

**CITY OF BANGOR, MAINE**

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

**For the Year Ended June 30, 2023**

**CITY OF BANGOR, MAINE**  
**Reports Required by *Maine Uniform Accounting and***  
***Auditing Practices for Community Agencies***  
**For the Year Ended June 30, 2023**

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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, 2023, 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 July 22, 2024.

**Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

**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**

**Report on 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*.

**City of Bangor, Maine’s Response**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Bangor, Maine’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Bangor, Maine’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

We noted certain opportunities to strengthen internal controls and operating efficiency that we have reported to the management of the City of Bangor, Maine in a separate letter dated July 22, 2024.

**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.



July 22, 2024, except for management corrective  
action plans and responses, which are dated  
August 5, 2024  
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**

***Qualified and Unmodified Opinions***

We have audited the City of Bangor, Maine's compliance with the types of compliance requirements identified as subject to audit in *Maine Uniform Accounting and Auditing Practices for Community Agencies* (MAAP) 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, 2023. 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.

*Qualified Opinions on Department Agreements OSA 23-373A, CD0 21-4289, and CD0 23-4289*

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City of Bangor, Maine complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on agreements OSA 23-373A, CD0 21-4289, and CD0 23-4289 for the year ended June 30, 2023.

*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 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, 2023.

***Basis for Qualified and Unmodified Opinions***

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 *Maine Uniform Accounting and Auditing Practices for Community Agencies*. Our responsibilities under those standards and MAAP are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

**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**

We are required to be independent of the City of Bangor, Maine and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major department agreement. Our audit does not provide a legal determination of the City of Bangor, Maine's compliance with the compliance requirements referred to above.

*Matters Giving Rise to Qualified Opinions on Department Agreements OSA 23-373A, CDO 21-4289, and CDO 23-4289*

As described in the accompanying schedule of findings and questioned costs, the City of Bangor, Maine did not comply with the requirements regarding Department Agreements OSA 23-373A, and CDO 21-4289/CDO 23-4289 as described in finding numbers #2023-002 and #2023-003 for Reporting, and #2023-009 for Procurement and Suspension and Debarment.

Compliance with such requirements is necessary, in our opinion, for the City of Bangor, Maine to comply with the requirements applicable to the program.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Bangor, Maine's department agreements.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Bangor, Maine's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and MAAP will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Bangor, Maine's compliance with the requirements of each major department agreement as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and MAAP, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Bangor, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

**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**

- Obtain an understanding of the City of Bangor, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Bangor, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

*Government Auditing Standards* require the auditor to perform limited procedures on the City of Bangor, Maine's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Bangor, Maine's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**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**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Bangor, Maine's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Bangor, Maine's responses were not subjected to the other auditing procedures applied in the audit of compliance and accordingly, we express no opinion on them.

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.

**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, 2023, 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 July 22, 2024, 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.



July 22, 2024, except for management corrective  
action plans and responses, which are dated  
August 5, 2024  
South Portland, Maine

**CITY OF BANGOR, MAINE**  
**Schedule of Expenditures of Department Agreements**  
**For the Fiscal Year Ended June 30, 2023**

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	CD6 22-4652	\$ 1,051,602	4/1/22 - 9/30/22	Health Promotion	Final	671,162	-	671,162	-	-
WIC	WIC - Breastfeeding	CD6 22-4652	17,089	4/1/22 - 9/30/22	Health Promotion	Final	10,302	-	10,302	-	-
WIC	WIC - Farmers Market	CD6 22-4652	20,116	4/1/22 - 9/30/22	Health Promotion	Final	12,579	-	12,579	-	-
WIC	Women Infant & Children	CD6 22-4652A	2,754,219	10/1/22 - 9/30/23	Health Promotion	Interim	2,049,024	-	2,049,024	-	-
WIC	WIC - Breastfeeding	CD6 22-4652A	33,853	10/1/22 - 9/30/23	Health Promotion	Interim	23,762	-	23,762	-	-
WIC	WIC - Farmers Market	CD6 22-4652A	43,698	10/1/22 - 9/30/23	Health Promotion	Interim	99	-	99	-	-
CDC	Lead Poison Prevent	CD0 22-5364	38,000	1/1/22 - 12/31/22	Lead Poison Prevent	Final	-	14,639	14,639	-	-
CDC	Lead Poison Prevent	CD0 22-5364	38,000	1/1/23 - 12/31/23	Lead Poison Prevent	Interim	-	16,270	16,270	-	-
CDC	Public Health Nursing	CD0 21-4289	357,175	10/1/20 - 9/30/22	Health Promotion	Final	-	26,219	26,219	-	-
CDC	Public Health Nursing	CD0 23-4289	357,175	10/1/22 - 9/30/24	Health Promotion	Interim	-	90,118	90,118	-	-
CDC	Public Health Crisis Response	CD6 22-1114B	718,299	10/1/21 - 9/30/23	Health Promotion	Interim	233,961	-	233,961	-	-
	Maine's Project to Prevent Prescription Drug/ Opioid Overdose-Related Deaths	CD6 23-4441	200,000	10/1/22 - 8/30/24	Health Promotion	Interim	25,724	-	25,724	-	-
OSA	State Opioid Response Project	OSA 23-373A	929,294	7/1/22 - 6/30/23	Substance Abuse	Final	869,572	58,674	928,246	-	-
OSA	Overdose Prevention	OSA 23-373A	42,056	7/1/22 - 6/30/23	Substance Abuse	Final	39,194	-	39,194	-	-
OSA	Overdose Response	OSA 23-6005	150,000	1/1/23 - 12/31/23	Substance Abuse	Interim	54,628	-	54,628	-	-
OSA	Overdose Response	OSA 21-6005	150,000	1/1/22 - 12/31/22	Substance Abuse	Final	67,638	-	67,638	-	-
Passed through:											
Barbara Bush Hospital	Let's Go	CD0 20-4568	90,183	10/1/21 - 12/31/22	Health Promotion	Final	-	30,779	30,779	-	-
	Community Resilience Partnership	RFA #202111178	50,000	5/16/22 - 5/15/23	Health Promotion	Final	-	50,000	50,000	-	-
Governor's Office of Policy, Innovation, and the Future	Substance Use Prevent	CD6 23-4425A	177,137	1/1/23 - 6/30/24	Substance Abuse	Interim	47,588	-	47,588	-	-
Maine Prevention Network	Substance Use Prevent	CD6 23-4425A	33,278	1/1/23 - 6/30/24	Substance Abuse	Interim	6,806	-	6,806	-	-
Maine Prevention Network	Substance Use Prevent	CD6 23-4425A	162,438	1/1/23 - 6/30/24	Substance Abuse	Interim	51,320	-	51,320	-	-
Maine Prevention Network	Substance Use Prevent	CD6 23-4425A	60,066	1/1/23 - 6/30/24	Substance Abuse	Interim	4,262	-	4,262	-	-
Maine Prevention Network	Substance Use Prevent	CD6 23-4425A	100,000	1/1/23 - 6/30/24	Substance Abuse	Interim	-	23,973	23,973	-	-
Maine Prevention Network	Obesity	CD6 23-4425A	265,504	1/1/23 - 6/30/24	Health Promotion	Interim	-	69,465	69,465	-	-
Maine Prevention Network	Tobacco	CD6 23-4425A	792,629	1/1/23 - 6/30/24	Health Promotion	Interim	-	148,600	148,600	-	-
University of New England	Substance Use Prevent	CD0 20-4425D	118,562	10/1/21 - 9/30/22	Substance Abuse	Final	46,154	-	46,154	-	-
University of New England	Substance Use Prevent	CD0 20-4425D	35,030	10/1/21 - 9/30/22	Substance Abuse	Final	8,762	-	8,762	-	-
University of New England	Substance Use Prevent	CD0 20-4425D	25,909	10/1/21 - 9/30/22	Substance Abuse	Final	15,486	-	15,486	-	-
University of New England	Supp Nutrition Assistance	OFI 22-351	365,557	10/1/21 - 9/30/22	Health Promotion	Final	88,759	-	88,759	-	-
University of New England	Supp Nutrition Assistance	OFI 22-351	386,878	10/1/22 - 9/30/23	Health Promotion	Interim	242,885	-	242,885	-	-
	Total Department of Health and Human Services						4,569,667	528,737	5,098,404	-	-
<b>MDOT-Direct</b>											
Multimodal Transit	Operating	CSN 40644	101,109	7/1/22 - 6/30/23	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>\$ 4,569,667</b>	<b>629,846</b>	<b>5,199,513</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, 2023**

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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, 2023. 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, 2023**

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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?	Yes
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?	Yes
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>
CD6-22-4652	Women, Infants, and Children (WIC)
CD6-22-4652A	Women, Infants, and Children (WIC)
OSA-23-373A	State Opioid Response Project in Maine
OSA-23-373A	Overdose Prevention
CD0-21-4289	Public Health Nursing
CD0-23-4289	Public Health Nursing

Percentage of department agreements tested:	74%
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***

**MATERIAL WEAKNESS**

**2023-001 – Cash Account Reconciliations and Deposits**

Criteria: To ensure cash balances are correctly reported and to deter errors or fraud, the City should deposit funds in a timely manner and perform monthly bank reconciliations.

Condition: During the audit, we determined that many deposits were made weeks after the funds were received. These included two deposits over \$400K that cleared nineteen and forty-five days after they were received and three deposits over \$100K that cleared the bank between seventeen and twenty days after they were received. In addition, the bank reconciliations for the pooled cash accounts were not completed for several months after fiscal year-end.

Cause: The City experienced turnover in staff that has created a backlog in processing cash receipts. In addition, the School Department had difficulties reconciling its own bank account.

Effect: Due to the large number of deposits in transit and outstanding checks, the complexity of reconciling the bank accounts increased. In addition, the City did not complete the June 2023 bank reconciliation until March 2024.

Recommendation: The City should make deposits and perform monthly bank reconciliations in a timely manner to reduce the risk of fraud or errors going undetected.

Management's Response/Corrective Action Plan: *The impacts of the pandemic created an unprecedented staffing shortage for multiple departments which has lasted several years. While staffing was impacted the level of service provided to the public was not reduced resulting in fewer staff taking on more duties. As such, some areas fell behind. One such area was the receipting and depositing of mailed payments. Mailed payments were secondary to servicing live walking customers. Cash-ups and reconciliations were subsequently impacted as the primary focus was maintaining service to the public. Even as staffing levels returned to normal, processing remained delayed as new staff were being trained. During the City's Fiscal Year 2024, most Departments were back to adequate staffing levels and became current on the processing and depositing of payments.*

*The City School Department operates on a separate financial system than the City and during FY23 the City and School modified how School transactions are posted to the City system. This created unexpected issues with reconciliations. Both City and School staff understand the need for timely reconciliations and are addressing and modifying procedures to ensure such issues do not occur in the future.*

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

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Section III – Findings and Questioned Costs for State Agreements

FINDINGS AND SIGNIFICANT DEFICIENCIES

**2023-002 - Noncompliance with Reporting Requirements and Significant Deficiency for Agreement OSA 23-373A**

**Criteria** - The Agreement for OSA 23-373A requires the City to file monthly financial reports with the State within a certain specified period of time and to accurately reflect amounts expended under the agreement. In addition, the City is required to establish internal controls and procedures to ensure compliance with requirements.

**Condition** - The January 2023, March 2023, April 2023, May 2023, and June 2023 reports for OSA 23-373A were not filed by the required deadlines. In addition, an expenditure dated September 1, 2022 was reported on the August 2022 report.

**Cause** - Management did not ensure that reports were filed by the required deadlines.

**Effect** - Lack of timely reporting could result in delays or reductions of future funding.

**Known Questioned Costs** - None

**Likely Questioned Costs** - None

**Recommendations** - The City should implement a review process to ensure that reports are filed with accurate expenditure information. In addition, the City should use a reminder system for report deadlines to ensure they are filed by the required deadlines.

*Management's Response/Corrective Action Plan: Staff is aware of the reporting deadlines. The Grant in question provides guidance that invoices submitted for payment are required to be error-free and have all necessary supporting documents. It further states that invoices and the Monthly Financial Reports "should" be filed by the 15<sup>th</sup> but "must" be filed no later than 45 days from the end of the month. Staff relied on this guidance, along with discussions with other industry professionals, to prepare and file the reports. The 45-day window was relied upon if supporting documentation was lacking or staffing/scheduling issues arose. All reports and invoices were filed within the 45-day window.*

*The Director of the Public Health and Community Services Department will ensure that all grant managers are made aware that the 15<sup>th</sup> should be used as the reporting deadline for future reporting.*

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

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

**2023-003 - Noncompliance with Reporting Requirements and Significant Deficiency for Agreements CD0 21-4289 and CD0 23-4289**

**Criteria** - The Agreements for CD0 21-4289 and CD0 23-4289 require the City to file monthly financial reports with the State within a certain specified period of time. In addition, the City is required to establish internal controls and procedures to ensure compliance with requirements.

**Condition** - The May 2023 report for CD0 23-4289 was not filed by the required deadlines.

**Cause** - Management did not ensure that reports were filed by the required deadlines.

**Effect** - Lack of timely reporting could result in delays or reductions of future funding.

**Known Questioned Costs** - None

**Likely Questioned Costs** - None

**Recommendations** - The City should use a reminder system for report deadlines to ensure they are filed by the required deadlines.

*Management's Response/Corrective Action Plan: The late reporting was an oversight by staff. The Department incurred staffing turnover and the Grant manager responsible for the report performed additional tasks, including training of new staff. While performing these additional duties they missed the reporting deadline. The newly appointed Department Head will discuss with all grant managers the need to maintain schedules and reminders to ensure proper reporting.*

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

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

**NONE**