

***CITY OF SALEM, MASSACHUSETTS***

***REPORTS ON FEDERAL AWARD PROGRAMS***

***FISCAL YEAR ENDED JUNE 30, 2010***

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**REPORTS ON FEDERAL AWARD PROGRAMS**  
**FISCAL YEAR ENDED JUNE 30, 2010**

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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**

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

**Compliance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Salem, Massachusetts, as of and for the fiscal year ended June 30, 2010, which collectively comprise the City of Salem, Massachusetts' basic financial statements and have issued our report thereon dated December 14, 2010. We conducted our audit in accordance with 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Salem, Massachusetts' internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as finding 10-1 to be a material weakness.

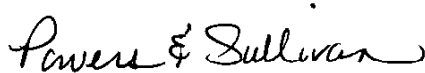
## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Salem, Massachusetts' basic financial statements are free of 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 basic 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 10-1.

We also noted certain other matters that we reported to management of the City of Salem, Massachusetts in a separate letter dated December 14, 2010.

The City's written responses to the comments identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the City of Salem, Massachusetts, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

December 14, 2010



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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

We have audited the compliance of the City of Salem, Massachusetts, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City of Salem's major federal programs for the fiscal year ended June 30, 2010. The City of Salem's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Salem's management. Our responsibility is to express an opinion on the City of Salem's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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's 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. Our audit does not provide a legal determination on the City of Salem's compliance with those requirements.

In our opinion, the City of Salem, Massachusetts, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 10-2 and 10-3.

The City's written responses to the comments identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Internal Control Over Compliance**

Management of the City of Salem, Massachusetts is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Salem's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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's 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.

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of Federal Awards**

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 fiscal year ended June 30, 2010, and have issued our report thereon dated December 14, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Salem, Massachusetts' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management of the City of Salem, Massachusetts, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



December 14, 2010

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>		
<u>Passed through State Department of Elementary and Secondary Education</u>		
Non-Cash Assistance (Commodities):		
National School Lunch Program	10.555	\$ 137,078
Cash Assistance:		
School Breakfast Program	10.553	283,145
National School Lunch Program	10.555	993,276
Summer Food Service Program	10.559	18,654
ARRA - Equipment Assistance School Equipment Grant	10.579	69,500
Fresh Fruit and Vegetable Program	10.582	73,881
<b>TOTAL AGRICULTURE</b>		<b>1,575,534</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>		
<u>Direct Program:</u>		
Community Development Block Grant/Entitlement Grants	14.218	1,971,881
ARRA - Community Development Block Grants, Entitlement Program (CDBG-R), Recovery Act Funded	14.253	305,977
<u>Passed through North Shore Home Consortium:</u>		
HOME Investment Partnerships Program	14.239	424,294
<b>TOTAL HOUSING</b>		<b>2,702,152</b>
<b>U.S. DEPARTMENT OF THE INTERIOR:</b>		
<u>Passed through State Executive Office of Environmental Affairs:</u>		
Clean Vessel Act	15.616	5,963
<b>U.S. DEPARTMENT OF JUSTICE:</b>		
<u>Direct Program:</u>		
Edward Byrne Memorial Formula Grant Program	16.579	18,581
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	10,075
Law Enforcement Trust Fund	16.592	5,000
<u>Passed through Executive Office of Public Safety:</u>		
Public Safety Partnership and Community Policing Grants	16.710	29,993
Gang Resistance Education and Training	16.737	52,888
ARRA - Edward Byrne Memorial Justice Grant (JAG) Program / Grants To States and Territories	16.803	123,724
ARRA - Edward Byrne Memorial Justice Grant (JAG) Program / Grants To Units Of Local Government	16.804	33,414
<b>TOTAL JUSTICE</b>		<b>273,675</b>
<b>U.S. DEPARTMENT OF LABOR:</b>		
<u>Direct Program:</u>		
Workforce Investment Act - Pilots, Demonstrations, & Research Projects	17.261	1,839
<u>Passed through Commonwealth Corporation:</u>		
Workforce Investment Act - Incentive Grants Section 503 Grants to States Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.267	22,323
ARRA - Workforce Investment Act - Adult Program - Health Care Skills Gap	17.275	320
ARRA - Workforce Investment Act - Youth Activities - Health Care Skills Gap	17.258	667
ARRA - Workforce Investment Act - Youth Activities - Health Care Skills Gap	17.259	1,651
ARRA - Workforce Investment Act - Dislocated Worker - Health Care Skills Gap	17.260	1,232

(continued)

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Passed through State Division of Career Services - Workforce Development</u>		
Employment Service/Wagner Peyser Funded Activities	17.207	36,757
ARRA - Employment Service/Wagner Peyser Funded Activities	17.207	22,729
Unemployment Insurance	17.225	18,349
Workforce Investment Act - Adult Program	17.258	879,320
ARRA - Workforce Investment Act - Adult Program	17.258	303,786
Workforce Investment Act - Youth Activities	17.259	639,844
ARRA - Workforce Investment Act - Youth Activities	17.259	625,594
Workforce Investment Act - Dislocated Worker	17.260	709,504
ARRA - Workforce Investment Act - Dislocated Worker	17.260	494,740
Workforce Investment Act - Dislocated Worker - Incentive Program	17.260	12,798
Rapid Response DCS Staff	17.260	8,764
ARRA - Supplemental Rapid Response	17.260	99,719
Work Incentive Grant	17.266	28,437
Disabled Veterans' Outreach Program (DVOP)	17.801	6,517
Local Veterans' Employment Representative Program	17.804	2,777
TOTAL LABOR		<u>3,917,667</u>
U.S. DEPARTMENT OF TRANSPORTATION:		
<u>Passed through Executive Office of Public Safety</u>		
Federally Assisted Construction - Non-Interstate	20.205	65,837
Recreational Trails Program	20.219	4,010
Job Access - Reverse Commute	20.516	14,533
New Freedom Program	20.521	30,518
National Highway Transportation Safety Administration Discretionary Safety Grants	20.614	<u>3,246</u>
TOTAL TRANSPORTATION		<u>118,144</u>
U.S. DEPARTMENT OF VETERAN AFFAIRS:		
<u>Passed through the State Office of Disabilities and Community Services</u>		
Vocational Rehabilitation for Disabled Veterans	16.116	<u>715</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY:		
<u>Direct Program:</u>		
Brownfield Job Training Cooperative Agreements	66.811	<u>106,793</u>
U.S. DEPARTMENT OF ENERGY:		
<u>Direct Program:</u>		
Energy Efficiency and Conservation Block Grant	81.128	<u>13,175</u>
U.S. DEPARTMENT OF EDUCATION:		
<u>Passed through State Department of Elementary and Secondary Education</u>		
Adult Education State Grant Program	84.002	10,850
Title I Grants to Local Educational Agencies	84.010	1,514,190
Special Education Grants to States	84.027	1,237,212
Vocational Education Basic Grants to States	84.048	59,302
Twenty-First Century Community Learning Centers	84.287	90,884
Education Technology State Grants	84.318	60,581
English Language Acquisition Grants	84.365	86,982
Improving Teacher Quality State Grants	84.367	389,573
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	166,543
ARRA - Special Education Grants for States, Recovery Act	84.391	668,993
ARRA - Special Education Preschool Grants, Recovery Act	84.392	8,204
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	1,741,121

(continued)



# **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Passed through State Department of Early Education and Care</u> Special Education Preschool Grants	84.173	<u>14,821</u>
TOTAL EDUCATION		<u>6,049,256</u>
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	18,434
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	77,524
<u>Passed through Executive Office of Health and Human Services</u>		
National Bioterrorism Hospital Preparedness	93.889	<u>2,000</u>
TOTAL HEALTH & HUMAN SERVICES		<u>97,958</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:		
<u>Passed through State Department of Elementary and Secondary Education</u>		
Learn and Serve America School and Community Based Programs	94.004	<u>8,415</u>
TOTAL		<u>\$ 14,869,447</u>

(concluded)

See notes to schedule of expenditures of federal awards.

**NOTE 1 – Definition of Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Salem, Massachusetts. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included on the schedule.

**NOTE 2 – Significant Accounting Policies**

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

- (a) Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting.
- (b) Cash Assistance - School Breakfast and Lunch Program - Program expenditures represent federal reimbursement for meals provided during the fiscal year.
- (c) Non-Cash Assistance (Commodities) – School Lunch Program – Program expenditures represent the value of donated foods received during the fiscal year.

**NOTE 3 – Program Clusters**

In accordance with Subpart A §\_.105 of OMB Circular No. A-133, *Audits of States, Local Governments and Non Profit Organizations*, certain programs have been clustered in determining major programs. The following represents the clustered programs:

<u>Name of Cluster/Program</u>	<u>CFDA Number</u>
<b>Child Nutrition Cluster</b>	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
<b>CDBG Entitlement Grants Cluster</b>	
Community Development Block Grants/Entitlement Grants	14.218
ARRA - Community Development Block Grant	
Entitlement Grants (CDBG-R), Recovery Act Funded	14.253
<b>WIA Cluster</b>	
WIA Adult Program	17.258
WIA Youth Activities	17.259
WIA Dislocated Workers	17.260
<b>Title 1, Part A Cluster</b>	
Title I Grants to Local Educational Agencies	84.010
ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act	84.389
<b>Special Education Cluster</b>	
Special Education Grants to States	84.027
Special Education Preschool Grants	84.173
ARRA – Special Education Grants for States, Recovery Act	84.391
ARRA – Special Education Preschool Grants, Recovery Act	84.392

**A. Summary of Auditors' Results**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Salem, Massachusetts.
2. Significant deficiencies relating to the audit of the 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. One instance of noncompliance material to the basic financial statements of the City of Salem, Massachusetts, was disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of Salem, Massachusetts, expresses an unqualified opinion.
6. There were two audit findings related to federal award programs.
7. The programs tested as major grants include:

<u>Program Title</u>	<u>CFDA Number</u>
Community Development Block Grant/Entitlement Grants	14.218
ARRA - Community Development Block Grants	14.253
Workforce Investment Act – Adult Program	17.258
ARRA - Workforce Investment Act – Adult Program	17.258
Workforce Investment Act – Youth Activities	17.259
ARRA - Workforce Investment Act – Youth Activities	17.259
Workforce Investment Act – Dislocated Workers	17.260
ARRA - Workforce Investment Act – Dislocated Workers	17.260
Title 1 Grants to Local Educational Agencies	84.010
Special Education Grants to States	84.027
Special Education Preschool Grants	84.173
Improving Teacher Quality State Grants	84.367
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	84.389
ARRA - Special Education Grants to States, Recovery Act	84.391
ARRA - Special Education Preschool Grants, Recovery Act	84.392
ARRA - State Fiscal Stabilization Fund – Education State Grants, Recovery Act	84.394

8. The threshold for distinguishing Types A and B programs was \$446,128.
9. The City of Salem, Massachusetts, was not determined to be a low-risk auditee.

**B. Findings and Questioned Costs-Financial Statements Audit****10-1 Material Weakness**

The City Treasurer is responsible for electronically transmitting employee payroll withholdings to the Commonwealth with each payroll processed. In early May, 2010, the Treasurer transmitted \$577,000 to the Commonwealth instead of the \$22,000 withheld. This resulted in a \$555,000 overpayment. This error was not recorded in the Treasurer's cashbook or in the City's general ledger. The amount reported in the cashbook and on the general ledger was the \$22,000 that was withheld and that should have been transmitted. This error was not brought to the attention of the City's Finance Director, and no significant action was taken to recoup the funds.

By not reporting the transaction as it actually occurred and by not informing the Finance Director, the Treasurer did not disclose that a material error had occurred. The non-disclosure compounds the significant breach in internal controls as timely action was not taken to recover the City's funds. The overpayment was brought to our attention during the Treasurer's last few days with the City, which was the end of July. At that time we immediately informed the Finance Director. Therefore, almost three months had passed before action was taken to recover the City's funds. Once the Finance Director was made aware of the situation, steps were taken to recover the funds and the City received a reimbursement before the end of August.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

We consider all of the following findings individually and collectively to be material weaknesses in internal control. The typical weekly state payroll withholdings amount transmitted is under \$30,000. There was no detective control in place that prevented a transmittal of funds almost 20 times the normal amount. At some point after the error was made, the Treasurer became aware of the mistake. Once the error was detected, it was incumbent on the Treasurer to immediately take action to recover the funds and to inform the City's Finance Director. Neither of these actions occurred. Finally, proper cash management and accounting controls require all transactions be recorded in the form they occur regardless of an error. This transaction was not recorded in the City's records, and the books of the City were closed.

*Management's Response:* The City has hired a new Treasurer as of November 2010. The new Treasurer has been informed of the material weakness and has been instructed to immediately inform the Finance Department in the event of any material variances in cash. Also, any incorrect electronic transmissions will be immediately reported to both the City's Finance Director and Assistant Finance Director.

The City has created a new cover sheet to attach to the detail reconciliations of bank statement to the cash book. This cover sheet will require the signatures of the Treasurer, Assistant Treasurer, Finance Director and Assistant Finance Director. This cover sheet will be compared to prior months cover sheets and any variances that appear on more than one consecutive month will be investigated by the Finance and Treasurer's Departments. In the event that the variance is not identified and/or corrected by the City's Finance and Treasury Departments, the City will contact the independent audit firm for assistance in rectifying the variance.

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

## UNITED STATES DEPARTMENT OF EDUCATION

Improving Teacher Quality State Grants  
CFDA No: 84.367

- 10-2: *Condition and Criteria:* OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments" requires grantees to maintain documentation of employee time and effort that has been charged to federal awards. If 100% of an employee's salary is charged to a federal award, a grant recipient is required to maintain semi-annual certifications stating that 100% of the employee's time was spent working on grant activities. If less than 100% of an employee's salary is charged to a federal award, a grant recipient is required to maintain monthly personnel activity reports documenting 100% of the employee's time.

*Cause:* Lack of procedures in place to ensure completion of reporting requirements.

*Effect:* The City is not in compliance with Federal reporting guidelines related to the Special Education Grant and Improving Teacher Quality State Grant.

*Auditors' Recommendation:* We recommend the City enact policies and procedures to ensure that they are in compliance with Federal reporting guidelines.

*Questioned Costs:* Unknown

*Managements Response:* The City has compiled a corrective action plan to address this finding.

Special Education Grants to States  
Improving Teacher Quality State Grants  
CFDA No: 84.027  
CFDA No: 84.367

- 10-3: *Condition and Criteria:* During our 2010 audit we were provided a listing of approved teachers and support staff whose salaries were to be charged to the grant. From the City's payroll records provided, we were unable to trace all of the selected individuals to the listing of approved staff. Therefore, we were unable to verify that individuals paid with grant funds worked on the grants.

*Cause:* Lack of procedures in place to maintain accurate support to justify the salaries charged to the Special Education and Improving Teacher Quality grants.

*Effect:* The City is not in compliance with Federal guidelines related to the documentation of salaries required by OMB Circular A-87, Cost Principals for State, Local and Indian Tribal Governments.

*Auditors' Recommendation:* We recommend the City enact policies and procedures to ensure that they are in compliance with the Federal guidelines regarding documentation required by OMB Circular A-87.

*Questioned Costs:* Unknown

*Managements Response:* The City has compiled a corrective action plan to address this finding.

**D. Prior Audit Findings and Questioned Costs – Financial Statement Audit**

None