

TOWN OF YORK, MAINE

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

For the Year Ended June 30, 2019

TOWN OF YORK, MAINE
Reports Required by *Government Auditing Standards*
and the Uniform Guidance
For the Year Ended June 30, 2019

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

Board of Selectmen
School Committee
Town of York, 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, each major fund, and the aggregate remaining fund information of the Town of York, Maine, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of York, Maine's basic financial statements and have issued our report thereon dated February 28, 2020.

Internal Control over Financial Reporting

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

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

We noted certain other matters that we reported to the management of the Town of York, Maine in a separate letter dated February 28, 2020.

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.



February 28, 2020
South Portland, Maine

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

Board of Selectmen
School Committee
Town of York, Maine

Report on Compliance for Each Major Federal Program

We have audited the Town of York, Maine's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of York, Maine's major federal programs for the year ended June 30, 2019. The Town of York, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of York, Maine's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of York, Maine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of York, Maine's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of York, Maine, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

Report on Internal Control over Compliance

Management of the Town of York, 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 Town of York, Maine's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of York, 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 Town of York, Maine as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements. We issued our report thereon dated February 28, 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.

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

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.



February 28, 2020
South Portland, Maine

TOWN OF YORK, MAINE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA number	Pass through/ agreement number	Total Federal Expenditures	CFDA/ Cluster Totals	Passed Through to Subrecipients
U. S. Department of Education, Passed through Maine Department of Education:					
Title IA - Basic Disadvantaged Program	84.010	3107	\$ 106,483		-
Special Education Cluster:					
Special Education Grants to States	84.027	3046	342,142		-
Total Special Education Cluster				342,142	
Title IIA - Supporting Effective Instruction	84.367	3042	43,858		-
Adult Education Family Literacy Grant	84.002	6162	7,690		-
Total U. S. Department of Education			500,173		-
U. S. Department of Agriculture, Passed through Maine Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program - Subsidized Hot Lunch	10.555	3022/3023/ 3024/ 3125	92,452		-
National School Lunch Program - Donated Commodities	10.555	N/A	36,941		-
National School Lunch Program - Breakfast Program	10.553	3014	20,009		-
Total Child Nutrition Cluster				149,402	
Total U. S. Department of Agriculture			149,402		-
U.S. Department of Transportation, Passed through the Nature Conservancy:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	N/A	30,095		
Total Highway Planning and Construction Cluster				30,095	
Passed through Maine Bureau of Highway Safety:					
Highway Safety Cluster:					
2019 State and Community Highway Safety (Data Driven Speed Enforcement)	20.600	N/A	2,403		-
2018 State and Community Highway Safety (Data Driven Speed Enforcement)	20.600	N/A	1,092		-
2019 State and Community Highway Safety (Seatbelt)	20.600	N/A	3,562		-
2018 State and Community Highway Safety (Evidence Based Impaired Driving)	20.600	ID 18-027	2,880		-
2019 State and Community Highway Safety (Evidence Based Impaired Driving)	20.600	N/A	3,597		-
2018 State and Community Highway Safety (Distracted Driving)	20.600	DD 18-026	972		-
2019 State and Community Highway Safety (Distracted Driving)	20.600	N/A	4,274		-
Total Highway Safety Cluster				18,780	
Total U.S. Department of Transportation			48,875		-
U.S. Department of Homeland Security, Passed through Maine Emergency Management Agency:					
Disaster Grants - Public Assistance	97.036	N/A	191,598		-
Total U.S. Department of Homeland Security			191,598		-
U. S. Environmental Protection Agency, Passed through Maine Department of Environmental Protection, Passed through the Wells National Estuarine Research Reserve:					
2015 Performance Partnership Grant	66.605	06A 20170503-3408	10,117		-
Total U.S. Environmental Protection Agency			10,117		-
Total federal awards			\$ 900,165		-

TOWN OF YORK, MAINE
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

PURPOSE OF THE SCHEDULE

Office of Management and Budgets (OMB)'s Uniform Guidance requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA).

SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The accompanying schedule includes all federal award programs of the Town of York, Maine for the fiscal year ended June 30, 2019. The reporting entity is defined in Notes to Basic Financial Statements of the Town of York, 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 financial assistance is 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 to be used in defining major federal financial award programs. Major programs for the Town of York, 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 Federal Awards is presented on a modified accrual basis of accounting which is a basis consistent with the Town of York, Maine's fund financial statements. The grants included are all accounted for on a modified accrual basis of accounting as described in the notes to the basic financial statements.
- D. Indirect Cost Rate - The Town of York, Maine has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.
- E. In accordance with Federal Emergency Management Association (FEMA) Public Assistance grant requirements, if Public Assistance projects are approved in years subsequent to when the expenditures are incurred, the expenditures should be reported as federal expenditures in the subsequent year (year of approval). Therefore, the Town has reported \$131,330 as current year federal expenditures amounts that were disbursed in FY 2018.

TOWN OF YORK, MAINE
Schedule of Findings and Questioned Costs
June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were 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?	No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>97.036</u>	<u>Public Assistance</u>

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

TOWN OF YORK, MAINE
Schedule of Findings and Questioned Costs, Continued

Section II - Findings Required to be Reported Under *Government Auditing Standards*

None

TOWN OF YORK, MAINE
Schedule of Findings and Questioned Costs, Continued

Section III - Findings and Questioned Cost for Federal Awards

None

TOWN OF YORK, MAINE
Schedule of Findings and Questioned Costs, Continued

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

None