-02	49,854	-
Subtotal WIA/WIOA Dislocated Worker Formula Grants			300,842	-
Subtotal U.S. DOL Pass-Through Maine DOL/Central Western Maine Workforce Investment Board			1,246,262	-
Maine Department of Labor:				
WIA/WIOA Dislocated Worker Formula Grants	17.278	CT20180918*1010	28,076	-
Subtotal U.S. DOL Pass-Through Maine Department of Labor			28,076	-
Total U.S. Department of Labor WIA Cluster			1,274,338	-
<b>Total Federal Awards</b>			<b>\$ 6,469,941</b>	<b>27,500</b>

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



**WESTERN MAINE COMMUNITY ACTION, INC.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2019**

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**BASIS OF PRESENTATION**

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The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Western Maine Community Action, Inc. under programs of the federal government for the year ended August 31, 2019. 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). Because the Schedule presents only a selected portion of the operations of Western Maine Community Action, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Western Maine Community Action, Inc.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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**INDIRECT COST RATE**

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Western Maine Community Action, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**WESTERN MAINE COMMUNITY ACTION, INC.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended August 31, 2019**

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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 Federal Award Programs**

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 the Uniform Guidance (2 CFR section 200.516(a))?	No

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>10.557</u>	<u>Special Supplemental Nutrition Program for Women, Infants, and Children</u>
<u>93.568</u>	<u>Low-Income Home Energy Assistance</u>

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 Award Programs**

NONE

**WESTERN MAINE COMMUNITY ACTION, INC.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended August 31, 2019**

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NONE