



**HAND IN HAND/MANO EN MANO AND SUBSIDIARY**

**MAAP COMPLIANCE REPORT**

**DECEMBER 31, 2021**



HAND IN HAND/MANO EN MANO AND SUBSIDIARY

MAAP COMPLIANCE

DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF  
DEPARTMENT AGREEMENTS

To the Board of Directors  
Hand in Hand/Mano en Mano and Subsidiary:

**Report on Schedule of Expenditures of Department Agreements**

***Opinion***

We have audited the accompanying Schedule of Expenditures of Department Agreements of Hand in Hand/Mano en Mano and Subsidiary (the Organization) for the year ended December 31, 2021, and the related notes to the Schedule of Expenditures of Department Agreements.

In our opinion, the Schedule of Expenditures of Department Agreements referred to above presents fairly, in all material respects, the expenditures of department agreements as of December 31, 2021, in accordance with *Maine Uniform Accounting and Auditing Practices Act for Community Agencies*.

***Responsibilities of Management for the Schedule of Expenditures of Department Agreements***

Management is responsible for the preparation and fair presentation of the Schedule of Expenditures of Department Agreements in accordance with *Maine Uniform Accounting and Auditing Practices Act for Community Agencies*; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a Schedule of Expenditures of Department Agreements that is free from material misstatement, whether due to fraud or error.

## ***Auditors' Responsibilities for the Audit of the Schedule of Expenditures of Department Agreements***

Our responsibility is to express an opinion on the Schedule of Expenditures of Department Agreements based on our audit. We conducted our audit 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 *Maine Uniform Accounting and Auditing Practices Act for Community Agencies*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Expenditures of Department Agreements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Expenditures of Department Agreements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Schedule of Expenditures of Department Agreements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the Schedule of Expenditures of Department Agreements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule of Expenditures of Department Agreements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Albin, Randall & Bennett*

October 25, 2022

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
SCHEDULE OF EXPENDITURES OF DEPARTMENT AGREEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Department Office	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenses	State Expenses	Total
DHHS:								
ME OFI	OFI-21-2012B	\$ 110,912	08/01/2020 - 01/31/2021	Health Equity Improvement Initiative	Final	\$ -	22,182	22,182
ME CDC	COM-21-5025A	375,157	02/01/2021 - 12/31/2021	COVID-19 Social Supports	Final	375,120	-	375,120
ME CDC	COM-21-5705	111,780	02/01/2021 - 09/30/2022	COVID-19 Vaccine Supports	Interim	96,845	-	96,845
ME OBH	MH4-21-102C	341,536	07/01/2020 - 12/31/2021	StrengthenME	Final	196,049	24,920	220,969
ME OCFS	755902	-	03/01/2021 - ongoing	Child Care Subsidy Program	Interim	35,572	-	35,572
ME OCFS	755902	-	07/01/2021 - 11/05/2021	Child Care Stabilization	Final	296	-	296
ME OCFS	755902	-	06/01/2021 - 09/30/2021	Child Care Provider	Final	7,140	-	7,140
ME OCFS	755902	-	10/01/2021 - 09/30/2022	ARPA Child Grants	Interim	4,800	-	4,800
						<u>\$ 715,822</u>	<u>47,102</u>	<u>762,924</u>

Disclosures:

Is your agency required to have a federal Uniform Guidance compliance audit: Yes  X  No  \_\_\_\_\_

See accompanying independent auditors' report.

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
NOTES TO SCHEDULE OF EXPENDITURES OF DEPARTMENT AGREEMENTS  
DECEMBER 31, 2021

1. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Department Agreements (SEDA) is presented for the purposes of complying with the reporting requirements under *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP). The *Maine Uniform Accounting and Auditing Practices for Community Agencies* requires a Schedule of Expenditures of Department Agreements prepared on a basis of accounting in accordance with the MAAP manual for all agreements to which MAAP applies.

2. MAJOR AGREEMENTS TESTED

Major agreement is an agreement or combination of agreements which purchase the same service with expenditures equal to or exceeding \$100,000 during the fiscal year of the Organization. At a minimum, testing is performed on agreements that make up 50% of the total expenditures claimed. If the auditee meets the criteria for low-risk auditee, at least 25% of total expenditures must be tested as major programs. The Organization does not meet the criteria as outlined in MAAP as a low-risk auditee.

Agreement numbers COM-21-5025A and COM-21-5705C are considered major agreements for audit purposes.

3. PERCENTAGE OF MAJOR AGREEMENTS TESTED

Agreements tested as major agreements represent 61.9% of total Maine Department of Health and Human Services (DHHS) agreement expenditures.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *MAINE UNIFORM ACCOUNTING AND AUDITING PRACTICES FOR COMMUNITY AGENCIES*

To the Board of Directors  
Hand in Hand/Mano en Mano and Subsidiary:

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

We have audited Hand in Hand/Mano en Mano and Subsidiary'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 in the Contract Compliance Rider of the Agency's agreement with the Maine Department of Health and Human Services (the Department) that could have a direct and material effect on each of the Organization's major Department agreements for the year ended December 31, 2021. The Organization's major Department programs 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 each of its major Department programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major Department 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 MAAP. Those standards and the 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 consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Department program. However, our audit does not provide a legal determination of the Organization's compliance with those requirements.

### **Opinion on Each Major Department Program**

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Department agreements for the year ended December 31, 2021.

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

Management of the Organization is responsible for establishing and maintaining effective internal controls over compliance with the requirements of laws, regulations, contracts, and grants applicable to Department agreements. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major Department agreement to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 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 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 identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness as item 2021-1.

Hand in Hand/Mano en Mano and Subsidiary's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Hand in Hand/Mano en Mano and Subsidiary's response and we express no opinion on the response.



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.

*Albin, Randall & Bennett*

October 25, 2022

INDEPENDENT AUDITORS' 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  
Hand in Hand/Mano en Mano and Subsidiary:

We have audited, in accordance with 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 Hand in Hand/Mano en Mano and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flow for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 28, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 over financial reporting 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 considered to be material weaknesses; however, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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 consolidated 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.

*Albin, Randall & Bennett*

September 28, 2022

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to consolidated financial statements noted?	No

State Agreements

Internal control over programs tested:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditors' 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 programs tested:

<u>Agreement Number</u>	<u>Name of Program</u>
COM-21-5025A	COVID-19 Social Supports
COM-21-5705C	COVID-19 Immunization Cooperative Agreement Vaccine Equity

SECTION II - FINDINGS REQUIRED TO BE REPORTED UNDER *GOVERNMENT AUDITING STANDARDS*

None

HAND IN HAND/MANO EN MANO AND SUBSIDIARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED

SECTION III - FINDINGS AND QUESTIONED COSTS FOR STATE AGREEMENTS

Item 2021-1

Department Program and Agreement Number: COVID-19 Social Supports - COM-21-5025A and COVID-19 Immunization Cooperative Agreement Vaccine Equity - COM-21-5705C

Criteria: *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP) requires Organizations with total department agreement expenditures of \$500,000 or more during the year to obtain an entity-wide financial statement audit conducted by a qualified independent public accountant and to have a compliance audit of the Schedule of Expenditures of Department Agreements (SEDA).

Condition and Context: Organizations are responsible for obtaining audits that satisfy the requirements of MAAP. During the entity-wide financial statement audit it was noted the Organization exceeded the threshold of total Maine Department of Health and Human Services agreement expenditures and the Organization had not obtained a compliance audit of the SEDA in accordance with MAAP.

Known and Likely Questioned Costs: None

Cause: The Organization does not have the internal controls in place to ensure an audit in accordance with MAAP is obtain.

Effect: Failure to comply with these requirements could result in a reduction, suspension, or termination of department agreements

Recommendation: Implement internal controls to monitor department agreement expenditures to evaluate and obtain an audit to meet the requirements of MAAP.

Management Response / Corrective Action: Management provided independent auditors a preliminary SEDA showing total department agreement expenditures above \$500,000 prior to the beginning of the entity-wide financial statement audit, but did not affirmatively engage auditors to engage in MAAP audit prior to engagement letter. MAAP audit was ultimately completed with no other findings, questioned costs, or adjustments. For future audits, Management will prepare preliminary SEDA prior to signing engagement letter with independent auditors. Operations Director will be the official responsible for corrective action.

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

None