

CORBETT SCHOOL DISTRICT NO. 39
Multnomah County, Oregon

Schedule of Expenditures of Federal Awards
And Related Reports

Year Ended June 30, 2022

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8



Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150 Portland, OR 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

**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**

Board of Directors
Corbett School District No. 39
Corbett, Oregon

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Corbett School District No. 39, Multnomah County, Oregon, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 30, 2023.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the *Schedule of Findings and Questioned Costs*, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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 the deficiency described in the *Schedule of Findings and Questioned Costs* as item 2022-001 to be a material weakness.

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. We consider the deficiency described in the *Schedule of Findings and Questioned Costs* as item 2022-002 to be a significant deficiency.

**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 District'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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the *Schedule of Findings and Questioned Costs*. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Talbot, Kowala & Warwick LLP

Portland, Oregon
April 30, 2023



Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150 Portland, OR 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

**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**

Board of Directors
Corbett School District No. 39
Corbett, Oregon

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Corbett School District No. 39 (the District'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 the District's major federal program for the year ended June 30, 2022. The District's major federal program is identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2022.

Basis for Qualified Opinion on the 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 District 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 qualified opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying *Schedule of Findings and Questioned Costs*, the District did not comply with requirements regarding the Child Nutrition Cluster as described in finding numbers 2022-007 for Procurement and 2022-008 for Reporting.

Compliance with such requirements is necessary, in our opinion for the District to comply with the requirements applicable to that program.

**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**

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 District'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 the District'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 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 District's compliance with the requirements of the 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding the District'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 District'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.

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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

**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**

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. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as items 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, and 2022-008 to be material weaknesses.

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 District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying *Schedule of Findings and Questioned Costs*. The District'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.

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 District as of and for the year ended June 30, 2022, and have issued our report thereon dated April 30, 2023 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on those financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

Talbot, Kowala & Warwick LLP

Portland, Oregon
June 30, 2023

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Agency/Program Title	Federal Assistance Number	Pass-Through Number	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
PASSED THROUGH OREGON DEPARTMENT OF EDUCATION:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	n/a	\$ 127,161
National School Lunch Program (NSLP)	10.555	n/a	263,338
NSLP Supply Chain Assistance	10.555	n/a	23,709
NSLP Donated Commodities	10.555	n/a	17,523
Total Child Nutrition Cluster			431,731
P-EBT Administrative Costs Grants	10.649	n/a	614
TOTAL U.S. DEPARTMENT OF AGRICULTURE			432,345
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
PASSED THROUGH OREGON DEPARTMENT OF EDUCATION:			
Voluntary School and Child Care Lead Testing and Reduction Grant Program	66.444	70989	8,400
<u>U.S. DEPARTMENT OF EDUCATION</u>			
PASSED THROUGH OREGON DEPARTMENT OF EDUCATION:			
Special Education Cluster (IDEA)			
COVID-19 Special Education Grants to States	84.027	68345	41,064
Special Education Grants to States	84.027	56621	156,248
Special Education Grants to States Total			197,312
COVID-19 Special Education Preschool Grants	84.173	69127	1,534
Special Education Preschool Grants	84.173	68883	2,573
Special Education Preschool Grants to States Total			4,107
Total Special Education Cluster (IDEA)			201,419
Title I Grants to Local Educational Agencies	84.010	582535	65,048
Supporting Effective Instruction State Grants	84.367	67378	13,137
Student Support and Academic Enrichment Program	84.424	58550	10,000
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	58550	76,204
TOTAL PASSED THROUGH OREGON DEPARTMENT OF EDUCATION			365,808
PASSED THROUGH OREGON DEPARTMENT OF HEALTH SERVICES:			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	154900	19,792
TOTAL U.S. DEPARTMENT OF EDUCATION			385,600
FEDERAL FINANCIAL ASSISTANCE GRAND TOTAL			\$ 826,345

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District 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 District, it is not intended to and does not present the financial position or changes in net assets of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified 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.

3. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. SUBRECIPIENTS

The District does not pass-through federal awards to any subrecipients.

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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? Yes X No

Noncompliance material to financial statements noted? Yes No X

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified? Yes X No

• Significant deficiency(ies) identified? Yes No X

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 2 CFR 200.516(a)?

Yes X No

Identification of major federal programs:

Assistance Listing Number(s) ***Name of Federal Program or Cluster***

10.553, 10.555 Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No X

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2022-001

<i>Criteria:</i>	The District has the responsibility for establishing and maintaining effective internal control over financial reporting.
<i>Condition:</i>	A lack of complete and timely reconciliations, considered to be material weakness in controls over financial reporting, was identified.
<i>Cause:</i>	The cause appears to be related to turnover in accounting personnel that left the District with only one individual to record and/or process certain transactions.
<i>Effect or potential effect:</i>	Two adjusting entries, a \$129,898 adjustment to capital assets and a \$689,403 adjustment to accrued payroll in the General Fund, were identified as a result of audit procedures. The lack of complete and timely reconciliations has the potential to allow a material misstatement due to error or fraud.
<i>Context:</i>	The lack of complete and timely reconciliations was identified during inquiries to obtain an understanding of internal controls and while performing audit procedures over account balances.
<i>Recommendation:</i>	The District should implement policies and procedures to ensure complete and timely reconciliations are performed to prevent or detect and correct a material misstatement.
<i>Views of responsible officials:</i>	The District understands and concurs with this finding.

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

Finding 2022-002

<i>Criteria:</i>	The District has the responsibility for establishing and maintaining effective internal control over financial reporting.
<i>Condition:</i>	A lack of controls over the receipt and tracking of student activity funds considered to be a significant deficiency in controls over financial reporting, was identified.
<i>Cause:</i>	The cause appears to be related to turnover in accounting personnel that left the District with only one individual to record and/or process certain transactions.
<i>Effect or potential effect:</i>	No necessary adjusting entries were identified as a result of audit procedures. However, the lack of controls over the receipt and tracking of student activity funds could allow a material misstatement to occur due to error or fraud.
<i>Context:</i>	The lack of controls over the receipt and tracking of student activity funds was identified during inquiries to obtain an understanding of internal controls and while performing audit procedures over account balances.
<i>Recommendation:</i>	The District should implement policies and procedures over the receipt and tracking of student activity funds to prevent or detect and correct a material misstatement.
<i>Views of responsible officials:</i>	The District understands and concurs with this finding.

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2022-003

<i>Federal program:</i>	Child Nutrition Cluster (CFDA 10.553, 10.555)
<i>Criteria:</i>	Per Title 2, Subtitle A, Chapter II, Subpart D, Section 202.303 (a), a non-Federal entity must "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)."
<i>Condition:</i>	A material weakness in controls over compliance was identified for controls over compliance requirement E from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Controls over eligibility determinations were found not to be implemented.
<i>Cause:</i>	Oversights by administrative staff, which may have been due to a lack of familiarity with the eligibility determination software and processes utilized by the District.
<i>Effect or potential effect:</i>	A lack of effective internal controls over compliance for eligibility determinations could cause ineligible children to receive the subsidy
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	Out of a population of 242 eligibility determinations subjected to sampling, 25 samples were selected. Of the 25 eligibility determinations selected, none showed evidence of review.
<i>Recommendation:</i>	The District should develop and implement policies and procedures to ensure that all eligibility determinations are reviewed in a timely manner and documented appropriately.
<i>Views of responsible officials:</i>	The District understands and concurs with this finding.

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2022-004

<i>Federal Program:</i>	Child Nutrition Cluster (CFDA 10.553, 10.555)
<i>Criteria:</i>	Per Title 2, Subtitle A, Chapter II, Subpart D, Section 202.303 (a), a non-Federal entity must "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)."
<i>Condition:</i>	A material weakness in controls over compliance was identified for controls over compliance requirement I(b) from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Controls over suspension and debarment determinations were found not to be implemented.
<i>Cause:</i>	Oversights by administrative staff, which may have been due to a lack of familiarity with the process of checking suspensions and debarments utilized by the District.
<i>Effect or potential effect:</i>	A lack of effective internal controls over compliance for suspension and debarment determinations could cause ineligible vendors to receive payments from federal funds.
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	Out of a population of 14 vendors paid using Child Nutrition Cluster funds subjected to sampling, 4 samples were selected. Of the 4 vendors selected, none had evidence that the suspension and debarment determinations were reviewed.
<i>Recommendation:</i>	The District should develop and implement policies and procedures to ensure that all suspension and debarment determinations are reviewed in a timely manner and documented appropriately.
<i>Views of responsible officials:</i>	The District understands and concurs with this finding.

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2022-005

<i>Federal program:</i>	Child Nutrition Cluster (CFDA 10.553, 10.555)
<i>Criteria:</i>	Per Title 2, Subtitle A, Chapter II, Subpart D, Section 202.303 (a), a non-Federal entity must "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)."
<i>Condition:</i>	A material weakness in controls over compliance was identified for controls over compliance requirement L from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Controls over reporting were found not to be implemented.
<i>Cause:</i>	Oversights by administrative staff, which may have been due to a lack of familiarity with the process of compiling and submitting reports, as well as difficulties adjusting to process changes related to the pandemic and its effects on the District.
<i>Effect or potential effect:</i>	A lack of effective internal controls over compliance for reporting could cause incorrect meal numbers to be reported, leading to the district receiving a higher or lower reimbursement than they should have received.
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	Out of a population of 12 monthly reimbursement reports filed for the year ended June 30, 2022, 4 samples were selected. Of the 4 monthly reimbursement reports, none had evidence of review.
<i>Recommendation:</i>	The District should develop and implement policies and procedures to ensure that all monthly reimbursement reports are reviewed in a timely manner and documented appropriately.
<i>Views of responsible officials:</i>	The District understands and concurs with this finding.

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2022-006

<i>Federal program:</i>	Child Nutrition Cluster (CFDA 10.553, 10.555)
<i>Criteria:</i>	Per Title 2, Subtitle A, Chapter II, Subpart D, Section 202.303 (a), a non-Federal entity must "establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)."
<i>Condition:</i>	A material weakness in controls over compliance was identified for controls over compliance requirement N.1 from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Controls over eligibility verification were found not to be implemented.
<i>Cause:</i>	Oversights by administrative staff, which may have been due to a lack of familiarity with the eligibility verification software and processes utilized by the District.
<i>Effect or potential effect:</i>	A lack of effective internal controls over compliance for eligibility verification could cause ineligible children to receive the subsidy.
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	The 1 eligibility verification performed by the District had no evidence of review.
<i>Recommendation:</i>	The District should develop and implement policies and procedures to ensure that all eligibility verifications are reviewed in a timely manner and documented appropriately.
<i>Views of responsible officials:</i>	The District understands and concurs with this finding.

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2022-007

<i>Federal program:</i>	Child Nutrition Cluster (CFDA 10.553, 10.555)
<i>Criteria:</i>	Per Title 2, Subtitle A, Chapter II, Subpart D, Section 202.318 (a), a non-Federal entity must "have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327."
<i>Condition:</i>	An instance of noncompliance was identified over compliance requirement I(a) from the 2022 Office of Management and Budget (OMB) Compliance Supplement. The District does not have a documented procurement policy.
<i>Cause:</i>	Oversights by administrative staff, which may have been due to a lack of familiarity with procurement policies and the requirements of receiving and administering federal funding.
<i>Effect or potential effect:</i>	A lack of a documented procurement policy for purchases using federal funds could cause a contract or purchase to be made in an improper manner.
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	There were 245 nonpayroll expenditures, totaling \$205,924.67, that were made by the District without a documented procurement policy.
<i>Recommendation:</i>	The District should develop and implement a formal procurement policy consistent with Federal, State, and local laws and regulations.
<i>Views of responsible officials:</i>	The District understands and concurs with this finding.

CORBETT SCHOOL DISTRICT NO. 39

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2022-008

<i>Federal program:</i>	Child Nutrition Cluster (CFDA 10.553, 10.555)
<i>Criteria:</i>	Per Title 7, Subtitle B, Chapter II, Subpart A, Section 210.8 (a).5, a school food authority must "maintain on file, each month's Claim for Reimbursement and all data used in the claims review process, by school. Records shall be retained as specified in § 210.23(c) of this part."
<i>Condition:</i>	An instance of noncompliance was identified over compliance requirement L from the 2022 Office of Management and Budget (OMB) Compliance Supplement. Recordkeeping of the daily supporting documentation for the monthly claims was found to not be in compliance with federal requirements.
<i>Cause:</i>	Oversights by administrative staff, which may have been due to a lack of familiarity with the process of compiling and submitting reports, as well as difficulties adjusting to process changes related to the pandemic and its effects on the District.
<i>Effect or potential effect:</i>	A lack of proper recordkeeping over the number of meals reported for the Child Nutrition Cluster could cause incorrect meal numbers to be reported, causing an over or under claim on reimbursement.
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	Out of a population of 12 monthly reimbursement reports filed for the year ended June 30, 2022, 4 samples were selected. Of the 4 monthly reimbursement reports, all were supported by daily consolidation sheets, but those sheets did not have the original tally sheets available as support.
<i>Recommendation:</i>	The District should develop and implement policies and procedures to ensure that all original daily meal counts and tallies used to support reimbursement reports are maintained for the appropriate amount of time.
<i>Views of responsible officials:</i>	The District understands and concurs with this finding.