

CITY OF BANGOR, MAINE

**Reports Required by *Government Auditing
Standards* and the Uniform Guidance**

For the Year Ended June 30, 2022

CITY OF BANGOR, MAINE
Reports Required by *Government Auditing Standards* and the Uniform Guidance
For the year ended June 30, 2022

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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, 2022, 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 March 27, 2023.

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 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 or significant deficiencies may exist that were not 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

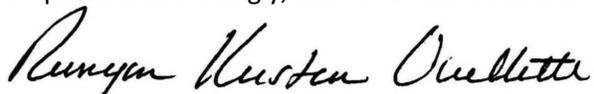
Report on Compliance and Other Matters

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*.

We noted certain matters that we have reported to management of the City of Bangor, Maine in a separate letter dated March 27, 2023.

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.



March 27, 2023, except for the testing of
Community Development Block Grant Entitlement Cluster (ALN #14.218),
which was dated May 25, 2023
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

Opinion on Each Major Federal Program

We have audited the City of Bangor, Maine's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Bangor, Maine's compliance with the compliance requirements referred to above.

Responsibilities of Management's for Compliance

Management is responsible for compliance with 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 federal programs.

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

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 general accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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.
- 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 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

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

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

Report on 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 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. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, 2022, 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 March 27, 2023, which contained unmodified opinions on those financial statements. Our audit was performed 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.



March 27, 2023, except for the testing of
Community Development Block Grant Entitlement Cluster (ALN #14.218),
which was dated May 25, 2023
South Portland, Maine

CITY OF BANGOR, MAINE
Schedule of Expenditures of Federal Awards
For year ended June 30, 2022

Federal Awards	Federal Assistance Number	Pass-through/ Grantor Number	Expenditures	Listing/ Cluster Totals	Passed Through to Subrecipients
U.S. Department of Agriculture:					
Passed through the Maine Department of Education:					
Federal supply chain assistance	10.560	6670	64,095		-
Covid - pandemic EBT	10.649	6184	6,140		-
Child Nutrition Cluster:					
School lunch program	10.555	3022/3024/6662	1,342,181		-
School breakfast program	10.553	3014	317,760		-
After school program	10.555	3020	13,251		-
School lunch donated commodities	10.555	N/A	51,487		-
School lunch summer program	10.559	3018	2,448		-
Fresh fruits and veggies	10.582	3028	59,114		-
Total Child Nutrition Cluster				1,786,241	
Passed through the Maine Department of Health and Human Services:					
WIC 22-4652 Administration	10.557	CD6 22-4652	165,077		-
WIC 22-4652 Food	10.557	CD6 22-4652	407,860		-
WIC 22-4652 Breastfeeding	10.557	CD6 22-4652	7,020		-
WIC 21-4652 Administration	10.557	CD6 21-4652	161,243		-
WIC 21-4652B Administration	10.557	CD6 21-4652B	322,878		-
WIC 21-4652 Food	10.557	CD6 21-4652	454,119		-
WIC 21-4652B Food	10.557	CD6 21-4652B	845,711		-
WIC 21-4652 Breastfeeding	10.557	CD6 21-4652	8,328		-
WIC 21-4652B Breastfeeding	10.557	CD6-4652B	17,043	2,389,279	-
WIC 21-4652 Farmer's Market Food	10.572	CD6 21-4652	6,974		-
Passed through the Maine Bureau of Health,					
Passed through the University of New England:					
SNAP Cluster:					
Supplemental Nutrition Assistance Program	10.561	OFI 20-351	80,899		-
Supplemental Nutrition Assistance Program	10.561	OFI 22-351	213,010		-
Total SNAP Cluster				293,909	
Total U.S. Department of Agriculture			4,546,638		-
U.S. Department of Commerce:					
Economic Development Cluster:					
Investment in Public Works and Economic Development Facilities	11.300	N/A	137,632		-
Total Economic Development Cluster				137,632	
Total U.S. Department of Commerce			137,632		-

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, 2022

Federal Awards	Federal Assistance Number	Pass-through/ Grantor Number	Expenditures	Listing/ Cluster Totals	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants	14.218	N/A	793,756		-
COVID - Community Development Block Grants - CV	14.218	N/A	150,054		-
Total CDBG - Entitlement Grants Cluster				943,810	
Shelter Plus Care:					
ME 0026L1T001912 TRA (8716)	14.238	N/A	52,957		-
ME 0026L1T002013 TRA (8716)	14.238	N/A	70,332		-
ME 0028L1T001912 TRA (8715)	14.238	N/A	80,785		-
ME 0028L1T002013 TRA (8715)	14.238	N/A	377,700		-
ME 0082L1T002105 TRA (8714)	14.238	N/A	105,677		-
ME 0082L1T002004 TRA (8714)	14.238	N/A	297,489		-
ME 0117L1T001700 TRA (8719)	14.238	N/A	48,560	1,033,500	-
Total U.S. Department of Housing and Urban Development			1,977,310		-
U.S. Department of Justice:					
Stop School Violence	16.839	N/A	4,999		-
Passed through Maine Emergency Management Agency:					
COVID - Coronavirus Emergency Supplemental Funding Program	16.034	N/A	1,536		-
Total U.S. Department of Justice			6,535		-
U.S. Department of Transportation:					
COVID - Airport Improvement Plan	20.106	N/A	3,858,993		-
Airport Improvement Plan	20.106	N/A	2,630,617	6,489,610	-
Raise	20.933	N/A	20,100		-
Federal Transit Cluster:					
COVID - Federal Transit - Operating	20.507	N/A	940,394		-
Bus and Bus Facilities Formula and Discretionary Programs (Transit Center)	20.526	N/A	2,069,662		-
Total Federal Transit Cluster				3,010,056	
Passed through the Maine Department of Transportation:					
Federal Transit - Transit System Structural Study	20.505	CSN 42260	3,395		-
Highway Planning and Construction Cluster:					
Union ADA (7606)	20.205	WIN 24591 CSN TBD	37,721		-
Main/Union Signal (7615)	20.205	WIN 22827, CSN 37604	15,867		-
Main St Pave 23519.00 (7623) [80% Fed]	20.205	WIN 23519, CSN TBD	112,549		-
State St 23521.00 (7625) [80% Fed]	20.205	WIN 23521, CSN 41395	7,782		-
Penobscot Corridor Signals 23114.00 (7626) [80% Fed]	20.205	WIN 23114, CSN 42219	20,947		-
Broadway Ped Imp/Heads Up 25617.00 (7645) [80% Fed]	20.205	WIN 25617 CSN 42974	5,046		-
Hogan Road Resurface 24131.00 (7647) [80% Fed]	20.205	WIN 24131, CSN 44023	1,711		-
Total Highway Planning and Construction Cluster				201,623	
Total U.S. Department of Transportation			9,724,784		-
Small Business Administration:					
Covid - Shuttered venue program	59.075	N/A	96,949		-
Total Small Business Administration			96,949		-

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, 2022

Federal Awards	Federal Assistance Listing	Pass-through/ Grantor Number	Expenditures	Listing/ Cluster Totals	Passed Through to Subrecipients
Environmental Protection Agency:					
Brownfields Assessment and Cleanup	66.818	96188601	\$ 25,186		-
Passed through the State Revolving Loan Fund Program:					
Clean Water State Revolving Fund Cluster:					
Combined Sewer Overflow	66.458	C230071-13	5,995,393		-
Total Clean Water State Revolving Loan Fund Cluster				5,995,393	
Total Environmental Protection Agency			6,020,579		-
U.S. Department of Education:					
Passed through the Maine Department of Education:					
Adult Basic Education	84.002A	6296	154,612		96,679
Title 1A	84.010	3107	1,864,434		-
Impact Aid	84.041B	Unknown	127,036		-
McKinney Vento	84.196	3104	39,553		-
Covid - McKinney Vento	84.196	Unknown	4,915		-
21st Century	84.287C	3356	224,233		-
Title IIA - Supporting Effective Instruction	84.367	3042	249,307		-
Covid - Elementary and Secondary School Emergency Relief Fund	84.425D	7006	555,919		-
Covid - Elementary and Secondary School Emergency Relief Fund II	84.425D	7041	260,404		-
Covid - Elementary and Secondary School Emergency Relief Fund III (ARPA)	84.425U	7071	252,275	1,068,598	-
Special Education Cluster:					
Special Education - Grants to Local States	84.027	3046	682,712		-
Preschool	84.173	6247	21,612		-
Total Special Education Cluster				704,324	
Total U.S. Department of Education			4,437,012		96,679
U.S. Department of Health & Human Services:					
Passed through Substance Abuse and Mental Health Services Administration:					
Drug-Free Communities Support Program	93.276	5H79SP018689-05	23,704		-
Drug-Free Communities Support Program	93.276	5NH28CE002504-10-00	28,755	52,459	-
CARA Local Drug Crisis	93.799	1H79SP080430-01	365		-
Passed through the Maine Department of Health and Human Services:					
Substance Use Prevention	93.788	CD0 20-4425	16,754		-
Naloxone/Narcan	93.788	OSA 22-373B	262,793	279,547	-
Substance Use Prevention	93.243	CD0 20-4425	9,224		-
Overdose Response	93.243	OSA 21-6005	173,377		28,633
Naloxone/Narcan	93.243	OSA 22-373B	37,500	220,101	-
Substance Use Prevention - Block	93.959	CD0 20-4425	122,674		-
Overdose Prevention	93.959	OSA 22-373B	13,127		-
Covid - Naloxone/Narcan	93.959	OSA 22-373B	581,233		-
Overdose Prevention	93.959	OSA 22-373B	45,935	762,969	-
Covid - Public Health Infrastructure	93.354	CD6 22-1114	209,129		-
Total U.S. Department of Health & Human Services			1,524,570		28,633
U.S. Department of Homeland Security:					
Law Enforcement Reimbursement Program	97.090	HSTS0216HSLR711	99,985		-
NEDCTP (8713)	97.072	70T02020T9NNCP407	150,405		-
Assistance to Firefighters	97.044	EMW-2019-FG-02601	788		-
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2017-FH-00166	56,307		-
Passed through the Maine Emergency Management Agency:					
Covid - Disaster Grants - Public Assistance	97.036	N/A	7,612		-
Homeland Security Grant Program	97.067	EMW-2018-SS-00049	39,361		-
Homeland Security Grant Program	97.067	EMW-2019-SS-00015	88,697		-
Homeland Security Grant Program	97.067	EMW-2020-SS-00046	2,412	130,470	-
Total U.S. Department of Homeland Security			445,567		-
Total Federal Awards			\$ 28,917,576		125,312

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BANGOR, MAINE
Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

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) requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal award program as identified in the Assistance Listings in the System for Awards Management.

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all federal award programs of the City of Bangor, Maine for the fiscal year ended June 30, 2022. 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 is presented in accordance with the Uniform Guidance.
 - 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.
- 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.
- 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 to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance for some of its Department of Health and Human Services grants.

CITY OF BANGOR, MAINE
Schedule of Findings and Questioned Costs
For the year ended June 30, 2022

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? Yes

Identification of major federal programs:

<u>Assistance Listing</u>	<u>Covid Funds</u>	<u>Name of Federal Program or Cluster</u>
10.553-10.582		Child Nutrition Cluster
10.557		Women, Infants, and Children
14.218	Covid	CDBG Entitlement Grants Cluster
14.238		Shelter Plus Care
20.106	Covid	Airport Improvement Plan
20.507-20.526	Covid	Federal Transit Cluster
93.959	Covid	Block Grants for Prevention and Treatment of Substance Abuse
84.425D-U	Covid	Elementary and Secondary School Emergency Relief Fund

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

2022-001 – Uniform Guidance Written Policies

Criteria: Under the Uniform Guidance §200.302 Financial Management, the non-Federal entity must provide written procedures to implement the requirements of §200.305 (Federal payment), and written procedures for determining the allowability of costs in accordance with subpart E of the Uniform Guidance and the terms and conditions of the Federal award.

Condition: The City currently does not have written procedures as required by the Uniform Guidance as specified in the criteria.

Cause: Although the City has adequate procedures in place to prevent non-compliance for most of its Federal grants, those procedures have not been documented.

Effect: Without written procedures, the City runs the risk of non-compliance for Federal grants.

Known Questioned Costs: None

Likely Questioned Costs: None

Recommendations: Although the City has implemented some written procedures and policies, it has not developed written procedures for all required areas or for all federal grants. We recommend that all departments that administer federal grants develop the required written procedures and policies.

Management response/corrective action: *The City began to develop the required written procedures; however, significant staffing losses and turnover curtailed the process. As positions are re-filled, Management will make the completion of the written procedures a priority in all areas that administer federal grants*

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

2021-001 – Department of Education, for the Period July 1, 2021 through June 30, 2022, Assistance Listing #84.027-84.173; Special Education Cluster

Criteria: Under the Uniform Guidance §200.430 Compensation - personal services, charges for salaries and wages must be based on records that accurately reflect the work performed. Budget estimates alone do not qualify as support for charges to Federal awards, unless the non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges and to make necessary adjustment such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Condition: The School Department charged personnel time to the Local Entitlement grant that was not based on actual work performed but on budgeted amounts.

Cause: Although the personnel time spent on the grant exceeded the amount charged to the Local Entitlement grant, the time was based on budgeted percentages and not actual time worked.

Effect: Actual personnel time charged to the grant was not documented, was based on budgeted amounts, and therefore, unallowable.

Known Questioned Costs: None

Likely Questioned Costs: None

Recommendations: To avoid future non-compliance in this area, the School Department should not charge any personnel to grants if they work on more than one Federal grant or split their time between Federal and non-Federal work.

Status: No issues were noted in the current year.

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

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

2021-002 – Uniform Guidance Written Policies

Criteria: Under the Uniform Guidance §200.302 Financial Management, the non-Federal entity must provide written procedures to implement the requirements of §200.305 (Federal payment), and written procedures for determining the allowability of costs in accordance with subpart E of the Uniform Guidance and the terms and conditions of the Federal award.

Condition: The City currently does not have written procedures as required by the Uniform Guidance as specified in the criteria.

Cause: Although the City has adequate procedures in place to prevent non-compliance for most of its Federal grants, those procedures have not been documented.

Effect: Without written procedures, the City runs the risk of non-compliance for Federal grants.

Known Questioned Costs: None

Likely Questioned Costs: None

Recommendations: The City should review its Federal grants and determine which grants need specific written procedures to meet the Uniform Guidance requirements.

Status: See current year finding.