



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

Year Ended September 30, 2019

DOWNEAST COMMUNITY PARTNERS
Reports Required by *Government Auditing Standards*
and the Uniform Guidance
Year Ended September 30, 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
Downeast Community Partners

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 Downeast Community Partners (a nonprofit organization), which comprise the statement of financial position as of September 30, 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 July 27, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Downeast Community Partner'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 Downeast Community Partner's internal control. Accordingly, we do not express an opinion on the effectiveness of Downeast Community Partners' 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 Downeast Community Partners' 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.



Augusta, Maine
July 27, 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
Downeast Community Partners

Report on Compliance for Each Major Federal Program

We have audited Downeast Community Partners' compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Downeast Community Partners' major federal programs for the year ended September 30, 2019. Downeast Community Partners' 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 Downeast Community Partners' 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 Downeast Community Partners' 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 Downeast Community Partners' 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, Downeast Community Partners 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 Downeast Community Partners 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 Downeast Community Partners' internal control over compliance with the types of requirements that could have a direct and material effect on each of its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of its major federal programs 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 Downeast Community Partners' 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 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 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 Downeast Community Partners as of and for the year ended September 30, 2019, and have issued our report thereon dated July 27, 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 T. Clair, LLC

Augusta, Maine
July 27, 2020

**Downeast Community Partners
Schedule of Expenditures of Federal Awards
Year Ended September 30, 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:				
Pass-through Awards:				
Maine Department of Health and Human Services:				
Child and Adult Care Food Program	10.558	FP-19-421	\$ 416,373	-
Sunrise County Economic Council:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	OFI-19-009	76,058	-
Total U.S. Department of Agriculture Pass-through Awards			492,431	-
U.S. Department of Housing and Urban Development :				
Pass-through Awards:				
City of Rockland, Maine:				
Community Development Block Grants/State's Program/Home Repair Network	14.228	None	131,163	-
Community Development Block Grants/State's Program/Home Repair Network	14.228	None	142,889	-
Total U.S. Department of Housing and Urban Development Pass-through Awards			274,052	-
U.S. Department of Transportation :				
Pass-through Awards:				
Maine Department of Transportation:				
Formula Grants for Rural Areas/Preventative Maintenance	20.509	ME-2018-024-00/CSN 39605	51,041	-
Formula Grants for Rural Areas/RTAP	20.509	ME-16-008-3/CSN 40575	5,000	-
Formula Grants for Rural Areas/RTAP	20.509	ME-18-X056-01/CSN 40360	3,000	-
Formula Grants for Rural Areas/RTAP	20.509	ME-18-X056-01/CSN 40361	2,171	-
Formula Grants for Rural Areas/JARC	20.509	ME-18-X056-01/CSN 35125	4,505	-
Formula Grants for Rural Areas/JARC	20.509	ME-2019-019-00/CSN 41053	163	-
Formula Grants for Rural Areas/JARC	20.509	ME-2017-011-00/CSN 40194	34,171	-
Formula Grants for Rural Areas/ Preventative Maintenance	20.509	ME-2017-011-00/CSN 38078	11,636	-
Subtotal U.S. Department of Transportation CFDA 20.509			111,687	-
Enhanced Mobility of Seniors and Individuals with Disabilities/Transit Services Programs Cluster/				
Vehicle Cost Sharing Agreement	20.513	ME-16-X041/ME-16-X042/CSN 38149	102,823	-
Total U.S. Department of Transportation Pass-through Awards			214,510	-
U.S. Department of Energy				
Pass-through Awards:				
Maine State Housing Authority:				
Weatherization Assistance for Low-Income Persons	81.042	None	232,930	-
Total U.S Department of Energy Pass-through Awards			232,930	-
U.S. Department of Health and Human Services:				
Direct Awards:				
Head Start	93.600	01CH010282-04-02	1,724,663	-
Head Start	93.600	01CH010282-03-02	536,358	-
Subtotal U.S. DHHS Direct Awards CFDA 93.600			2,261,021	-
Pass-through Awards:				
Maine State Housing Authority:				
Low-Income Home Energy Assistance	93.568	None	1,084,078	-
Subtotal U.S. DHHS Pass-through Maine State Housing Authority			1,084,078	-
Maine Department of Health and Human Services:				
Community Services Block Grant	93.569	CFS-19-7008A	314,595	-
Social Services Block Grant	93.667	CFS-19-4020B	108,360	-
Temporary Assistance for Needy Families (TANF) State Programs	93.558	CFS-19-1402B	52,272	-
Temporary Assistance for Needy Families (TANF) State Programs	93.558	CFS-19-4020B	57,989	-
Subtotal U.S. DHHS Pass-through Maine DHHS CFDA 93.558			110,261	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	CD7-20-4532	3,177	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	CD7-18-4532	2,252	-
Subtotal U.S. DHHS Pass-through Maine DHHS CFDA 93.898			5,429	-
Subtotal U.S. DHHS Pass-through Maine DHHS			538,645	-
Sunrise County Economic Council:				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	OFI-19-009	154,422	-
Subtotal U.S DHHS Pass-through Awards			1,777,145	-
Total U.S. Department of Health and Human Services			4,038,166	-
U.S. Department of Homeland Security:				
Pass-through Awards:				
United Way:				
Emergency Food and Shelter National Board Program	97.024	34-3756-00	11,424	-
Total U.S. Department of Homeland Security Pass-through Awards			11,424	-
Total Federal Awards			\$ 5,263,513	-

See accompanying notes to schedule of expenditures of federal awards.

DOWNEAST COMMUNITY PARTNERS
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2019

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Downeast Community Partners under programs of the federal government for the year ended September 30, 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 Downeast Community Partners, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Downeast Community Partners.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

INDIRECT COST RATE

Downeast Community Partners has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

DOWNEAST COMMUNITY PARTNERS
Schedule of Findings and Questioned Costs
Year Ended September 30, 2019

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.558</u>	<u>Child and Adult Care Food Program</u>
<u>20.513</u>	<u>Enhanced Mobility of Seniors and Individuals with Disabilities (Transit Services Programs Cluster)</u>
<u>93.558</u>	<u>Temporary Assistance for Needy Families (TANF) State Programs</u>
<u>93.568</u>	<u>Low-Income Home Energy Assistance</u>
<u>93.569</u>	<u>Community Services Block Grant</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?	No - for purposes of this audit, the Agency was considered a new entity as of October 1, 2017, a result of a merger of two previous entities.
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DOWNEAST COMMUNITY PARTNERS
Schedule of Findings and Questioned Costs, Continued
Year Ended September 30, 2019

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

NONE

Section III - Findings and Questioned Costs for Major Federal Award Programs

NONE

DOWNEAST COMMUNITY PARTNERS
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2019

NONE