

**CITY OF BREWER, MAINE**

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

**For the Year Ended June 30, 2023**

**CITY OF BREWER, MAINE**  
**Reports Required by *Government Auditing Standards***  
**and the Uniform Guidance**  
**For the Year Ended June 30, 2023**

---

**Table of Contents**

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	3-6
Schedule of Expenditures of Federal Awards	7-8
Notes to Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs:	
Section I - Summary of Auditor's Results	10
Section II - Findings Required to be Reported Under <i>Government Auditing Standards</i>	11
Section III - Findings and Questioned Cost for Federal Awards	12
Section IV - Status of Prior Year Findings and Questioned Costs	13

**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 Brewer, 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 City of Brewer, Maine, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Brewer, Maine's basic financial statements, and have issued our report thereon dated December 29, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Brewer, 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 Brewer, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Brewer, 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 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 Brewer, 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 other matters involving internal control over financial reporting that we have reported as “Other Comments”.

**The City of Brewer, Maine’s Responses to Other Comments and Finding**

*Government Auditing Standards* require the auditor to perform limited procedures on the City of Brewer, Maine’s responses to the other comments and finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Brewer, Maine’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**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.



December 29, 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 Brewer, Maine

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited the City of Brewer, 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 Brewer, Maine's major federal programs for the year ended June 30, 2023. The City of Brewer, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on Elementary and Secondary School Emergency Relief Fund***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City of Brewer, Maine complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Elementary and Secondary School Emergency Relief Fund for the year ended June 30, 2023.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the City of Brewer, 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 federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

***Basis for Qualified and Unmodified Opinions***

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

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

### *Matter Giving Rise to Qualified Opinion on Elementary and Secondary School Emergency Relief Fund*

As described in the accompanying schedule of findings and questioned costs, the City of Brewer, Maine did not comply with the requirements of Assistance Listing #84.425, Elementary and Secondary School Emergency Relief Fund, as described in finding number 2023-001 for Allowable Activities. Compliance with such requirements is necessary, in our opinion, for the City of Brewer, Maine to comply with the requirements applicable to that program.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the 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 Brewer, Maine’s federal programs.

### **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 Brewer, 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 generally 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 for 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 Brewer, 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 Brewer, 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 Brewer, 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 on 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 Brewer, Maine’s internal control over compliance. Accordingly, no such opinion is expressed.

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

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**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Brewer, Maine's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of Brewer, Maine's response was not subjected 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**

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, during our audit 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.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency

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, each major fund, and the aggregate remaining fund information of the City of Brewer, Maine as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Brewer, Maine's basic financial statements. We issued our report thereon dated December 29, 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.



December 29, 2023  
South Portland, Maine



**CITY OF BREWER, MAINE**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass- through Number	Federal Expenditures	Listing/ Cluster Totals	Passed through to Subrecipients
U.S. Department of Education,					
Passed through the Maine Department of Education:					
Title IA Disadvantaged	84.010	3107	\$ 493,127		-
Title IV - Student Support and Academic Enrichment	84.424	3345	32,990		-
Title IIA - Supporting Effective Instruction	84.367	3042	87,966		-
CRRSA Homeless and/or Multilanguage Learners	84.425W	7042	23,414		-
CRRSA ESSER - Learning Loss - Learning Management System	84.425U	7042	12,940		-
Elementary and Secondary School Emergency Relief 3 - COVID	84.425U	7071	957,422		-
Governor Emergency Relief Funding (GEER) - WAVES	84.425C	7051	29,162	1,022,938	-
Special Education Cluster:					
Special Education State Grants Individuals with Disabilities Act	84.027	3046	376,835		-
Special Education State Grants Individuals with Disabilities Act Pre-K	84.173	7247	12,882		-
Local Entitlement - ARP - COVID	84.027X	7170	63,146		-
Local Entitlement - ARP - COVID Pre-K	84.173X	7171	9,819		-
Total Special Education Cluster				462,682	
Total U.S. Department of Education			2,099,703		-
U.S. Department of Agriculture,					
Passed through Rural Development:					
Water and Waste Program Cluster:					
Water and Waste Disposal Systems for Rural Communities - 2018	10.760	N/A	665,728		-
Total Water and Waste Program Cluster				665,728	
Passed through the Maine Department of Agriculture, Conservation, and Forestry:					
Volunteer Fire Assistance Grant - 2023	10.664	N/A	2,047		-
Passed through the Maine Department of Education:					
Child and Adult Care Food Program	10.558	6184	1,256		-
Child Nutrition Cluster:					
State Administrative Expenses for Child Nutrition	10.555	6670	51,203		-
Food Donation Program	10.555	N/A	37,968		-
National School Lunch Program	10.555	3022/3024	348,965		-
National School Lunch Program - Breakfast Program	10.553	3014	80,330		-
Total Child Nutrition Cluster				518,466	
Total U.S. Department of Agriculture			1,187,497		-

**CITY OF BREWER, MAINE**  
**Schedule of Expenditures of Federal Awards, Continued**  
**For the year ended June 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass- through Number	Federal Expenditures	Listing/ Cluster Totals	Passed through to Subrecipients
U.S. Environmental Protection Agency, Passed through the Maine Department of Health and Human Services: Drinking Water State Revolving Fund Cluster: CGDWSRF - 2021 Source Water Protection Grant	66.468	N/A	8,788		-
Drinking Water State Revolving Fund Cluster				8,788	
<b>Total U.S. Environmental Protection Agency</b>			<b>8,788</b>		<b>-</b>
U.S. Department of Transportation, Passed through the Maine Department of Transportation: I395 extension Eastern Avenue Water Line Relocation	20.205	N/A	1,764		-
<b>Total U.S. Department of Transportation</b>			<b>1,764</b>		<b>-</b>
U.S. Department of Justice, Direct: Equitable Sharing Program	16.922	N/A	6,821		-
Public Safety Partnership and Community Policing Grants	16.710	N/A	37,551		-
<b>Total U.S. Department of Justice</b>			<b>44,372</b>		<b>-</b>
U.S. Department of Treasury, Direct: Equitable Sharing Program - Asset Forfeiture	21.016	N/A	753		-
Passed through the Maine Department of Health and Human Services: 2022 DWSRF - COVID	21.027	2022-10	62,724		-
2022 DWSRF - COVID	21.027	2022-9	36,803	99,527	-
Passed through the Maine Department of Education: ARP Extended Learning Opportunities - COVID	84.425D	8010	106,697		-
<b>Total U.S. Department of Treasury</b>			<b>206,977</b>		<b>-</b>
U.S. Department of Homeland Security, Passed through the Maine Emergency Management Agency: Homeland Security Grant - PD - Intelligence Sharing Equip Delphi Solutions	97.067	N/A	15,450		-
<b>Total U.S. Department of Homeland Security</b>			<b>15,450</b>		<b>-</b>
<b>Totals</b>			<b>\$ 3,564,551</b>		

*See accompanying notes to schedule of expenditures of federal awards.*

**CITY OF BREWER, MAINE**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2023**

---

---

**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 Award Management.

---

**SIGNIFICANT ACCOUNTING POLICIES**

---

- A. Reporting Entity - The accompanying schedule includes all federal award programs of the City of Brewer, Maine for the fiscal year ended June 30, 2023. The reporting entity is defined in Notes to Basic Financial Statements of the City of Brewer, 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 City of Brewer, 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 City of Brewer, 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 City of Brewer, Maine has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF BREWER, MAINE**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

---

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

**Financial Statements**

Type of auditor's report issued on whether the financial statements are 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?	Yes
Type of auditor's report issued on compliance for major federal programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?	Yes
Identification of major federal programs:	

**Assistance Listing**

**Name of Federal Program or Cluster**

<u>10.760</u>	<u>Water and Waste Disposal Systems for Rural Communities</u>
<u>84.425C, 84.425B, 84.425U, 84.425W</u>	<u>Elementary and Secondary School Emergency Relief</u>

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**CITY OF BREWER, MAINE**  
**Schedule of Findings and Questioned Costs, Continued**

---

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

**OTHER COMMENT**

**Capital Assets Reported in Governmental Funds**

For the last five years, the City has been recording capital assets for governmental funds within the City's general fund. Capital assets for governmental funds should only be reported on the government-wide financial statements. Capitalizing governmental assets within the fund financials (on the general ledger) necessitates removing these transactions from the general ledger through a reconciliation process. If the City wishes to continue recording governmental capital assets on the general ledger, we recommend doing so in a unique and separate fund from the general fund, that will not be used for financial statement reporting purposes.

***Management Response:*** *The City will be reviewing the options for removing the capital asset activity from the general ledger, with the goal of completing the removal in advance of the FY2024 audit.*

**Recording Activity Directly to Fund Balance**

The City traditionally posts a handful of entries directly to fund balance and then the entries are reclassified and grossed-up for financial statement purposes. When entries are posted directly to fund balance, the complexity of preparing year-end adjustments and the financial statements increases; thus increasing the likelihood of errors or omissions on the financial statements. In the last few years, the number of entries posted to fund balance has increased, so increasing the time needed to reconcile fund balance accounts. We recommend that the City try to post all year-end adjustments to the revenue and expenditure/expense accounts, eliminating the need to reconcile fund balance accounts and reducing the likelihood of errors or omissions.

***Management Response:*** *The City will work with Runyon Kersteen Ouellette to understand which entries are causing the problems and develop a plan to resolve this issue going forward.*

**Inventory Management – School Nutrition Program**

As part of our test work, we observed the physical count of school lunch inventory at year-end and performed test counts. Out of forty items chosen for test counting, six items did not agree with the inventory listing provided. While the exceptions observed did not result in a material variance, controls over inventory are not functioning properly. We recommend that the School Department perform periodic counts of inventory items, such as monthly, to determine the accuracy of reported balances.

***Management Response:*** *Under the guidance of a new Food Service Director, which was effective in August 2023, we are developing updated inventory controls at our school kitchens that will include a system of checks and balances between the Kitchen Managers and the Food Service Director to ensure a better accuracy in our count of inventory items.*

**CITY OF BREWER, MAINE**  
**Schedule of Findings and Questioned Costs, Continued**

---

**Section III - Findings and Questioned Cost for Federal Awards**

**2023-001 – U.S. Department of Education, For the Period July 1, 2022 through June 30, 2023, Assistance Listing #84.425 – Internal Controls over Elementary and Secondary School Emergency Relief Fund**

Criteria: Time and effort documentation is required to ensure activities charged to the ESSER grant are allowable.

Statement of Condition: Of the three employees tested, one did not have time and effort documentation.

Cause: This appears to be an oversight in not ensuring that all employee time charged to the grant had proper time and effort documentation.

Effect: Unallowable payroll expenditures may have been charged to the program.

Recommendation: Management should ensure that all employee time charged to the grant has proper time and effort documentation.

Questioned Costs: None

*Management response/corrective action plan: With one of our temporary and newer grants related to multilingual and homeless students, we had missed doing a semi-annual certification for an employee's time working as a tutor under this temporary funding period. We have developed a more detailed checklist of all staff who are being paid throughout the year to ensure all federally funded employees have either a semi-annual certification or a Personnel Activity Report on file. We are also seeing considerably less federal funding sources which will reduce the number of employees needing to have time and effort certification.*

**CITY OF BREWER, MAINE**  
**Schedule of Findings and Questioned Costs, Continued**

---

**Section IV - Status of Prior Year Findings and Questioned Costs**

**2022-001 – U.S. Department of Agriculture, For the Period July 1, 2021 through June 30, 2022, Assistance Listing #10.553 – #10.559 Child Nutrition Cluster**

Criteria: Accurate meal counts and reporting are required for the proper calculation of federal subsidy.

Statement of Condition: During our testing of meal counts we noted numerous instances where meal counts did not tie to the amounts reported on claims forms.

Cause: Clerical errors caused meal counts to be under or over-reported.

Effect: The School Department received too little federal subsidy due to incorrect meal counts.

Recommendation: Management should review and recalculate supporting documentation from the individual schools before including meal counts on monthly claim forms.

Questioned Costs: None

Status: *Program not tested in the current-year, as it is no longer considered major.*