

**CITY OF BANGOR, MAINE**

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

**For the Year Ended June 30, 2017**

**CITY OF BANGOR, MAINE**  
**Reports Required by *Maine Uniform Accounting and***  
***Auditing Practices for Community Agencies***  
**For the Year Ended June 30, 2017**

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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**

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, 2017, 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 January 30, 2018.

**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 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 the City of Bangor, Maine'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 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 January 30, 2018.

**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.



January 30, 2018  
South Portland, Maine

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

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 direct and material effect on each of the City of Bangor, Maine's major department agreements for the year ended June 30, 2017. 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 federal statutes, regulations, contracts, and the terms and conditions of its awards 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.

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

***Opinion on Each Major Department Agreement***

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 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, 2017.

**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 of 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 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, 2017, 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 January 30, 2018, 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 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. 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 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.



January 30, 2018  
South Portland, Maine

**CITY OF BANGOR, MAINE**  
**Schedule of Expenditures of Department Agreements**  
**For the Fiscal Year Ended June 30, 2017**

Department Office	Grant Name	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenses	State Expenses	Total Department Expenses	Local Share Expenses	Total Agree/Match Expenses
<b>DHHS-Direct</b>											
WIC	Women Infant & Children	CDC 16-168	\$ 3,051,463	10/1/15 - 9/30/16	Health Promotion	Final	859,419	-	859,419	-	-
WIC	Women Infant & Children	CDC 17-168	2,632,188	10/1/16 - 9/30/17	Health Promotion	Interim	1,830,067	-	1,830,067	-	-
WIC	WIC - Breastfeeding	CDC 17-168	25,624	10/1/16 - 9/30/17	Health Promotion	Interim	17,223	-	17,223	-	-
WIC	WIC - Farmers Market	CDC 17-168	1,571	10/1/16 - 9/30/17	Health Promotion	Interim	1,571	-	1,571	-	-
CDC	Lead Poison Prevent	CDC 16-719B	37,500	6/30/16 - 12/31/16	Lead Poison Prevent	Final	-	10,813	10,813	-	-
CDC	Lead Poison Prevent	CDC 17-719	60,000	1/1/17 - 12/31/18	Lead Poison Prevent	Interim	-	7,987	7,987	-	-
CDC	Sodium Reduction	CDC 16-1049	132,000	9/1/15 - 9/29/16	Health Promotion	Final	39,390	-	39,390	-	-
CDC	In-home Asthma	CDC 16-3057	119,731	7/1/15 - 8/31/16	Health Promotion	Final	17,180	-	17,180	-	-
CDC	In-home Asthma	CDC 17-3057	102,627	9/1/16 - 8/31/17	Health Promotion	Interim	84,772	-	84,772	-	-
CDC	Healthy Maine Partnership	CDC 16-337	762,001	7/1/15 - 9/30/16	Health Promotion	Final	19,242	77,904	97,146	-	-
CDC	Public Health Nurse Bridge	CDC 17A-4101	99,203	8/15/16 - 3/31/18	Health Promotion	Interim	-	47,705	47,705	-	-
CDC	Lead Fiscal Agent	CDC 17-4501	160,000	7/1/16 - 6/30/17	Health Promotion	Final	-	150,311	150,311	-	-
CDC	Public Health Nurse	CDC 17-567B	116,795	7/1/16 - 3/31/18	Health Promotion	Interim	-	73,843	73,843	-	-
OSA	Overdose Prevention	OSA 17-373	100,000	7/1/16 - 6/30/18	Substance Abuse	Interim	-	48,150	48,150	-	-
OSA	Substance Abuse CM	SA 07-16	121,502	1/1/17 - 6/30/18	Substance Abuse	Interim	9,664	-	9,664	-	-
Passed through:											
Maine Health	Tobacco Prevention	CDC 17-4415	97,613	12/1/16 - 9/30/17	Health Promotion	Interim	-	37,759	37,759	-	-
Barbara Bush Hospital	Let's Go	CDC 17-1681	85,000	2/1/17 - 9/30/17	Health Promotion	Interim	-	29,111	29,111	-	-
University of New England	Substance Use Prevent	CDC 17-4425	51,641	10/1/16 - 9/30/17	Substance Abuse	Interim	32,514	-	32,514	-	-
University of New England	Substance Use Prevent	CDC 17-4425	100,604	10/1/16 - 9/30/17	Substance Abuse	Interim	23,507	-	23,507	-	-
University of New England	Supp Nutrition Assistance	OFI 17-351	230,679	10/1/16 - 9/30/17	Health Promotion	Interim	149,917	-	149,917	-	-
University of New England	Supp Nutrition Assistance	OFI 16-351	155,369	10/1/15 - 9/30/16	Health Promotion	Final	35,552	-	35,552	-	-
Total Department of Health and Human Services							3,120,018	483,583	3,603,601	-	-
<b>MDOT-Direct</b>											
OPT	Operating	CSN 36353	101,109	7/1/16 - 6/30/17	Transportation Systems	Final	101,109	-	101,109	101,109	202,218
Total Department of Transportation							101,109	-	101,109	101,109	202,218
<b>Total</b>							<b>\$ 3,221,127</b>	<b>483,583</b>	<b>3,704,710</b>	<b>101,109</b>	<b>202,218</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, 2017**

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**PURPOSE OF THE SCHEDULE**

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*Maine Uniform Accounting and Auditing Practices for Community Agencies* require 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, 2017. 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 department 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.
  
- D. During the fiscal year, the City had some grants that were not completely expended and the unspent funds were returned to the awarding or pass-through agencies. The amounts returned to the agencies have been excluded from current year expenditures.

**CITY OF BANGOR, MAINE**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2017**

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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 the Uniform Guidance?	Yes
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Identification of program(s) tested:

<u>Agreement Number(s)</u>	<u>Name of Department - Agreement</u>
CDC – 16-168	Women, Infants, and Children (WIC)
CDC – 17-168	Women, Infants, and Children (WIC)
CDC – 16-3057	Asthma Control and Prevention (In-Home Asthma)
CDC – 17-3057	Asthma Control and Prevention (In-Home Asthma)
CDC – 17-4501	Lead Fiscal Agent

Percentage of department agreements tested:	80%
Auditee qualified as low-risk?	No

**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**

**2016-001 - Noncompliance with Cash Management Requirements for Agreement CDC 16-337**

**Criteria** - The agreement for CDC 16-337 requires the grantee to comply with cash management requirements and those requirements extend to subrecipients of the grant.

**Condition** - The City's subrecipients did not spend grant proceeds in a timely manner and had cash on-hand for at least half of the fiscal year.

**Known Questioned Costs** - None

**Likely Questioned Costs** - None

**Cause** - The City did not ensure that subrecipients adhered to cash management requirements.

**Recommendations** - We recommend that the City prepare its subrecipient agreements in a way that ensures subrecipients will not have excess cash on hand. In addition, the City should implement procedures for monitoring the subrecipients' compliance with cash management.

**Current year status** – This finding was corrected and not repeated in the current year.

**2016-002 - Noncompliance with Budget Requirements for Agreement CDC 15-1049**

**Criteria** - MAAP regulations require a community agency to obtain a budget revision in the event that the total expenses per subcontract vary from the budgeted amount by at least ten percent or \$1,000, whichever is greater.

**Condition** - The City paid amounts to the subrecipients that were less than the amounts budgeted, which by individual contract and in the aggregate were less by both ten percent and \$1,000.

**Known Questioned Costs** - None

**Likely Questioned Costs** - None

**Cause** - The City did not request a budget amendment as required.

**Recommendations** - Although total expenses were under budget and no questioned costs were identified, we nevertheless recommend that the City be sure to request budget revisions in the future, if agreement expenses in any category are expected to vary from budgeted levels by more than the allowable variance.

**Current year status** - This finding was corrected and not repeated in the current year.