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2020

## **Lewiston Maine Annual Financial Audit 2020**

Lewiston, Me.

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# Federal Compliance Audit

## **City of Lewiston, Maine**

June 30, 2020



*Proven Expertise & Integrity*

CITY OF LEWISTON, MAINE

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JUNE 30, 2020

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CITY OF LEWISTON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Balance at June 30, 2019	Revenues		Expenditures				Balance at June 30, 2020
				Federal	Other	Federal	Passed Through to Subrecipients	Total Federal	Other	
U.S. Department of Education, Passed through the Maine Department of Education:										
Adult Basic Education - Basic Grants to States	84.002	6296	\$ -	\$ 219,675	\$ -	\$ 219,675	\$ -	\$ 219,675	\$ -	\$ -
Adult Basic Education - Basic Grants to States	84.002	6299	1,828	44,085	-	44,085	-	44,085	-	1,828
			1,828	263,760	-	263,760	-	263,760	-	1,828
Title I Grants to Local Educational Agencies	84.010	3107	471,162	2,772,198	-	2,772,198	-	2,772,198	-	471,162
Special Education Cluster (IDEA):										
Special Education - Grants to states	84.027	3046	296,039	1,571,510	-	1,571,510	-	1,571,510	-	296,039
Special Education - Preschool Grants	84.173	6247	31,815	51,621	-	51,621	-	51,621	-	31,815
Total Special Education Cluster (IDEA)			327,854	1,623,131	-	1,623,131	-	1,623,131	-	327,854
Career and Technical Education - Basic Grants to States	84.048	3030	-	206,449	-	206,449	-	206,449	-	-
Education for Homeless Children and Youth	84.196	3104	40,000	50,173	-	50,173	-	50,173	-	40,000
Twenty-First Century Community Learning Centers	84.287	3356	6,344	564,276	-	564,276	-	564,276	-	6,344
English Language Acquisition State Grants	84.365	3115	3,620	207,699	-	207,699	-	207,699	-	3,620
Improving Teacher Quality State Grants	84.367	3042	55,865	378,185	-	378,185	-	378,185	-	55,865
Preschool Development Grants	84.419	1088	22,168	-	-	-	-	-	-	22,168
Student Support and Academic Enrichment Program	84.424	3345	-	214,190	-	214,190	-	214,190	-	-
<b>Total U.S. Department of Education</b>			<b>928,841</b>	<b>6,280,061</b>	<b>-</b>	<b>6,280,061</b>	<b>-</b>	<b>6,280,061</b>	<b>-</b>	<b>928,841</b>
U.S. Department of Health and Human Services, Passed through the Maine Department of Education:										
Refugee and Entrant Assistance-Discretionary Grants	93.576	3120	44,029	19,346	-	19,346	-	19,346	-	44,029
Passed through the Maine Department of Health & Human Services:										
Coronavirus Relief Fund	21.019	n/a	-	17,831	-	8,531	-	8,531	-	9,300
<b>Total U.S. Department of Health &amp; Human Services</b>			<b>44,029</b>	<b>37,177</b>	<b>-</b>	<b>27,877</b>	<b>-</b>	<b>27,877</b>	<b>-</b>	<b>53,329</b>
U.S. Department of Agriculture Passed through the Maine Department of Education:										
Child Nutrition Cluster:										
School Breakfast Program	10.553	3014	-	663,792	-	663,792	-	663,792	-	-
National School Lunch Program	10.555	n/a	-	249,526	-	249,526	-	249,526	-	-
National School Lunch Program	10.555	3024	-	1,916,795	-	1,916,795	-	1,916,795	-	-
Summer Food Service Program for Children	10.559	3016	-	1,016,553	-	1,016,553	-	1,016,553	-	-
Total Child Nutrition Cluster			-	3,846,666	-	3,846,666	-	3,846,666	-	-
Child and Adult Care Food Program	10.558	n/a	-	21,031	-	21,031	-	21,031	-	-
Fresh Fruit and Vegetable Program	10.582	3028	-	98,371	-	98,371	-	98,371	-	-
<b>Total U.S. Department of Agriculture</b>			<b>-</b>	<b>3,966,068</b>	<b>-</b>	<b>3,966,068</b>	<b>-</b>	<b>3,966,068</b>	<b>-</b>	<b>-</b>

CITY OF LEWISTON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Balance at June 30, 2019	Revenues		Expenditures				Balance at June 30, 2020
				Federal	Other	Federal	Passed Through to Subrecipients	Total Federal	Other	
U.S. Department of Transportation, Passed through the Maine Department of Transportation: Highway Planning and Construction Cluster:										
Highway Planning and Construction-River Rd Imprmnts	20.205	11599.3	117,250	3,156	395	3,184	-	3,184	796	116,821
Highway Planning and Construction-Bartlett St	20.205	18580	(16,007)	(6,980)	(872)	5,681	-	5,681	1,420	(30,960)
Highway Planning and Construction-Cedar St	20.205	18648	13,986	-	-	-	-	-	-	13,986
Highway Planning and Construction-Cedar St	20.205	18650	(3,189)	-	-	-	-	-	-	(3,189)
Highway Planning and Construction-Main St	20.205	23669	-	30,744	3,843	33,410	-	33,410	8,353	(7,176)
Highway Planning and Construction-Pine St	20.205	18656	39,651	11,799	1,475	11,753	-	11,753	2,938	38,234
Highway Planning and Construction-East Ave	20.205	22388	(3,402)	32,773	4,097	35,296	-	35,296	8,824	(10,652)
Highway Planning and Construction-Razel Way	20.205	22390	164,449	11,665	1,458	11,663	-	11,663	2,916	162,993
Highway Planning and Construction-Main St & Frye St	20.205	23212	18,441	-	-	-	-	-	-	18,441
Highway Planning and Construction-Stetson Rd	20.205	22490	79,158	13,202	1,650	14,521	-	14,521	3,630	75,859
Total Highway Planning and Construction Cluster			410,337	96,359	12,046	115,508	-	115,508	28,877	374,357
<b>Total U.S. Department of Transportation</b>			<b>410,337</b>	<b>96,359</b>	<b>12,046</b>	<b>115,508</b>	<b>-</b>	<b>115,508</b>	<b>28,877</b>	<b>374,357</b>
U.S. Department of Housing and Urban Development: Entitlement Grants Cluster:										
Community Development Block Grants/Entitlement Grants	14.218	n/a	1,792,719	583,875	55,190	567,926	-	567,926	55,190	1,808,668
Total Entitlement Grants Cluster			1,792,719	583,875	55,190	567,926	-	567,926	55,190	1,808,668
Community Development Block Grants/State's program	14.228	n/a	85,587	61,540	-	107,335	-	107,335	-	39,792
Home Investment Partnerships Program	14.239	n/a	1,149,532	56,490	1,294	61,261	-	61,261	5,253	1,140,802
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	n/a	20,958	-	20,000	-	-	-	9,282	31,676
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<b>3,048,796</b>	<b>701,905</b>	<b>76,484</b>	<b>736,522</b>	<b>-</b>	<b>736,522</b>	<b>69,725</b>	<b>3,020,938</b>
U.S. Environmental Protection Agency: Brownfields Assessment and Cleanup Cooperative Agreements	66.818	n/a	40,672	14,923	210	53,428	-	53,428	210	2,167
U.S. Department of Justice - Bureau of Justice Assistance: Coronavirus Emergency Supplemental Funding Program	16.034	n/a	-	36,552	-	35,771	-	35,771	-	781
Edward Byrne Memorial Justice Assistance Grant Program	16.738	n/a	2,861	36,832	-	36,916	-	36,916	-	2,777
Equitable sharing program	16.992	n/a	239,750	132,511	26,975	47,688	-	47,688	14,298	337,250
<b>Total U.S. Department of Justice</b>			<b>242,611</b>	<b>205,895</b>	<b>26,975</b>	<b>120,375</b>	<b>-</b>	<b>120,375</b>	<b>14,298</b>	<b>340,808</b>
U.S. Department of Homeland Security: Homeland Security Grant Program-2017	97.067	n/a	(1,170)	8,493	-	61,204	-	61,204	-	(53,881)
Homeland Security Grant Program-2018	97.067	n/a	-	51,338	-	55,744	-	55,744	-	(4,406)
<b>Total U.S. Department of Homeland Security</b>			<b>(1,170)</b>	<b>59,831</b>	<b>-</b>	<b>116,948</b>	<b>-</b>	<b>116,948</b>	<b>-</b>	<b>(58,287)</b>
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ 4,714,116</b>	<b>\$ 11,362,219</b>	<b>\$ 115,715</b>	<b>\$ 11,416,787</b>	<b>\$ -</b>	<b>\$ 11,416,787</b>	<b>\$ 113,110</b>	<b>\$ 4,662,153</b>

## CITY OF LEWISTON, MAINE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2020

#### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Lewiston, Maine under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City of Lewiston, Maine, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Lewiston, Maine.

#### 2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The City of Lewiston, Maine has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

#### 3. Food Donation Program

The City of Lewiston, Maine reports commodities consumed on the Schedule at the fair value [or entitlement value]. The City allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.



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INDEPENDENT AUDITORS' 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 Lewiston  
Lewiston, ME

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, each major fund and the aggregate remaining fund information of City of Lewiston, Maine as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise City of Lewiston, Maine's basic financial statements and have issued our report thereon dated December 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Lewiston, 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 City of Lewiston, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Lewiston, 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 entity'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.

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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.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lewiston, 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*.

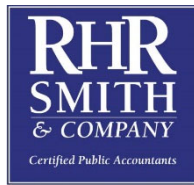
#### Purpose of this Report

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.

A handwritten signature in dark ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

Buxton, Maine  
January 20, 2021





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

City Council  
City of Lewiston  
Lewiston, ME

### Report on Compliance for Each Major Federal Program

We have audited City of Lewiston, 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 City of Lewiston, Maine's major federal programs for the year ended June 30, 2020. City of Lewiston, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of Lewiston, 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 City of Lewiston, 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 City of Lewiston, Maine's compliance.

#### Opinion on Each Major Federal Program

In our opinion, City of Lewiston, 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, 2020.

#### Report on Internal Control Over Compliance

Management of City of Lewiston, 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 City of Lewiston, 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 City of Lewiston, 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 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 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.

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, each major fund and the aggregate remaining fund information of the City of Lewiston, Maine, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City of Lewiston, Maine's basic financial statements. We issued our report thereon dated December 14, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of 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.

*RHR Smith & Company*

Buxton, Maine  
January 20, 2021

CITY OF LEWISTON, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - INTERNAL CONTROL  
FOR THE YEAR ENDED JUNE 30, 2020

**Section I - Summary of Auditor's Results**

• *Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐yes ☒no
- Significant deficiency(ies) identified? ☐yes ☒no
- Noncompliance material to financial statements noted? ☐yes ☒no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐yes ☒no
- Significant deficiency(ies) identified? ☐yes ☒no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a)? ☐yes ☒no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Education Agencies

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? ☒yes ☐no

**Section II - Financial Statement Findings**

None

**Section III - Federal Awards Findings and Questioned Costs**

None