

CITY OF BREWER, MAINE

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

For the Year Ended June 30, 2024

CITY OF BREWER, MAINE
Reports Required by *Government Auditing Standards*
and the Uniform Guidance
For the Year Ended June 30, 2024

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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 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, 2024, 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 30, 2024.

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*.

During our audit, we became aware of opportunities for strengthening internal controls and operating efficiency that we have reported as “Other Comments.”

City of Brewer’s Responses to the Other Comments

Government Auditing Standards requires the auditor to perform limited procedures on the City of Brewer’s responses to the other comments identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Brewer’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 30, 2024
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

Opinion on Each Major Federal Program

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, 2024. 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.

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 major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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 opinion 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.

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.

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

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.

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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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.

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

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 2024-001 to be a significant deficiency.

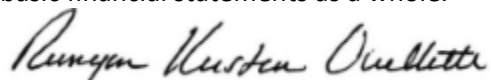
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Brewer, Maine's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Brewer, Maine's responses were not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion them.

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, major fund, and the aggregate remaining fund information of the City of Brewer, Maine as of and for the year ended June 30, 2024, 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 30, 2024, 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 30, 2024
South Portland, Maine

CITY OF BREWER, MAINE
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2024

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	\$ 543,223		-
Title IA - Reallocated	84.010	3106	22,896	566,119	-
Title IV - Student Support and Academic Enrichment	84.424	3345	29,550		-
Student Support and Academic Enrichment Program (Stronger Connections)	84.424F	3364	17,209	46,759	-
Title IIA - Supporting Effective Instruction	84.367	3042	85,329		-
CRRSA ESSER - Learning Loss - Learning Management System - COVID	84.425U	7042	10,332		-
CRRSA Homeless and/or Multilanguage Learners - COVID	84.425W	7042	3,246		-
Elementary and Secondary School Emergency Relief 3 - COVID	84.425U	7171	232,911		-
ARP ESSER Learning Loss - Educator Credential Grant	84.425U	7042	24,407		-
ARP ESSER Learning Loss - Literacy Grant - COVID	84.425V	7042	30,793	301,689	-
Special Education Cluster:					
Special Education State Grants Individuals with Disabilities Act	84.027	3046	469,557		-
Special Education State Grants Individuals with Disabilities Act Pre-K	84.173	6247	6,577		-
Local Entitlement - ARP - COVID	84.027X	7170	10,440		-
Total Special Education Cluster				486,574	
Total U.S. Department of Education			1,486,470		-
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	136,310		-
Total Water and Waste Program Cluster				136,310	
Passed through the Maine Department of Agriculture, Conservation, and Forestry:					
Volunteer Fire Assistance Grant - 2024	10.664	N/A	1,817		-
Passed through the Maine Department of Education:					
Child and Adult Care Food Program	10.558	6184	1,306		-
Child Nutrition Cluster:					
Supply Chain Assistance	10.555	6670	40,953		-
Food Donation Program	10.555	N/A	49,328		-
National School Lunch Program	10.555	3022/3024	304,366		-
National School Lunch Program - Breakfast Program	10.553	3014	77,555		-
Total Child Nutrition Cluster				472,202	
Total U.S. Department of Agriculture			611,635		-
National Endowment for the Arts,					
Passed through the Maine State Library:					
American Rescue Plan Act - COVID	45.310	N/A	78		-
Total National Endowment for the Arts			78		

CITY OF BREWER, MAINE
Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2024

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, Direct:					
2022 CDS - EPA Cmty Grant Program - Oak Grove Sewer Subsystem	66.202	N/A	112,151		-
Brownfield Revolving Loan	66.818	N/A	7,680		-
Passed through the Maine Department of Health and Human Services:					
Drinking Water State Revolving Fund Cluster:					
2023 DWSRF -- #2023-9 - Water Line Replacement--Wilson St (N Main to Blake)	66.468	N/A	256		-
2023 DWSRF -- #2023-10 - Water Line Replacement--Alan a Dale, Nottingham, Birchwood	66.468	N/A	295		-
Drinking Water State Revolving Fund Cluster				551	
Total U.S. Environmental Protection Agency			120,382		-
U.S. Department of Transportation,					
Passed through the Maine Department of Transportation:					
I395 extension Eastern Avenue Water Line Relocation	20.205	N/A	2,594		-
Passed through the Maine Department of Public Safety:					
Drug Recognition Expert Training	20.616	N/A	1,636		-
Total U.S. Department of Transportation			4,230		-
U.S. Department of Justice,					
Direct:					
Equitable Sharing Program	16.922	N/A	5,318		-
COPS Hiring Program	16.710	N/A	40,831		-
Passed through the Maine Department of Transportation:					
Byrne Justice Assistance Grant--FY20	16.738	N/A	1,500		-
Byrne Justice Assistance Grant--FY21	16.738	N/A	694	2,194	-
Total U.S. Department of Justice			48,343		-
U.S. Department of Treasury,					
Passed through the Maine Department of Administrative and Financial Services:					
Coronavirus State and Local Fiscal Recovery Fund - COVID	21.027	N/A	467,564		-
Passed through Penobscot County:					
Coronavirus State and Local Fiscal Recovery Fund - COVID	21.027	N/A	123,050		-
Passed through the Maine Department of Health and Human Services:					
2022 DWSRF - COVID	21.027	2022-10	68,888		-
2022 DWSRF - COVID	21.027	2022-9	4,665		-
Passed through the Maine Department of Education:					
ARP Extended Learning Opportunities - COVID	21.027	8010	149,297	813,464	-
Total U.S. Department of Treasury			813,464		-
U.S. Department of Homeland Security,					
Passed through the Maine Emergency Management Agency:					
FEMA Hazard Mitigation Grant DR-4522 - Water--Rooks Rd Generator for Interconnect	97.039	N/A	11,157		-
Total U.S. Department of Homeland Security			11,157		-
Totals			\$ 3,095,759		

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BREWER, MAINE
Notes to Schedule of Expenditures of Federal Awards
June 30, 2024

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, 2024. 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, 2024

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:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?	No
Identification of major federal programs:	

Assistance Listing

Name of Federal Program or Cluster

84.425U, 84.425W, 84.425V	Elementary and Secondary School Emergency Relief Fund
84.010	Title IA
21.027	Coronavirus State and Local Fiscal Recovery Fund

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 COMMENTS

Payroll – Timecard approval

As part of the City's internal controls, employee timesheets are required to be reviewed and approved. We noted that although timesheets may be reviewed, there is currently no documentation that they are. In order to mitigate the risk of fraud or error, we recommend that a formal approval process be put into place to ensure that all timesheets are approved by the appropriate department head and documented as such.

Management Response: In July 2024, the City began requiring that department heads (or their designee) review and approve the Payroll Detail Report each pay period. Departments review the report to ensure accuracy in number of hours, use of leave time, and account numbers, and mark it up to note any corrections needed. Signed reports are emailed to the City's Payroll and Benefits Technician, who keeps them on file.

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, seventeen items did not agree with the inventory listing provided. Although in total these differences were not material to the financial statements, it is important to have correct year-end inventory balances so that management can make informed decisions and analysis based on accurate information. We suggest that management reinforce the importance of accurate inventory counts.

Management Response: The district has developed and already implemented an inventory management improvement plan for the 2024-2025 school year. The plan includes adding a location column to the inventory sheet and a new labeling system for physical inventory on the shelves to make spot checking easier throughout the year. We will also be ensuring case counts match what is on the inventory sheets. Often manufacturers are adjusting case counts due to 'shrink-flation' and this affects our inventory sheet's accuracy. Finally we will create different line items for like-kind items with different item numbers on the inventory sheet to prevent items being counted as the same item when they were actually not identical items.

Capital Assets – Disposal Documentation

During our testing of capital asset disposals in the current year, we noted that several of the disposed assets lacked proper disposal documentation. It is important to properly track capital asset disposals to ensure proper reporting of these assets and so they don't continue to be depreciated. We recommend that the City develop a capital asset disposal form that includes documentation of the asset being disposed, the date of disposals, any value received on disposal, and an approval signature by City management.

Management Response: The City will review options for establishing such a form that documents disposal of capital assets and approval by City management.

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

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

OTHER COMMENTS, CONTINUED

Title I - Removals from Cohorts

During our Title I testing of student removals from their cohorts, we found that the School Department currently does not have formal internal controls over the process of removing students from their cohorts. Under Title I's high School graduation rate requirements, to remove a student from a cohort, a school must confirm in writing, that the student transferred out, emigrated to another country, transferred to a prison or juvenile facility, or is deceased. Grant recipients are required to design and implement internal controls to ensure compliance with grant requirements and their own policies and procedures. The School Department runs the risk of erroneously removing students from their cohorts, which could lead to non-compliance with the requirements of Title I, and result in a loss of federal funding. We recommend that the School Department implement internal control procedures to verify student removals from their cohorts. At a minimum, this should include management review and approval of all removals.

Management Response/Corrective Action Plan: The district currently utilizes an internal student withdrawal form that requires a student/parent signature and a guidance registrar signature as part of the withdrawal paperwork process. The district will add an administrative signature line on the form, which will be required in order to be considered complete.

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

Section III - Findings and Questioned Cost for Federal Awards

SIGNIFICANT DEFICIENCIES

2024-001 U.S. Department of Treasury, For the period July 1, 2023, through June 30, 2024, Assistance Listing #21.027 State and Local Fiscal Recovery Fund - COVID

Criteria: Under the SLFRF reporting requirements, Tier 5 Cities with a population of less than 250,000 residents that are allocated less than \$10 million in SLFRF funding, are required to submit annual project and expenditure reports to the U.S. Department of Treasury by April 30th of each year. Grant recipients are required to design and implement internal controls to ensure compliance with grant requirements and their own policies and procedures.

Statement of Condition: The City currently does not have formal internal controls over SLFRF annual reporting.

Cause: Although the City met the SLFRF reporting requirements, the process of drafting and submitting the annual SLFRF reporting to the U.S. Department of Treasury lacked review or other internal controls.

Effect: The City runs the risk of submitting erroneous project reports, which could result in significant non-compliance with the requirements of SLFRF.

Recommendations: We recommend that the City implement internal control procedures over the SLFRF reporting process, which should, at a minimum, include review by someone other than the person responsible for drafting the annual report.

Management Response/Corrective Action Plan: Prior to the April 2025 reporting deadline, the City will draft procedures for its SLFRF annual reporting that will include review and approval by at least one other person in the Finance or City Manager's office.

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

Section IV - Status of Prior Year Findings and Questioned Costs

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

Status: *No issues were noted in current year.*