

**CITY OF BANGOR, MAINE**

**Reports Required by *Maine Uniform  
Accounting and Auditing Practices for  
Community Agencies***

**Year Ended June 30, 2013**

**CITY OF BANGOR, MAINE**  
**Reports Required by *Maine Uniform Accounting and***  
***Auditing Practices for Community Agencies***  
**For the Year Ended June 30, 2013**

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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 IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council  
City of Bangor, Maine

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 the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bangor, Maine as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Bangor, Maine's basic financial statements and have issued our report thereon dated December 20, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Bangor, Maine'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bangor, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bangor, Maine'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 City'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 the 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 and therefore, material weakness or significant deficiencies in internal control may exist that were not identified. 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 IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Bangor, Maine'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*.

We noted certain matters that we have reported to the management of the City of Bangor, Maine in a separate letter dated December 20, 2013.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



December 20, 2013  
South Portland, Maine

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR DEPARTMENT AGREEMENT;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF DEPARTMENT AGREEMENTS REQUIRED BY MAINE UNIFORM ACCOUNTING AND  
AUDITING PRACTICES FOR COMMUNITY AGENCIES**

To the City Council  
City of Bangor, Maine

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

We have audited the City of Bangor, Maine's compliance with the types of compliance requirements described in *Maine Uniform Accounting and Auditing Practices for Community Agencies* that could have a direct and material effect on each of the City of Bangor, Maine's major department agreements for the year ended June 30, 2013. The City of Bangor, Maine's major department agreements 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 the requirements of laws, regulations, contracts, and grants applicable to its department agreements.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Bangor, Maine's major department agreements 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 *Maine Uniform Accounting and Auditing Practices for Community Agencies*. Those standards and *Maine Uniform Accounting and Auditing Practices for Community Agencies*, 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 City of Bangor, Maine'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 department agreement. However, our audit does not provide a legal determination of the City of Bangor, Maine's compliance.

**Unmodified Opinion on Each of the Major Department Agreements**

In our opinion, the City of Bangor, Maine 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 other major department agreements identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR DEPARTMENT AGREEMENT;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF DEPARTMENT AGREEMENTS REQUIRED BY MAINE UNIFORM ACCOUNTING AND  
AUDITING PRACTICES FOR COMMUNITY AGENCIES, CONTINUED**

**Report on Internal Control Over Compliance**

Management of the City of Bangor, Maine 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 the City of Bangor, Maine's internal control over compliance with the types requirements that could have a direct and material effect on each major department agreement to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major department agreement and to test and report on internal control over compliance in accordance with *Maine Uniform Accounting and Auditing Practices for Community Agencies*, 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 City of Bangor, Maine'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 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 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 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 *Maine Uniform Accounting and Auditing Practices for Community Agencies*. Accordingly, this report is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR DEPARTMENT AGREEMENT;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF DEPARTMENT AGREEMENTS REQUIRED BY MAINE UNIFORM ACCOUNTING AND  
AUDITING PRACTICES FOR COMMUNITY AGENCIES, CONTINUED**

**Report on Schedule of Expenditures of Department Agreements Required by *Maine Uniform Accounting and Auditing Practices for Community Agencies***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bangor, Maine as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Bangor, Maine's basic financial statements. We issued our report thereon dated December 20, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of department agreements is presented for the purposes of additional analysis as required by *Maine Uniform Accounting and Auditing Practices for Community Agencies* and is not a required part of the basic 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 basic financial statements or to the basic 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 basic financial statements as a whole.



December 20, 2013, except for the Schedule of Expenditures of Department Agreements, as to which  
the date is February 20, 2014  
South Portland, Maine

**CITY OF BANGOR, MAINE**  
**Schedule of Expenditures of Department Agreements**  
**Fiscal Year Ended June 30, 2013**

Department Office	Grant Name	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenses	State Expenses	Department Expenses	Local Share Expenses	Total Agree/Match Expenses
DHHS:											
WIC	Women Infant & Children	CDC 12-168	\$ 2,769,746	10/1/11 - 9/30/12	Health Promotion	Final	365,317	-	365,317	-	-
WIC	Women Infant & Children	CDC 13-168	2,222,858	10/1/12 - 9/30/13	Health Promotion	Interim	2,094,808	-	2,094,808	-	-
CDC	Lead Poison Prevent	CDC 13-719	37,250	7/1/12 - 6/30/13	Lead Poison Prevent	Final	-	23,311	23,311	-	-
CDC	STD/HIV	CDC 12-289	79,000	1/1/12 - 12/31/12	STD Clinic	Final	56,563	-	56,563	-	-
CDC	STD/HIV	CDC 13-289	79,000	1/1/13 - 12/31/13	STD Clinic	Interim	58,709	-	58,709	-	-
CDC	Penquis Comm Transform	CDC 13-1407	90,000	10/1/12 - 9/30/13	Health Promotion	Interim	59,053	-	59,053	-	-
CDC	Healthy Maine Partnership	CDC 13-337	602,941	7/1/12 - 6/30/13	Health Promotion	Final	80,000	500,140	580,140	-	-
CDC	Bangor Regional	CDC 12-337	527,413	7/1/11 - 9/30/12	Health Promotion	Final	68,986	-	68,986	-	-
MH	Tech Assist Support Serv	MH 13-219	4,500	7/1/12 - 12/31/12	Health Promotion	Final	2,120	-	2,120	-	-
MCH	Visiting Nurse	CDC 12-567	200,220	7/1/11 - 6/30/14	Health Promotion	Interim	-	66,740	66,740	169,272	236,012
OSA	Overdose Prevention	OSA 13-373	50,000	7/1/12 - 6/30/13	Substance Abuse	Final	-	45,726	45,726	-	-
OSA	Expanded Prevention	OSA 13-154	21,000	7/1/12 - 6/30/13	Substance Abuse	Final	13,831	-	13,831	-	-
OSA	Problem Gambling	OSA 13-112	5,000	7/1/12 - 6/30/13	Substance Abuse	Final	-	3,969	3,969	-	-
OSA	Partnership for Success	OSA 13-414	79,185	11/1/12 - 9/30/13	Substance Abuse	Interim	50,794	-	50,794	-	-
Passed through the University of New England	Supp Nutrition Assistance	OFI 13-351	164,818	10/1/12 - 9/30/13	Health Promotion	Interim	70,527	-	70,527	-	-
<b>Total Department of Health and Human Services</b>							<b>2,920,708</b>	<b>639,886</b>	<b>3,560,594</b>	<b>169,272</b>	<b>236,012</b>
MDOT:											
OPT	Operating	CSN 30439	46,275	7/1/12 - 6/30/13	Transportation Systems	Final	-	46,275	46,275	46,275	92,550
OPT	Operating	CSN 30824	775,054	7/1/11 - 12/31/12	Transportation Systems	Final	54,206	-	54,206	54,205	108,411
OPT	JARC	CSN 28318	35,000	7/1/11 - 6/30/13	Transportation Systems	Final	4,500	-	4,500	4,500	9,000
OPT	JARC	CSN 31233	45,000	7/1/12 - 6/30/14	Transportation Systems	Interim	32,199	-	32,199	32,199	64,398
<b>Total Department of Transportation</b>							<b>90,905</b>	<b>46,275</b>	<b>137,180</b>	<b>137,179</b>	<b>274,359</b>
<b>Total</b>							<b>\$ 3,011,613</b>	<b>686,161</b>	<b>3,697,774</b>	<b>306,451</b>	<b>510,371</b>

See accompanying notes to schedule of expenditures of department agreements.

**CITY OF BANGOR, MAINE**  
**Notes to Schedule of Expenditures of Department Agreements**  
**June 30, 2013**

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**PURPOSE OF THE SCHEDULE**

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*Maine Uniform Accounting and Auditing Practices for Community Agencies* requires a Schedule of Expenditures of Department Agreements showing total expenditures for each award as identified in the respective department agreements.

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**SIGNIFICANT ACCOUNTING POLICIES**

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- A. Reporting Entity - The accompanying schedule includes all department agreements of the City of Bangor, Maine for the fiscal year ended June 30, 2013. The reporting entity is defined in Notes to Financial Statements of the City of Bangor, Maine.
  
- B. Basis of Presentation - The information in the accompanying Schedule of Expenditures of Department Agreements is presented in accordance with *Maine Uniform Accounting and Auditing Practices for Community Agencies*.
  - 1. Pursuant to *Maine Uniform Accounting and Auditing Practices for Community Agencies*, department agreements are defined as a legally binding written document between two or more parties, including, but not limited to, a document commonly referred to as accepted application, proposal, prospectus, contract, grant, joint or cooperative agreement, purchase of service or state aid.
  
  - 2. Major Agreement - *Maine Uniform Accounting and Auditing Practices for Community Agencies* establishes the levels of expenditures or expenses to be used in defining major department agreements. Major agreements for the City of Bangor, Maine have been identified in the attached Schedule of Findings and Questioned Costs - Summary of Auditor's Results.
  
- C. Basis of Accounting - The information presented in the Schedule of Expenditures of Department Agreements is presented on the modified accrual basis of accounting, which is consistent with the reporting in the City's fund financial statements.

**CITY OF BANGOR, MAINE**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2013**

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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?	None reported
Noncompliance material to financial statements noted?	No

**State Agreements**

Internal control over programs tested:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for programs tested:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Maine Uniform Accounting and Auditing Practices for Community Agencies</i> ?	No

**Federal Awards**

Required to have an audit in accordance with OMB Circular A-133?	Yes
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Identification of program(s) tested:

<u>Agreement Number(s)</u>	<u>Name of Department - Agreement</u>
<u>CDC – 12 – 168</u>	<u>Women, Infants, and Children (WIC)</u>
<u>CDC – 13 – 168</u>	<u>Women, Infants, and Children (WIC)</u>

\*Agreements #CDC-13-337 and CDC-12-337 are continuations of programs tested in 2012 and 2011 and thus, are not required to be tested in the current year.

Percentage of department agreements tested:	64%
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**CITY OF BANGOR, MAINE**  
**Schedule of Findings and Questioned Costs, Continued**

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

**None**

**CITY OF BANGOR, MAINE**  
**Schedule of Findings and Questioned Costs, Continued**

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**Section III – Findings and Questioned Costs for State Agreements**

**None**

**CITY OF BANGOR, MAINE**  
**Schedule of Findings and Questioned Costs, Continued**

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**Section IV – Status of Prior Year Audit Findings**

**None**