

CITY OF PITTSFIELD, MASSACHUSETTS

**INDEPENDENT AUDITOR'S REPORTS PURSUANT
TO GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE**

FOR THE YEAR ENDED JUNE 30, 2022

CITY OF PITTSFIELD, MASSACHUSETTS

**Independent Auditor's Reports Pursuant
To Government Auditing Standards
And 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**

To the Honorable Mayor
City of Pittsfield, 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, business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Pittsfield, Massachusetts, as of and for the year ended June 30, 2022, (except for the Pittsfield 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 Pittsfield, Massachusetts' basic financial statements and have issued our report thereon dated March 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Pittsfield, 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 Pittsfield, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Pittsfield, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pittsfield, 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 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 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.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

March 28, 2023

**INDEPENDENT AUDITOR’S 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**

To the Honorable Mayor
City of Pittsfield, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Pittsfield, 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 Pittsfield, Massachusetts’ major federal programs for the year ended June 30, 2022. The City of Pittsfield, 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 Pittsfield, Massachusetts, complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Pittsfield, 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 Pittsfield, 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 Pittsfield, Massachusetts’ 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 the City of Pittsfield, 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 GAAS, *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 Pittsfield, Massachusetts' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Pittsfield, 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 Pittsfield, 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 Pittsfield, 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City of Pittsfield, Massachusetts' response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City of Pittsfield, Massachusetts' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 discretely presented component unit and remaining fund information of the City of Pittsfield, Massachusetts, as of and for the year ended June 30, 2022, (except for the Pittsfield 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 Pittsfield, Massachusetts' basic financial statements. Our report includes a reference to other auditors who audited the financial statements of the Berkshire Athenaeum, as described in our report of the City of Pittsfield, Massachusetts' basic financial statements. We issued our report thereon, dated March 28, 2023, 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 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.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

March 28, 2023

**CITY OF PITTSFIELD, MASSACHUSETTS
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	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Agriculture				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
School Breakfast Program - COVID-19	10.553	02-236	\$ -	\$ 584,434
National School Lunch Program - COVID-19	10.555	02-236	-	2,367,491
After School Snacks	10.555	02-236	-	38,029
Emergency Operation Costs	10.555	02-236	-	303,449
Supply Chain Assistance	10.555	02-236	-	104,169
Summer Food Service Program for Children - COVID-19	10.559	02-236	-	156,051
Non-Cash Financial Assistance - Commodities	10.555	02-236	-	310,710
Total Child Nutrition Cluster			-	3,864,333
State P-EBT Administrative Cost Grant	10.649	02-236	-	7,368
Total U. S. Department of Agriculture			-	3,871,701
U. S. Department of Housing and Urban Development				
Direct Programs:				
Community Development Block Grants Cluster:				
Community Development Block Grants	14.218		323,548	1,946,401
Community Development Block Grants - COVID-19	14.218		222,528	446,599
Total Community Development Block Grants Cluster			546,076	2,393,000
Total U. S. Department of Housing and Urban Development			546,076	2,393,000
U. S. Department of the Interior				
Passed Through Commonwealth of Massachusetts				
Department of Fish and Game, Division of Ecological Restoration:				
Mill Street Dam Removal Project	15.153	42671	-	3,900
Total U. S. Department of the Interior			-	3,900
U. S. Department of Justice				
Direct Programs:				
Coronavirus Emergency Supplemental Funding	16.034		-	6,881
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Homeland Security:				
Violence Against Women Act - 2020	16.588		-	36,423
Violence Against Women Act - 2021	16.588		-	11,187
Byrne Justice Assistance Grant - 2022	16.738		-	29,806
Total U. S. Department of Justice			-	84,297
TOTAL PAGE 1 OF 5			\$ 546,076	\$ 6,352,898

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF PITTSFIELD, MASSACHUSETTS
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	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Treasury				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ -	\$ 1,843,660
Passed Through Commonwealth of Massachusetts				
Department of Revenue:				
Coronavirus Relief Fund Municipal Aid	21.019		-	20,729
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
CvRF School Reopening - 2021	21.019	102-400942-2021-0236	-	43,588
Total U. S. Department of Treasury			<u>-</u>	<u>1,907,977</u>
U. S. Department of Transportation				
Direct Program:				
Airport Improvement Program:				
Grant No. AIP-3-25-0041-033-2021 - Airport Environmental Assessment	20.106		-	52,762
Grant No. AIP-3-25-0041-037-2022 - Airport Improvement	20.106		-	133,274
Grant No. ACR-3-25-0041-034-2021 - Airport Coronavirus Response	20.106		-	23,000
Total Airport Improvement Program			<u>-</u>	<u>209,036</u>
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Homeland Security:				
State and Community Highway Safety:				
Traffic Enforcement				
Traffic Enforcement	20.600		-	551
Pedestrian, Bicycle and Moped Safety				
Pedestrian, Bicycle and Moped Safety	20.600		-	10
Municipal Road Safety Program				
Municipal Road Safety Program	20.600		-	38,509
Total State and Community Highway Safety			<u>-</u>	<u>39,070</u>
Hazardous Materials Emergency Planning				
Hazardous Materials Emergency Planning	20.703		-	7,500
Total U. S. Department of Transportation			<u>-</u>	<u>255,606</u>
Institute for Museum and Library Services				
Passed Through Commonwealth of Massachusetts				
Board of Library Commissioners:				
Library Preservation	45.310		-	5,272
Total Institute for Museum and Library Services			<u>-</u>	<u>5,272</u>
TOTAL PAGE 2 OF 5			<u>\$ -</u>	<u>\$ 2,168,855</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF PITTSFIELD, MASSACHUSETTS
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	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Education				
Direct Program:				
Impact Aid	84.041		\$ -	\$ 535
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Adult Education Basic Grants to States:				
Adult Learning Services: Integrated Education and Training - 2021	84.002	671-377906-2021-0236	-	31,219
Total Adult Education Basic Grants to States			-	31,219
Title I, Part A:				
Title I - 2020	84.010A	305-304343-2020-0236	-	46,424
Title I - 2021	84.010A	305-397383-2021-0236	-	1,304,725
Title I - 2022	84.010A	305-548719-2022-0236	-	81,164
Turnaround Assistance - 2021	84.010	325-432982-2021-0236	-	48,879
Turnaround Assistance - 2022	84.010	325-594810-2022-0236	-	111,836
Level 3 Turnaround - 2021	84.010	539-432981-2021-0236	-	97,282
Level 3 Turnaround - 2022	84.010	539-534180-2022-0236	-	221,116
Total Title I, Part A			-	1,911,426
Special Education Cluster:				
Special Education PL 94-142 Allocation - 2020	84.027A	240-295233-2020-0236	-	5,883
Special Education PL 94-142 Allocation - 2021	84.027A	240-401211-2021-0236	-	1,457,616
Special Education PL 94-142 Allocation - 2022	84.027A	240-569742-2022-0236	-	182,191
Systems for Student Success - 2021	84.027	248-410373-2021-0236	-	21,691
Systems for Student Success - 2022	84.027	248-548746-2022-0236	-	32,000
Leading Educational Access Project - 2021	84.027	231-483249-2021-0236	-	2,974
Special Education Program Improvement - 2021	84.027	274-484227-2021-0236	-	38,020
American Rescue Plan Individuals with Disabilities Education Act - 2022	84.027	252-579682-2022-0236	-	79,512
Special Education Early Childhood Allocation - 2021	84.173A	262-401212-2021-0236	-	30,132
Special Education Early Childhood Allocation - 2022	84.173A	262-569744-2022-0236	-	18,395
Special Education Early Childhood Program Improvement - 2021	84.173	298-484231-2021-0236	-	1,020
American Rescue Plan IDEA Early Childhood - 2022	84.173	264-579685-2022-0236	-	1,974
Total Special Education Cluster			-	1,871,408
Career and Technical Education Basic Grants to States:				
Occupational Education - Vocational Skills - 2021	84.048A	400-387902-2021-0236	-	14,681
Occupational Education - Vocational Skills - 2022	84.048A	400-532155-2022-0236	-	88,315
Total Career and Technical Education Basic Grants to States			-	102,996
TOTAL PAGE 3 OF 5			\$ -	\$ 3,917,584

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF PITTSFIELD, MASSACHUSETTS
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	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of Education				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Twenty-First Century Community Learning Centers:				
21st Century Community Learning Center - 2021	84.287	645-405603-2021-0236	\$ -	\$ 111,795
21st Century Community Learning Center - 2021	84.287	646-405604-2021-0236	-	31,833
21st Century Community Learning Center - 2022	84.287	645-569745-2022-0236	-	364,705
Total Twenty-First Century Community Learning Centers			-	508,333
English Language Acquisition Grants:				
LEP Support - 2021	84.365A	180-401090-2021-0236	-	26,473
LEP Support - 2022	84.365A	180-558198-2022-0236	-	902
Total English Language Acquisition Grants			-	27,375
Improving Teacher Quality State Grants:				
Teacher Quality - 2021	84.367A	140-397384-2021-0236	-	126,131
Teacher Quality - 2022	84.367A	140-548720-2022-0236	-	113,577
Total Improving Teacher Quality State Grants			-	239,708
Striving Readers:				
Growing Literacy Equity Across Massachusetts:				
Collaboration and Preparation - 2021	84.371	507-497761-2021-0236	-	196
Total Striving Readers			-	196
Student Support and Academic Enrichment Program:				
Student Support and Academic Enrichment - 2020	84.424A	309-304342-2020-0236	-	3,808
Student Support and Academic Enrichment - 2021	84.424A	309-397385-2021-0236	-	77,605
Student Support and Academic Enrichment - 2022	84.424A	309-548721-2022-0236	-	21,802
Total Student Support and Academic Enrichment Program			-	103,215
Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief I - 2021	84.425D	113-397313-2021-0236	-	247,965
Elementary and Secondary School Emergency Relief II - 2022	84.425D	115-508615-2022-0236	-	2,914,732
Elementary and Secondary School Emergency Relief III - 2022	84.425U	119-583160-2022-0236	-	3,285,176
Math Acceleration Academies - 2022	84.425D	125-667677-2022-0236	-	89,785
American Rescue Plan Homeless Children and Youth - 2022	84.425W	302-632948-2022-0236	-	594
Total Education Stabilization Fund			-	6,538,252
Total page 4			-	7,417,079
Total page 3			-	3,917,584
Total U. S. Department of Education			-	11,334,663
TOTAL PAGE 4 OF 5			\$ -	\$ 7,417,079

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF PITTSFIELD, MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Environmental Protection Agency				
Passed Through Massachusetts Clean Water Trust:				
Capitalization Grants for Clean Water State Revolving Funds:				
Wastewater Treatment Plant Improvements - Loan No. CWP-18-12	66.458	CS-25000120-0	\$ -	\$ 2,282,255
Wastewater Treatment Plant Improvements - Loan No. CWP-18-12	66.458	CS-25000121-0	-	1,688,903
Total Environmental Protection Agency			-	3,971,158
Corporation for National and Community Service				
Direct Program:				
Retired Senior Volunteer Program	94.002		-	54,579
Total Corporation for National and Community Service			-	54,579
U. S. Department of Homeland Security				
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Homeland Security:				
Disaster Grants Public Assistance - COVID-19	97.036	DR-4496	-	41,049
Emergency Management Performance Grants	97.042		-	20,150
Total U. S. Department of Homeland Security			-	61,199
TOTAL PAGE 5 OF 5			-	4,086,936
TOTAL PAGE 4 OF 5			-	7,417,079
TOTAL PAGE 3 OF 5			-	3,917,584
TOTAL PAGE 2 OF 5			-	2,168,855
TOTAL PAGE 1 OF 5			546,076	6,352,898
TOTAL FEDERAL AWARDS EXPENDED			\$ 546,076	\$ 23,943,352

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**CITY OF PITTSFIELD, MASSACHUSETTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Pittsfield, Massachusetts, 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 Pittsfield, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Pittsfield, Massachusetts.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

NOTE C – INDIRECT COSTS

The City of Pittsfield, Massachusetts, did not use the de minimis cost rate.

NOTE D – FOOD DISTRIBUTION

The City of Pittsfield, Massachusetts, receives non-cash commodities from the U.S. Department of Agriculture as part of the National School Lunch program. The amounts reported as non-cash assistance represent the fair market value of these commodities received during the year.

The amounts reported as cash assistance represent federal reimbursement for meals provided.

NOTE E – U.S. DEPARTMENT OF HOMELAND SECURITY PROGRAMS

U. S. Department of Homeland Security's Disaster Grants – Public Assistance (Presidentially Declared Disaster) expenditures are recognized when the Federal Emergency Management Administration (FEMA) approves the City of Pittsfield, Massachusetts' project worksheets (PW) and the City has incurred eligible expenditures. The amounts reported in the Schedule includes \$41,049 of expenditures incurred in prior fiscal years but awarded by FEMA in the current fiscal year.

**CITY OF PITTSFIELD, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? X Yes ___ None Reported

Type of Auditor’s Report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ Yes X No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	U. S. Department of Agriculture – Child Nutrition Cluster
14.218	U. S. Department of Housing and Urban Development – Community Development Block Grants
21.027	U. S. Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds
66.458	U. S. Environmental Protection Agency – Capitalization Grants for Clean Water State Revolving Funds
84.287	U. S. Department of Education – Twenty-First Century Community Learning Centers
84.425	U. S. Department of Education – Education Stabilization Fund

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

Auditee qualified as low-risk auditee? ___ Yes X No

**CITY OF PITTSFIELD, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A significant deficiency in internal control over compliance is reported as finding 2022-001 following on page 16.

SECTION IV – PRIOR YEAR FINDINGS

None reported.

**CITY OF PITTSFIELD, MASSACHUSETTS
SUMMARY SCHEDULE OF CURRENT AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

Finding 2022-001

Significant Deficiency in Internal Control Over Compliance – U.S. Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds – (Federal Assistance Listing Number 21.027) – Reporting

Criteria:

Recipients of Coronavirus State and Local Fiscal Recovery Funds are required to file Project and Expenditure Reports on a regular, recurring basis. For local governments that are in the tier which the City of Pittsfield is in, the reporting is required quarterly. The Project and Expenditure Reports require information to be reported on financial data, projects funded, expenditures, and contracts and subawards over \$50,000, and other information. The financial data and expenditures reported should reflect the financial activity and expenditures on the municipal general ledger.

Condition:

The City of Pittsfield did submit quarterly Project and Expenditure Reports. However, we noted that the June 2022 report did not accurately reflect the expenditures on the City's general ledger. Cumulative Expenditures reported were \$2,098,712.98, but the City's general ledger had only \$1,843,659.90 total expenditures, with the reported expenditures \$255,053.08 higher than the general ledger expenditures. We noted there was one invoice for the Ashley Water Treatment Facility for \$235,017.58 that was paid on April 21, 2022 that appears to have been reported twice. The amount was included on the January-March 2022 report and also on the April-June 2022 report. The personnel in charge of administering the program have identified six other expenditures that were reported twice for a total of \$18,607.30, leaving an unidentified variance of \$1,428.20, which may be a difference in reporting salaries charged to the program.

Cause:

It appears that when the Project and Expenditure (P&E) reports were filed, there was no reconciliation back to the City's accounting records of cumulative expenditures. The project administration had relied on reports provided to them that had the expenditures in question on both quarters' reports.

Effect:

The amount of total expenditures on the Project and Expenditure Reports is misstated and does not reflect the true total costs charged to the program.

Questioned Costs:

None reported.

Recommendation:

The City should establish procedures to reconcile the amounts reported as expended on the Project and Expenditure Reports to the City's MUNIS general ledger.

Views of Responsible Officials and Planned Corrective Action:

See Corrective Action Plan following on page 17.

**CITY OF PITTSFIELD, MASSACHUSETTS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2022**

Finding No. 2022-001

**Significant Deficiency in Internal Control Over Compliance – U.S. Department of Treasury –
Coronavirus State and Local Fiscal Recovery Funds – (Federal Assistance Listing Number 21.027)
– Reporting**

Name of Person Responsible:

Gina Armstrong

Corrective Action Planned:

After the overreporting was identified the city reviewed the Treasury report against the general ledger and was able to identify all the expenditures that were reported twice in two consecutive quarterly reports. The city will make take corrective action to amend the report submitted to US Treasury to address the overreporting of expenses. These adjustments will result in the reconciliation of the general ledger and the reports submitted to Treasury.

Anticipated Completion Date:

No later than April 30, 2023