

CITY OF BANGOR, MAINE

Reports Required by *Government Auditing Standards*, the Uniform Guidance and the *Passenger Facility Charge Audit Guide for Public Agencies*

For the Year Ended June 30, 2019

CITY OF BANGOR, MAINE
Reports Required by *Government Auditing Standards*, the Uniform Guidance
and the *Passenger Facility Charge Audit Guide for Public Agencies*
For the year ended June 30, 2019

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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, 2019, 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 23, 2019.

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 management of the City of Bangor, Maine in a separate letter dated December 23, 2019.

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 City'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, 2019
South Portland, Maine

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City Council
City of Bangor, Maine

Report on Compliance for Each Major Federal Program

We have audited the City of Bangor, Maine's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Bangor, Maine's major federal programs for the year ended June 30, 2019. The City of Bangor, Maine's major federal programs 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 federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Bangor, Maine's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 federal program 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 federal program. However, our audit does not provide a legal determination of the City of Bangor, Maine's compliance.

Opinion on Each Major Federal Program

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 federal programs for the year ended June 30, 2019.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, 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 of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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 federal program 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 federal program 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 federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited 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, 2019, 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, 2019, 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 federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



December 23, 2019
South Portland, Maine

CITY OF BANGOR, MAINE
Schedule of Expenditures of Federal Awards
For year ended June 30, 2019

Federal Awards	Federal CFDA Number	Pass-through/ Grantor Number	Expenditures	CFDA/ Cluster Totals	Passed Through to Subrecipients
Department of Agriculture:					
Passed through the Maine Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	3014	\$ 211,426		-
Food Distribution - Food Donation Program	10.555	3024	94,287		-
Performance Based Reimbursement	10.555	3125	15,970		-
After School Program	10.555	3020	23,295		-
School Lunch Program	10.555	3022 - 3024	723,707		-
Total Child Nutrition Cluster				1,068,685	-
Fresh Fruits and Veggies	10.582	3028	59,336		-
Passed through the Maine Department of Health and Human Services:					
WIC 18-4652 Administration	10.557	CD6 18-4652	141,910		-
WIC 18-4652 Food	10.557	CD6 18-4652	497,597		-
WIC 18-4652 Breastfeeding	10.557	CD6 18-4652	7,719		-
WIC 19-4652 Administration	10.557	CD6 19-4652	413,398		-
WIC 19-4652 Food	10.557	CD6 19-4652	1,232,698		-
WIC 19-4652 Breastfeeding	10.557	CD6 19-4652	17,669	2,310,991	-
WIC 18-4652 Farmer's Market	10.572	CD6 18-4652	7,369		-
WIC 19-4652 Farmer's Market	10.572	CD6 19-4652	253	7,622	-
Passed through the Maine Bureau of Health:					
SNAP Cluster:					
Supplemental Nutrition Assistance Program	10.561	OFI 18-351	90,013		-
Supplemental Nutrition Assistance Program	10.561	OFI 19-351	223,328		-
Total SNAP Cluster				313,341	-
Passed through Maine Federation of Farmers' Markets					
Harvest Bucks	10.580	GAD#8ME400015	10,974		-
Total Department of Agriculture			3,770,949		-
Department of Commerce:					
Economic Development Cluster:					
Investment in Public Works and Economic Development Facilities	11.300	N/A	6,359		-
Total Economic Development Cluster				6,359	-
Total Department of Commerce			6,359		-
Department of Housing and Urban Development:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants	14.218	MC-23-0004	783,870		-
Total CDBG - Entitlement Grants Cluster				783,870	-
Shelter Plus Care:					
ME 0082L1T001701 TRA (8712)	14.238	N/A	4,431		-
ME 0082L1T001802 TRA (8712)	14.238	N/A	67,332		-
ME 0029L1T001710 TRA (8714)	14.238	N/A	216,016		-
ME 0028L1T001609 TRA (8715)	14.238	N/A	82,931		-
ME 0028L1T001710 TRA (8715)	14.238	N/A	337,237		-
ME 0026L1T001609 TRA (8716)	14.238	N/A	45,328		-
ME 0026L1T001710 TRA (8716)	14.238	N/A	71,153		-
ME 0092L1T001504 TRA (8718)	14.238	N/A	4,842		-
ME 0117L1T001700 TRA (8719)	14.238	N/A	44,182		-
ME 0083L1T001701 TRA (8728)	14.238	N/A	6,967	880,419	-
Total Department of Housing and Urban Development			1,664,289		-
Department of the Interior:					
Historic Preservation Fund	15.904	2018 CLG	4,021		-
Total Department of the Interior			4,021		-

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BANGOR, MAINE
Schedule of Expenditures of Federal Awards, Continued
For year ended June 30, 2019

Federal Awards	Federal CFDA Number	Pass-through/ Grantor Number	Expenditures	CFDA/ Cluster Totals	Passed Through to Subrecipients
Department of Justice:					
STOP School Violence Prevention	16.839	2018-YS-BX-0107	23,068		-
Total Department of Justice			23,068		-
Department of Transportation:					
Airport Improvement Plan	20.106	N/A	2,951,713	2,951,713	-
Federal Transit Cluster:					
Federal Transit - Operating	20.507	N/A	631,035		-
Federal Transit - Operating PM	20.507	N/A	491,507		-
Federal Transit - Operating ADA	20.507	N/A	173,377		-
Federal Transit - Capital Bus Support Equipment	20.507	N/A	13,780		-
Federal Transit - Transit Study/Service Equity Analysis	20.507	N/A	42,978		-
Federal Transit - Operating (Bus Acquisition)	20.507	N/A	745,562		-
Bus and Bus Facilities Formula Program	20.526	N/A	298,371		-
Total Federal Transit Cluster				2,396,610	-
Passed through the Maine Bureau of Highway Safety:					
Highway Safety Cluster:					
Alcohol Impaired Driving Countermeasures Incentives Grant	20.601	ID 17-1064	4,300		-
Total Highway Safety Cluster				4,300	-
Passed through the Maine Department of Transportation:					
Highway Planning and Construction Cluster:					
Union/14th Intersection (7604)	20.205	WIN 20896, CSN TBD	315		-
Maine Ave Resurfacing (7607)	20.205	WIN 20856, CSN TBD	325,698		-
Maine Ave Resurfacing (7608)	20.205	WIN 20857, CSN TBD	307,264		-
Penobscot River Walk (7609)	20.205	WIC 21767, CSN 36344	20,520		-
Ohio/14th Intersection (7610)	20.205	WIN 20895, CSN TBD	171		-
Trail 5 (7611)	20.205	WIN 22208, CSN TBD	20,958		-
Union St Sidewalk (7612)	20.205	WIN 22210, CSN 37563	167,294		-
Main/Union Signal (7615)	20.205	WIN 22827, CSN 37604	8,372		-
Hogan Resurface (7622)	20.205	WIN 23517, CSN 39283	8,359		-
Independent/Broad Signal Improve (7625)	20.205	WIN 18645, CSN 34533	765		-
Broadway Resurface (7626)	20.205	WIN 18639, CSN 34507	656		-
Broadway/Earl/I95 (7627)	20.205	WIN 21663, CSN TBD	42,969		-
Finson Rd Sidewalk (7645)	20.205	WIN 21661, CSN TBD	35,845		-
Hogan Rd Sidewalk (7649)	20.205	TAP-2269, CSN 33829	3,455		-
Total Highway Planning and Construction Cluster				942,641	-
Total Department of Transportation			6,295,264		-

CITY OF BANGOR, MAINE
Schedule of Expenditures of Federal Awards, Continued
For year ended June 30, 2019

Federal Awards	Federal CFDA Number	Pass-through/ Grantor Number	Expenditures	CFDA/ Cluster Totals	Passed Through to Subrecipients
Environmental Protection Agency:					
Brownfields Assessment and Cleanup	66.818	96188601	\$ 49,633		-
Brownfields Assessment and Cleanup	66.818	00A00450	80,323	129,956	-
Passed through the State Revolving Loan Fund Program:					
Clean Water State Revolving Fund Cluster:					
Combined Sewer Overflow	66.458	C230071-13	694,859		-
Combined Sewer Overflow	66.458	C230071-11	3,393,091		-
Combined Sewer Overflow	66.458	C230071-12	915,986		-
Total Clean Water State Revolving Loan Fund Cluster				5,003,936	-
Total Environmental Protection Agency			5,133,892		-
Department of Education:					
Passed through the Maine Department of Education:					
Adult Basic Education	84.002	6296	50,960		-
Title 1A	84.010	3107	2,094,506		-
Impact Aid	84.041	2012	37,825		-
McKinney Vento	84.196	3104	23,615		-
21st Century	84.287	3356	256,774		-
Improving Teacher Quality	84.367	3042	290,866		-
Preschool Development Grant - Expansion	84.419B	N/A	8,648		-
Special Education Cluster:					
Special Education - Grants to Local States	84.027	3046	1,028,885		-
Preschool	84.173	6247	11,879		-
Total Special Education Cluster				1,040,764	-
Total Department of Education			3,803,958		-
Department of Health & Human Services:					
Passed through Substance Abuse and Mental Health Services Administration:					
Drug-Free Communities Support Program	93.276	5H79SP018689-05	80,472		-
Drug-Free Communities Support Program	93.276	2H79SP018689-06	38,474	118,946	-
CARA Local Drug Crisis	93.799	1H79SP080430-01	39,318		-
Passed through the Maine Bureau of Health:					
Substance Abuse and Mental Health Services	93.243	CDC 18-4425	67,632		-
Opioid STR	93.788	CDC 18-4425	7,936		-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	CDC 18-4425	55,608	55,608	-
Total Department of Health & Human Services			289,440		-
Department of Homeland Security:					
Law Enforcement Reimbursement Program	97.090	HSTS0216HSLR711	85,100		-
NEDCTP (8713)	97.072	HSTS0215HNCP408	124,736		-
Assistance to Firefighters	97.044	EMW-2017-FO-05211	68,400		-
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2017-FH-00166	58,864		-
Passed through the Maine Emergency Management Agency:					
Homeland Security Grant Program	97.067	EMW-2015-SS-00038	1,495		-
Homeland Security Grant Program	97.067	EMW-2015-SS-00080	93,151		-
Homeland Security Grant Program	97.067	EMW-2017-SS-0052	67,191	161,837	-
Total Department of Homeland Security			498,937		-
Total Federal Awards			\$ 21,490,177		-

See accompanying notes to schedule of expenditures of federal awards.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE *PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES*,
ISSUED BY THE FEDERAL AVIATION ADMINISTRATION**

City Council
City of Bangor, Maine

Report on Compliance

We have audited the City of Bangor, Maine's compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide) for its passenger facility charge program for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its awards applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Bangor, Maine's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide 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 the passenger facility charge program 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 the passenger facility charge program. However, our audit does not provide a legal determination of the City of Bangor, Maine's compliance.

Opinion on the Passenger Facility Charge Program

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 the passenger facility charge program for the year ended June 30, 2019.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES,
ISSUED BY THE FEDERAL AVIATION ADMINISTRATION, 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 of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, 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 the passenger facility charge program 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 the passenger facility charge program 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 the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did 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 the Guide. Accordingly, this report is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE *PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES*,
ISSUED BY THE FEDERAL AVIATION ADMINISTRATION, CONTINUED**

Report on Schedule of Expenditures of Passenger Facility Charges Required by the Guide

We have audited 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, 2019, 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, 2019, 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 passenger facility charges is presented for purposes of additional analysis as specified in the Guide, 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 passenger facility charges is fairly stated in all material respects in relation to the basic financial statements as a whole.



December 23, 2019
South Portland, Maine

CITY OF BANGOR, MAINE
Schedule of Expenditures of Passenger Facility Charges
For the Year and Each Quarter Within the Year Ended June 30, 2019

	Approved Amounts Impose and Use	Memorandum Only Cumulative Total June 30, 2018	Quarter Ended September 30, 2018	Quarter Ended December 31, 2018	Quarter Ended March 31, 2019	Quarter Ended June 30, 2019	Year Ended 6/30/2019	Transfers/ Adjustments	Memorandum Only Cumulative Totals June 30, 2019
95-01-C-00-BGR (as amended)									
Passenger facility charge revenue and interest	\$ 8,961,006	8,546,838	-	-	-	-	-	17,001	8,563,839
Expenditures:									
Reconstruct Domestic Terminal Apron - South	2,301,222	2,301,222	-	-	-	-	-	-	2,301,222
Reconstruct Domestic Terminal Apron - North	1,070,596	937,451	-	-	-	-	-	-	937,451
Reconstruct International Terminal Apron - North	3,464,415	2,213,478	-	-	-	-	-	-	2,213,478
Reconstruct Commuter Apron Area	2,124,773	2,175,361	-	-	-	-	-	-	2,175,361
Total expenditures	\$ 8,961,006	7,627,512	-	-	-	-	-	-	7,627,512
10-02-C-00-BGR									
Passenger facility charge revenue and interest	\$ 1,998,100	1,894,542	-	-	-	-	-	-	1,894,542
Expenditures:									
PFC application assistance	23,100	23,100	-	-	-	-	-	-	23,100
Snow removal equipment	1,975,000	1,871,442	-	-	-	-	-	-	1,871,442
Total expenditures	\$ 1,998,100	1,894,542	-	-	-	-	-	-	1,894,542
12-03-C-00-BGR									
Passenger facility charge revenue and interest	\$ 2,576,497	2,576,497	-	-	-	-	-	-	2,576,497
Expenditures:									
Electrical Improvement	604,797	604,797	-	-	-	-	-	-	604,797
Terminal Renovations	1,928,000	1,928,478	-	-	-	-	-	-	1,928,478
PFC Application Costs	43,700	43,221	-	-	-	-	-	-	43,221
Total expenditures	\$ 2,576,497	2,576,496	-	-	-	-	-	-	2,576,496
14-04-C-00-BGR									
Passenger facility charge revenue and interest	\$ 3,000,000	3,000,000	4,550	3,817	4,824	3,810	17,001	(17,001)	3,000,000
Expenditures:									
Terminal Building Renovations	2,950,400	2,936,104	-	-	-	-	-	-	2,936,104
PFC Application Costs	49,600	49,600	-	-	-	-	-	-	49,600
Total expenditures	\$ 3,000,000	2,985,704	-	-	-	-	-	-	2,985,704

CITY OF BANGOR, MAINE
Notes to Schedule of Expenditures of Federal Awards
and the Schedule of Expenditures of Passenger Facility Charges
June 30, 2019

PURPOSE OF THE SCHEDULE

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Passenger Facility Charge Audit Guide for Public Agencies require a Schedule of Expenditures of Federal Awards and a Schedule of Expenditures of Passenger Facility Charges showing total expenditures for each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA) and each passenger facility charge program.

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all federal award programs and passenger facility charge programs of the City of Bangor, Maine for the fiscal year ended June 30, 2019. The reporting entity is defined in notes to basic financial statements of the City of Bangor, Maine.
- B. Basis of Presentation - The information in the accompanying schedule of expenditures of federal awards and the schedule of expenditures of passenger facility charges is presented in accordance with the Uniform Guidance and the Audit Guide for Public Agencies.
 - 1. Pursuant to the Uniform Guidance, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations.
 - 2. Major Programs - The Uniform Guidance establishes the level of expenditures or expenses to be used in defining major federal award programs. Major programs for the City of Bangor, Maine are identified in the summary of auditor's results in the schedule of findings and questioned costs.
 - 3. The passenger facility charge programs are defined by the Federal Aviation Administration's Record of Decision for each program.
- C. Basis of Accounting - The information presented in the schedule of expenditures of federal awards is presented on the modified accrual basis of accounting, which is consistent with the reporting in the City's fund financial statements. The schedule of expenditures of passenger facility charges is presented on the cash basis of accounting.
- 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.
- E. Indirect Cost Rate - The City of Bangor, Maine has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF BANGOR, MAINE
Schedule of Findings and Questioned Costs
For the year ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section 200.516?	No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.557	WIC - Nutrition Program
10.553 – 10.559	Child Nutrition Cluster
14.238	Shelter Plus Care
20.106	Airport Improvement Plan
20.507; 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

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 Federal Awards

None

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

Section IV - Findings and Questioned Costs for Expenditures of the *Passenger Facility Charge Program*

None

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

Section V - Status of Prior Year Findings to be Reported under *Government Auditing Standards*

None

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

Section VI - Status of Prior Year Findings and Questioned Costs for Federal Awards

2018-001 – Federal Transit Authority, for the Period July 1, 2017 through June 30, 2018, CFDA #20.507; #20.526 Federal Transit Cluster

Statement of Condition: The City did not obtain Buy America Certifications for new parts purchased for the rehabilitation of used buses acquired in the current period.

Criteria: All steel, iron, and manufactured products used in the project must be produced in the U.S.A., as demonstrated by a Buy America Certificate.

Cause: Although the City stipulated in its contract with the rehabilitation vendor that the Buy America certificates must be provided, the vendor failed to provide such certification.

Effect: Failure to obtain the Buy America certificates could result in the use of steel, iron or manufactured products that are not eligible for federal reimbursement.

Recommendation: The City should ensure that all vendors and manufacturers contracted under federal programs provide the required Buy American documentation.

Questioned Costs: \$81,888.

Status: No issues were identified in the current year.

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

Section VII - Status of Prior Year Findings and Questioned Costs for Expenditures of the *Passenger Facility Charge Program*

None