

CITY OF BANGOR, MAINE

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

For the Year Ended June 30, 2021

CITY OF BANGOR, MAINE
Reports Required by *Maine Uniform Accounting and*
Auditing Practices for Community Agencies
For the Year Ended June 30, 2021

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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, 2021, 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 21, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bangor, Maine's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bangor, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bangor, Maine's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, CONTINUED

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bangor, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the management of the City of Bangor, Maine in a separate letter dated March 21, 2022.

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.



March 21, 2022, except for the testing of
Municipal COVID 19 Awareness (COM-200-2003B),
which was dated April 26, 2022
South Portland, Maine

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

City Council
City of Bangor, Maine

Report on Compliance for Each Major Department Agreement

We have audited the City of Bangor, Maine’s compliance with the types of compliance requirements described in *Maine Uniform Accounting and Auditing Practices for Community Agencies* that could have direct and material effect on each of the City of Bangor, Maine’s major department agreements for the year ended June 30, 2021. The City of Bangor, Maine’s major department agreements are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its awards applicable to its department agreements.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Bangor, Maine’s major department agreements based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP)*. Those standards and *Maine Uniform Accounting and Auditing Practices for Community Agencies*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major department agreement occurred. An audit includes examining, on a test basis, evidence about the City of Bangor, Maine’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major department agreements. However, our audit does not provide a legal determination of the City of Bangor, Maine’s compliance.

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

Basis for Qualified Opinion on Agreement COM-200-2003B

As described in the accompanying schedule of findings and questioned costs, the City of Bangor, Maine did not comply with the requirements regarding COM-200-2003B Municipal COVID 19 Awareness as described in finding #2021-001 for Reporting. Compliance with such requirements is necessary, in our opinion, for the City of Bangor, Maine to comply with the requirements applicable to that program.

Qualified Opinion on Agreement COM-200-2003B

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City of Bangor, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Agreement COM-200-2003B for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Department Agreements

In our opinion, the City of Bangor, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major department agreements identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

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

Report on Internal Control over Compliance

Management of the City of Bangor, Maine is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Bangor, Maine's internal control over compliance with the types of requirements that could have a direct and material effect on each major department agreement to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major department agreement and to test and report on internal control over compliance in accordance with *Maine Uniform Accounting and Auditing Practices for Community Agencies*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bangor, Maine's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a department agreement on a timely basis.

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

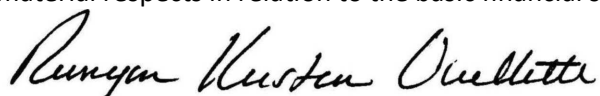
A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a department agreement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a department agreement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *Maine Uniform Accounting and Auditing Practices for Community Agencies*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Department Agreements Required by *Maine Uniform Accounting and Auditing Practices for Community Agencies*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bangor, Maine as of and for the year ended June 30, 2021, 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 21, 2022, 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.



March 21, 2022, except for the testing of
Municipal COVID 19 Awareness (COM-200-2003B),
which was dated April 26, 2022
South Portland, Maine

CITY OF BANGOR, MAINE
Notes to Schedule of Expenditures of Department Agreements
June 30, 2021

PURPOSE OF THE SCHEDULE

Maine Uniform Accounting and Auditing Practices for Community Agencies require a Schedule of Expenditures of Department Agreements showing total expenditures for each award as identified in the respective department agreements.

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all department agreements of the City of Bangor, Maine for the fiscal year ended June 30, 2021. 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 Expenditures of Department Agreements
For the Fiscal Year Ended June 30, 2021

Department Office	Grant Name	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenses	State Expenses	Total Department Expenses	Local Share Expenses	Total Agree/Match Expenses
DHHS-Direct											
WIC	Women Infant & Children	CD6 20-4652	\$ 2,306,929	10/1/19 - 9/30/20	Health Promotion	Final	559,340	-	559,340	-	-
WIC	WIC - Breastfeeding	CD6 20-4652	35,568	10/1/19 - 9/30/20	Health Promotion	Final	9,752	-	9,752	-	-
WIC	WIC - Farmers Market	CD6 20-4652	9,200	10/1/19 - 9/30/20	Health Promotion	Final	5,542	-	5,542	-	-
WIC	Women Infant & Children	CD6 21-4652	2,441,638	10/1/20 - 9/30/21	Health Promotion	Interim	1,559,919	-	1,559,919	-	-
WIC	WIC - Breastfeeding	CD6 21-4652	25,624	10/1/20 - 9/30/21	Health Promotion	Interim	22,556	-	22,556	-	-
WIC	WIC - Farmers Market	CD6 21-4652	9,200	10/1/20 - 9/30/21	Health Promotion	Interim	691	-	691	-	-
CDC	Lead Poison Prevent	CD0 19-5364	70,000	1/1/19 - 12/31/20	Lead Poison Prevent	Final	-	20,539	20,539	-	-
CDC	Lead Poison Prevent	CD0 21-5364	35,000	1/1/21 - 12/31/21	Lead Poison Prevent	Interim	-	10,269	10,269	-	-
CDC	Public Health Nursing	CDC 17-567H	369,181	7/1/16 - 9/30/20	Health Promotion	Final	-	23,726	23,726	-	-
CDC	Public Health Nursing	CD0 21-4289	357,175	10/1/20 - 9/30/22	Health Promotion	Interim	-	95,927	95,927	-	-
CDC	Municipal COVID 19 Awareness	COM-20-3003B	304,346	6/8/20 - 10/31/20	Health Promotion	Final	270,887	-	270,887	-	-
OSA	Naloxone Distribution	OSA 21-373C	413,700	7/1/20 - 6/30/21	Substance Abuse	Final	118,523	293,684	412,207	-	-
OSA	Overdose Prevention	OSA 21-373A	62,500	7/1/20 - 6/30/21	Substance Abuse	Final	51,197	-	51,197	-	-
OSA	Overdose Prevention	OSA 21-6005	300,000	1/1/21 - 12/31/22	Substance Abuse	Final	32,897	-	32,897	-	-
Passed through:											
Barbara Bush Hospital	Let's Go	CD0 20-4568	86,700	10/1/19 - 9/30/20	Health Promotion	Final	-	18,674	18,674	-	-
Barbara Bush Hospital	Let's Go	CDC 18-4568 (extended)	86,699	10/1/20 - 9/30/21	Health Promotion	Interim	-	64,864	64,864	-	-
University of New England	Substance Use Prevent	CD0 20-4425	61,987	10/1/19 - 9/30/20	Substance Abuse	Final	36,137	-	36,137	-	-
University of New England	Substance Use Prevent	CD0 20-4425	82,897	10/1/19 - 9/30/20	Substance Abuse	Final	54	-	54	-	-
University of New England	Substance Use Prevent	CD0 20-4425	11,586	10/1/19 - 9/30/20	Substance Abuse	Final	4,373	-	4,373	-	-
University of New England	Substance Use Prevent	CD0 20-4425	90,109	10/1/20 - 9/30/21	Substance Abuse	Interim	59,564	-	59,564	-	-
University of New England	Substance Use Prevent	CD0 20-4425	35,959	10/1/20 - 9/30/21	Substance Abuse	Interim	24,502	-	24,502	-	-
University of New England	Substance Use Prevent	CD0 20-4425	7,427	10/1/20 - 9/30/21	Substance Abuse	Interim	4,758	-	4,758	-	-
University of New England	Substance Use Prevent	CD0 20-4425	33,047	10/1/20 - 9/30/21	Substance Abuse	Interim	26,712	-	26,712	-	-
University of New England	Supp Nutrition Assistance	OFI 20-351	347,960	10/1/19 - 9/30/20	Health Promotion	Final	84,937	-	84,937	-	-
University of New England	Supp Nutrition Assistance	OFI 20-351	358,389	10/1/20 - 9/30/21	Health Promotion	Interim	216,590	-	216,590	-	-
Total Department of Health and Human Services							3,088,931	527,683	3,616,614	-	-
MDOT-Direct											
Multimodal Transit	Operating	CSN 41962	101,109	7/1/20 - 6/30/21	Transportation Systems	Final	-	101,109	101,109	-	101,109
Total Department of Transportation							-	101,109	101,109	-	101,109
Total							\$ 3,088,931	628,792	3,717,723	-	101,109

See accompanying notes to schedule of expenditures of department agreements.

CITY OF BANGOR, MAINE
Schedule of Findings and Questioned Costs
June 30, 2021

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

State Agreements

Internal control over programs tested:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for programs tested:	Qualified
Any audit findings disclosed that are required to be reported in accordance with <i>Maine Uniform Accounting and Auditing Practices for Community Agencies</i> ?	Yes

Federal Awards

Required to have an audit in accordance with the Uniform Guidance?	Yes
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Identification of program(s) tested:

<u>Agreement Number(s)</u>	<u>Name of Department - Agreement</u>
CD6 – 20-4652	Women, Infants, and Children (WIC)
CD6 – 21-4652	Women, Infants, and Children (WIC)
COM-200-2003B	Municipal COVID 19 Awareness
CD0-20-4425	Substance Abuse Prevention
OFI-20-351	Supplemental Nutritional Assistant Program – Education
CSN 41962	Multimodal Transportation

Percentage of department agreements tested:	80%
Auditee qualified as low-risk?	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 State Agreements

2021-001 - Noncompliance with Reporting Requirements for Agreement COM-200-2003B

Criteria – The Agreement for COM-200-2003B requires the City to file monthly financial reports with the State within a certain specified period of time.

Condition - The August and September 2020 reports for COM-200-2003B were not filed by the required deadlines.

Cause - Reports were filed late due to turnover in management and the responsibilities of reporting put strain on existing staff with other responsibilities.

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

Known Questioned Costs - None

Likely Questioned Costs - None

Recommendations - We recommend the City develop a system to track the due dates of these reports so as not to delay future grant funding and to ensure compliance with the requirements of the contracts.

Management response/corrective action -The COVID 19 Municipal Awareness grant encompassed wide-ranging activities City wide and was outside of the well-established protocols in place at Public Health and Community Services department. If this situation arises again, staff will ensure the same protocols are adhered to.

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

Section IV – Status of Prior Year Audit Findings

None