

CITY OF BANGOR, MAINE

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

For the Year Ended June 30, 2020

CITY OF BANGOR, MAINE
Reports Required by *Maine Uniform Accounting and*
Auditing Practices for Community Agencies
For the Year Ended June 30, 2020

Table of Contents

	<u>Page(s)</u>
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 <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Department Agreement and on Internal Control over Compliance Required by <i>Maine Uniform Accounting and Auditing Practices for Community Agencies</i>	3-5
Schedule of Expenditures of Department Agreements	6
Notes to Schedule of Expenditures of Department Agreements	7
Schedule of Findings and Questioned Costs:	
Section I – Summary of Auditor's Results	8
Section II – Findings Required to be Reported Under <i>Government Auditing Standards</i>	9
Section III – Findings and Questioned Costs for State Agreements	10
Section IV – Status of Prior Year Audit Findings	11

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, 2020, 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 24, 2021.

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) as a basis for designing 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 financial statements. 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 24, 2021.

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 23, 2020, except for the testing of
Women, Infants and Children (CD6 19-4562 and CD6 20-4652),
which was dated January 24, 2021
South Portland, Maine

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR DEPARTMENT AGREEMENT
AND ON INTERNAL CONTROL OVER COMPLIANCE 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, 2020. 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, 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 (MAAP)*. 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 qualified and unmodified opinions on compliance for major department agreements. 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
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY MAINE UNIFORM ACCOUNTING AND
AUDITING PRACTICES FOR COMMUNITY AGENCIES, CONTINUED**

Basis for Qualified Opinion on Agreement OSA 19-373

As described in the accompanying schedule of findings and questioned costs, the City of Bangor, Maine did not comply with the requirements regarding OSA 19-373 Overdose Prevention as described in finding #2020-001 for Reporting. Compliance with such requirements is necessary, in our opinion, for the City of Bangor, Maine to comply with the requirements applicable to that program.

Qualified Opinion on Agreement OSA 19-373

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 Agreement OSA 19-373 for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other 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, 2020.

Other Matters

The City of Bangor, Maine's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Bangor, Maine's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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

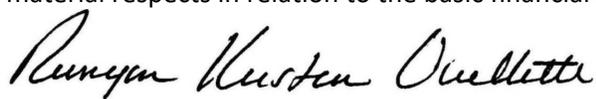
A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a department agreement will not be prevented, 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.

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, 2020, 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 23, 2020, 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.



December 23, 2020, except for the testing of
Women, Infants and Children (CD6 19-4562 and CD6 20-4652),
which was dated January 24, 2021
South Portland, Maine

CITY OF BANGOR, MAINE
Schedule of Expenditures of Department Agreements
For the Fiscal Year Ended June 30, 2020

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
DHHS-Direct											
WIC	Women Infant & Children	CD6 20-4652	\$ 2,306,929	10/1/19 - 9/30/20	Health Promotion	Interim	1,519,230	-	1,519,230	-	-
WIC	WIC - Breastfeeding	CD6 20-4652	35,568	10/1/19 - 9/30/20	Health Promotion	Interim	25,787	-	25,787	-	-
WIC	WIC - Farmers Market	CD6 20-4652	9,200	10/1/19 - 9/30/20	Health Promotion	Interim	118	-	118	-	-
WIC	Women Infant & Children	CD6 19-4652	2,441,638	10/1/18 - 9/30/19	Health Promotion	Final	612,518	-	612,518	-	-
WIC	WIC - Breastfeeding	CD6 19-4652	25,624	10/1/18 - 9/30/19	Health Promotion	Final	7,701	-	7,701	-	-
WIC	WIC - Farmers Market	CD6 19-4652	9,200	10/1/18 - 9/30/19	Health Promotion	Final	9,361	-	9,361	-	-
CDC	Lead Poison Prevent	CD0 19-5364	70,000	1/1/19 - 12/31/20	Lead Poison Prevent	Interim	-	28,241	28,241	-	-
CDC	Public Health Nurse Bridge	CDC 17-567G	369,181	7/1/16 - 7/31/20	Health Promotion	Interim	-	121,996	121,996	-	-
CDC	Municipal COVID 19 Awareness	COM-20-3003	157,957	6/8/20 - 10/31/20	Health Promotion	Interim	33,459	-	33,459	-	-
OSA	Overdose Prevention	OSA 19-373B	457,200	7/1/19 - 6/30/20	Substance Abuse	Final	216,981	239,724	456,705	-	-
OSA	Overdose Prevention	OSA 19-373	100,000	7/1/18 - 6/30/20	Substance Abuse	Final	-	45,418	45,418	-	-
Passed through:											
Barbara Bush Hospital	Let's Go	CD0 20-4568	86,700	10/1/19 - 9/30/20	Health Promotion	Interim	-	52,918	52,918	-	-
Barbara Bush Hospital	Let's Go	CDC 18-4568 (extended)	85,000	10/1/18 - 9/30/19	Health Promotion	Interim	-	21,135	21,135	-	-
University of New England	Substance Use Prevent	CDC 18-4225	169,794	11/1/17 - 9/30/19	Substance Abuse	Final	24,812	-	24,812	-	-
University of New England	Substance Use Prevent	CDC 18-4225	21,390	11/1/17 - 9/30/19	Substance Abuse	Final	1,471	-	1,471	-	-
University of New England	Substance Use Prevent	CDC 18-4225	119,974	11/1/17 - 9/30/19	Substance Abuse	Final	14,816	-	14,816	-	-
University of New England	Substance Use Prevent	CDC 20-4425	84,897	10/1/19 - 9/30/20	Substance Abuse	Interim	55,653	-	55,653	-	-
University of New England	Substance Use Prevent	CDC 20-4425	11,586	10/1/19 - 9/30/20	Substance Abuse	Interim	6,087	-	6,087	-	-
University of New England	Substance Use Prevent	CDC 20-4425	59,987	10/1/19 - 9/30/20	Substance Abuse	Interim	24,030	-	24,030	-	-
University of New England	Supp Nutrition Assistance	OFI 19-351A	328,683	10/1/18 - 9/30/19	Health Promotion	Final	82,560	-	82,560	-	-
University of New England	Supp Nutrition Assistance	OFI 20-351A	347,960	10/1/19 - 9/30/20	Health Promotion	Interim	223,416	-	223,416	-	-
Total Department of Health and Human Services							2,858,000	509,432	3,367,432	-	-
MDOT-Direct											
Multimodal Transit	Operating	CSN 40644	101,109	7/1/19 - 6/30/20	Transportation Systems	Final	-	101,109	101,109	101,109	202,218
Total Department of Transportation							-	101,109	101,109	101,109	202,218
Total							\$ 2,858,000	610,541	3,468,541	101,109	202,218

See accompanying notes to schedule of expenditures of department agreements.

CITY OF BANGOR, MAINE
Notes to Schedule of Expenditures of Department Agreements
June 30, 2020

PURPOSE OF THE SCHEDULE

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.

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all department agreements of the City of Bangor, Maine for the fiscal year ended June 30, 2020. 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, 2020

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:	Qualified
Any audit findings disclosed that are required to be reported in accordance with <i>Maine Uniform Accounting and Auditing Practices for Community Agencies</i> ?	Yes

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>
CD6 – 19-4652	Women, Infants, and Children (WIC)
CD6 – 20-4652	Women, Infants, and Children (WIC)
OSA – 19-373	Overdose Prevention
OSA – 19-373B	Overdose Prevention (Naloxone Distribution)

Percentage of department agreements tested:	77%
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Auditee qualified as low-risk?	No
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CITY OF BANGOR, MAINE
Schedule of Findings and Questioned Costs, Continued

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

None

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

Section III – Findings and Questioned Costs for State Agreements

2020-001 - Noncompliance with Reporting Requirements for Agreement OSA 19-373

Criteria - The Agreement for OSA 19-373 requires the City to file accurate and complete quarterly reports with the State.

Condition - The Third Quarter report for OSA 19-373 that was filed on April 21, 2020, which was a cumulative report for the grant to date, did not include all revenues received from the State through the report date.

Effect - Revenues reported to the State were lower than they should have been.

Known Questioned Costs - None

Likely Questioned Costs - None

Cause - The City excluded revenues that were received in July 2019 that were for the prior fiscal year, even though the Agreement started in the prior fiscal year.

Recommendations - Management should prepare reconciliations for both revenues and expenditures for the grant through the beginning of the grant period to ensure that all cumulative revenues and expenditures are reported.

Management response/corrective action - *Staff will ensure that all revenues and expenditures will be reconciled and reported. Procedures have been put into place to have all reports reviewed and verified before submission.*

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

Section IV – Status of Prior Year Audit Findings

None