



**Powers &
Sullivan, LLC**
CPAs AND ADVISORS

CITY OF SALEM, MASSACHUSETTS

REPORTS ON FEDERAL AWARD PROGRAMS

YEAR ENDED JUNE 30, 2022

CITY OF SALEM, MASSACHUSETTS
REPORTS ON FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

Page

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	1
Report on compliance for each major federal program and report on internal control over compliance required by the Uniform Guidance	3
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	6
Schedule of expenditures of federal awards	7
Notes to schedule of expenditures of federal awards.....	11
Schedule of findings and questioned costs	12



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, 2022, (except for the Salem Contributory Retirement System which is as of and for the year ended December 31, 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 20, 2022.

Report on 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) 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 have not been identified.

Report on 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 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*.

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.

Powers & Sullivan LLC

December 20, 2022



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND 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

Opinion on Each Major Federal Program

We have audited the City of Salem, Massachusetts' 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 Salem, Massachusetts' major federal programs for the year ended June 30, 2022. 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.

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, 2022.

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 Salem, Massachusetts 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 Salem, Massachusetts' 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 Salem, Massachusetts' federal programs.

Auditor's Responsibility 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 Salem, Massachusetts' 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 Salem, Massachusetts' 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 Salem, Massachusetts' 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 Salem, Massachusetts' 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 Salem, Massachusetts' 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

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 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.

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.

Powers & Sullivan LLC

May 12, 2023



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

Independent Auditor's Report

To the Honorable Mayor and 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 City of Salem, Massachusetts' as of and for the year ended June 30, 2022, 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 20, 2022, 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. 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 20, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

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
CHILD NUTRITION CLUSTER:				
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	\$ -	\$ 298,072
Cash Assistance:				
National School Lunch Program.....	10.555	05-258	-	1,971,457
Total National School Lunch Program.....			-	2,269,529
Cash Assistance:				
School Breakfast Program.....	10.553	05-258	-	771,777
Summer Food Service Program.....	10.559	05-258-SF-159	-	126,151
Fresh Fruit and Vegetable Program.....	10.582	05-258	-	44,958
TOTAL CHILD NUTRITION CLUSTER.....			-	3,212,415
COMMUNITY DEVELOPMENT BLOCK GRANTS CLUSTER:				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Direct Programs:</u>				
Community Development Block Grant/Entitlement Grants.....	14.218	N/A	189,467	1,367,442
COVID-19 Community Development Block Grant/Entitlement Grants.....	14.218	N/A	83,330	160,387
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANTS CLUSTER.....			272,797	1,527,829
EMPLOYMENT SERVICE CLUSTER:				
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 21CCSALEWP	-	45,891
Disabled Veterans' Outreach Program (DVOP) (Fiscal Year 2022).....	17.801	21CCSALEVETSUI-DVOP	-	27,102
TOTAL EMPLOYMENT SERVICE CLUSTER.....			-	72,993
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) CLUSTER:				
U.S. DEPARTMENT OF LABOR:				
<u>Passed through Massachusetts Executive Office of Labor and Workforce Development:</u>				
WIOA - Adult Program (Fiscal Year 2022).....	17.258	22CCSALEWIA-WIOA-22-01	-	230,303
WIOA - Adult Program (Fiscal Year 2021).....	17.258	21CCSALEWIA-WIOA 21	-	173,002
Total WIOA - Adult Program.....			-	403,305
WIOA - Youth Activities (Fiscal Year 2022).....	17.259	22CCSALEWIA-WIOA-22-01	235,349	345,322
WIOA - Youth Activities (Fiscal Year 2021).....	17.259	21CCSALEWIA-WIOA 21	18,694	146,425
Total WIOA - Youth Activities.....			254,043	491,747
WIOA - Dislocated Worker Formula Grants (Fiscal Year 2022).....	17.278	22CCSALEWIA-WIOA-22-01	-	486,347
WIOA - Dislocated Worker Formula Grants (Fiscal Year 2021).....	17.278	21CCSALEWIA-WIOA-21	-	185,229
Total WIOA - Dislocated Worker Formula Grants.....			-	671,576
TOTAL WORKFORCE INNOVATION AND OPPORTUNITY ACT CLUSTER.....			254,043	1,566,628
SPECIAL EDUCATION CLUSTER:				
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 2022).....	84.027	645-567311-2022-0258	-	143,162
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2022).....	84.027	252-577475-2022-0258	-	64,675
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2022).....	84.027	240-544705-2022-0258	-	1,041,159
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	645-413211-2021-0258	-	222,865
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	274-486127-2021-0258	-	22,075
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	244-498767-2021-0258	-	23,502
Special Education Grants to States (IDEA, Part B) (Fiscal Year 2021).....	84.027	240-404235-2021-0258	-	177,566
Total Special Education Grants to States (IDEA, Part B).....			-	1,695,004
Special Education Preschool Grants (Fiscal Year 2022).....	84.173	262-544709-2022-0258	-	46,260
Special Education Preschool Grants (Fiscal Year 2021).....	84.173	262-404236-2021-0258	-	878
Total Special Education Preschool Grants.....			-	47,138
TOTAL SPECIAL EDUCATION CLUSTER.....			-	1,742,142

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

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
AGING CLUSTER:				
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	-	20,354
Special Programs for the Aging Title III, Part C Nutrition Services.....	93.045	15COA258000000002015	-	12,390
TOTAL AGING CLUSTER.....			-	32,744
DIRECT PROGRAMS:				
U.S. DEPARTMENT OF COMMERCE:				
<u>Direct Program:</u>				
Economic Adjustment Assistance.....	11.307	N/A	-	377,260
U.S. DEPARTMENT OF DEFENSE:				
<u>Direct Program:</u>				
ROTC Language and Culture Training Grants.....	12.357	N/A	-	87,624
U.S. DEPARTMENT OF JUSTICE:				
<u>Direct Programs:</u>				
COVID-19 Coronavirus Emergency Supplemental Funding Program.....	16.034	N/A	-	1,090
Grants to Encourage Arrest Policies and Enforcement of Protection Orders.....	16.590	N/A	-	6,365
Bulletproof Vest Partnership Program.....	16.607	N/A	-	15,044
TOTAL U.S. DEPARTMENT OF JUSTICE.....			-	22,499
U.S. DEPARTMENT OF TREASURY:				
<u>Direct Program:</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds.....	21.027	N/A	-	1,000,011
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
<u>Direct Program:</u>				
Brownfield Assessment & Cooperative Cleanup Program.....	66.818	N/A	-	9,358
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Direct Programs:</u>				
Assistance to Firefighters Grant.....	97.044	N/A	-	149,163
Port Security Grant Program.....	97.056	N/A	-	279,170
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....			-	428,333
PASS-THROUGH PROGRAMS:				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
COVID-19 - Pandemic EBT Administrative Costs.....	10.649	05-258	-	6,140
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Passed through North Shore Home Consortium:</u>				
Home Investment Partnership Program.....	14.239	M19-DC250216	-	198,491
U.S. DEPARTMENT OF THE INTERIOR:				
<u>Passed through Massachusetts Division of Marine Fisheries:</u>				
Clean Vessel Act.....	15.616	CVA REIMBURSEMENT	-	10,000
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	-	4,801
U.S. DEPARTMENT OF LABOR:				
<u>Passed through Massachusetts Executive Office of Labor and Workforce Development:</u>				
Unemployment Insurance.....	17.225	20CCSALENEGREA-RE20	-	13,854
Trade Adjustment Assistance (Fiscal Year 2021).....	17.245	21CCSALETRADE-TAA-CM-21	-	27,596

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

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
Apprenticeship USA Grants (Fiscal Year 2022).....	17.285	FY22-COS-001	-	177,958
Apprenticeship USA Grants (Fiscal Year 2019).....	17.285	CT EOL19CCSALENEGREA	-	161,527
Total Apprenticeship USA Grants.....			-	339,485
TOTAL U.S. DEPARTMENT OF LABOR.....			-	380,935
U.S. DEPARTMENT OF TREASURY:				
<u>Passed through Massachusetts Executive Office of Administration and Finance:</u>				
COVID-19 Coronavirus Relief Fund.....	21.019	COVID19 258	-	2,010,219
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
COVID-19 Coronavirus Relief Fund.....	21.019	102-403894-2021-0258	-	25,511
Total COVID-19 Coronavirus Relief Fund.....			-	2,035,730
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Title I Grants to Local Educational Agencies (Fiscal Year 2022).....	84.010	320-616689-2022-0258	-	680
Title I Grants to Local Educational Agencies (Fiscal Year 2022).....	84.010	305-542986-2022-0258	-	847,816
Title I Grants to Local Educational Agencies (Fiscal Year 2021).....	84.010	305-403871-2021-0258	-	247,729
Title I Grants to Local Educational Agencies (Fiscal Year 2020).....	84.010	305-304292-2020-0258	-	1,662
Total Title I Grants to Local Educational Agencies.....			-	1,097,887
Career and Technical Education Basic Grants to States (Fiscal Year 2022).....	84.048	400-572880-2022-0258	-	31,816
Career and Technical Education Basic Grants to States (Fiscal Year 2021).....	84.048	400-424554-2021-0258	-	39,039
Career and Technical Education Basic Grants to States (Fiscal Year 2020).....	84.048	400-327549-2020-0258	-	2,200
Total Career and Technical Education Basic Grants to States.....			-	73,055
Education for Homeless Children and Youth (Fiscal Year 2021).....	84.196	310-558806-2022-0258	-	6,931
Education for Homeless Children and Youth (Fiscal Year 2021).....	84.196	310-385687-2021-0258	-	5,716
Total Education for Homeless Children and Youth.....			-	12,647
Twenty-First Century Community Learning Centers (Fiscal Year 2022).....	84.287	647-513538-2022-0258	-	117,820
Twenty-First Century Community Learning Centers (Fiscal Year 2022).....	84.287	646-567310-2022-0258	-	112,476
Total Twenty-First Century Community Learning Centers.....			-	230,267
English Language Acquisition Grants (Fiscal Year 2022).....	84.365	186-499791-2021-0258	-	14,829
English Language Acquisition Grants (Fiscal Year 2021).....	84.365	180-403886-2021-0258	-	35,694
English Language Acquisition Grants (Fiscal Year 2020).....	84.365	180-304385-2020-0258	-	7,866
Total English Language Acquisition Grants.....			-	58,389
Supporting Effective Instruction State Grants (Fiscal Year 2022).....	84.367	140-542987-2022-0258	-	95,427
Supporting Effective Instruction State Grants (Fiscal Year 2021).....	84.367	140-403884-2021-0258	-	165,097
Supporting Effective Instruction State Grants (Fiscal Year 2020).....	84.367	140-304383-2020-0258	-	15,252
Total Supporting Effective Instruction State Grants.....			-	275,776
Comprehensive Literacy Development (Fiscal Year 2022).....	84.371	509-510830-2022-0258	-	112,495
Comprehensive Literacy Development (Fiscal Year 2021).....	84.371	507-497989-2021-0258	-	5,000
Total Comprehensive Literacy Development.....			-	117,495
Student Support and Academic Enrichment (Fiscal Year 2021).....	84.424	309-403888-2021-0258	-	37,376
COVID-19 Education Stabilization Fund.....	84.425D	113-379586-2021-0258	-	113,115
COVID-19 Education Stabilization Fund.....	84.425D	115-501349-2021-0258	-	3,143,493
COVID-19 Education Stabilization Fund.....	84.425U	119-577473-2022-0258	-	539,679
COVID-19 Education Stabilization Fund.....	84.425D	120-510695-2022-0258	-	48,600
COVID-19 Education Stabilization Fund.....	84.425D	121-511481-2022-0258	-	31,208
COVID-19 Education Stabilization Fund.....	84.425D	125-666931-2022-0258	-	54,851
COVID-19 Education Stabilization Fund.....	84.425D	210-661648-2022-0258	-	16,736
COVID-19 Education Stabilization Fund.....	84.425D	332-666928-2022-0258	-	42,506
COVID-19 Education Stabilization Fund.....	84.425D	432-498043-2021-0258	-	631
Total COVID-19 Education Stabilization Fund.....			-	3,990,819
TOTAL U.S. DEPARTMENT OF EDUCATION.....			-	5,893,711

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Amount Passed Through to Sub-Recipients</u>	<u>Expenditures</u>
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	-	8,782
<u>Passed through Massachusetts Department of Elementary and Secondary Education:</u>				
Improving Student Health and Academic Achievement (Fiscal Year 2022).....	93.981	650-525802-2022-0258	-	7,000
Improving Student Health and Academic Achievement (Fiscal Year 2021).....	93.981	650-378213-2021-0258	-	2,697
Total Improving Student Health and Academic Achievement.....			-	9,697
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES.....			-	18,479
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Passed through Massachusetts Emergency Management Agency:</u>				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	DR 4496 PW-00167	-	45,314
TOTAL.....			\$ 443,510	\$ 18,673,437

(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, 2022. 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 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 programs were the Child Nutrition Cluster (ALN 10.553, ALN 10.555, ALN 10.559 and ALN 10.582), the Community Development Block Grant Entitlement Cluster (ALN 14.218), the Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027) and the Education Stabilization Fund (ALN 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.