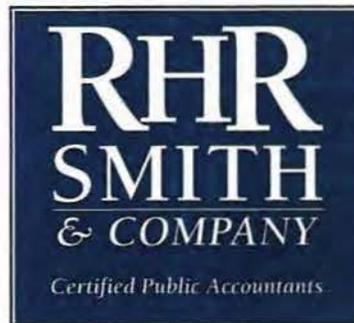


Federal Compliance Audit

City of Lewiston, Maine

June 30, 2015



Proven Expertise & Integrity

CITY OF LEWISTON, MAINE

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JUNE 30, 2015

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CITY OF LEWISTON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Thru Grantor Number	ARRA Funds	Balance at June 30, 2014	Revenues		Expenditures		Balance at June 30, 2015
					Federal	Other	Federal	Other	
U.S. Department of Education,									
Passed through the Maine Department of Education:									
Adult Basic Education	84.002	6296		\$ 82	\$ 97,512	\$ -	\$ 97,594	\$ -	\$ -
Adult Ed Corrections	84.002	6296		-	3,800	-	3,800	-	-
Adult Ed Civics	84.002	6299		224	37,811	-	38,035	-	-
Title 1A	84.010	3107		-	2,575,793	-	2,575,793	-	-
Title 1A SES	84.010	3046		11,813	3,331	-	15,144	-	-
Title 1 Priority Focus	84.010	n/a		-	10,379	-	10,379	-	-
Special Education Grants to states	84.027	3030		496	1,862,071	-	1,862,381	-	186
Perkins Grant	84.048	6247		-	244,533	-	244,533	-	-
Preschool	84.173	3104		-	13,246	-	13,246	-	-
Pre-school Expansion grant	84.419A	n/a		-	16,365	-	16,365	-	-
McKinney Homeless IASA	84.196	3356		-	18,656	-	18,656	-	-
Twenty-first century	84.287	3115		724	129,137	-	129,861	-	-
Title III English Language Acquisition	84.365	3042		(239)	192,376	-	192,137	-	-
Title IIA Improving Teacher Quality	84.367	4500		-	290,243	-	290,243	-	-
Teacher Incentive Fund	84.374	n/a		(21,164)	1,809,343	-	1,788,179	-	-
College Access Grant	84.378	3105		-	1,410	-	1,410	-	-
School Improvement Grant	84.388	3099		45	767,210	-	767,255	-	-
Passed through the Maine Department of Education, passed-through Maine Technical College, passed-through the Maine Career Advantage: Maine Youth Apprenticeship									
	84.278	n/a		-	-	-	-	-	-
Total U.S. Department of Education				(8,019)	7,873,216	-	7,865,011	-	186
U.S. Department of Commerce,									
Passed through State of Maine, ConnectME Authority:									
State Broadband Date and Development (Project Connect)	11.558	3112	Y	(500)	2,138	-	-	1,139	499
U.S. Department of Health and Human Services,									
Passed through the Maine Department of Education:									
Refugee Resettlement	93.576	3120		(1,777)	41,505	-	39,728	-	-
Office of Substance Abuse, Passed through the Maine Department of Health & Human Services:									
Underage Drinking Enforcement Grant	10.558			735	6,503	-	3,248	-	3,990
Total U.S. Department of Health & Human Services				(1,042)	48,008	-	42,976	-	3,990
U.S. Department of Agriculture									
Passed through the Maine Department of Education:									
School Breakfast Program	10.553	3014		-	605,875	-	605,875	-	-
Donated Commodities	10.555	n/a		-	128,593	-	128,593	-	-
National School Lunch Program	10.555	3024		274,502	1,527,453	-	1,624,690	-	177,265
Summer Food Service Program	10.559	3016		-	111,705	-	111,705	-	-
Fresh Fruit & Veg Program	10.582	3028		-	140,015	-	140,015	-	-
Total U.S. Department of Agriculture				274,502	2,513,641	-	2,610,878	-	177,265

CITY OF LEWISTON, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Thru Grantor Number	ARRA Funds	Balance at June 30, 2014	Revenues		Expenditures		Balance at June 30, 2015
					Federal	Other	Federal	Other	
U.S. Department of Transportation,									
Passed through the Maine Department of Transportation:									
River Road Improvements	20.205	11599.3		(3,508)	-	5,000	662	166	664
Riverside Greenway	20.205	11848		(40,665)	698,243	297,062	704,022	176,006	74,612
Bartlett Street	20.205	18580		-	-	-	81	20	(101)
Video Detection	20.205	20285/8850.31		-	-	-	15,626	-	(15,626)
Lisbon Street Resurfacing	20.205	20309		101,659	23,388	2,923	25,829	6,457	95,684
Sabattus Street Signal	20.205	20309		78,869	19,865	2,483	27,700	6,925	66,592
Lisbon Street Signals	20.205	20557		77,658	28,718	3,590	28,584	7,146	74,236
Total U.S. Department of Transportation				214,013	770,214	311,058	802,504	196,720	296,061
U.S. Department of Housing and Urban Development:									
Community Development Block Grant	14.218	n/a		2,043,545	581,446	146,784	614,085	146,784	2,010,906
Home Investment Partnership Program	14.239	n/a		332,440	33,096	-	68,909	-	296,627
Economic Development Initiative	14.251	n/a		73	106,411	-	106,411	73	-
Lead Grant	14.900	n/a		-	94,499	3	94,496	3	3
Passed through the Maine Department of Economic and Community Development:									
Neighborhood Stabilization	14.228	n/a		38,788	-	-	50	-	38,738
Total U.S. Department of Housing & Urban Development				2,414,846	815,452	146,787	883,951	146,860	2,346,274
U.S. Environmental Protection Agency:									
Brownfields Assessment and Cleanup Cooperative Agreements	66.811	n/a		61,039	-	59	3,633	59	57,406
U.S. Marshals Service:									
Central Maine Violent Crimes Task Force	16.592	n/a		17,354	-	25	340	25	17,014
U.S. Department of Justice - Bureau of Justice Assistance:									
Local Law Enforcement Block Grant Program	16.580	n/a		5,088	50,480	-	57,122	-	(1,554)
COPS Hiring Program	16.710	n/a		-	34,551	-	34,540	-	11
Enforcing Underage Drinking Laws Program	16.727	n/a		1,694	-	-	1,694	-	-
Equitable sharing program	16.992	n/a		199,572	89,264	15,099	49,197	550	254,188
Total U.S. Department of Justice				206,354	174,295	15,099	142,553	550	252,645
U.S. Department of Homeland Security:									
Homeland Security 2013	97.067	n/a		8,978	65,952	-	79,918	-	(4,988)
Homeland Security 2014	97.067	n/a		-	20,000	-	71,702	-	(51,702)
Total U.S. Department of Homeland Security				8,978	85,952	-	151,620	-	(56,690)
TOTAL FEDERAL ASSISTANCE				\$ 3,187,525	\$ 12,282,916	\$ 473,028	\$ 12,503,466	\$ 345,353	\$ 3,094,650

CITY OF LEWISTON, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Lewiston, Maine. All federal financial assistance received is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. The following programs were tested as Type A programs as defined in OMB Circular A-133.

- 1) 84.010 – Title IA
- 2) 84.027 – IDEA-B



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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, 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, 2015, and the related notes to the financial statements, which collectively comprise the City of Lewiston, Maine's basic financial statements, and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

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

RHR Smith & Company

Buxton, Maine
December 4, 2015



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

City Council
City of Lewiston
Lewiston, ME

Report on Compliance for Each Major Federal Program

We have audited the City of Lewiston, Maine's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Lewiston, Maine's major federal programs for the year ended June 30, 2015. The 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Lewiston, Maine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Lewiston, Maine's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2015.

Report on Internal Control Over Compliance

Management of the 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 the 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the City of Lewiston, Maine's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
December 4, 2015

CITY OF LEWISTON, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2015

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 section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title IA
84.027	IDEA-B

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None