

***CITY OF SALEM, MASSACHUSETTS***

***REPORTS ON FEDERAL AWARD PROGRAMS***

***YEAR ENDED JUNE 30, 2021***

**CITY OF SALEM, MASSACHUSETTS**  
**REPORTS ON FEDERAL AWARD PROGRAMS**  
**YEAR ENDED JUNE 30, 2021**

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**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**

**Independent Auditor's Report**

To the Honorable Mayor  
and members of the City Council  
City of Salem, Massachusetts

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 Salem, Massachusetts, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Salem, Massachusetts' basic financial statements, and have issued our report thereon dated December 23, 2021.

**Internal Control Over Financial Reporting**

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Salem, Massachusetts' 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powers & Sullivan LLC".

December 23, 2021



## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

### **Independent Auditor's Report**

To the Honorable Mayor  
and Members of the City Council  
City of Salem, Massachusetts

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

We have audited the City of Salem, Massachusetts' 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 City of Salem, Massachusetts' major federal programs for the year ended June 30, 2021. The City of Salem, Massachusetts' 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 City of Salem, Massachusetts' 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 City of Salem, Massachusetts' 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 City of Salem, Massachusetts' compliance.

## Opinion on Each Major Federal Program

In our opinion, the City of Salem, Massachusetts 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, 2021.

## Report on Internal Control Over Compliance

Management of the City of Salem, Massachusetts, 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 Salem, Massachusetts' 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 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 City of Salem, Massachusetts' 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 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.

*Powers & Sullivan LLC*

July 21, 2022



**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**Independent Auditor's Report**

To the Honorable Mayor  
and Members of the City Council  
City of Salem, Massachusetts

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 Salem, Massachusetts, as of the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Salem, Massachusetts' basic financial statements. We issued our report thereon dated December 23, 2021, 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 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.

*Powers & Sullivan LLC*

December 23, 2021

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
<b>CHILD NUTRITION CLUSTER:</b>				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Non-Cash Assistance (Commodities):				
National School Lunch Program.....	10.555	05-258	\$ -	\$ 171,324
Cash Assistance:				
Summer Food Service Program.....	10.559	05-258-SF-159	-	1,905,361
COVID-19 Summer Food Service Program.....	10.559	05-258-SF-159	-	310,938
Total Summer Food Service Program.....			-	2,216,299
TOTAL CHILD NUTRITION CLUSTER.....			-	2,387,623
<b>COMMUNITY DEVELOPMENT BLOCK GRANTS CLUSTER:</b>				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Direct Programs:</u>				
Community Development Block Grant/Entitlement Grants.....	14.218	N/A	218,361	771,698
COVID-19 Community Development Block Grant/Entitlement Grants.....	14.218	N/A	339,867	369,867
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANTS CLUSTER.....			558,228	1,141,565
<b>EMPLOYMENT SERVICE CLUSTER:</b>				
U.S. DEPARTMENT OF LABOR:				
<u>Passed through Massachusetts Executive Office of Labor and Workforce Development:</u>				
Employment Service/Wagner Peyser Funded Activities (Fiscal Year 2021).....	17.207	CT EOL 21CCSALEWLP	-	7,835
Disabled Veterans' Outreach Program (DVOP) (Fiscal Year 2021).....	17.801	21CCSALEVETSUI-DVOP	-	29,761
TOTAL EMPLOYMENT SERVICE CLUSTER.....			-	37,596
<b>WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) CLUSTER:</b>				
U.S. DEPARTMENT OF LABOR:				
<u>Passed through Massachusetts Executive Office of Labor and Workforce Development:</u>				
WIOA - Adult Program (Fiscal Year 2021).....	17.258	21CCSALEWIA-WIOA 21	-	161,081
WIOA - Adult Program (Fiscal Year 2020).....	17.258	CT EOL 20CCSALEWIA	-	138,408
Total WIOA - Adult Program.....			-	299,489
WIOA - Youth Activities (Fiscal Year 2021).....	17.259	21CCSALE-WIA-WIOA 21	168,248	181,760
WIOA - Youth Activities (Fiscal Year 2020).....	17.259	CT EOL 20CCSALEWIA	44,323	112,499
Total WIOA - Youth Activities.....			212,571	294,259
WIOA - Dislocated Worker Formula Grants (Fiscal Year 2021).....	17.278	21CCSALEWIA-WIOA-21	-	358,093
WIOA - Dislocated Worker Formula Grants (Fiscal Year 2020).....	17.278	CT EOL 20CCSALEWIA	-	70,862
WIOA - Dislocated Worker Formula Grants (Fiscal Year 2019).....	17.278	CT EOL 19CCSALEWIA	-	1,200
Total WIOA - Dislocated Worker Formula Grants.....			-	430,155
TOTAL WORKFORCE INNOVATION AND OPPORTUNITY ACT CLUSTER.....			212,571	1,023,903
<b>SPECIAL EDUCATION CLUSTER:</b>				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	645-413211-2021-0258	-	229,999
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	274-486127-2021-0258	-	9,928
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	258-499789-2021-0258	-	2,500
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	244-498767-2021-0258	-	911
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	240-404235-2021-0258	-	1,061,475
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2020).....	84.027	240-304387-2020-0258	-	147,345
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2020).....	84.027	245-372311-2020-0258	-	10,105
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2019).....	84.027	240-219356-2019-0258	-	4,545
Total Special Education Grants to States (IDEA, Part B).....			-	1,466,808
Special Education Preschool Grants (Fiscal Year 2021).....	84.173	298-484685-2021-0258	-	3,512
Special Education Preschool Grants (Fiscal Year 2021).....	84.173	262-404236-2021-0258	-	48,316
Special Education Preschool Grants (Fiscal Year 2020).....	84.173	262-304388-2020-0258	-	869
Total Special Education Preschool Grants.....			-	52,697
TOTAL SPECIAL EDUCATION CLUSTER.....			-	1,519,505

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
<b>AGING CLUSTER:</b>				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Passed through North Shore Elder Services, Inc.:</u>				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers.....	93.044	15COA258000000002015	-	11,786
Special Programs for the Aging Title III, Part C Nutrition Services.....	93.045	15COA258000000002015	-	12,505
TOTAL AGING CLUSTER.....			-	24,291
<b>DIRECT PROGRAMS:</b>				
U.S. DEPARTMENT OF COMMERCE:				
<u>Direct Program:</u>				
Economic Adjustment Assistance.....	11.307	N/A	-	10,897
U.S. DEPARTMENT OF DEFENSE:				
<u>Direct Program:</u>				
ROTC Language and Culture Training Grants.....	12.357	N/A	-	82,032
U.S. DEPARTMENT OF JUSTICE:				
<u>Direct Programs:</u>				
COVID-19 Coronavirus Emergency Supplemental Funding Program.....	16.034	N/A	-	6,381
Grants to Encourage Arrest Policies and Enforcement of Protection Orders.....	16.590	N/A	-	16,199
Bulletproof Vest Partnership Program.....	16.607	N/A	-	15,685
Public Safety Partnership and Community Policing Grants.....	16.710	N/A	-	125,577
Edward Byrne Memorial Justice Assistance Grant Program.....	16.738	N/A	-	10,673
TOTAL U.S. DEPARTMENT OF JUSTICE.....			-	174,515
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
<u>Direct Program:</u>				
Brownfield Assessment & Cooperative Cleanup Program.....	66.818	N/A	-	6,899
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Direct Programs:</u>				
Assistance to Firefighters Grant.....	97.044	N/A	-	163,636
Port Security Grant Program.....	97.056	N/A	-	20,962
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....			-	184,598
<b>PASS-THROUGH PROGRAMS:</b>				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through Massachusetts Executive Office Of Labor and Workforce Development:</u>				
Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants.....	10.537	20CCSALEWP-SNAP-20	-	49,142
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Fresh Fruit and Vegetable Program (Fiscal Year 2021).....	10.582	05-258	-	132,517
Fresh Fruit and Vegetable Program (Fiscal Year 2020).....	10.582	05-258	-	2,446
Total Fresh Fruit and Vegetable Program.....			-	134,963
TOTAL U.S. DEPARTMENT OF AGRICULTURE.....				184,105
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Passed through North Shore Home Consortium:</u>				
Home Investment Partnership Program.....	14.239	M19-DC250216	-	135,907
U.S. DEPARTMENT OF THE INTERIOR:				
<u>Passed through Massachusetts Division of Marine Fisheries:</u>				
Clean Vessel Act.....	15.616	CVA REIMBURSEMENT	-	8,509
U.S. DEPARTMENT OF JUSTICE:				
<u>Passed through Massachusetts Executive Office of Public Safety and Homeland Security:</u>				
Edward Byrne Memorial Justice Assistance Grant Program.....	16.738	EPSSFY21JAG19SALEMQ2	-	3,530
U.S. DEPARTMENT OF LABOR:				
<u>Passed through Massachusetts Executive Office of Labor and Workforce Development:</u>				
Unemployment Insurance.....	17.225	20CCSALENEGREA-RE20	-	45,449
Trade Adjustment Assistance (Fiscal Year 2020).....	17.245	CT EOL 20CCSALETRADE	-	22,775
Trade Adjustment Assistance (Fiscal Year 2019).....	17.245	CT EOL 19CCSALETRADE	-	269
Total Trade Adjustment Assistance.....			-	23,044
H-1b Job Training Grants.....	17.268	16CCSALENEGREA	-	2,774

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
Workforce Investment Act - National Emergency Grants (Fiscal Year 2021).....	17.277	Not Available	-	59,081
Workforce Investment Act - National Emergency Grants (Fiscal Year 2019).....	17.277	CT EOL19CCSALENEGREA	-	25,904
Total Workforce Investment Act - National Emergency Grants.....			-	84,985
Apprenticeship USA Grants (Fiscal Year 2019).....	17.285	CT EOL19CCSALENEGREA	-	105,684
TOTAL U.S. DEPARTMENT OF LABOR.....			-	261,936
<b>U.S. DEPARTMENT OF TREASURY:</b>				
<u>Passed through Massachusetts Executive Office of Administration and Finance:</u>				
COVID-19 Coronavirus Relief Fund.....	21.019	COVID19 258	-	1,668,086
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
COVID-19 Coronavirus Relief Fund.....	21.019	05-258	-	51,250
COVID-19 Coronavirus Relief Fund.....	21.019	118-401984-2021-0258	-	60,707
COVID-19 Coronavirus Relief Fund.....	21.019	102-403894-2021-0258	-	882,814
Total COVID-19 Coronavirus Relief Fund.....			-	2,662,857
<b>U.S. DEPARTMENT OF EDUCATION:</b>				
<u>Passed through Massachusetts Executive Office of Labor and Workforce Development:</u>				
Adult Basic Education - Basic Grants to States.....	84.002	20CCSALEWP-W-PRTN 20	-	5,417
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Title I Grants to Local Educational Agencies (Fiscal Year 2021).....	84.010	305-403871-2021-0258	-	957,953
Title I Grants to Local Educational Agencies (Fiscal Year 2020).....	84.010	305-304292-2020-0258	-	210,730
Title I Grants to Local Educational Agencies (Fiscal Year 2019).....	84.010	305-218813-2019-0258	-	15,392
Total Title I Grants to Local Educational Agencies.....			-	1,184,075
Career and Technical Education Basic Grants to States (Fiscal Year 2021).....	84.048	400-424554-2021-0258	-	22,831
Career and Technical Education Basic Grants to States (Fiscal Year 2020).....	84.048	400-327549-2020-0258	-	38,156
Total Career and Technical Education Basic Grants to States.....			-	60,987
<u>Passed through Massachusetts Executive Office of Labor and Workforce Development:</u>				
Rehabilitation Services Vocational Rehabilitation Grants to States.....	84.126	21CCSALEWP-W-PRTN 21	-	7,142
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Education for Homeless Children and Youth (Fiscal Year 2021).....	84.196	310-385687-2021-0258	-	6,485
Education for Homeless Children and Youth (Fiscal Year 2020).....	84.196	310-288721-2020-0258	-	9,622
Total Education for Homeless Children and Youth.....			-	16,107
Twenty-First Century Community Learning Centers (Fiscal Year 2020).....	84.287	645-324718-2020-0258	-	10,662
Twenty-First Century Community Learning Centers (Fiscal Year 2020).....	84.287	646-314671-2020-0258	-	60,768
Total Twenty-First Century Community Learning Centers.....			-	71,430
English Language Acquisition Grants (Fiscal Year 2021).....	84.365	180-403886-2021-0258	-	1,456
English Language Acquisition Grants (Fiscal Year 2020).....	84.365	180-304385-2020-0258	-	48,179
English Language Acquisition Grants (Fiscal Year 2019).....	84.365	180-218821-2019-0258	-	7,259
Total English Language Acquisition Grants.....			-	56,894
Supporting Effective Instruction State Grants (Fiscal Year 2021).....	84.367	140-403884-2021-0258	-	15,930
Supporting Effective Instruction State Grants (Fiscal Year 2020).....	84.367	140-304383-2020-0258	-	111,221
Supporting Effective Instruction State Grants (Fiscal Year 2019).....	84.367	140-218819-2019-0258	-	1,281
Total Supporting Effective Instruction State Grants.....			-	128,432
Student Support and Academic Enrichment (Fiscal Year 2021).....	84.424	309-403888-2021-0258	-	3,675
Student Support and Academic Enrichment (Fiscal Year 2020).....	84.424	309-304386-2020-0258	-	45,938
Student Support and Academic Enrichment (Fiscal Year 2019).....	84.424	309-218824-2019-0258	-	19,472
Total Student Support and Academic Enrichment.....			-	69,085
COVID-19 Education Stabilization Fund.....	84.425D	113-379586-2021-0258	-	959,642
COVID-19 Education Stabilization Fund.....	84.425D	114-392128-2021-0258	-	26,745
COVID-19 Education Stabilization Fund.....	84.425D	115-501349-2021-0258	-	317,010
COVID-19 Education Stabilization Fund.....	84.425D	432-498043-2021-0258	-	3,000
Total COVID-19 Education Stabilization Fund.....			-	1,306,397
TOTAL U.S. DEPARTMENT OF EDUCATION.....			-	2,905,966

(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Teenage Pregnancy Prevention Program (Fiscal Year 2021).....	93.297	716-496486-2021-0258	-	19,807
Teenage Pregnancy Prevention Program (Fiscal Year 2020).....	93.297	716-299636-2020-0258	-	14,367
Total Teenage Pregnancy Prevention Program.....			-	34,174
<u>Passed through Massachusetts Executive Office of Health and Human Services:</u>				
Strengthening Public Health Infrastructure.....	93.507	SALEM101420	-	350,000
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Improving Student Health and Academic Achievement.....	93.981	650-378213-2021-0258	-	7,124
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES.....			-	391,298
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Passed through Massachusetts Emergency Management Agency:</u>				
Emergency Management Performance Grants.....	97.042	EM20 SALEM	-	15,500
BRIC: Building Resilient Infrastructure and Communities.....	97.047	PDMC17 - SALEM	-	16,532
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....			-	32,032
TOTAL.....			\$ 430,932	\$ 13,179,564

(Concluded)

See notes to schedule of expenditures of federal awards.

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Salem, Massachusetts (City) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Salem, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**Note 2 – Summary of Significant Accounting Policies**

The accounting and reporting policies of the City of Salem, Massachusetts are set forth below:

- a) Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Accordingly, expenditures are recognized when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b) Cash Assistance – School Breakfast, Summer Food Service, and National School Lunch Programs – Program expenditures represent federal reimbursement for meals provided during the year.
- c) Non-Cash Assistance (Commodities) – National School Lunch Program – Program expenditures represent the value of donated foods received during the year.
- d) Disaster grants have been recorded the year that the grant was approved.
- e) The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Salem, Massachusetts.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the City of Salem, Massachusetts were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the City of Salem, Massachusetts expresses an unmodified opinion on all major federal award programs.
6. There were no audit findings relative to the major federal award programs for the City of Salem, Massachusetts.
7. The programs tested as major grants were:

<u>Program</u>	<u>Federal Assistance Listing #</u>
• COVID-19 Coronavirus Relief Fund	21.019
• Workforce Innovation and Opportunity Act Cluster	17.258, 17.259, and 17.278
• COVID-19 Education Stabilization Fund	84.425.

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The City of Salem, Massachusetts was determined to be a low-risk auditee.

**B. Findings-Financial Statements Audit**

None.

**C. Findings and Questioned Costs-Major Federal Award Programs**

None.

**D. Summary Schedule of Prior Audit Findings**

None.