

**CITY OF SOUTH PORTLAND, MAINE**

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

**For the Year Ended  
June 30, 2022**

**CITY OF SOUTH PORTLAND, MAINE**  
**Reports Required by *Government Auditing Standards***  
**and the Uniform Guidance**  
**For the Year Ended June 30, 2022**

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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 and Board of Education  
City of South Portland, 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 South Portland, Maine, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of South Portland, Maine's basic financial statements, and have issued our report thereon dated March 27, 2023.

**Report on Internal Control over Financial Reporting**

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

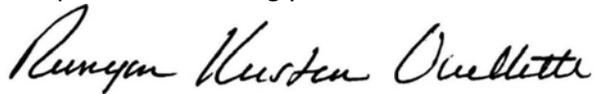
**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of South Portland, 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 matters that we have reported to the management of the City of South Portland, Maine in a separate letter dated March 27, 2023.

**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.



March 27, 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 and Board of Education  
City of South Portland, Maine

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

***Qualified and Unmodified Opinions***

We have audited the City of South Portland, 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 South Portland, Maine's major federal programs for the year ended June 30, 2022. The City of South Portland, 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 the Elementary and Secondary School Emergency Relief Funds and the Title IA Disadvantaged Program***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City of South Portland, Maine, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Elementary and Secondary School Emergency Relief Funds and the Title IA, Disadvantaged program for the year ended June 30, 2022.

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

In our opinion, the City of South Portland, 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, 2022.

***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 City of South Portland, 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.

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

Our audit does not provide a legal determination of City of South Portland, Maine's compliance with the compliance requirements referred to above.

*Matters Giving Rise to Qualified Opinion on the Elementary and Secondary School Emergency Relief Funds and the Title IA Disadvantaged Program*

As described in the accompanying schedule of findings and questioned costs, the City of South Portland, Maine did not comply with requirements regarding Assistance Listing 84.425D, 84.425U, and 84.425W Elementary and Secondary School Emergency Relief Funds and Assistance Listing 84.010 Title IA Disadvantaged as described in findings 2022-001 and 2022-002 for Allowable Costs.

Compliance with such requirements is necessary, in our opinion, for the City of South Portland, 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 South Portland, 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 City of South Portland, 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 South Portland, 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 South Portland, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

- Obtain an understanding of the City of South Portland, 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 South Portland, 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.

### ***Other Matters***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of South Portland, Maine's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of South Portland, 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**

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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of South Portland, Maine's basic financial statements. We issued our report thereon dated March 27, 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 City of South Portland, Maine's 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.



March 27, 2023  
South Portland, Maine

**CITY OF SOUTH PORTLAND, MAINE**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2022**

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 Agriculture,					
Passed through the Maine Dept. of Education:					
Child Nutrition Cluster:					
Healthy Meals	10.555	6662	\$ 25,846		-
National School Lunch Program	10.555	3024	1,286,161		-
Breakfast Program	10.553	3014	521,147		-
Summer Food Service Program	10.559	3016	62,987		-
Food Donation Program	10.555	N/A	103,856		-
Fresh Fruit and Vegetables	10.582	3028	52,064		-
Total Child Nutrition Cluster				2,052,061	
Child and Adult Care Food Program	10.558	6661	6,356		-
State Administrative Expenses for Child Nutrition: Supply Chain Assistance	10.560	6670	51,026		-
COVID-19 - Pandemic EBT Administrative Costs: SNAP	10.649	6184	4,912		-
Total U.S. Department of Agriculture			2,114,355		-
U.S. Department of Commerce - National Oceanic and Atmospheric Administration (NOAA),					
Passed through State of Maine Department of Agriculture, Conservation, and Forestry:					
Coastal Zone Management Administration	11.419	N/A	3,794		-
Total U.S. Department of Commerce			3,794		-
U.S. Department of Housing and Urban Development,					
Passed through Cumberland County, Maine:					
CDBG - Entitlement Community (CDBG - Entitlement Grants Cluster)	14.218	N/A	302,533	302,533	-
Total U.S. Department of Housing and Urban Development			302,533		-
U.S. Department of Transportation,					
Direct Programs:					
Federal Transit Cluster:					
Federal Transit Formula Grants	20.507	N/A	982,594		-
COVID-19 - Federal Transit Formula Grants	20.507	N/A	25,910		-
Bus and Bus Facilities Formula Grants	20.526	N/A	359,550		-
Total Federal Transit Cluster				1,368,054	
Passed through the Maine Department of Public Safety:					
Highway Safety Cluster:					
State and Community Highway Safety - OUI	20.600	ID21-036	2,509		-
State and Community Highway Safety - eCitation Accessibility	20.600	TRC21-051	8,506		-
State and Community Highway Safety - Speed Enforcement	20.600	PT21-021	2,478		-
Total Highway Safety Cluster				13,493	
Total U.S. Department of Transportation			1,381,547		-
National Endowment for the Humanities,					
Passed through the Maine State Library:					
COVID-19 - State Grants to Libraries	45.310	N/A	3,750		-
Total National Endowment for the Humanities			3,750		-
U.S. Environmental Protection Agency,					
Direct Programs:					
Brownfields Multipurpose	66.818	N/A	353		-
Total U.S. Environmental Protection Agency			353		-

**CITY OF SOUTH PORTLAND, MAINE**  
**Schedule of Expenditures of Federal Awards, Continued**  
**For the year ended June 30, 2022**

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 Maine Department of Education:					
Title IA, Disadvantaged	84.010	3107	\$ 834,039		-
Special Education Cluster:					
Special Education State Grants Individuals with Disabilities Act	84.027	3046	783,475		-
COVID-19 - Special Education State Grants Individuals with Disabilities Act - ARP	84.027X	N/A	33,161		-
Preschool	84.173	6247	17,662		-
Total Special Education Cluster				834,298	
McKinney-Vento Education for Homeless Children and Youth	84.196	N/A	31,776		-
Title III, English Language Acquisition Grant	84.365	3115	35,469		-
Title IIA, Supporting Effective Instruction	84.367	3042	124,954		-
Title IV, Student Support and Academic Enrichment Program	84.424	3345	69,287		-
COVID-19 - Elementary and Secondary School Emergency Relief I	84.425D	7006	6,203		-
COVID-19 - Elementary and Secondary School Emergency Relief II	84.425D	7041	493,612		-
COVID-19 - Elementary and Secondary School Emergency Relief III	84.425U	7071	1,002,172		-
COVID-19 - Homeless Children And Youth II	84.425W	3161	48,739	1,550,726	-
Adult Basic Education	84.002	6296	7,097		-
Total U.S. Department of Education			3,487,646		-
U.S. Department of the Treasury,					
Direct Programs:					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,849,436		-
Passed through Maine Department of Education:					
COVID-19 - Coronavirus Relief Fund I	21.019	7010	1,217		-
COVID-19 - Coronavirus Relief Fund II	21.019	7015	21,666	22,883	-
Total U.S. Department of the Treasury			1,872,319		-
U.S. Department of Justice,					
Direct Programs:					
Justice Assistance Grant	16.738	N/A	18,822		-
Equitable Sharing Program	16.922	N/A	4,674		-
Total U.S. Department of Justice			23,496		-
U.S. Department of Health and Human Services,					
Passed through Substance Abuse and Mental Health Services Administration:					
Drug Free Communities Support Program (2021 Grant)	93.276	N/A	30,996		-
Drug Free Communities Support Program (2022 Grant)	93.276	N/A	90,719	121,715	-
Total U.S. Department of Health and Human Services			121,715		-
U.S. Department of Homeland Security,					
Passed through Maine Emergency Management Agency:					
COVID-19 - Disaster Grants - Public Assistance	97.036	N/A	34,244		-
Homeland Security Grant Program- FY 18	97.067	18648	68,575		-
Homeland Security Grant Program- FY 19	97.067	19646	101,747		-
Homeland Security Grant Program- FY 20	97.067	20646	92,894	263,216	-
County Hazmat Grant	97.004	N/A	4,678		-
Total U.S. Department of Homeland Security			302,138		-
<b>Totals</b>			<b>\$ 9,613,646</b>		<b>-</b>

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

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2022**

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**PURPOSE OF THE SCHEDULE**

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Office of Management and Budget (OMB)'s 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.

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**SIGNIFICANT ACCOUNTING POLICIES**

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- A. Reporting Entity - The accompanying schedule includes all federal award programs of the City of South Portland, Maine for the fiscal year ended June 30, 2022. The reporting entity is defined in notes to basic financial statements of the City of South Portland, 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 awards are 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 or expenses to be used in defining major federal award programs. Major programs for the City of South Portland, Maine are identified in the summary of auditor's results in the schedule of findings and questioned costs.
  
- C. Basis of Accounting - The information presented in the schedule of expenditures of federal awards is presented on the modified accrual basis of accounting, which is consistent with the reporting in the City's fund financial statements.
  
- D. Indirect Cost Rate - The City of South Portland, Maine has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF SOUTH PORTLAND, MAINE**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2022**

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

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:  
 Material weaknesses identified? No  
 Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:  
 Material weaknesses identified? No  
 Significant deficiencies identified? None reported

Type of auditor's report issued on compliance for major federal programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes

Identification of major federal programs:

<b><u>Assistance Listing</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>21.027</u>	<u>Coronavirus State and Local Fiscal Recovery Funds</u>
<u>84.010</u>	<u>Title IA, Disadvantaged</u>
<u>84.027, 84.017X, 84.173</u>	<u>Special Education Cluster</u>
<u>84.425D, 84.425U, 84.425W</u>	<u>Elementary and Secondary School Emergency Relief Funds</u>
<u>20.507, 20.526</u>	<u>Federal Transit Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

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

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

NONE

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

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

**2022-001 U.S. Department of Education, Assistance Listing #84.425D, #84.425U, and #84.425W Elementary and Secondary School Emergency Relief Funds for the period July 1, 2021 through June 30, 2022**

Criteria: Allowable costs under the Elementary and Secondary School Emergency Relief Funds (ESSER) must be substantiated with proper documentation detailing the activity and nature of the costs incurred that are allocated to the grant to ensure that such costs are reasonable and appropriate under the grant terms.

Condition: Time and effort documentation for certain School Department employees allocated to the ESSER grants was not maintained.

Cause: There was staff turnover in the School Department during the administration of the ESSER grants. Time and effort documentation could not be located for certain School Department employees.

Effect: It could not be determined if payroll costs were allowable and appropriate according to grant requirements.

Recommendation: All School Department employees allocating time to grant activities should properly complete time and effort documentation based on the requirements in 2 CFR §200 to ensure amounts are reasonable and allowable. All documentation should be properly maintained and accessible based on the School Department's document retention policies.

Questioned Costs: None

*Management's Response/Corrective Action Plan: The School Department has had turnover in positions that have had oversight and direct involvement in this process. In some cases, the established process was followed as constructed; however, in others, gaps in coverage are clearly exposed. The School Department agrees that the management of important documents has been inconsistent. In the future, the School Department will be assigning the management of these documents to positions where turnover is less likely to occur and a more consistent process is maintained.*

**2022-002 U.S. Department of Education, Assistance Listing #84.010 Title IA, Disadvantaged for the period July 1, 2021 through June 30, 2022**

Criteria: Allowable costs under Title IA Disadvantaged must be substantiated with proper documentation detailing the activity and nature of the costs incurred that are allocated to the grant to ensure that such costs are reasonable and appropriate under the grant terms.

Condition: Time and effort documentation for certain School Department employees allocated to the Title IA grant was not maintained.

Cause: There was staff turnover in the School Department during the administration of the Title IA grant. Time and effort documentation could not be located for certain School Department employees.

Effect: It could not be determined if payroll costs were allowable and appropriate according to grant requirements.

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

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**Section III - Findings and Questioned Costs for Federal Awards, continued**

Recommendation: All School Department employees allocating time to grant activities should properly complete time and effort documentation based on the requirements in 2 CFR §200 to ensure amounts are reasonable and allowable. All documentation should be properly maintained and accessible based on the School Department's document retention policies.

Questioned Costs: None

*Management's Response/Corrective Action Plan: The School Department has had turnover in positions that have had oversight and direct involvement in this process. In some cases, the established process was followed as constructed; however, in others, gaps in coverage are clearly exposed. The School Department agrees that the management of important documents has been inconsistent. In the future, the School Department will be assigning the management of these documents to positions where turnover is less likely to occur and a more consistent process is maintained.*

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

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**Section IV - Status of Prior Year Findings and Questioned Costs Reported Under *Government Auditing Standards* and for Federal Awards**

**2021-001 U.S. Department of the Treasury, Assistance Listing #21.019 Coronavirus Relief Fund and U.S. Department of Education, CFDA #84.425D Elementary and Secondary School Emergency Relief Funds for the period July 1, 2020 through June 30, 2021**

Criteria: Allowable costs under the Coronavirus Relief Fund (CRF) and Elementary and Secondary School Emergency Relief Funds (ESSERF) must be substantiated with proper documentation detailing the activity and nature of the costs incurred that are allocated to the grant to ensure that such costs are reasonable and appropriate under the grant terms.

Condition: Time and effort documentation for certain School Department employees allocated to the CRF and ESSERF grants was not maintained.

Cause: There was turnover in the School Department Business Manager position during the administration of the CRF and ESSERF grants. Time and effort documentation could not be located for certain School Department employees.

Effect: Nine payroll transactions out of a sample size of forty payroll transactions did not have proper time and effort documentation.

Recommendation: All School Department employees allocating time to grant activities should properly complete time and effort documentation based on the requirements in 2 CFR §200 to ensure amounts are reasonable and allowable. All documentation should be properly maintained.

Questioned Costs: None

*Status: See current year finding 2022-001*